

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 3185

6 By: Hilbert

7 COMMITTEE SUBSTITUTE

8 An Act relating to taxation; amending 68 O.S. 2011,  
9 Section 1356, as last amended by Section 1, Chapter  
10 413, O.S.L. 2019 (68 O.S. Supp. 2019, Section 1356),  
11 which relates to sales tax exemptions; exempting  
12 sales to or from certain Comprehensive Community  
13 Addiction Recovery Centers; and providing an  
14 effective date.

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

16 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1356, as  
17 last amended by Section 1, Chapter 413, O.S.L. 2019 (68 O.S. Supp.  
18 2019, Section 1356), is amended to read as follows:

19 Section 1356. Exemptions - Governmental and nonprofit entities.

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

22 1. Sale of tangible personal property or services to the United  
23 States government or to the State of Oklahoma, any political  
24 subdivision of this state or any agency of a political subdivision  
of this state; provided, all sales to contractors in connection with

1 the performance of any contract with the United States government,  
2 State of Oklahoma or any of its political subdivisions shall not be  
3 exempted from the tax levied by Section 1350 et seq. of this title,  
4 except as hereinafter provided;

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

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

15 4. Sales made directly by county, district or state fair  
16 authorities of this state, upon the premises of the fair authority,  
17 for the sole benefit of the fair authority or sales of admission  
18 tickets to such fairs or fair events at any location in the state  
19 authorized by county, district or state fair authorities; provided,  
20 the exemption provided by this paragraph for admission tickets to  
21 fair events shall apply only to any portion of the admission price  
22 that is retained by or distributed to the fair authority. As used  
23 in this paragraph, "fair event" shall be limited to an event held on  
24

1 the premises of the fair authority in conjunction with and during  
2 the time period of a county, district or state fair;

3 5. Sale of food in cafeterias or lunch rooms of elementary  
4 schools, high schools, colleges or universities which are operated  
5 primarily for teachers and pupils and are not operated primarily for  
6 the public or for profit;

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

18 7. Sale of tangible personal property or services to or by  
19 churches, except sales made in the course of business for profit or  
20 savings, competing with other persons engaged in the same or a  
21 similar business or sale of tangible personal property or services  
22 by an organization exempt from federal income tax pursuant to  
23 Section 501(c)(3) of the Internal Revenue Code of 1986, as amended,  
24 made on behalf of or at the request of a church or churches if the

1 sale of such property is conducted not more than once each calendar  
2 year for a period not to exceed three (3) days by the organization  
3 and proceeds from the sale of such property are used by the church  
4 or churches or by the organization for charitable purposes;

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

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

24

1           10. Sale of tangible personal property or services to any  
2 county, municipality, rural water district, public school district,  
3 the institutions of The Oklahoma State System of Higher Education,  
4 the Grand River Dam Authority, the Northeast Oklahoma Public  
5 Facilities Authority, the Oklahoma Municipal Power Authority, City  
6 of Tulsa-Rogers County Port Authority, Muskogee City-County Port  
7 Authority, the Oklahoma Department of Veterans Affairs, the Broken  
8 Bow Economic Development Authority, Ardmore Development Authority,  
9 Durant Industrial Authority, Oklahoma Ordnance Works Authority,  
10 Central Oklahoma Master Conservancy District, Arbuckle Master  
11 Conservancy District, Fort Cobb Master Conservancy District, Foss  
12 Reservoir Master Conservancy District, Mountain Park Master  
13 Conservancy District, Waurika Lake Master Conservancy District,  
14 Office of Management and Enterprise Services only when carrying out  
15 a public construction contract on behalf of the Oklahoma Department  
16 of Veterans Affairs or to any person with whom any of the above-  
17 named subdivisions or agencies of this state has duly entered into a  
18 public contract pursuant to law, necessary for carrying out such  
19 public contract or to any subcontractor to such a public contract.  
20 Any person making purchases on behalf of such subdivision or agency  
21 of this state shall certify, in writing, on the copy of the invoice  
22 or sales ticket to be retained by the vendor that the purchases are  
23 made for and on behalf of such subdivision or agency of this state  
24 and set out the name of such public subdivision or agency. Any

1 person who wrongfully or erroneously certifies that purchases are  
2 for any of the above-named subdivisions or agencies of this state or  
3 who otherwise violates this section shall be guilty of a misdemeanor  
4 and upon conviction thereof shall be fined an amount equal to double  
5 the amount of sales tax involved or incarcerated for not more than  
6 sixty (60) days or both;

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

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

23 12. Tuition and educational fees paid to private institutions  
24 of higher education and private elementary and secondary

1 institutions of education accredited by the State Department of  
2 Education or registered by the State Board of Education for purposes  
3 of participating in federal programs or accredited as defined by the  
4 Oklahoma State Regents for Higher Education which are exempt from  
5 taxation pursuant to the provisions of the Internal Revenue Code, 26  
6 U.S.C., Section 501(c) (3);

7 13. a. Sales of tangible personal property made by:

8 (1) a public school,

9 (2) a private school offering instruction for grade  
10 levels kindergarten through twelfth grade,

11 (3) a public school district,

12 (4) a public or private school board,

13 (5) a public or private school student group or  
14 organization,

15 (6) a parent-teacher association or organization  
16 other than as specified in subparagraph b of this  
17 paragraph, or

18 (7) public or private school personnel for purposes  
19 of raising funds for the benefit of a public or  
20 private school, public school district, public or  
21 private school board or public or private school  
22 student group or organization, or

23 b. Sales of tangible personal property made by or to

24 nonprofit parent-teacher associations or organizations

1 exempt from taxation pursuant to the provisions of the  
2 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),  
3 nonprofit local public or private school foundations  
4 which solicit money or property in the name of any  
5 public or private school or public school district.

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

13 14. Sales of tangible personal property by:

- 14 a. local 4-H clubs,
- 15 b. county, regional or state 4-H councils,
- 16 c. county, regional or state 4-H committees,
- 17 d. 4-H leader associations,
- 18 e. county, regional or state 4-H foundations, and
- 19 f. authorized 4-H camps and training centers.

20 The exemption provided by this paragraph shall be limited to  
21 sales for the purpose of raising funds for the benefit of such  
22 organizations. Sale of tangible personal property exempted by this  
23 paragraph shall include sale of admission tickets;



1 15. The first Seventy-five Thousand Dollars (\$75,000.00) each  
2 year from sale of tickets and concessions at athletic events by each  
3 organization exempt from taxation pursuant to the provisions of the  
4 Internal Revenue Code, 26 U.S.C., Section 501(c) (4);

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

11 17. Sales of tangible personal property or services to fire  
12 departments organized pursuant to Section 592 of Title 18 of the  
13 Oklahoma Statutes which items are to be used for the purposes of the  
14 fire department. Any person making purchases on behalf of any such  
15 fire department shall certify, in writing, on the copy of the  
16 invoice or sales ticket to be retained by the vendor that the  
17 purchases are made for and on behalf of such fire department and set  
18 out the name of such fire department. Any person who wrongfully or  
19 erroneously certifies that the purchases are for any such fire  
20 department or who otherwise violates the provisions of this section  
21 shall be deemed guilty of a misdemeanor and upon conviction thereof,  
22 shall be fined an amount equal to double the amount of sales tax  
23 involved or incarcerated for not more than sixty (60) days, or both;

1 18. Complimentary or free tickets for admission to places of  
2 amusement, sports, entertainment, exhibition, display or other  
3 recreational events or activities which are issued through a box  
4 office or other entity which is operated by a state institution of  
5 higher education with institutional employees or by a municipality  
6 with municipal employees;

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

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

20 21. Sales of tangible personal property or services to any  
21 organization, which takes court-adjudicated juveniles for purposes  
22 of rehabilitation, and which is exempt from taxation pursuant to the  
23 provisions of the Internal Revenue Code, 26 U.S.C., Section  
24 501(c) (3), provided that at least fifty percent (50%) of the

1 juveniles served by such organization are court adjudicated and the  
2 organization receives state funds in an amount less than ten percent  
3 (10%) of the annual budget of the organization;

4 22. Sales of tangible personal property or services to:

5 a. any health center as defined in Section 254b of Title  
6 42 of the United States Code,

7 b. any clinic receiving disbursements of state monies  
8 from the Indigent Health Care Revolving Fund pursuant  
9 to the provisions of Section 66 of Title 56 of the  
10 Oklahoma Statutes,

11 c. any community-based health center which meets all of  
12 the following criteria:

13 (1) provides primary care services at no cost to the  
14 recipient, and

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

18 d. any community mental health center as defined in  
19 Section 3-302 of Title 43A of the Oklahoma Statutes;

20 23. Dues or fees, including free or complimentary dues or fees  
21 which have a value equivalent to the charge that could have  
22 otherwise been made, to YMCAs, YWCAs or municipally-owned recreation  
23 centers for the use of facilities and programs;

1        24. The first Fifteen Thousand Dollars (\$15,000.00) each year  
2 from sales of tangible personal property or services to or by a  
3 cultural organization established to sponsor and promote  
4 educational, charitable and cultural events for disadvantaged  
5 children, and which organization is exempt from taxation pursuant to  
6 the provisions of the Internal Revenue Code, 26 U.S.C., Section  
7 501(c) (3);

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

22        26. Sales of tickets for admission by any museum accredited by  
23 the American Association of Museums. In order to be eligible for  
24 the exemption provided by this paragraph, an amount equivalent to

1 the amount of the tax which would otherwise be required to be  
2 collected pursuant to the provisions of Section 1350 et seq. of this  
3 title shall be separately stated on the admission ticket and shall  
4 be collected and used for the sole purpose of servicing or aiding in  
5 the servicing of debt incurred by the museum to effect the  
6 construction, enlarging or renovation of any facility to be used for  
7 entertainment, edification or cultural cultivation to which entry is  
8 gained with a paid admission ticket;

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

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

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

19 30. Transfer of tangible personal property made pursuant to  
20 Section 3226 of Title 63 of the Oklahoma Statutes by the University  
21 Hospitals Trust;

22 31. Sales of tangible personal property or services to a  
23 municipality, county or school district pursuant to a lease or  
24 lease-purchase agreement executed between the vendor and a

1 municipality, county or school district. A copy of the lease or  
2 lease-purchase agreement shall be retained by the vendor;

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

6 33. The sale, use, storage, consumption, or distribution in  
7 this state, whether by the importer, exporter, or another person, of  
8 any satellite or any associated launch vehicle, including components  
9 of, and parts and motors for, any such satellite or launch vehicle,  
10 imported or caused to be imported into this state for the purpose of  
11 export by means of launching into space. This exemption provided by  
12 this paragraph shall not be affected by:

- 13 a. the destruction in whole or in part of the satellite
- 14 or launch vehicle,
- 15 b. the failure of a launch to occur or be successful, or
- 16 c. the absence of any transfer or title to, or possession
- 17 of, the satellite or launch vehicle after launch;

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

22 35. The sale, lease, use, storage, consumption, or distribution  
23 in this state of tangible personal property, placed on or used  
24 aboard any space facility, space propulsion system or space vehicle,

1 satellite, or station possessing space flight capacity, which is  
2 launched into space, irrespective of whether such tangible property  
3 is returned to this state for subsequent use, storage, or  
4 consumption in any manner;

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

21 37. The purchase or lease of machinery and equipment for use at  
22 a fixed location in this state, which is used exclusively in the  
23 manufacturing, processing, compounding, or producing of any space  
24 facility, space propulsion system or space vehicle, satellite, or

1 station of any kind possessing space flight capacity. Provided, the  
2 exemption provided for in this paragraph shall not be allowed unless  
3 the purchaser or lessee signs an affidavit stating that the item or  
4 items to be exempted are for the exclusive use designated herein.  
5 Any person furnishing a false affidavit to the vendor for the  
6 purpose of evading payment of any tax imposed by Section 1354 of  
7 this title shall be subject to the penalties provided by law. As  
8 used in this paragraph, "machinery and equipment" means "section 38  
9 property" as defined in Sections 48(a)(1)(A) and (B)(i) of the  
10 Internal Revenue Code of 1986, which is used as an integral part of  
11 the manufacturing, processing, compounding, or producing of items of  
12 tangible personal property. Such term includes parts and  
13 accessories only to the extent that the exemption thereof is  
14 consistent with the provisions of this paragraph;

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

20 39. Sales of tangible personal property or services which are  
21 directly used in or for the benefit of a state park in this state,  
22 which are made to an organization which is exempt from taxation  
23 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,  
24



1 Section 501(c) (3) and which is organized primarily for the purpose  
2 of supporting one or more state parks located in this state;

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

5 41. Sales of tangible personal property or services for use on  
6 campus or school construction projects for the benefit of  
7 institutions of The Oklahoma State System of Higher Education,  
8 private institutions of higher education accredited by the Oklahoma  
9 State Regents for Higher Education or any public school or school  
10 district when such projects are financed by or through the use of  
11 nonprofit entities which are exempt from taxation pursuant to the  
12 provisions of the Internal Revenue Code, 26 U.S.C., Section  
13 501(c) (3);

14 42. Sales of tangible personal property or services by an  
15 organization which is exempt from taxation pursuant to the  
16 provisions of the Internal Revenue Code, 26 U.S.C., Section  
17 501(c) (3), in the course of conducting a national championship  
18 sports event, but only if all or a portion of the payment in  
19 exchange therefor would qualify as the receipt of a qualified  
20 sponsorship payment described in Internal Revenue Code, 26 U.S.C.,  
21 Section 513(i). Sales exempted pursuant to this paragraph shall be  
22 exempt from all Oklahoma sales, use, excise and gross receipts  
23 taxes;

24

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

3 a. is exempt from taxation pursuant to the provisions of  
4 the Internal Revenue Code, 26 U.S.C., Section  
5 501(c)(3),

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

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

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

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

23 46. Sales of tangible personal property or services to or by an  
24 organization which is exempt from taxation pursuant to the

1 provisions of the Internal Revenue Code, 26 U.S.C., Section  
2 501(c)(3) and is operating the Oklahoma City National Memorial and  
3 Museum, an affiliate of the National Park System;

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

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

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

22 50. Effective July 1, 2005, sales of tangible personal property  
23 or services to the Career Technology Student Organizations under the  
24

1 direction and supervision of the Oklahoma Department of Career and  
2 Technology Education;

3 51. Sales of tangible personal property to a public trust  
4 having either a single city, town or county or multiple cities,  
5 towns or counties or combination thereof as beneficiary or  
6 beneficiaries or a nonprofit organization which is exempt from  
7 taxation pursuant to the provisions of the Internal Revenue Code, 26  
8 U.S.C., Section 501(c)(3) for the purpose of constructing  
9 improvements to or expanding a hospital or nursing home owned and  
10 operated by any such public trust or nonprofit entity prior to July  
11 1, 2008, in counties with a population of less than one hundred  
12 thousand (100,000) persons, according to the most recent Federal  
13 Decennial Census. As used in this paragraph, "constructing  
14 improvements to or expanding" shall not mean any expense for routine  
15 maintenance or general repairs and shall require a project cost of  
16 at least One Hundred Thousand Dollars (\$100,000.00). For purposes  
17 of this paragraph, sales made to a contractor or subcontractor that  
18 enters into a contractual relationship with a public trust or  
19 nonprofit entity as described by this paragraph shall be considered  
20 sales made to the public trust or nonprofit entity. The exemption  
21 authorized by this paragraph shall be administered in the form of a  
22 refund from the sales tax revenues apportioned pursuant to Section  
23 1353 of this title and the vendor shall be required to collect the  
24 sales tax otherwise applicable to the transaction. The purchaser

1 may apply for a refund of the sales tax paid in the manner  
2 prescribed by this paragraph. Within thirty (30) days after the end  
3 of each fiscal year, any purchaser that is entitled to make  
4 application for a refund based upon the exempt treatment authorized  
5 by this paragraph may file an application for refund of the sales  
6 taxes paid during such preceding fiscal year. The Tax Commission  
7 shall prescribe a form for purposes of making the application for  
8 refund. The Tax Commission shall determine whether or not the total  
9 amount of sales tax exemptions claimed by all purchasers is equal to  
10 or less than Six Hundred Fifty Thousand Dollars (\$650,000.00). If  
11 such claims are less than or equal to that amount, the Tax  
12 Commission shall make refunds to the purchasers in the full amount  
13 of the documented and verified sales tax amounts. If such claims by  
14 all purchasers are in excess of Six Hundred Fifty Thousand Dollars  
15 (\$650,000.00), the Tax Commission shall determine the amount of each  
16 purchaser's claim, the total amount of all claims by all purchasers,  
17 and the percentage each purchaser's claim amount bears to the total.  
18 The resulting percentage determined for each purchaser shall be  
19 multiplied by Six Hundred Fifty Thousand Dollars (\$650,000.00) to  
20 determine the amount of refundable sales tax to be paid to each  
21 purchaser. The pro rata refund amount shall be the only method to  
22 recover sales taxes paid during the preceding fiscal year and no  
23 balance of any sales taxes paid on a pro rata basis shall be the  
24 subject of any subsequent refund claim pursuant to this paragraph;

1        52. Effective July 1, 2006, sales of tangible personal property  
2 or services to any organization which assists, trains, educates, and  
3 provides housing for physically and mentally handicapped persons and  
4 which is exempt from taxation pursuant to the provisions of the  
5 Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and that  
6 receives at least eighty-five percent (85%) of its annual budget  
7 from state or federal funds. In order to receive the benefit of the  
8 exemption authorized by this paragraph, the taxpayer shall be  
9 required to make payment of the applicable sales tax at the time of  
10 sale to the vendor in the manner otherwise required by law.  
11 Notwithstanding any other provision of the Oklahoma Uniform Tax  
12 Procedure Code to the contrary, the taxpayer shall be authorized to  
13 file a claim for refund of sales taxes paid that qualify for the  
14 exemption authorized by this paragraph for a period of one (1) year  
15 after the date of the sale transaction. The taxpayer shall be  
16 required to provide documentation as may be prescribed by the  
17 Oklahoma Tax Commission in support of the refund claim. The total  
18 amount of sales tax qualifying for exempt treatment pursuant to this  
19 paragraph shall not exceed One Hundred Seventy-five Thousand Dollars  
20 (\$175,000.00) each fiscal year. Claims for refund shall be  
21 processed in the order in which such claims are received by the  
22 Oklahoma Tax Commission. If a claim otherwise timely filed exceeds  
23 the total amount of refunds payable for a fiscal year, such claim  
24 shall be barred;

1           53. The first Two Thousand Dollars (\$2,000.00) each year of  
2 sales of tangible personal property or services to, by, or for the  
3 benefit of a qualified neighborhood watch organization that is  
4 endorsed or supported by or working directly with a law enforcement  
5 agency with jurisdiction in the area in which the neighborhood watch  
6 organization is located. As used in this paragraph, "qualified  
7 neighborhood watch organization" means an organization that is a  
8 not-for-profit corporation under the laws of the State of Oklahoma  
9 that was created to help prevent criminal activity in an area  
10 through community involvement and interaction with local law  
11 enforcement and which is one of the first two thousand organizations  
12 which makes application to the Oklahoma Tax Commission for the  
13 exemption after March 29, 2006;

14           54. Sales of tangible personal property to a nonprofit  
15 organization, exempt from taxation pursuant to the provisions of the  
16 Internal Revenue Code, 26 U.S.C., Section 501(c)(3), organized  
17 primarily for the purpose of providing services to homeless persons  
18 during the day and located in a metropolitan area with a population  
19 in excess of five hundred thousand (500,000) persons according to  
20 the latest Federal Decennial Census. The exemption authorized by  
21 this paragraph shall be applicable to sales of tangible personal  
22 property to a qualified entity occurring on or after January 1,  
23 2005;

24

1        55. Sales of tangible personal property or services to or by an  
2 organization which is exempt from taxation pursuant to the  
3 provisions of the Internal Revenue Code, 26 U.S.C., Section  
4 501(c) (3) for events the principal purpose of which is to provide  
5 funding for the preservation of wetlands and habitat for wild ducks;

6        56. Sales of tangible personal property or services to or by an  
7 organization which is exempt from taxation pursuant to the  
8 provisions of the Internal Revenue Code, 26 U.S.C., Section  
9 501(c) (3) for events the principal purpose of which is to provide  
10 funding for the preservation and conservation of wild turkeys;

11        57. Sales of tangible personal property or services to an  
12 organization which:

13            a. is exempt from taxation pursuant to the provisions of  
14 the Internal Revenue Code, 26 U.S.C., Section  
15 501(c) (3), and

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

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

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



- 1 (3) collects donated clothing and household goods to  
2 sell in retail stores and provides contract labor  
3 services to business and government, and  
4 (4) provides documentation to the Oklahoma Tax  
5 Commission that over seventy-five percent (75%)  
6 of its revenues are channeled into employment,  
7 job training and placement programs and other  
8 critical community services;

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

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

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

19           61. Sales of tangible personal property or services to an  
20 organization, which is exempt from taxation pursuant to the  
21 provisions of the Internal Revenue Code, 26 U.S.C., Section  
22 501(c)(3), and which is itself a member of an organization which is  
23 exempt from taxation pursuant to the provisions of the Internal  
24 Revenue Code, 26 U.S.C., Section 501(c)(3), if the membership

1 organization is primarily engaged in advancing the purposes of its  
2 member organizations through fundraising, public awareness or other  
3 efforts for the benefit of its member organizations, and if the  
4 member organization is primarily engaged either in providing  
5 educational services and programs concerning health-related diseases  
6 and conditions to individuals suffering from such health-related  
7 diseases and conditions or their caregivers and family members or  
8 support to such individuals, or in health-related research as to  
9 such diseases and conditions, or both. In order to qualify for the  
10 exemption authorized by this paragraph, the member nonprofit  
11 organization shall be required to provide proof to the Oklahoma Tax  
12 Commission of its membership status in the membership organization;

13 62. Sales of tangible personal property or services to or by an  
14 organization which is part of a national volunteer women's service  
15 organization dedicated to promoting patriotism, preserving American  
16 history and securing better education for children and which has at  
17 least 168,000 members in 3,000 chapters across the United States;

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

22 64. Sales of tangible personal property or services to or by a  
23 veteran's organization which is exempt from taxation pursuant to the  
24 provisions of the Internal Revenue Code, 26 U.S.C., Section

1 501(c)(19) and which is known as the Veterans of Foreign Wars of the  
2 United States, Oklahoma Chapters;

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

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

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

- 18 a. is exempt from taxation pursuant to the provisions of  
19 the Internal Revenue Code, 26 U.S.C., Section  
20 501(c)(3),
- 21 b. has filed a Not-for-Profit Certificate of  
22 Incorporation in this state, and
- 23 c. is organized for the purpose of:
- 24

- 1 (1) providing training and education to
- 2 developmentally disabled individuals,
- 3 (2) educating the community about the rights,
- 4 abilities and strengths of developmentally
- 5 disabled individuals, and
- 6 (3) promoting unity among developmentally disabled
- 7 individuals in their community and geographic
- 8 area;

9 68. Sales of tangible personal property or services to any  
10 organization which is a shelter for abused, neglected, or abandoned  
11 children and which is exempt from taxation pursuant to the  
12 provisions of the Internal Revenue Code, 26 U.S.C., Section  
13 501(c)(3); provided, until July 1, 2008, such exemption shall apply  
14 only to eligible shelters for children from birth to age twelve (12)  
15 and after July 1, 2008, such exemption shall apply to eligible  
16 shelters for children from birth to age eighteen (18);

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

- 20 a. possesses a 3-star rating from the Department of Human
- 21 Services Reaching for the Stars Program or a national
- 22 accreditation, and
- 23 b. allows on site universal pre-kindergarten education to
- 24 be provided to four-year-old children through a

1 contractual agreement with any public school or school  
2 district.

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

17 70. a. Sales of tangible personal property to a service  
18 organization of mothers who have children who are  
19 serving or who have served in the military, which  
20 service organization is exempt from taxation pursuant  
21 to the provisions of the Internal Revenue Code, 26  
22 U.S.C., Section 501(c)(19) and which is known as the  
23 Blue Star Mothers of America, Inc. The exemption  
24 provided by this paragraph shall only apply to the

1 purchase of tangible personal property actually sent  
2 to United States military personnel overseas who are  
3 serving in a combat zone and not to any other tangible  
4 personal property purchased by the organization.  
5 Provided, this exemption shall not apply to any sales  
6 tax levied by a city, town, county, or any other  
7 jurisdiction in this state.

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

23 c. A purchaser who applies for a refund pursuant to this  
24 paragraph shall certify that the items were actually

1 sent to military personnel overseas in a combat zone.  
2 Any purchaser that applies for a refund for the  
3 purchase of items that are not authorized for  
4 exemption under this paragraph shall be subject to a  
5 penalty in the amount of Five Hundred Dollars  
6 (\$500.00);

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

12 72. Sales of tangible personal property or services for use  
13 solely on construction projects for organizations which are exempt  
14 from taxation pursuant to the provisions of the Internal Revenue  
15 Code, 26 U.S.C., Section 501(c)(3) and whose purpose is providing  
16 end-of-life care and access to hospice services to low-income  
17 individuals who live in a facility owned by the organization. The  
18 exemption provided by this paragraph applies to sales to the  
19 organization as well as to sales to any person with whom the  
20 organization has duly entered into a construction contract,  
21 necessary for carrying out such contract or to any subcontractor to  
22 such a construction contract. Any person making purchases on behalf  
23 of such organization shall certify, in writing, on the copy of the  
24 invoice or sales ticket to be retained by the vendor that the



1 purchases are made for and on behalf of such organization and set  
2 out the name of such organization. Any person who wrongfully or  
3 erroneously certifies that purchases are for any of the above-named  
4 organizations or who otherwise violates this section shall be guilty  
5 of a misdemeanor and upon conviction thereof shall be fined an  
6 amount equal to double the amount of sales tax involved or  
7 incarcerated for not more than sixty (60) days or both;

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

13 74. Sales of tangible personal property or services:

14 a. to a foundation which is exempt from taxation pursuant  
15 to the provisions of the Internal Revenue Code, 26  
16 U.S.C., Section 501(c)(3) and which raises tax-  
17 deductible contributions in support of a wide range of  
18 firearms-related public interest activities of the  
19 National Rifle Association of America and other  
20 organizations that defend and foster Second Amendment  
21 rights, and

22 b. to or by a grassroots fundraising program for sales  
23 related to events to raise funds for a foundation  
24

1 meeting the qualifications of subparagraph a of this  
2 paragraph;

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

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

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

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

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

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

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

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81. 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. certified as a Comprehensive Community Addiction Recovery Center by the Oklahoma State Department of Mental Health and Substance Abuse Services, and
- c. substantially funded through the Oklahoma Department of Mental Health and Substance Abuse Services.

SECTION 2. This act shall become effective November 1, 2020.

57-2-11552 SD 02/27/20