STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

COMMITTEE SUBSTITUTE
FOR ENGROSSED
SENATE BILL NO. 406 By: Rader of the Senate

and

Boatman of the House

COMMITTEE SUBSTITUTE

[ sales tax - exemptions - 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, any political subdivision of this state, or any agency of a political subdivision of this state; provided, all sales to contractors in

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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,
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 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 Alliance 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 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...
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 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
from taxation pursuant to the provisions of the Internal Revenue
Code, 26 U.S.C., Section 501(c)(3) and whose purpose is providing
end-of-life care and access to hospice services to low-income
individuals who live in a facility owned by the organization. The
exemption provided by this paragraph applies to sales to the
organization as well as to sales to any person with whom the
organization has duly entered into a construction contract,
necessary for carrying out such contract or to any subcontractor to
such a construction contract. Any person making purchases on behalf
of such organization 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 organization and set
out the name of such organization. Any person who wrongfully or
erroneously certifies that purchases are for any of the above-named
organizations 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;

73. Sales of tickets for admission to events held by
organizations exempt from taxation pursuant to the provisions of the
Internal Revenue Code, 26 U.S.C., Section 501(c)(3) that are
organized for the purpose of supporting general hospitals licensed
by the State Department of Health;

74. Sales of tangible personal property or services:
   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 Services, 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:

86. 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), the principal functions of which are to prevent child abuse and neglect through education, treatment, and advocacy, and operates a facility that offers comprehensive community-based services for abused or neglected children from birth through eighteen (18) years of age. To be eligible for the exemption provided by this paragraph, the organization shall provide the following documentation to the Oklahoma Tax Commission:

   a. articles of incorporation,
   b. organizational by-laws, and
   c. a notarized letter from the president or chairman of the organization stating the services provided by the organization; and

87. Sales of tangible personal property or services to or by an organization in this state 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. provides documentation to the Oklahoma Tax Commission showing the organization's principal purpose is to provide school supplies or articles of clothing for underserved students attending grades pre-K through 12 at public schools in this state.
The exemption provided by this paragraph shall include materials, supplies, and equipment used in the construction or improvement of buildings and other structures owned by the organization and operated in pursuit of the organization's primary and principal purpose. The exemption shall apply to sales to the organization and to sales to any person with whom the organization has duly entered into a construction contract, necessary for carrying out the contract or to any subcontractor to the construction contract.

SECTION 2. AMENDATORY 68 O.S. 2021, Section 1357, as amended by Section 1, Chapter 206, O.S.L. 2022 (68 O.S. Supp. 2022, Section 1357), is amended to read as follows:

Section 1357. Exemptions - General.

There are hereby specifically exempted from the tax levied by the Oklahoma Sales Tax Code:

1. Transportation of school pupils to and from elementary schools or high schools in motor or other vehicles;

2. Transportation of persons where the fare of each person does not exceed One Dollar ($1.00), or local transportation of persons within the corporate limits of a municipality except by taxicabs;

3. Sales for resale to persons engaged in the business of reselling the articles purchased, whether within or without the state, provided that such sales to residents of this state are made to persons to whom sales tax permits have been issued as provided in
the Oklahoma Sales Tax Code. This exemption shall not apply to the sales of articles made to persons holding permits when such persons purchase items for their use and which they are not regularly engaged in the business of reselling; neither shall this exemption apply to sales of tangible personal property to peddlers, solicitors and other salespersons who do not have an established place of business and a sales tax permit. The exemption provided by this paragraph shall apply to sales of motor fuel or diesel fuel to a Group Five vendor, but the use of such motor fuel or diesel fuel by the Group Five vendor shall not be exempt from the tax levied by the Oklahoma Sales Tax Code. The purchase of motor fuel or diesel fuel is exempt from sales tax when the motor fuel is for shipment outside this state and consumed by a common carrier by rail in the conduct of its business. The sales tax shall apply to the purchase of motor fuel or diesel fuel in Oklahoma by a common carrier by rail when such motor fuel is purchased for fueling, within this state, of any locomotive or other motorized flanged wheel equipment;

4. Sales of advertising space in newspapers and periodicals;

5. Sales of programs relating to sporting and entertainment events, and sales of advertising on billboards (including signage, posters, panels, marquees, or on other similar surfaces, whether indoors or outdoors) or in programs relating to sporting and entertainment events, and sales of any advertising, to be displayed at or in connection with a sporting event, via the Internet,
1 electronic display devices or through public address or broadcast
2 systems. The exemption authorized by this paragraph shall be
3 effective for all sales made on or after January 1, 2001;
4 6. Sales of any advertising, other than the advertising
5 described by paragraph 5 of this section, via the Internet,
6 electronic display devices or through the electronic media including
7 radio, public address or broadcast systems, television (whether
8 through closed circuit broadcasting systems or otherwise), and cable
9 and satellite television, and the servicing of any advertising
10 devices;
11 7. Eggs, feed, supplies, machinery, and equipment purchased by
12 persons regularly engaged in the business of raising worms, fish,
13 any insect, or any other form of terrestrial or aquatic animal life
14 and used for the purpose of raising same for marketing. This
15 exemption shall only be granted and extended to the purchaser when
16 the items are to be used and in fact are used in the raising of
17 animal life as set out above. Each purchaser shall certify, in
18 writing, on the invoice or sales ticket retained by the vendor that
19 the purchaser is regularly engaged in the business of raising such
20 animal life and that the items purchased will be used only in such
21 business. The vendor shall certify to the Oklahoma Tax Commission
22 that the price of the items has been reduced to grant the full
23 benefit of the exemption. Violation hereof by the purchaser or
24 vendor shall be a misdemeanor;
8. Sale of natural or artificial gas and electricity, and associated delivery or transmission services, when sold exclusively for residential use. Provided, this exemption shall not apply to any sales tax levied by a city or town, or a county or any other jurisdiction in this state;

9. In addition to the exemptions authorized by Section 1357.6 of this title, sales of drugs sold pursuant to a prescription written for the treatment of human beings by a person licensed to prescribe the drugs, and sales of insulin and medical oxygen. Provided, this exemption shall not apply to over-the-counter drugs;

10. Transfers of title or possession of empty, partially filled, or filled returnable oil and chemical drums to any person who is not regularly engaged in the business of selling, reselling or otherwise transferring empty, partially filled or filled returnable oil drums;

11. Sales of one-way utensils, paper napkins, paper cups, disposable hot containers, and other one-way carry out materials to a vendor of meals or beverages;

12. Sales of food or food products for home consumption which are purchased in whole or in part with coupons issued pursuant to the federal food stamp program as authorized by Sections 2011 through 2029 of Title 7 of the United States Code, as to that portion purchased with such coupons. The exemption provided for such sales shall be inapplicable to such sales upon the effective
date of any federal law that removes the requirement of the
exemption as a condition for participation by the state in the
federal food stamp program;

13. Sales of food or food products, or any equipment or
supplies used in the preparation of the food or food products to or
by an organization which:

a. 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 which provides and
delivers prepared meals for home consumption to
elderly or homebound persons as part of a program
commonly known as "Meals on Wheels" or "Mobile Meals",
or

b. 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 which receives federal
funding pursuant to the Older Americans Act of 1965,
as amended, for the purpose of providing nutrition
programs for the care and benefit of elderly persons;

14. a. Sales of tangible personal property or services to or
by organizations which are 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:
(1) are primarily involved in the collection and
distribution of food and other household products
to other organizations that facilitate the
distribution of such products to the needy and
such distributee organizations are 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), or
(2) facilitate the distribution of such products to
the needy.

b. Sales made in the course of business for profit or
savings, competing with other persons engaged in the
same or similar business shall not be exempt under
this paragraph.

c. The exemption provided by this paragraph shall include
sales of tangible personal property or taxable
services consumed or incorporated in the construction
of a facility placed in service during calendar year
2023. The exemption shall include sales and taxable
services to the organization and to any person,
entity, contractor, or subcontractor with whom the
organization has duly entered into a construction
contract necessary for carrying out the contract. For
sales tax paid on purchases that would otherwise be
exempt pursuant to this subparagraph but occurred before the effective date of this act, the Tax Commission shall make refunds to the purchasers in the full amount of the sales tax paid, as documented by the purchaser and verified by the Tax Commission;

15. Sales of tangible personal property or services to children's homes which are located on church-owned property and are operated by organizations exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3);

16. Sales of computers, data processing equipment, related peripherals, and telephone, telegraph or telecommunications service and equipment for use in a qualified aircraft maintenance or manufacturing facility. For purposes of this paragraph, "qualified aircraft maintenance or manufacturing facility" means a new or expanding facility primarily engaged in aircraft repair, building, or rebuilding whether or not on a factory basis, whose total cost of construction exceeds the sum of Five Million Dollars ($5,000,000.00) and which employs at least two hundred fifty (250) new full-time-equivalent employees, as certified by the Oklahoma Employment Security Commission, upon completion of the facility. In order to qualify for the exemption provided for by this paragraph, the cost of the items purchased by the qualified aircraft maintenance or
manufacturing facility shall equal or exceed the sum of Two Million Dollars ($2,000,000.00);

17. Sales of tangible personal property consumed or incorporated in the construction or expansion of a qualified aircraft maintenance or manufacturing facility as defined in paragraph 16 of this section. For purposes of this paragraph, sales made to a contractor or subcontractor that has previously entered into a contractual relationship with a qualified aircraft maintenance or manufacturing facility for construction or expansion of such a facility shall be considered sales made to a qualified aircraft maintenance or manufacturing facility;

18. Sales of the following telecommunications services:
   a. Interstate and International "800 service". "800 service" means a "telecommunications service" that allows a caller to dial a toll-free number without incurring a charge for the call. The service is typically marketed under the name "800", "855", "866", "877" and "888" toll-free calling, and any subsequent numbers designated by the Federal Communications Commission,
   b. Interstate and International "900 service". "900 service" means an inbound toll "telecommunications service" purchased by a subscriber that allows the subscriber's customers to call in to the subscriber's
prerecorded announcement or live service. "900
service" does not include the charge for: collection
services provided by the seller of the
"telecommunications services" to the subscriber, or
service or product sold by the subscriber to the
subscriber's customer. The service is typically
marketed under the name "900" service, and any
subsequent numbers designated by the Federal
Communications Commission,
c. Interstate and International "private communications
service". "Private communications service" means a
"telecommunications service" that entitles the
customer to exclusive or priority use of a
communications channel or group of channels between or
among termination points, regardless of the manner in
which such channel or channels are connected, and
includes switching capacity, extension lines, stations
and any other associated services that are provided in
connection with the use of such channel or channels,
d. "Value-added nonvoice data service". "Value-added
nonvoice data service" means a service that otherwise
meets the definition of "telecommunications services"
in which computer processing applications are used to
act on the form, content, code or protocol of the
information or data primarily for a purpose other than transmission, conveyance, or routing,
e. Interstate and International telecommunications service which is:
   (1) rendered by a company for private use within its organization, or
   (2) used, allocated or distributed by a company to its affiliated group,
f. Regulatory assessments and charges including charges to fund the Oklahoma Universal Service Fund, the Oklahoma Lifeline Fund and the Oklahoma High Cost Fund, and
g. Telecommunications nonrecurring charges including but not limited to the installation, connection, change, or initiation of telecommunications services which are not associated with a retail consumer sale;

19. Sales of railroad track spikes manufactured and sold for use in this state in the construction or repair of railroad tracks, switches, sidings, and turnouts;

20. Sales of aircraft and aircraft parts provided such sales occur at a qualified aircraft maintenance facility. As used in this paragraph, "qualified aircraft maintenance facility" means a facility operated by an air common carrier including one or more component overhaul support buildings or structures in an area owned,
leased, or controlled by the air common carrier, at which there were
employed at least two thousand (2,000) full-time-equivalent
employees in the preceding year as certified by the Oklahoma
Employment Security Commission and which is primarily related to the
fabrication, repair, alteration, modification, refurbishing,
maintenance, building, or rebuilding of commercial aircraft or
aircraft parts used in air common carriage. For purposes of this
paragraph, "air common carrier" shall also include members of an
affiliated group as defined by Section 1504 of the Internal Revenue
Code, 26 U.S.C., Section 1504. Beginning July 1, 2012, sales of
machinery, tools, supplies, equipment, and related tangible personal
property and services used or consumed in the repair, remodeling, or
maintenance of aircraft, aircraft engines or aircraft component
parts which occur at a qualified aircraft maintenance facility;

21. Sales of machinery and equipment purchased and used by
persons and establishments primarily engaged in computer services
and data processing:

   a. as defined under Industrial Group Numbers 7372 and

    7373 of the Standard Industrial Classification (SIC)
    Manual, latest version, which derive at least fifty
    percent (50%) of their annual gross revenues from the
    sale of a product or service to an out-of-state buyer
    or consumer, and

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b. as defined under Industrial Group Number 7374 of the SIC Manual, latest version, which derive at least eighty percent (80%) of their annual gross revenues from the sale of a product or service to an out-of-state buyer or consumer.

Eligibility for the exemption set out in this paragraph shall be established, subject to review by the Tax Commission, by annually filing an affidavit with the Tax Commission stating that the facility so qualifies and such information as required by the Tax Commission. For purposes of determining whether annual gross revenues are derived from sales to out-of-state buyers or consumers, all sales to the federal government shall be considered to be to an out-of-state buyer or consumer;

22. Sales of prosthetic devices to an individual for use by such individual. For purposes of this paragraph, "prosthetic device" shall have the same meaning as provided in Section 1357.6 of this title, but shall not include corrective eye glasses, contact lenses, or hearing aids;

23. Sales of tangible personal property or services to a motion picture or television production company to be used or consumed in connection with an eligible production. For purposes of this paragraph, "eligible production" means a documentary, special, music video or a television commercial or television program that will serve as a pilot for or be a segment of an ongoing dramatic or
situation comedy series filmed or taped for network or national or regional syndication or a feature-length motion picture intended for theatrical release or for network or national or regional syndication or broadcast. The provisions of this paragraph shall apply to sales occurring on or after July 1, 1996. In order to qualify for the exemption, the motion picture or television production company shall file any documentation and information required to be submitted pursuant to rules promulgated by the Tax Commission;

24. Sales of diesel fuel sold for consumption by commercial vessels, barges and other commercial watercraft;

25. Sales of tangible personal property or services to tax-exempt independent nonprofit biomedical research foundations that provide educational programs for Oklahoma science students and teachers and to tax-exempt independent nonprofit community blood banks headquartered in this state;

26. Effective May 6, 1992, sales of wireless telecommunications equipment to a vendor who subsequently transfers the equipment at no charge or for a discounted charge to a consumer as part of a promotional package or as an inducement to commence or continue a contract for wireless telecommunications services;

27. Effective January 1, 1991, leases of rail transportation cars to haul coal to coal-fired plants located in this state which generate electric power;
28. Beginning July 1, 2005, sales of aircraft engine repairs, modification, and replacement parts, sales of aircraft frame repairs and modification, aircraft interior modification, and paint, and sales of services employed in the repair, modification, and replacement of parts of aircraft engines, aircraft frame and interior repair and modification, and paint;

29. Sales of materials and supplies to the owner or operator of a ship, motor vessel, or barge that is used in interstate or international commerce if the materials and supplies:

   a. are loaded on the ship, motor vessel, or barge and used in the maintenance and operation of the ship, motor vessel, or barge, or
   b. enter into and become component parts of the ship, motor vessel, or barge;

30. Sales of tangible personal property made at estate sales at which such property is offered for sale on the premises of the former residence of the decedent by a person who is not required to be licensed pursuant to the Transient Merchant Licensing Act, or who is not otherwise required to obtain a sales tax permit for the sale of such property pursuant to the provisions of Section 1364 of this title; provided:

   a. such sale or event may not be held for a period exceeding three (3) consecutive days,
b. the sale must be conducted within six (6) months of
   the date of death of the decedent, and

c. the exemption allowed by this paragraph shall not be
   allowed for property that was not part of the
   decedent's estate;

31. Beginning January 1, 2004, sales of electricity and
    associated delivery and transmission services, when sold exclusively
    for use by an oil and gas operator for reservoir dewatering projects
    and associated operations commencing on or after July 1, 2003, in
    which the initial water-to-oil ratio is greater than or equal to
    five-to-one water-to-oil, and such oil and gas development projects
    have been classified by the Corporation Commission as a reservoir
    dewatering unit;

32. Sales of prewritten computer software that is delivered
    electronically. For purposes of this paragraph, "delivered
    electronically" means delivered to the purchaser by means other than
    tangible storage media;

33. Sales of modular dwelling units when built at a production
    facility and moved in whole or in parts, to be assembled on-site,
    and permanently affixed to the real property and used for
    residential or commercial purposes. The exemption provided by this
    paragraph shall equal forty-five percent (45%) of the total sales
    price of the modular dwelling unit. For purposes of this paragraph,
    "modular dwelling unit" means a structure that is not subject to the
34. Sales of tangible personal property or services to:
   a. persons who are residents of Oklahoma and have been
      honorably discharged from active service in any branch
      of the Armed Forces of the United States or Oklahoma
      National Guard and who have been certified by the
      United States Department of Veterans Affairs or its
      successor to be in receipt of disability compensation
      at the one-hundred-percent rate and the disability
      shall be permanent and have been sustained through
      military action or accident or resulting from disease
      contracted while in such active service and registered
      with the veterans registry created by the Oklahoma
      Department of Veterans Affairs; provided, that if the
      veteran received the sales tax exemption prior to
      November 1, 2020, he or she shall be required to
      register with the veterans registry prior to July 1,
      2023, in order to remain qualified, or
   b. the surviving spouse of the person in subparagraph a
      of this paragraph if the person is deceased and the
      spouse has not remarried and the surviving spouse of a
      person who is determined by the United States
      Department of Defense or any branch of the United
States military to have died while in the line of duty if the spouse has not remarried. Sales for the benefit of an eligible person to a spouse of the eligible person or to a member of the household in which the eligible person resides and who is authorized to make purchases on the person's behalf, when such eligible person is not present at the sale, shall also be exempt for purposes of this paragraph. The Oklahoma Tax Commission shall issue a separate exemption card to a spouse of an eligible person or to a member of the household in which the eligible person resides who is authorized to make purchases on the person's behalf, if requested by the eligible person. Sales qualifying for the exemption authorized by this paragraph shall not exceed Twenty-five Thousand Dollars ($25,000.00) per year per individual while the disabled veteran is living. Sales qualifying for the exemption authorized by this paragraph shall not exceed One Thousand Dollars ($1,000.00) per year for an unremarried surviving spouse. Upon request of the Tax Commission, a person asserting or claiming the exemption authorized by this paragraph shall provide a statement, executed under oath, that the total sales amounts for which the exemption is applicable have not
exceeded Twenty-five Thousand Dollars ($25,000.00) per year per living disabled veteran or One Thousand Dollars ($1,000.00) per year for an unremarried surviving spouse. If the amount of such exempt sales exceeds such amount, the sales tax in excess of the authorized amount shall be treated as a direct sales tax liability and may be recovered by the Tax Commission in the same manner provided by law for other taxes including penalty and interest. The Tax Commission shall promulgate any rules necessary to implement the provisions of this paragraph, which shall include rules providing for the disclosure of information about persons eligible for the exemption authorized in this paragraph to the Oklahoma Department of Veterans Affairs, as authorized in Section 205 of this title;

35. Sales of electricity to the operator, specifically designated by the Corporation Commission, of a spacing unit or lease from which oil is produced or attempted to be produced using enhanced recovery methods including, but not limited to, increased pressure in a producing formation through the use of water or saltwater if the electrical usage is associated with and necessary for the operation of equipment required to inject or circulate fluids in a producing formation for the purpose of forcing oil or
petroleum into a wellbore for eventual recovery and production from the wellhead. In order to be eligible for the sales tax exemption authorized by this paragraph, the total content of oil recovered after the use of enhanced recovery methods shall not exceed one percent (1%) by volume. The exemption authorized by this paragraph shall be applicable only to the state sales tax rate and shall not be applicable to any county or municipal sales tax rate;

36. Sales of intrastate charter and tour bus transportation. As used in this paragraph, "intrastate charter and tour bus transportation" means the transportation of persons from one location in this state to another location in this state in a motor vehicle which has been constructed in such a manner that it may lawfully carry more than eighteen persons, and which is ordinarily used or rented to carry persons for compensation. Provided, this exemption shall not apply to regularly scheduled bus transportation for the general public;

37. Sales of vitamins, minerals, and dietary supplements by a licensed chiropractor to a person who is the patient of such chiropractor at the physical location where the chiropractor provides chiropractic care or services to such patient. The provisions of this paragraph shall not be applicable to any drug, medicine, or substance for which a prescription by a licensed physician is required;
38. Sales of goods, wares, merchandise, tangible personal property, machinery, and equipment to a web search portal located in this state which derives at least eighty percent (80%) of its annual gross revenue from the sale of a product or service to an out-of-state buyer or consumer. For purposes of this paragraph, "web search portal" means an establishment classified under NAICS code 519130 which operates websites that use a search engine to generate and maintain extensive databases of Internet addresses and content in an easily searchable format;

39. Sales of tangible personal property consumed or incorporated in the construction or expansion of a facility for a corporation organized under Section 437 et seq. of Title 18 of the Oklahoma Statutes as a rural electric cooperative. For purposes of this paragraph, sales made to a contractor or subcontractor that has previously entered into a contractual relationship with a rural electric cooperative for construction or expansion of a facility shall be considered sales made to a rural electric cooperative;

40. Sales of tangible personal property or services to a business primarily engaged in the repair of consumer electronic goods including, but not limited to, cell phones, compact disc players, personal computers, MP3 players, digital devices for the storage and retrieval of information through hard-wired or wireless computer or Internet connections, if the devices are sold to the business by the original manufacturer of such devices and the
devices are repaired, refitted or refurbished for sale by the entity qualifying for the exemption authorized by this paragraph directly to retail consumers or if the devices are sold to another business entity for sale to retail consumers;

41. On or after July 1, 2019, and prior to July 1, 2024, sales or leases of rolling stock when sold or leased by the manufacturer, regardless of whether the purchaser is a public services corporation engaged in business as a common carrier of property or passengers by railway, for use or consumption by a common carrier directly in the rendition of public service. For purposes of this paragraph, "rolling stock" means locomotives, autocars, and railroad cars and "sales or leases" includes railroad car maintenance and retrofitting of railroad cars for their further use only on the railways; and

42. Sales of gold, silver, platinum, palladium, or other bullion items such as coins and bars and legal tender of any nation, which legal tender is sold according to its value as precious metal or as an investment. As used in the paragraph, "bullion" means any precious metal including, but not limited to, gold, silver, platinum, and palladium, that is in such a state or condition that its value depends upon its precious metal content and not its form. The exemption authorized by this paragraph shall not apply to fabricated metals that have been processed or manufactured for artistic use or as jewelry.
SECTION 3. This act shall become effective November 1, 2023.

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