COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 390
By: Alvord of the Senate
and
Boles of the House

[ sales tax - exemptions - training sufficiency -
effective date ]

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 68 O.S. 2021, Section 1356, as
last amended by Section 1, Chapter 394, O.S.L. 2022 (68 O.S. Supp.
2022, Section 1356), is amended to read as follows:

Section 1356. Exemptions - Governmental and nonprofit entities.

There are hereby specifically exempted from the tax levied by
Section 1350 et seq. of this title:

1. Sale of tangible personal property or services to the United
States government or to the State of Oklahoma this state, any
political subdivision of this state, or any agency of a political
subdivision of this state; provided, all sales to contractors in
connection with the performance of any contract with the United
States government, State of Oklahoma this state, or any of its
political subdivisions shall not be exempted from the tax levied by
Section 1350 et seq. of this title, except as hereinafter provided;

2. Sales of property to agents appointed by or under contract
with agencies or instrumentalities of the United States government
if ownership and possession of such property transfers immediately
to the United States government;

3. Sales of property to agents appointed by or under contract
with a political subdivision of this state if the sale of such
property is associated with the development of a qualified federal
facility, as provided in the Oklahoma Federal Facilities Development
Act, and if ownership and possession of such property transfers
immediately to the political subdivision or the state;

4. Sales made directly by county, district, or state fair
authorities of this state, upon the premises of the fair authority,
for the sole benefit of the fair authority or sales of admission
tickets to such fairs or fair events at any location in the state
authorized by county, district, or state fair authorities; provided,
the exemption provided by this paragraph for admission tickets to
fair events shall apply only to any portion of the admission price
that is retained by or distributed to the fair authority. As used
in this paragraph, “fair event” shall be limited to an event held on
the premises of the fair authority in conjunction with and during
the time period of a county, district, or state fair;
5. Sale of food in cafeterias or lunchrooms of elementary schools, high schools, colleges or universities which are operated primarily for teachers and pupils and are not operated primarily for the public or for profit;

6. Dues paid to fraternal, religious, civic, charitable or educational societies or organizations by regular members thereof provided, such societies or organizations operate under what is commonly termed the lodge plan or system, and provided such societies or organizations do not operate for a profit which inures to the benefit of any individual member or members thereof to the exclusion of other members and dues paid monthly or annually to privately owned scientific and educational libraries by members sharing the use of services rendered by such libraries with students interested in the study of geology, petroleum engineering or related subjects;

7. Sale of tangible personal property or services to or by churches, except sales made in the course of business for profit or savings, competing with other persons engaged in the same or a similar business or sale of tangible personal property or services by an organization exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, made on behalf of or at the request of a church or churches if the sale of such property is conducted not more than once each calendar year for a period not to exceed three (3) days by the organization
and proceeds from the sale of such property are used by the church
or churches or by the organization for charitable purposes;

8. The amount of proceeds received from the sale of admission
tickets which is separately stated on the ticket of admission for
the repayment of money borrowed by any accredited state-supported
college or university or any public trust of which a county in this
state is the beneficiary, for the purpose of constructing or
enlarging any facility to be used for the staging of an athletic
event, a theatrical production, or any other form of entertainment,
edification or cultural cultivation to which entry is gained with a
paid admission ticket. Such facilities include, but are not limited
to, athletic fields, athletic stadiums, field houses, amphitheaters,
and theaters. To be eligible for this sales tax exemption, the
amount separately stated on the admission ticket shall be a
surcharge which is imposed, collected and used for the sole purpose
of servicing or aiding in the servicing of debt incurred by the
college or university to effect the capital improvements
hereinbefore described;

9. Sales of tangible personal property or services to the
council organizations or similar state supervisory organizations of
the Boy Scouts of America, Girl Scouts of the U.S.A., and Camp Fire
USA;

10. Sale of tangible personal property or services to any
county, municipality, rural water district, public school district,
city-county library system, the institutions of The Oklahoma State
System of Higher Education, the Grand River Dam Authority, the
Northeast Oklahoma Public Facilities Authority, the Oklahoma
Municipal Power Authority, City of Tulsa-Rogers County Port
Authority, Muskogee City-County Port Authority, the Oklahoma
Department of Veterans Affairs, the Broken Bow Economic Development
Authority, Ardmore Development Authority, Durant Industrial
Authority, Oklahoma Ordnance Works Authority, Central Oklahoma
Master Conservancy District, Arbuckle Master Conservancy District,
Fort Cobb Reservoir Master Conservancy District, Foss Reservoir
Master Conservancy District, Mountain Park Master Conservancy
District, Waurika Lake Master Conservancy District, and the Office
of Management and Enterprise Services only when carrying out a
public construction contract on behalf of the Oklahoma Department of
Veterans Affairs, and effective July 1, 2022, the University
Hospitals Trust, or to any person with whom any of the above-named
subdivisions or agencies of this state has duly entered into a
public contract pursuant to law, necessary for carrying out such
public contract or to any subcontractor to such a public contract.

Any person making purchases on behalf of such subdivision or agency
of this state shall certify, in writing, on the copy of the invoice
or sales ticket to be retained by the vendor that the purchases are
made for and on behalf of such subdivision or agency of this state
and set out the name of such public subdivision or agency. Any
person who wrongfully or erroneously certifies that purchases are
for any of the above-named subdivisions or agencies of this state or
who otherwise violates this section shall be guilty of a misdemeanor
and upon conviction thereof shall be fined an amount equal to double
the amount of sales tax involved or incarcerated for not more than
sixty (60) days or both;

11. Sales of tangible personal property or services to private
institutions of higher education and private elementary and
secondary institutions of education accredited by the State
Department of Education or registered by the State Board of
Education for purposes of participating in federal programs or
accredited as defined by the Oklahoma State Regents for Higher
Education which are exempt from taxation pursuant to the provisions
of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) including
materials, supplies, and equipment used in the construction and
improvement of buildings and other structures owned by the
institutions and operated for educational purposes.

Any person, firm, agency, or entity making purchases on behalf
of any institution, agency, or subdivision in this state, shall
certify in writing, on the copy of the invoice or sales ticket the
nature of the purchases, and violation of this paragraph shall be a
misdemeanor as set forth in paragraph 10 of this section;

12. Tuition and educational fees paid to private institutions
of higher education and private elementary and secondary
institutions of education accredited by the State Department of
Education or registered by the State Board of Education for purposes
of participating in federal programs or accredited as defined by the
Oklahoma State Regents for Higher Education which are exempt from
taxation pursuant to the provisions of the Internal Revenue Code, 26
U.S.C., Section 501(c)(3);

13. a. Sales of tangible personal property made by:
   (1) a public school,
   (2) a private school offering instruction for grade
       levels kindergarten through twelfth grade,
   (3) a public school district,
   (4) a public or private school board,
   (5) a public or private school student group or
       organization,
   (6) a parent-teacher association or organization
       other than as specified in subparagraph b of this
       paragraph, or
   (7) public or private school personnel for purposes
       of raising funds for the benefit of a public or
       private school, public school district, public or
       private school board, or public or private school
       student group or organization, or
   b. Sales of tangible personal property made by or to
      nonprofit parent-teacher associations or organizations
exempt from taxation pursuant to the provisions of the 
Internal Revenue Code, 26 U.S.C., Section 501(c)(3), 
nonprofit local public or private school foundations 
which solicit money or property in the name of any 
public or private school or public school district.

The exemption provided by this paragraph for sales made by a 
public or private school shall be limited to those public or private 
schools accredited by the State Department of Education or 
registered by the State Board of Education for purposes of 
participating in federal programs. Sale of tangible personal 
property in this paragraph shall include sale of admission tickets 
and concessions at athletic events;

14. Sales of tangible personal property by:
   a. local 4-H clubs,
   b. county, regional, or state 4-H councils,
   c. county, regional, or state 4-H committees,
   d. 4-H leader associations,
   e. county, regional, or state 4-H foundations, and
   f. authorized 4-H camps and training centers.

The exemption provided by this paragraph shall be limited to 
sales for the purpose of raising funds for the benefit of such 
organizations. Sale of tangible personal property exempted by this 
paragraph shall include sale of admission tickets;
15. The first Seventy-five Thousand Dollars ($75,000.00) each year from sale of tickets and concessions at athletic events by each organization exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(4);

16. Sales of tangible personal property or services to any person with whom the Oklahoma Tourism and Recreation Department has entered into a public contract and which is necessary for carrying out such contract to assist the Department in the development and production of advertising, promotion, publicity, and public relations programs;

17. Sales of tangible personal property or services to fire departments organized pursuant to Section 592 of Title 18 of the Oklahoma Statutes which items are to be used for the purposes of the fire department. Any person making purchases on behalf of any such fire department shall certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor that the purchases are made for and on behalf of such fire department and set out the name of such fire department. Any person who wrongfully or erroneously certifies that the purchases are for any such fire department or who otherwise violates the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof, shall be fined an amount equal to double the amount of sales tax involved or incarcerated for not more than sixty (60) days, or both;
18. Complimentary or free tickets for admission to places of amusement, sports, entertainment, exhibition, display, or other recreational events or activities which are issued through a box office or other entity which is operated by a state institution of higher education with institutional employees or by a municipality with municipal employees;

19. The first Fifteen Thousand Dollars ($15,000.00) each year from sales of tangible personal property by fire departments organized pursuant to Titles 11, 18, or 19 of the Oklahoma Statutes for the purposes of raising funds for the benefit of the fire department. Fire departments selling tangible personal property for the purposes of raising funds shall be limited to no more than six (6) days each year to raise such funds in order to receive the exemption granted by this paragraph;

20. Sales of tangible personal property or services to any Boys & Girls Clubs of America affiliate in this state which is not affiliated with the Salvation Army and which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3);

21. Sales of tangible personal property or services to any organization, which takes court-adjudicated juveniles for purposes of rehabilitation, and which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), provided that at least fifty percent (50%) of the
juveniles served by such organization are court adjudicated and the organization receives state funds in an amount less than ten percent (10%) of the annual budget of the organization;

22. Sales of tangible personal property or services to:
   a. any health center as defined in Section 254b of Title 42 of the United States Code,
   b. any clinic receiving disbursements of state monies from the Indigent Health Care Revolving Fund pursuant to the provisions of Section 66 of Title 56 of the Oklahoma Statutes,
   c. any community-based health center which meets all of the following criteria:
      (1) provides primary care services at no cost to the recipient, and
      (2) is exempt from taxation pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), and
   d. any community mental health center as defined in Section 3-302 of Title 43A of the Oklahoma Statutes;

23. Dues or fees including free or complimentary dues or fees which have a value equivalent to the charge that could have otherwise been made, to YMCAs, YWCAs, or municipally-owned recreation centers for the use of facilities and programs;
24. The first Fifteen Thousand Dollars ($15,000.00) each year from sales of tangible personal property or services to or by a cultural organization established to sponsor and promote educational, charitable, and cultural events for disadvantaged children, and which organization is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3);

25. Sales of tangible personal property or services to museums or other entities which have been accredited by the American Association of Museums. Any person making purchases on behalf of any such museum or other entity shall certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor that the purchases are made for and on behalf of such museum or other entity and set out the name of such museum or other entity. Any person who wrongfully or erroneously certifies that the purchases are for any such museum or other entity or who otherwise violates the provisions of this paragraph shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined an amount equal to double the amount of sales tax involved or incarcerated for not more than sixty (60) days, or by both such fine and incarceration;

26. Sales of tickets for admission by any museum accredited by the American Association of Museums. In order to be eligible for the exemption provided by this paragraph, an amount
equivalent to the amount of the tax which would otherwise be
required to be collected pursuant to the provisions of Section 1350
et seq. of this title shall be separately stated on the admission
ticket and shall be collected and used for the sole purpose of
servicing or aiding in the servicing of debt incurred by the museum
to effect the construction, enlarging, or renovation of any facility
to be used for entertainment, edification, or cultural cultivation
to which entry is gained with a paid admission ticket;

27. Sales of tangible personal property or services occurring
on or after June 1, 1995, to children’s homes which are supported or
sponsored by one or more churches, members of which serve as
trustees of the home;

28. Sales of tangible personal property or services to the
organization known as the Disabled American Veterans, Department of
Oklahoma, Inc., and subordinate chapters thereof;

29. Sales of tangible personal property or services to youth
camps which are supported or sponsored by one or more churches,
members of which serve as trustees of the organization;

30. a. Until July 1, 2022, transfer of tangible personal
property made pursuant to Section 3226 of Title 63 of
the Oklahoma Statutes by the University Hospitals
Trust, and

b. Effective July 1, 2022, transfer of tangible personal
property or services to or by:
(1) the University Hospitals Trust created pursuant
to Section 3224 of Title 63 of the Oklahoma
Statutes, or

(2) nonprofit entities which are exempt from taxation
pursuant to the provisions of the Internal
Revenue Code of the United States, 26 U.S.C.,
Section 501(c)(3), which have entered into a
joint operating agreement with the University
Hospitals Trust;

31. Sales of tangible personal property or services to a
municipality, county, or school district pursuant to a lease or
lease-purchase agreement executed between the vendor and a
municipality, county, or school district. A copy of the lease or
lease-purchase agreement shall be retained by the vendor;

32. Sales of tangible personal property or services to any
spaceport user, as defined in the Oklahoma Space Industry
Development Act;

33. The sale, use, storage, consumption, or distribution in
this state, whether by the importer, exporter, or another person, of
any satellite or any associated launch vehicle including components
of, and parts and motors for, any such satellite or launch vehicle,
imported or caused to be imported into this state for the purpose of
export by means of launching into space. This exemption provided by
this paragraph shall not be affected by:
a. the destruction in whole or in part of the satellite or launch vehicle,
b. the failure of a launch to occur or be successful, or
c. the absence of any transfer or title to, or possession of, the satellite or launch vehicle after launch;

34. The sale, lease, use, storage, consumption, or distribution in this state of any space facility, space propulsion system or space vehicle, satellite, or station of any kind possessing space flight capacity including components thereof;

35. The sale, lease, use, storage, consumption, or distribution in this state of tangible personal property, placed on or used aboard any space facility, space propulsion system or space vehicle, satellite, or station possessing space flight capacity, which is launched into space, irrespective of whether such tangible property is returned to this state for subsequent use, storage, or consumption in any manner;

36. The sale, lease, use, storage, consumption, or distribution in this state of tangible personal property meeting the definition of “section 38 property” as defined in Sections 48(a)(1)(A) and (B)(i) of the Internal Revenue Code of 1986, that is an integral part of and used primarily in support of space flight; however, section 38 property used in support of space flight shall not include general office equipment, any boat, mobile home, motor vehicle, or other vehicle of a class or type required to be
registered, licensed, titled, or documented in this state or by the
United States government, or any other property not specifically
suited to supporting space activity. The term “in support of space
flight”, for purposes of this paragraph, means the altering,
monitoring, controlling, regulating, adjusting, servicing, or
repairing of any space facility, space propulsion systems or space
vehicle, satellite, or station possessing space flight capacity
including the components thereof;

37. The purchase or lease of machinery and equipment for use at
a fixed location in this state, which is used exclusively in the
manufacturing, processing, compounding, or producing of any space
facility, space propulsion system or space vehicle, satellite, or
station of any kind possessing space flight capacity. Provided, the
exemption provided for in this paragraph shall not be allowed unless
the purchaser or lessee signs an affidavit stating that the item or
items to be exempted are for the exclusive use designated herein.
Any person furnishing a false affidavit to the vendor for the
purpose of evading payment of any tax imposed by Section 1354 of
this title shall be subject to the penalties provided by law. As
used in this paragraph, “machinery and equipment” means “section 38
property” as defined in Sections 48(a)(1)(A) and (B)(i) of the
Internal Revenue Code of 1986, which is used as an integral part of
the manufacturing, processing, compounding, or producing of items of
tangible personal property. Such term includes parts and
accessories only to the extent that the exemption thereof is consistent with the provisions of this paragraph;

38. The amount of a surcharge or any other amount which is separately stated on an admission ticket which is imposed, collected, and used for the sole purpose of constructing, remodeling, or enlarging facilities of a public trust having a municipality or county as its sole beneficiary;

39. Sales of tangible personal property or services which are directly used in or for the benefit of a state park in this state, which are made to an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and which is organized primarily for the purpose of supporting one or more state parks located in this state;

40. The sale, lease, or use of parking privileges by an institution of The Oklahoma State System of Higher Education;

41. Sales of tangible personal property or services for use on campus or school construction projects for the benefit of institutions of The Oklahoma State System of Higher Education, private institutions of higher education accredited by the Oklahoma State Regents for Higher Education, or any public school or school district when such projects are financed by or through the use of nonprofit entities which are exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3);
42. Sales of tangible personal property or services by an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), in the course of conducting a national championship sports event, but only if all or a portion of the payment in exchange therefor would qualify as the receipt of a qualified sponsorship payment described in Internal Revenue Code, 26 U.S.C., Section 513(i). Sales exempted pursuant to this paragraph shall be exempt from all Oklahoma sales, use, excise, and gross receipts taxes;

43. Sales of tangible personal property or services to or by an organization which:

a. is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3),

b. is affiliated with a comprehensive university within The Oklahoma State System of Higher Education, and

c. has been organized primarily for the purpose of providing education and teacher training and conducting events relating to robotics;

44. The first Fifteen Thousand Dollars ($15,000.00) each year from sales of tangible personal property to or by youth athletic teams which are part of an athletic organization exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26
U.S.C., Section 501(c)(4), for the purposes of raising funds for the benefit of the team;

45. Sales of tickets for admission to a collegiate athletic event that is held in a facility owned or operated by a municipality or a public trust of which the municipality is the sole beneficiary and that actually determines or is part of a tournament or tournament process for determining a conference tournament championship, a conference championship, or a national championship;

46. Sales of tangible personal property or services to or by an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and is operating the Oklahoma City National Memorial and Museum, an affiliate of the National Park System;

47. Sales of tangible personal property or services to organizations which are exempt from federal taxation pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), the memberships of which are limited to honorably discharged veterans, and which furnish financial support to area veterans’ organizations to be used for the purpose of constructing a memorial or museum;

48. Sales of tangible personal property or services on or after January 1, 2003, to an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) that is expending monies received from a private
foundation grant in conjunction with expenditures of local sales tax
revenue to construct a local public library;

49. Sales of tangible personal property or services to a state
that borders this state or any political subdivision of that state,
but only to the extent that the other state or political subdivision
exempts or does not impose a tax on similar sales of items to this
state or a political subdivision of this state;

50. Effective July 1, 2005, sales of tangible personal property
or services to the Career Technology Student Organizations under the
direction and supervision of the Oklahoma Department of Career and
Technology Education;

51. Sales of tangible personal property to a public trust
having either a single city, town or county or multiple cities,
towns or counties, or combination thereof as beneficiary or
beneficiaries or a nonprofit organization which is exempt from
taxation pursuant to the provisions of the Internal Revenue Code, 26
U.S.C., Section 501(c)(3) for the purpose of constructing
improvements to or expanding a hospital or nursing home owned and
operated by any such public trust or nonprofit entity prior to July
1, 2008, in counties with a population of less than one hundred
thousand (100,000) persons, according to the most recent Federal
Decennial Census. As used in this paragraph, “constructing
improvements to or expanding” shall not mean any expense for routine
maintenance or general repairs and shall require a project cost of
at least One Hundred Thousand Dollars ($100,000.00). For purposes of this paragraph, sales made to a contractor or subcontractor that enters into a contractual relationship with a public trust or nonprofit entity as described by this paragraph shall be considered sales made to the public trust or nonprofit entity. The exemption authorized by this paragraph shall be administered in the form of a refund from the sales tax revenues apportioned pursuant to Section 1353 of this title and the vendor shall be required to collect the sales tax otherwise applicable to the transaction. The purchaser may apply for a refund of the sales tax paid in the manner prescribed by this paragraph. Within thirty (30) days after the end of each fiscal year, any purchaser that is entitled to make application for a refund based upon the exempt treatment authorized by this paragraph may file an application for refund of the sales taxes paid during such preceding fiscal year. The Oklahoma Tax Commission shall prescribe a form for purposes of making the application for refund. The Tax Commission shall determine whether or not the total amount of sales tax exemptions claimed by all purchasers is equal to or less than Six Hundred Fifty Thousand Dollars ($650,000.00). If such claims are less than or equal to that amount, the Tax Commission shall make refunds to the purchasers in the full amount of the documented and verified sales tax amounts. If such claims by all purchasers are in excess of Six Hundred Fifty Thousand Dollars ($650,000.00), the Tax Commission shall determine
the amount of each purchaser’s claim, the total amount of all claims
by all purchasers, and the percentage each purchaser’s claim amount
bears to the total. The resulting percentage determined for each
purchaser shall be multiplied by Six Hundred Fifty Thousand Dollars
($650,000.00) to determine the amount of refundable sales tax to be
paid to each purchaser. The pro rata refund amount shall be the
only method to recover sales taxes paid during the preceding fiscal
year and no balance of any sales taxes paid on a pro rata basis
shall be the subject of any subsequent refund claim pursuant to this
paragraph;

52. Effective July 1, 2006, sales of tangible personal property
or services to any organization which assists, trains, educates, and
provides housing for physically and mentally handicapped disabled
persons and which is exempt from taxation pursuant to the provisions
of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and that
receives at least eighty-five percent (85%) of its annual budget
from state or federal funds. In order to receive the benefit of the
exemption authorized by this paragraph, the taxpayer shall be
required to make payment of the applicable sales tax at the time of
sale to the vendor in the manner otherwise required by law.
Notwithstanding any other provision of the Oklahoma Uniform Tax
Procedure Code to the contrary, the taxpayer shall be authorized to
file a claim for refund of sales taxes paid that qualify for the
exemption authorized by this paragraph for a period of one (1) year
after the date of the sale transaction. The taxpayer shall be required to provide documentation as may be prescribed by the Oklahoma Tax Commission in support of the refund claim. The total amount of sales tax qualifying for exempt treatment pursuant to this paragraph shall not exceed One Hundred Seventy-five Thousand Dollars ($175,000.00) each fiscal year. Claims for refund shall be processed in the order in which such claims are received by the Oklahoma Tax Commission. If a claim otherwise timely filed exceeds the total amount of refunds payable for a fiscal year, such claim shall be barred;

53. The first Two Thousand Dollars ($2,000.00) each year of sales of tangible personal property or services to, by, or for the benefit of a qualified neighborhood watch organization that is endorsed or supported by or working directly with a law enforcement agency with jurisdiction in the area in which the neighborhood watch organization is located. As used in this paragraph, “qualified neighborhood watch organization” means an organization that is a not-for-profit corporation under the laws of the State of Oklahoma that was created to help prevent criminal activity in an area through community involvement and interaction with local law enforcement and which is one of the first two thousand organizations which makes application to the Oklahoma Tax Commission for the exemption after March 29, 2006;
54. Sales of tangible personal property to a nonprofit organization, exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), organized primarily for the purpose of providing services to homeless persons during the day and located in a metropolitan area with a population in excess of five hundred thousand (500,000) persons according to the latest Federal Decennial Census. The exemption authorized by this paragraph shall be applicable to sales of tangible personal property to a qualified entity occurring on or after January 1, 2005;

55. Sales of tangible personal property or services to or by an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) for events the principal purpose of which is to provide funding for the preservation of wetlands and habitat for wild ducks;

56. Sales of tangible personal property or services to or by an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) for events the principal purpose of which is to provide funding for the preservation and conservation of wild turkeys;

57. Sales of tangible personal property or services to an organization which:
a. is exempt from taxation pursuant to the provisions of
the Internal Revenue Code, 26 U.S.C., Section
501(c)(3), and

b. is part of a network of community-based, autonomous
member organizations that meets the following
criteria:

(1) serves people with workplace disadvantages and
disabilities by providing job training and
employment services, as well as job placement
opportunities and post-employment support,

(2) has locations in the United States and at least
twenty other countries,

(3) collects donated clothing and household goods to
sell in retail stores and provides contract labor
services to business and government, and

(4) provides documentation to the Oklahoma Tax
Commission that over seventy-five percent (75%)
of its revenues are channeled into employment,
job training and placement programs, and other
critical community services;

58. Sales of tickets made on or after September 21, 2005, and
complimentary or free tickets for admission issued on or after
September 21, 2005, which have a value equivalent to the charge that
would have otherwise been made, for admission to a professional
athletic event in which a team in the National Basketball Association is a participant, which is held in a facility owned or operated by a municipality, a county or a public trust of which a municipality or a county is the sole beneficiary, and sales of tickets made on or after July 1, 2007, and complimentary or free tickets for admission issued on or after July 1, 2007, which have a value equivalent to the charge that would have otherwise been made, for admission to a professional athletic event in which a team in the National Hockey League is a participant, which is held in a facility owned or operated by a municipality, a county or a public trust of which a municipality or a county is the sole beneficiary;

59. Sales of tickets for admission and complimentary or free tickets for admission which have a value equivalent to the charge that would have otherwise been made to a professional sporting event involving ice hockey, baseball, basketball, football or arena football, or soccer. As used in this paragraph, “professional sporting event” means an organized athletic competition between teams that are members of an organized league or association with centralized management, other than a national league or national association, that imposes requirements for participation in the league upon the teams, the individual athletes or both, and which uses a salary structure to compensate the athletes;

60. Sales of tickets for admission to an annual event sponsored by an educational and charitable organization of women which is
exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and has as its mission promoting volunteerism, developing the potential of women, and improving the community through the effective action and leadership of trained volunteers;

61. Sales of tangible personal property or services to an organization, which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), and which is itself a member of an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), if the membership organization is primarily engaged in advancing the purposes of its member organizations through fundraising, public awareness, or other efforts for the benefit of its member organizations, and if the member organization is primarily engaged either in providing educational services and programs concerning health-related diseases and conditions to individuals suffering from such health-related diseases and conditions or their caregivers and family members or support to such individuals, or in health-related research as to such diseases and conditions, or both. In order to qualify for the exemption authorized by this paragraph, the member nonprofit organization shall be required to provide proof to the Oklahoma Tax Commission of its membership status in the membership organization;
62. Sales of tangible personal property or services to or by an
organization which is part of a national volunteer women’s service
organization dedicated to promoting patriotism, preserving American
history, and securing better education for children and which has at
least 168,000 members in 3,000 chapters across the United States;

63. Sales of tangible personal property or services to or by a
YWCA or YMCA organization which is part of a national nonprofit
community service organization working to meet the health and social
service needs of its members across the United States;

64. Sales of tangible personal property or services to or by a
veteran’s organization which is exempt from taxation pursuant to the
provisions of the Internal Revenue Code, 26 U.S.C., Section
501(c)(19) and which is known as the Veterans of Foreign Wars of the
United States, Oklahoma Chapters;

65. Sales of boxes of food by a church or by an organization,
which is exempt from taxation pursuant to the provisions of the
Internal Revenue Code, 26 U.S.C., Section 501(c)(3). To qualify
under the provisions of this paragraph, the organization must be
organized for the primary purpose of feeding needy individuals or to
encourage volunteer service by requiring such service in order to
purchase food. These boxes shall only contain edible staple food
items;

66. Sales of tangible personal property or services to any
person with whom a church has duly entered into a construction
contract, necessary for carrying out such contract or to any subcontractor to such a construction contract;

67. Sales of tangible personal property or services used exclusively for charitable or educational purposes, to or by an organization which:

a. is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3),

b. has filed a Not-for-Profit Certificate of Incorporation in this state, and

c. is organized for the purpose of:

(1) providing training and education to developmentally disabled individuals,

(2) educating the community about the rights, abilities, and strengths of developmentally disabled individuals, and

(3) promoting unity among developmentally disabled individuals in their community and geographic area;

68. Sales of tangible personal property or services to any organization which is a shelter for abused, neglected, or abandoned children and which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3); provided, until July 1, 2008, such exemption shall apply
only to eligible shelters for children from birth to age twelve (12) and after July 1, 2008, such exemption shall apply to eligible shelters for children from birth to age eighteen (18);

69. Sales of tangible personal property or services to a child care center which is licensed pursuant to the Oklahoma Child Care Facilities Licensing Act and which:

   a. possesses a 3-star rating from the Department of Human Services Reaching for the Stars Program or a national accreditation, and

   b. allows on-site universal prekindergarten education to be provided to four-year-old children through a contractual agreement with any public school or school district.

   For the purposes of this paragraph, sales made to any person, firm, agency or entity that has entered previously into a contractual relationship with a child care center for construction and improvement of buildings and other structures owned by the child care center and operated for educational purposes shall be considered sales made to a child care center. Any such person, firm, agency or entity making purchases on behalf of a child care center shall certify, in writing, on the copy of the invoice or sales ticket the nature of the purchase. Any such person, or person acting on behalf of a firm, agency or entity making purchases on behalf of a child care center in violation of this paragraph shall
be guilty of a misdemeanor and upon conviction thereof shall be
fined an amount equal to double the amount of sales tax involved or
incarcerated for not more than sixty (60) days or both;

70. a. Sales of tangible personal property to a service
organization of mothers who have children who are
serving or who have served in the military, which
service organization is exempt from taxation pursuant
to the provisions of the Internal Revenue Code, 26
U.S.C., Section 501(c)(19) and which is known as the
Blue Star Mothers of America, Inc. The exemption
provided by this paragraph shall only apply to the
purchase of tangible personal property actually sent
to United States military personnel overseas who are
serving in a combat zone and not to any other tangible
personal property purchased by the organization.
Provided, this exemption shall not apply to any sales
tax levied by a city, town, county, or any other
jurisdiction in this state.

b. The exemption authorized by this paragraph shall be
administered in the form of a refund from the sales
tax revenues apportioned pursuant to Section 1353 of
this title, and the vendor shall be required to
collect the sales tax otherwise applicable to the
transaction. The purchaser may apply for a refund of
the state sales tax paid in the manner prescribed by
this paragraph. Within sixty (60) days after the end
of each calendar quarter, any purchaser that is
entitled to make application for a refund based upon
the exempt treatment authorized by this paragraph may
file an application for refund of the state sales
taxes paid during such preceding calendar quarter.
The Tax Commission shall prescribe a form for purposes
of making the application for refund.

c. A purchaser who applies for a refund pursuant to this
paragraph shall certify that the items were actually
sent to military personnel overseas in a combat zone.
Any purchaser that applies for a refund for the
purchase of items that are not authorized for
exemption under this paragraph shall be subject to a
penalty in the amount of Five Hundred Dollars
($500.00);

71. Sales of food and snack items to or by an organization
which is exempt from taxation pursuant to the provisions of the
Internal Revenue Code, 26 U.S.C., Section 501(c)(3), whose primary
and principal purpose is providing funding for scholarships in the
medical field;

72. Sales of tangible personal property or services for use
solely on construction projects for organizations which are exempt
1 from taxation pursuant to the provisions of the Internal Revenue
2 Code, 26 U.S.C., Section 501(c)(3) and whose purpose is providing
3 end-of-life care and access to hospice services to low-income
4 individuals who live in a facility owned by the organization. The
5 exemption provided by this paragraph applies to sales to the
6 organization as well as to sales to any person with whom the
7 organization has duly entered into a construction contract,
8 necessary for carrying out such contract or to any subcontractor to
9 such a construction contract. Any person making purchases on behalf
10 of such organization shall certify, in writing, on the copy of the
11 invoice or sales ticket to be retained by the vendor that the
12 purchases are made for and on behalf of such organization and set
13 out the name of such organization. Any person who wrongfully or
14 erroneously certifies that purchases are for any of the above-named
15 organizations or who otherwise violates this section shall be guilty
16 of a misdemeanor and upon conviction thereof shall be fined an
17 amount equal to double the amount of sales tax involved or
18 incarcerated for not more than sixty (60) days or both;
19 73. Sales of tickets for admission to events held by
20 organizations exempt from taxation pursuant to the provisions of the
21 Internal Revenue Code, 26 U.S.C., Section 501(c)(3) that are
22 organized for the purpose of supporting general hospitals licensed
23 by the State Department of Health;
24 74. Sales of tangible personal property or services:
1 a. to a foundation which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and which raises tax-deductible contributions in support of a wide range of firearms-related public interest activities of the National Rifle Association of America and other organizations that defend and foster Second Amendment rights, and

b. to or by a grassroots fundraising program for sales related to events to raise funds for a foundation meeting the qualifications of subparagraph a of this paragraph;

75. Sales by an organization or entity which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) which are related to a fundraising event sponsored by the organization or entity when the event does not exceed any five (5) consecutive days and when the sales are not in the organization’s or the entity’s regular course of business. Provided, the exemption provided in this paragraph shall be limited to tickets sold for admittance to the fundraising event and items which were donated to the organization or entity for sale at the event;

76. Effective November 1, 2017, sales of tangible personal property or services to an organization which is exempt from
taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and operates as a collaborative model which connects community agencies in one location to serve individuals and families affected by violence and where victims have access to services and advocacy at no cost to the victim;

77. Effective July 1, 2018, sales of tangible personal property or services to or by an association which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(19) and which is known as the National Guard Association of Oklahoma;

78. Effective July 1, 2018, sales of tangible personal property or services to or by an association which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(4) and which is known as the Marine Corps League of Oklahoma;

79. Sales of tangible personal property or services to the American Legion, whether the purchase is made by the entity chartered by the United States Congress or is an entity organized under the laws of this or another state pursuant to the authority of the national American Legion organization;

80. Sales of tangible personal property or services to or by an organization which is:

   a. exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
b. verified with a letter from the MIT Fab Foundation as an official member of the Fab Lab Network in compliance with the Fab Charter, and
c. able to provide documentation that its primary and principal purpose is to provide community access to advanced 21st century manufacturing and digital fabrication tools for science, technology, engineering, art, and math (STEAM) learning skills, developing inventions, creating and sustaining businesses, and producing personalized products;

81. Effective November 1, 2021, sales of tangible personal property or services used solely for construction and remodeling projects to an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), and which meets the following requirements:

a. its primary purpose is to construct or remodel and sell affordable housing and provide homeownership education to residents of Oklahoma that have an income that is below one hundred percent (100%) of the Family Median Income guidelines as defined by the U.S. Department of Housing and Urban Development,

b. it conducts its activities in a manner that serves public or charitable purposes, rather than commercial purposes,
c. it receives funding and revenue and charges fees in a manner that does not incentivize it or its employees to act other than in the best interests of its clients, and

d. it compensates its employees in a manner that does not incentivize employees to act other than in the best interests of its clients;

82. Effective November 1, 2021, sales of tangible personal property or services to a nonprofit entity, organized pursuant to Oklahoma law before January 1, 2022, exempt from federal income taxation pursuant to Section 501(c) of the Internal Revenue Code of 1986, as amended, the principal functions of which are to provide assistance to natural persons following a disaster, with program emphasis on repair or restoration to single-family residential dwellings or the construction of a replacement single-family residential dwelling. As used in this paragraph, “disaster” means damage to property with or without accompanying injury to persons from heavy rain, high winds, tornadic winds, drought, wildfire, snow, ice, geologic disturbances, explosions, chemical accidents or spills, and other events causing damage to property on a large scale. For purposes of this paragraph, an entity that expended at least seventy-five percent (75%) of its funds on the restoration to single-family housing following a disaster including related general
and administrative expenses, shall be eligible for the exemption authorized by this paragraph;

83. Effective November 1, 2021, through December 31, 2024, sales of tangible personal property or services to a museum that:
   a. operates as a part of an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
   b. is not accredited by the American Alliance of Museums,
   and
   c. operates on an annual budget of less than One Million Dollars ($1,000,000.00);

84. Until July 1, 2022, sales of tangible personal property or services for use in a clinical practice or medical facility operated by an organization which is exempt from taxation pursuant to the provisions of the Internal Revenue Code of the United States, 26 U.S.C., Section 501(c)(3), and which has entered into a joint operating agreement with the University Hospitals Trust created pursuant to Section 3224 of Title 63 of the Oklahoma Statutes. The exemption provided by this paragraph shall be limited to the purchase of tangible personal property and services for use in clinical practices or medical facilities acquired or leased by the organization from the University Hospitals Authority, University Hospitals Trust, or the University of Oklahoma on or after June 1, 2021; and
85. Sales of tangible personal property or services to a nonprofit entity, organized pursuant to Oklahoma law before January 1, 2019, exempt from federal income taxation pursuant to Section 501(c) of the Internal Revenue Code of 1986, as amended, the principal functions of which are to provide assistance to natural persons following a disaster, with program emphasis on repair or restoration to single-family residential dwellings or the construction of a replacement single-family residential dwelling.

For purposes of this paragraph, an entity operated exclusively for charitable and educational purposes through the coordination of volunteers for the disaster recovery of homes (as derived from Part III, Statement of Program Service Accomplishments, of Internal Revenue Service Form 990) and offers its services free of charge to disaster survivors statewide who are low income with no or limited means of recovery on their own for the restoration to single-family housing following a disaster including related general and administrative expenses, shall be eligible for the exemption authorized by this paragraph. The exemption provided by this paragraph shall only be applicable to sales made on or after the effective date of this act July 1, 2022. As used in this paragraph, “disaster” means damage to property with or without accompanying injury to persons from heavy rain, high winds, tornadic winds, drought, wildfire, snow, ice, geologic disturbances, explosions,
chemical accidents or spills, and other events causing damage to
property on a large scale; and

86. Sales of tangible personal property or services to an
organization located in this state which is exempt from taxation
pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,
Section 501(c)(3), the principal function of which is to strengthen
emergency response to natural and man-made disasters at the local,
state, and national level through the provision of highly trained
search and rescue canines and first responder team training. To
qualify for the exemption provided for in this paragraph, the
organization shall provide training sufficient to pass the Federal
Emergency Management Agency Certification Examination equivalent,
the State Urban Search and Rescue Alliance’s Disaster Search Canine
Evaluation Process or its equivalent, or shall be a member in good
standing with Oklahoma Urban Search and Rescue Task Force One.

SECTION 2. This act shall become effective November 1, 2023.

COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
February 22, 2023 - DO PASS AS AMENDED BY CS