

1 ENGROSSED SENATE
2 BILL NO. 1499

By: Garvin of the Senate

and

Roe of the House

3
4
5
6 [feminine hygiene products - Feminine Hygiene
7 Program - State Department of Health to administer
8 program - Feminine Hygiene Program Revolving Fund -
9 exemptions - codification - effective date]

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

11 SECTION 1. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 1-228 of Title 63, unless there
13 is created a duplication in numbering, reads as follows:

14 A. As used in this section:

15 1. "Feminine hygiene products" means tampons, panty liners,
16 menstrual cups, sanitary napkins, and other products designed for
17 feminine hygiene in connection with the human menstrual cycle; and

18 2. "Local health department" means a county department of
19 health, a cooperative department of health, a district department of
20 health, or a city-county health department.

21 B. There is hereby created the Feminine Hygiene Program. The
22 State Department of Health shall administer the Feminine Hygiene
23 Program to provide grants to local health departments for the
24 purpose of providing feminine hygiene products to women.

1 C. Local health departments may apply to the State Department
2 of Health for available funds. The application shall be on a form
3 provided by the Department and shall contain information including
4 but not limited to the items the local health department plans to
5 purchase, the needs of the population the local health department
6 intends to serve, and any entities the local health department plans
7 to partner with to distribute feminine hygiene products.

8 D. For the distribution of feminine hygiene products, local
9 health departments may partner with public schools, institutions of
10 higher education, career tech centers, and nonprofit organizations
11 that are solely organized in this state.

12 E. The State Department of Health shall determine grant
13 application approvals and grant amounts based on a measure of the
14 needs of the population the local health department intends to
15 serve. The Department shall determine a measure of needs by
16 analyzing information on the population to be served including but
17 not limited to health statistics, income levels, employment
18 statistics, or rates of domestic crime.

19 F. The State Commissioner of Health shall promulgate rules to
20 administer the provisions of this section.

21 SECTION 2. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 1-228.1 of Title 63, unless
23 there is created a duplication in numbering, reads as follows:

24

1 There is hereby created in the State Treasury a revolving fund
2 for the State Department of Health, to be designated the "Feminine
3 Hygiene Program Revolving Fund". The fund shall be a continuing
4 fund, not subject to fiscal year limitations, and shall consist of
5 all monies received by the State Department of Health from
6 appropriations of the Legislature, federal grants or funds, and
7 sales tax apportionments pursuant to Section 1353 of Title 68 of the
8 Oklahoma Statutes. All monies accruing to the credit of the fund
9 are hereby appropriated and shall be budgeted and expended to
10 administer and provide grants pursuant to the Feminine Hygiene
11 Program created in Section 1 of this act. Expenditures from the
12 fund shall be made upon warrants issued by the State Treasurer
13 against claims filed as prescribed by law with the Director of the
14 Office of Management and Enterprise Services for approval and
15 payment.

16 SECTION 3. AMENDATORY 68 O.S. 2021, Section 1353, is
17 amended to read as follows:

18 Section 1353. A. It is hereby declared to be the purpose of
19 the Oklahoma Sales Tax Code to provide funds for the financing of
20 the program provided for by the Oklahoma Social Security Act and to
21 provide revenues for the support of the functions of the state
22 government of Oklahoma, and for this purpose it is hereby expressly
23 provided that, revenues derived pursuant to the provisions of the
24 Oklahoma Sales Tax Code, subject to the apportionment requirements

1 for the Oklahoma Tax Commission and Office of Management and
2 Enterprise Services Joint Computer Enhancement Fund provided by
3 Section 265 of this title, shall be apportioned as follows:

4 1. Except as provided in subsections C and D of this section,
5 the following amounts shall be paid to the State Treasurer to be
6 placed to the credit of the General Revenue Fund to be paid out
7 pursuant to direct appropriation by the Legislature:

8 Fiscal Year	Amount
9 FY 2003 and FY 2004	86.04%
10 FY 2005	85.83%
11 FY 2006	85.54%
12 FY 2007	85.04%
13 FY 2008 through FY 2022	83.61%
14 FY 2023 through FY 2027	83.36%
15 FY 2028 and each fiscal year thereafter	83.61%;

16 2. The following amounts shall be paid to the State Treasurer
17 to be placed to the credit of the Education Reform Revolving Fund of
18 the State Department of Education:

- 19 a. for FY 2003, FY 2004 and FY 2005, ten and forty-two
20 one-hundredths percent (10.42%),
- 21 b. for FY 2006 through FY 2020, ten and forty-six one-
22 hundredths percent (10.46%),
- 23 c. for FY 2021:

24

1 (1) for the month beginning July 1, 2020, through the
2 month ending August 31, 2020, ten and forty-six
3 one-hundredths percent (10.46%), and

4 (2) for the month beginning September 1, 2020,
5 through the month ending June 30, 2021, eleven
6 and ninety-six one-hundredths percent (11.96%),

7 d. for FY 2022 and each fiscal year thereafter, ten and
8 forty-six one-hundredths percent (10.46%);

9 3. The following amounts shall be paid to the State Treasurer
10 to be placed to the credit of the Teachers' Retirement System
11 Dedicated Revenue Revolving Fund:

12 Fiscal Year	Amount
13 FY 2003 and FY 2004	3.54%
14 FY 2005	3.75%
15 FY 2006	4.0%
16 FY 2007	4.5%
17 FY 2008 through FY 2020	5.0%
18 FY 2021:	

19 a. for the month beginning July
20 1, 2020, through the month
21 ending August 31, 2020 5.0%

22 b. for the month beginning
23 September 1, 2020, through
24

1	the month ending June 30,	
2	2021	3.5%
3	FY 2022	5.0%
4	FY 2023 through FY 2027	5.25%
5	FY 2028 and each fiscal year thereafter	5.0%;

6 4. a. except as otherwise provided in subparagraph b of this
7 paragraph, for the fiscal year beginning July 1, 2015,
8 and for each fiscal year thereafter, eighty-seven one-
9 hundredths percent (0.87%) shall be paid to the State
10 Treasurer to be further apportioned as follows:

11 (1) thirty-six percent (36%) shall be placed to the
12 credit of the Oklahoma Tourism Promotion
13 Revolving Fund, but in no event shall such
14 apportionment exceed Five Million Dollars
15 (\$5,000,000.00) in any fiscal year, and

16 (2) sixty-four percent (64%) shall be placed to the
17 credit of the Oklahoma Tourism Capital
18 Improvement Revolving Fund, but in no event shall
19 such apportionment exceed Nine Million Dollars
20 (\$9,000,000.00) in any fiscal year, and

21 b. any amounts which exceed the limitations of
22 subparagraph a of this paragraph shall be placed to
23 the credit of the General Revenue Fund; and
24

1 5. For the fiscal year beginning July 1, 2015, and for each
2 fiscal year thereafter, six one-hundredths percent (0.06%) shall be
3 placed to the credit of the Oklahoma Historical Society Capital
4 Improvement and Operations Revolving Fund, but in no event shall
5 such apportionment exceed the total amount apportioned pursuant to
6 this paragraph for the fiscal year ending on June 30, 2015. Any
7 amounts which exceed the limitations of this paragraph shall be
8 placed to the credit of the General Revenue Fund.

9 B. Provided, for the fiscal year beginning July 1, 2007, and
10 every fiscal year thereafter, an amount of revenue shall be
11 apportioned to each municipality or county which levies a sales tax
12 subject to the provisions of Section 1357.10 of this title and
13 subsection F of Section 2701 of this title equal to the amount of
14 sales tax revenue of such municipality or county exempted by the
15 provisions of Section 1357.10 of this title and subsection F of
16 Section 2701 of this title. The Oklahoma Tax Commission shall
17 promulgate and adopt rules necessary to implement the provisions of
18 this subsection.

19 C. From the monies that would otherwise be apportioned to the
20 General Revenue Fund pursuant to subsection A of this section, there
21 shall be apportioned the following amounts:

22 1. For the month ending August 31, 2019:

23 a. Nine Million Six Hundred Thousand Dollars

24 (\$9,600,000.00) to the credit of the State Highway

1 Construction and Maintenance Fund created in Section
2 1501 of Title 69 of the Oklahoma Statutes, and

3 b. Two Million Dollars (\$2,000,000.00) to the credit of
4 the Oklahoma Railroad Maintenance Revolving Fund
5 created in Section 309 of Title 66 of the Oklahoma
6 Statutes;

7 2. For the month ending September 30, 2019:

8 a. Twenty Million Dollars (\$20,000,000.00) to the credit
9 of the State Highway Construction and Maintenance Fund
10 created in Section 1501 of Title 69 of the Oklahoma
11 Statutes, and

12 b. Two Million Dollars (\$2,000,000.00) to the credit of
13 the Oklahoma Railroad Maintenance Revolving Fund
14 created in Section 309 of Title 66 of the Oklahoma
15 Statutes;

16 3. For the month ending October 31, 2019:

17 a. Twenty Million Dollars (\$20,000,000.00) to the credit
18 of the State Highway Construction and Maintenance Fund
19 created in Section 1501 of Title 69 of the Oklahoma
20 Statutes, and

21 b. Two Million Dollars (\$2,000,000.00) to the credit of
22 the Oklahoma Railroad Maintenance Revolving Fund
23 created in Section 309 of Title 66 of the Oklahoma
24 Statutes;

1 4. For the month ending November 30, 2019:

2 a. Twenty Million Dollars (\$20,000,000.00) to the credit
3 of the State Highway Construction and Maintenance Fund
4 created in Section 1501 of Title 69 of the Oklahoma
5 Statutes, and

6 b. Two Million Dollars (\$2,000,000.00) to the credit of
7 the Oklahoma Railroad Maintenance Revolving Fund
8 created in Section 309 of Title 66 of the Oklahoma
9 Statutes; and

10 5. For the month ending December 31, 2019:

11 a. Twenty Million Dollars (\$20,000,000.00) to the credit
12 of the State Highway Construction and Maintenance Fund
13 created in Section 1501 of Title 69 of the Oklahoma
14 Statutes, and

15 b. Two Million Dollars (\$2,000,000.00) to the credit of
16 the Oklahoma Railroad Maintenance Revolving Fund
17 created in Section 309 of Title 66 of the Oklahoma
18 Statutes.

19 D. For fiscal year 2023, and each subsequent fiscal year,
20 before any other apportionment otherwise required by this section is
21 made to the General Revenue Fund, there shall be apportioned to the
22 State Public Common School Building Equalization Fund an amount, if
23 any, as required pursuant to Section 3-104 of Title 70 of the
24 Oklahoma Statutes, not to exceed the state sales tax generated by

1 medical marijuana sales in the preceding fiscal year as reported by
2 the Oklahoma Tax Commission.

3 E. For fiscal year 2024 and each subsequent fiscal year, before
4 any other apportionment otherwise required by this section is made
5 to the General Revenue Fund, there shall be apportioned One Million
6 Dollars (\$1,000,000.00) to the Feminine Hygiene Program Revolving
7 Fund created in Section 2 of this act.

8 SECTION 4. AMENDATORY 68 O.S. 2021, Section 1357, as
9 last amended by Section 1, Chapter 68, O.S.L. 2021, is amended to
10 read as follows:

11 Section 1357. Exemptions - General. There are hereby
12 specifically exempted from the tax levied by the Oklahoma Sales Tax
13 Code:

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

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

19 3. Sales for resale to persons engaged in the business of
20 reselling the articles purchased, whether within or without the
21 state, provided that such sales to residents of this state are made
22 to persons to whom sales tax permits have been issued as provided in
23 the Oklahoma Sales Tax Code. This exemption shall not apply to the
24 sales of articles made to persons holding permits when such persons

1 purchase items for their use and which they are not regularly
2 engaged in the business of reselling; neither shall this exemption
3 apply to sales of tangible personal property to peddlers,
4 solicitors, and other salespersons who do not have an established
5 place of business and a sales tax permit. The exemption provided by
6 this paragraph shall apply to sales of motor fuel or diesel fuel to
7 a Group Five vendor, but the use of such motor fuel or diesel fuel
8 by the Group Five vendor shall not be exempt from the tax levied by
9 the Oklahoma Sales Tax Code. The purchase of motor fuel or diesel
10 fuel is exempt from sales tax when the motor fuel is for shipment
11 outside this state and consumed by a common carrier by rail in the
12 conduct of its business. The sales tax shall apply to the purchase
13 of motor fuel or diesel fuel in Oklahoma by a common carrier by rail
14 when such motor fuel is purchased for fueling, within this state, of
15 any locomotive or other motorized flanged wheel equipment;

16 4. Sales of advertising space in newspapers and periodicals;

17 5. Sales of programs relating to sporting and entertainment
18 events, and sales of advertising on billboards (including signage,
19 posters, panels, marquees, or on other similar surfaces, whether
20 indoors or outdoors) or in programs relating to sporting and
21 entertainment events, and sales of any advertising, to be displayed
22 at or in connection with a sporting event, via the Internet,
23 electronic display devices, or through public address or broadcast
24

1 systems. The exemption authorized by this paragraph shall be
2 effective for all sales made on or after January 1, 2001;

3 6. Sales of any advertising, other than the advertising
4 described by paragraph 5 of this section, via the Internet,
5 electronic display devices, or through the electronic media,
6 including radio, public address or broadcast systems, television
7 (whether through closed circuit broadcasting systems or otherwise),
8 and cable and satellite television, and the servicing of any
9 advertising devices;

10 7. Eggs, feed, supplies, machinery, and equipment purchased by
11 persons regularly engaged in the business of raising worms, fish,
12 any insect, or any other form of terrestrial or aquatic animal life
13 and used for the purpose of raising same for marketing. This
14 exemption shall only be granted and extended to the purchaser when
15 the items are to be used and in fact are used in the raising of
16 animal life as set out above. Each purchaser shall certify, in
17 writing, on the invoice or sales ticket retained by the vendor that
18 the purchaser is regularly engaged in the business of raising such
19 animal life and that the items purchased will be used only in such
20 business. The vendor shall certify to the Oklahoma Tax Commission
21 that the price of the items has been reduced to grant the full
22 benefit of the exemption. Violation hereof by the purchaser or
23 vendor shall be a misdemeanor;

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1 8. Sale of natural or artificial gas and electricity, and
2 associated delivery or transmission services, when sold exclusively
3 for residential use. Provided, this exemption shall not apply to
4 any sales tax levied by a city or town, or a county, or any other
5 jurisdiction in this state;

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

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

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

19 12. Sales of food or food products for home consumption which
20 are purchased in whole or in part with coupons issued pursuant to
21 the federal food stamp program as authorized by Sections 2011
22 through 2029 of Title 7 of the United States Code, as to that
23 portion purchased with such coupons. The exemption provided for
24 such sales shall be inapplicable to such sales upon the effective

1 date of any federal law that removes the requirement of the
2 exemption as a condition for participation by the state in the
3 federal food stamp program;

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

7 a. is exempt from taxation pursuant to the provisions of
8 Section 501(c)(3) of the Internal Revenue Code, 26
9 U.S.C., Section 501(c)(3), and which provides and
10 delivers prepared meals for home consumption to
11 elderly or homebound persons as part of a program
12 commonly known as "Meals on Wheels" or "Mobile Meals",
13 or

14 b. is exempt from taxation pursuant to the provisions of
15 Section 501(c)(3) of the Internal Revenue Code, 26
16 U.S.C., Section 501(c)(3), and which receives federal
17 funding pursuant to the Older Americans Act of 1965,
18 as amended, for the purpose of providing nutrition
19 programs for the care and benefit of elderly persons;

20 14. a. Sales of tangible personal property or services to or
21 by organizations which are exempt from taxation
22 pursuant to the provisions of Section 501(c)(3) of the
23 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
24 and:

1 (1) are primarily involved in the collection and
2 distribution of food and other household products
3 to other organizations that facilitate the
4 distribution of such products to the needy and
5 such distributee organizations are exempt from
6 taxation pursuant to the provisions of Section
7 501(c) (3) of the Internal Revenue Code, 26
8 U.S.C., Section 501(c) (3), or

9 (2) facilitate the distribution of such products to
10 the needy.

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

15 15. Sales of tangible personal property or services to
16 children's homes which are located on church-owned property and are
17 operated by organizations exempt from taxation pursuant to the
18 provisions of the Internal Revenue Code, 26 U.S.C., Section
19 501(c) (3);

20 16. Sales of computers, data processing equipment, related
21 peripherals, and telephone, telegraph or telecommunications service
22 and equipment for use in a qualified aircraft maintenance or
23 manufacturing facility. For purposes of this paragraph, "qualified
24 aircraft maintenance or manufacturing facility" means a new or

1 expanding facility primarily engaged in aircraft repair, building,
2 or rebuilding whether or not on a factory basis, whose total cost of
3 construction exceeds the sum of Five Million Dollars (\$5,000,000.00)
4 and which employs at least two hundred fifty (250) new full-time-
5 equivalent employees, as certified by the Oklahoma Employment
6 Security Commission, upon completion of the facility. In order to
7 qualify for the exemption provided for by this paragraph, the cost
8 of the items purchased by the qualified aircraft maintenance or
9 manufacturing facility shall equal or exceed the sum of Two Million
10 Dollars (\$2,000,000.00);

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

20 18. Sales of the following telecommunications services:

21 a. Interstate and International "800 service". "800
22 service" means a "telecommunications service" that
23 allows a caller to dial a toll-free number without
24 incurring a charge for the call. The service is

1 typically marketed under the name "800", "855", "866",
2 "877", and "888" toll-free calling, and any subsequent
3 numbers designated by the Federal Communications
4 Commission, ~~or~~

5 b. Interstate and International "900 service". "900
6 service" means an inbound toll "telecommunications
7 service" purchased by a subscriber that allows the
8 subscriber's customers to call in to the subscriber's
9 prerecorded announcement or live service. "900
10 service" does not include the charge for: collection
11 services provided by the seller of the
12 "telecommunications services" to the subscriber, or
13 service or product sold by the subscriber to the
14 subscriber's customer. The service is typically
15 marketed under the name "900" service, and any
16 subsequent numbers designated by the Federal
17 Communications Commission,

18 c. Interstate and International "private communications
19 service". "Private communications service" means a
20 "telecommunications service" that entitles the
21 customer to exclusive or priority use of a
22 communications channel or group of channels between or
23 among termination points, regardless of the manner in
24 which such channel or channels are connected, and

1 includes switching capacity, extension lines,
2 stations, and any other associated services that are
3 provided in connection with the use of such channel or
4 channels,

5 d. "Value-added nonvoice data service". "Value-added
6 nonvoice data service" means a service that otherwise
7 meets the definition of "telecommunications services"
8 in which computer processing applications are used to
9 act on the form, content, code, or protocol of the
10 information or data primarily for a purpose other than
11 transmission, conveyance, or routing,

12 e. Interstate and International telecommunications
13 service which is:

14 (1) rendered by a company for private use within its
15 organization, or

16 (2) used, allocated, or distributed by a company to
17 its affiliated group,

18 f. Regulatory assessments and charges, including charges
19 to fund the Oklahoma Universal Service Fund, the
20 Oklahoma Lifeline Fund and the Oklahoma High Cost
21 Fund, and

22 g. Telecommunications nonrecurring charges, including but
23 not limited to the installation, connection, change,
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1 or initiation of telecommunications services which are
2 not associated with a retail consumer sale;

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

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

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

4 a. as defined under Industrial Group Numbers 7372 and
5 7373 of the Standard Industrial Classification (SIC)
6 Manual, latest version, which derive at least fifty
7 percent (50%) of their annual gross revenues from the
8 sale of a product or service to an out-of-state buyer
9 or consumer, and

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

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

23 22. Sales of prosthetic devices to an individual for use by
24 such individual. For purposes of this paragraph, "prosthetic

1 device" shall have the same meaning as provided in Section 1357.6 of
2 this title, but shall not include corrective eye glasses, contact
3 lenses, or hearing aids;

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

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

21 25. Sales of tangible personal property or services to tax-
22 exempt independent nonprofit biomedical research foundations that
23 provide educational programs for Oklahoma science students and
24

1 teachers and to tax-exempt independent nonprofit community blood
2 banks headquartered in this state;

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

8 27. Effective January 1, 1991, leases of rail transportation
9 cars to haul coal to coal-fired plants located in this state which
10 generate electric power;

11 28. Beginning July 1, 2005, sales of aircraft engine repairs,
12 modification, and replacement parts, sales of aircraft frame repairs
13 and modification, aircraft interior modification, and paint, and
14 sales of services employed in the repair, modification, and
15 replacement of parts of aircraft engines, aircraft frame and
16 interior repair and modification, and paint;

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

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

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

- 8 a. such sale or event may not be held for a period
9 exceeding three (3) consecutive days,
- 10 b. the sale must be conducted within six (6) months of
11 the date of death of the decedent, and
- 12 c. the exemption allowed by this paragraph shall not be
13 allowed for property that was not part of the
14 decedent's estate;

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

23 32. Sales of prewritten computer software that is delivered
24 electronically. For purposes of this paragraph, "delivered

1 electronically" means delivered to the purchaser by means other than
2 tangible storage media;

3 33. Sales of modular dwelling units when built at a production
4 facility and moved in whole or in parts, to be assembled on-site,
5 and permanently affixed to the real property and used for
6 residential or commercial purposes. The exemption provided by this
7 paragraph shall equal forty-five percent (45%) of the total sales
8 price of the modular dwelling unit. For purposes of this paragraph,
9 "modular dwelling unit" means a structure that is not subject to the
10 motor vehicle excise tax imposed pursuant to Section 2103 of this
11 title;

12 34. Sales of tangible personal property or services to persons
13 who are residents of Oklahoma and have been honorably discharged
14 from active service in any branch of the Armed Forces of the United
15 States or Oklahoma National Guard and who have been certified by the
16 United States Department of Veterans Affairs or its successor to be
17 in receipt of disability compensation at the one-hundred-percent
18 rate and the disability shall be permanent and have been sustained
19 through military action or accident or resulting from disease
20 contracted while in such active service or the surviving spouse of
21 such person if the person is deceased and the spouse has not
22 remarried; provided, sales for the benefit of the person to a spouse
23 of the eligible person or to a member of the household in which the
24 eligible person resides and who is authorized to make purchases on

1 the person's behalf, when such eligible person is not present at the
2 sale, shall also be exempt for purposes of this paragraph. The
3 Oklahoma Tax Commission shall issue a separate exemption card to a
4 spouse of an eligible person or to a member of the household in
5 which the eligible person resides who is authorized to make
6 purchases on the person's behalf, if requested by the eligible
7 person. Sales qualifying for the exemption authorized by this
8 paragraph shall not exceed Twenty-five Thousand Dollars (\$25,000.00)
9 per year per individual while the disabled veteran is living. Sales
10 qualifying for the exemption authorized by this paragraph shall not
11 exceed One Thousand Dollars (\$1,000.00) per year for an unremarried
12 surviving spouse. Upon request of the Tax Commission, a person
13 asserting or claiming the exemption authorized by this paragraph
14 shall provide a statement, executed under oath, that the total sales
15 amounts for which the exemption is applicable have not exceeded
16 Twenty-five Thousand Dollars (\$25,000.00) per year per living
17 disabled veteran or One Thousand Dollars (\$1,000.00) per year for an
18 unremarried surviving spouse. If the amount of such exempt sales
19 exceeds such amount, the sales tax in excess of the authorized
20 amount shall be treated as a direct sales tax liability and may be
21 recovered by the Tax Commission in the same manner provided by law
22 for other taxes, including penalty and interest;

23 35. Sales of electricity to the operator, specifically
24 designated by the Corporation Commission, of a spacing unit or lease

1 from which oil is produced or attempted to be produced using
2 enhanced recovery methods, including, but not limited to, increased
3 pressure in a producing formation through the use of water or
4 saltwater if the electrical usage is associated with and necessary
5 for the operation of equipment required to inject or circulate
6 fluids in a producing formation for the purpose of forcing oil or
7 petroleum into a wellbore for eventual recovery and production from
8 the wellhead. In order to be eligible for the sales tax exemption
9 authorized by this paragraph, the total content of oil recovered
10 after the use of enhanced recovery methods shall not exceed one
11 percent (1%) by volume. The exemption authorized by this paragraph
12 shall be applicable only to the state sales tax rate and shall not
13 be applicable to any county or municipal sales tax rate;

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

23 37. Sales of vitamins, minerals, and dietary supplements by a
24 licensed chiropractor to a person who is the patient of such

1 chiropractor at the physical location where the chiropractor
2 provides chiropractic care or services to such patient. The
3 provisions of this paragraph shall not be applicable to any drug,
4 medicine, or substance for which a prescription by a licensed
5 physician is required;

6 38. Sales of goods, wares, merchandise, tangible personal
7 property, machinery, and equipment to a web search portal located in
8 this state which derives at least eighty percent (80%) of its annual
9 gross revenue from the sale of a product or service to an out-of-
10 state buyer or consumer. For purposes of this paragraph, "web
11 search portal" means an establishment classified under NAICS code
12 519130 which operates websites that use a search engine to generate
13 and maintain extensive databases of Internet addresses and content
14 in an easily searchable format;

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

23 40. Sales of tangible personal property or services to a
24 business primarily engaged in the repair of consumer electronic

1 goods, including, but not limited to, cell phones, compact disc
2 players, personal computers, MP3 players, digital devices for the
3 storage and retrieval of information through hard-wired or wireless
4 computer or Internet connections, if the devices are sold to the
5 business by the original manufacturer of such devices and the
6 devices are repaired, refitted, or refurbished for sale by the
7 entity qualifying for the exemption authorized by this paragraph
8 directly to retail consumers or if the devices are sold to another
9 business entity for sale to retail consumers;

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

19 42. Sales of gold, silver, platinum, palladium, or other
20 bullion items such as coins and bars and legal tender of any nation,
21 which legal tender is sold according to its value as precious metal
22 or as an investment. As used in the paragraph, "bullion" means any
23 precious metal, including, but not limited to, gold, silver,
24 platinum, and palladium, that is in such a state or condition that

1 its value depends upon its precious metal content and not its form.
2 The exemption authorized by this paragraph shall not apply to
3 fabricated metals that have been processed or manufactured for
4 artistic use or as jewelry; ~~and~~

5 43. Until January 2027, sales of commercial forestry service
6 equipment, limited to forwarders, fellers, bunchers, track skidders,
7 wheeled skidders, hydraulic excavators, delimiters, soil compactors
8 and skid steer loaders, to businesses engaged in logging, timber and
9 tree farming; and

10 44. Sales of feminine hygiene products. The exemption
11 authorized by this paragraph shall be administered in the form of a
12 refund from the sales tax revenues apportioned pursuant to Section
13 1353 of this title, and the vendor shall be required to collect the
14 sales tax otherwise applicable to the transaction. The purchaser
15 may apply for a refund of the state sales tax paid in the manner
16 prescribed by this paragraph. Within sixty (60) days after the end
17 of each calendar year, any purchaser that is entitled to make
18 application for a refund based upon the exempt treatment authorized
19 by this paragraph may file an application for refund of the state
20 sales taxes paid during the preceding calendar year and shall
21 furnish receipts documenting the exempt purchases made with the
22 application. The Tax Commission shall prescribe a form for purposes
23 of making the application for refund. For the purposes of this
24 paragraph, "feminine hygiene products" means tampons, panty liners,

1 menstrual cups, sanitary napkins, and other similar tangible
2 personal property designed for feminine hygiene in connection with
3 the human menstrual cycle.

4 SECTION 5. This act shall become effective November 1, 2022.

5 Passed the Senate the 21st day of March, 2022.

6
7 _____
8 Presiding Officer of the Senate

9 Passed the House of Representatives the ____ day of _____,
10 2022.

11
12 _____
13 Presiding Officer of the House
14 of Representatives