

OKLAHOMA STATE SENATE
GENERAL CONFERENCE COMMITTEE ON APPROPRIATIONS

Mr. President:

Date: 5-16-2019

Mr. Speaker:

The Conference Committee, to which was referred

SB 310

By: Simpson et al of the Senate and Miller and Manger of the House

Title: Sales tax; modifying exemption related to specified military disability; increasing exemption for certain dependent. Effective date.

together with Engrossed House Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

advise that the conferees have been unable to agree

SENATE CONFEREES:

Bice Steve

Pemberton [Signature]

Brooks _____

Pugh _____

Daniels Juanita Daniels

Rader [Signature]

Dossett _____

Rosino [Signature]

Dugger [Signature]

Scott _____

Floyd _____

Shaw [Signature]

Hall [Signature]

Simpson [Signature]

Ikley-Freeman _____

Stanislawski [Signature]

Jech [Signature]

Thompson [Signature]

Kidd [Signature]

Matthews _____

Montgomery [Signature]

HOUSE CONFEREES:

General Conference Committee on Appropriations

1 ENGROSSED HOUSE AMENDMENT
TO
2 ENGROSSED SENATE BILL NO. 310 By: Simpson of the Senate
3 and
4 Miller of the House
5
6

7 An Act relating to sales tax; amending 68 O.S. 2011,
8 Section 1357, as last amended by Section 18, Chapter
9 54, O.S.L. 2015 (68 O.S. Supp. 2018, Section 1357),
10 which relates to sales tax exemptions; modifying
11 eligibility for sales tax exemption related to
12 specified military disability; modifying and
13 expanding applicability under specified
14 circumstances; increasing amount of exemption for
15 certain spouse of eligible person; construing
16 provision; authorizing rulemaking; and providing an
17 effective date.

15 AUTHOR: Add the following House Coauthor: Manger

16 AUTHOR: Add the following Senate Coauthor: Weaver

17 AMENDMENT NO. 1. Delete the title, enacting clause and entire bill
18 and replace with:

19
20 "[sales tax - exemption - military disability -
21 effective date]
22
23

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

1 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1357, as
2 last amended by Section 18, Chapter 54, O.S.L. 2015 (68 O.S. Supp.
3 2018, Section 1357), is amended to read as follows:

4 Section 1357. Exemptions - General.

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

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

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

12 3. Sales for resale to persons engaged in the business of
13 reselling the articles purchased, whether within or without the
14 state, provided that such sales to residents of this state are made
15 to persons to whom sales tax permits have been issued as provided in
16 the Oklahoma Sales Tax Code. This exemption shall not apply to the
17 sales of articles made to persons holding permits when such persons
18 purchase items for their use and which they are not regularly
19 engaged in the business of reselling; neither shall this exemption
20 apply to sales of tangible personal property to peddlers, solicitors
21 and other salespersons who do not have an established place of
22 business and a sales tax permit. The exemption provided by this
23 paragraph shall apply to sales of motor fuel or diesel fuel to a
24 Group Five vendor, but the use of such motor fuel or diesel fuel by

1 the Group Five vendor shall not be exempt from the tax levied by the
2 Oklahoma Sales Tax Code. The purchase of motor fuel or diesel fuel
3 is exempt from sales tax when the motor fuel is for shipment outside
4 this state and consumed by a common carrier by rail in the conduct
5 of its business. The sales tax shall apply to the purchase of motor
6 fuel or diesel fuel in Oklahoma by a common carrier by rail when
7 such motor fuel is purchased for fueling, within this state, of any
8 locomotive or other motorized flanged wheel equipment;

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

10 5. Sales of programs relating to sporting and entertainment
11 events, and sales of advertising on billboards (including signage,
12 posters, panels, marquees, or on other similar surfaces, whether
13 indoors or outdoors) or in programs relating to sporting and
14 entertainment events, and sales of any advertising, to be displayed
15 at or in connection with a sporting event, via the Internet,
16 electronic display devices, or through public address or broadcast
17 systems. The exemption authorized by this paragraph shall be
18 effective for all sales made on or after January 1, 2001;

19 6. Sales of any advertising, other than the advertising
20 described by paragraph 5 of this section, via the Internet,
21 electronic display devices, or through the electronic media,
22 including radio, public address or broadcast systems, television
23 (whether through closed circuit broadcasting systems or otherwise),
24

1 and cable and satellite television, and the servicing of any
2 advertising devices;

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

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

22 9. In addition to the exemptions authorized by Section 1357.6
23 of this title, sales of drugs sold pursuant to a prescription
24 written for the treatment of human beings by a person licensed to

1 prescribe the drugs, and sales of insulin and medical oxygen.

2 Provided, this exemption shall not apply to over-the-counter drugs;

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

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

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

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

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

1 U.S.C., Section 501(c)(3), and which provides and
2 delivers prepared meals for home consumption to
3 elderly or homebound persons as part of a program
4 commonly known as "Meals on Wheels" or "Mobile Meals",
5 or

6 b. is exempt from taxation pursuant to the provisions of
7 Section 501(c)(3) of the Internal Revenue Code, 26
8 U.S.C., Section 501(c)(3), and which receives federal
9 funding pursuant to the Older Americans Act of 1965,
10 as amended, for the purpose of providing nutrition
11 programs for the care and benefit of elderly persons;

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

17 (1) are primarily involved in the collection and
18 distribution of food and other household products
19 to other organizations that facilitate the
20 distribution of such products to the needy and
21 such distributee organizations are exempt from
22 taxation pursuant to the provisions of Section
23 501(c)(3) of the Internal Revenue Code, 26
24 U.S.C., Section 501(c)(3), or

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

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

7 15. Sales of tangible personal property or services to
8 children's homes which are located on church-owned property and are
9 operated by organizations exempt from taxation pursuant to the
10 provisions of the Internal Revenue Code, 26 U.S.C., Section
11 501(c) (3);

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

1 manufacturing facility shall equal or exceed the sum of Two Million
2 Dollars (\$2,000,000.00);

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

12 18. Sales of the following telecommunications services:

13 a. Interstate and International "800 service". "800
14 service" means a "telecommunications service" that
15 allows a caller to dial a toll-free number without
16 incurring a charge for the call. The service is
17 typically marketed under the name "800", "855", "866",
18 "877", and "888" toll-free calling, and any subsequent
19 numbers designated by the Federal Communications
20 Commission, or

21 b. Interstate and International "900 service". "900
22 service" means an inbound toll "telecommunications
23 service" purchased by a subscriber that allows the
24 subscriber's customers to call in to the subscriber's

1 prerecorded announcement or live service. "900
2 service" does not include the charge for: collection
3 services provided by the seller of the
4 "telecommunications services" to the subscriber, or
5 service or product sold by the subscriber to the
6 subscriber's customer. The service is typically
7 marketed under the name "900" service, and any
8 subsequent numbers designated by the Federal
9 Communications Commission,

10 c. Interstate and International "private communications
11 service". "Private communications service" means a
12 "telecommunications service" that entitles the
13 customer to exclusive or priority use of a
14 communications channel or group of channels between or
15 among termination points, regardless of the manner in
16 which such channel or channels are connected, and
17 includes switching capacity, extension lines,
18 stations, and any other associated services that are
19 provided in connection with the use of such channel or
20 channels,

21 d. "Value-added nonvoice data service". "Value-added
22 nonvoice data service" means a service that otherwise
23 meets the definition of "telecommunications services"
24 in which computer processing applications are used to

1 act on the form, content, code, or protocol of the
2 information or data primarily for a purpose other than
3 transmission, conveyance or routing,

4 e. Interstate and International telecommunications
5 service which is:

6 (1) rendered by a company for private use within its
7 organization, or

8 (2) used, allocated, or distributed by a company to
9 its affiliated group,

10 f. Regulatory assessments and charges, including charges
11 to fund the Oklahoma Universal Service Fund, the
12 Oklahoma Lifeline Fund and the Oklahoma High Cost
13 Fund, and

14 g. Telecommunications nonrecurring charges, including but
15 not limited to the installation, connection, change or
16 initiation of telecommunications services which are
17 not associated with a retail consumer sale;

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

21 20. Sales of aircraft and aircraft parts provided such sales
22 occur at a qualified aircraft maintenance facility. As used in this
23 paragraph, "qualified aircraft maintenance facility" means a
24 facility operated by an air common carrier, including one or more

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

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

19 a. as defined under Industrial Group Numbers 7372 and
20 7373 of the Standard Industrial Classification (SIC)
21 Manual, latest version, which derive at least fifty
22 percent (50%) of their annual gross revenues from the
23 sale of a product or service to an out-of-state buyer
24 or consumer, and

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

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

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

19 23. Sales of tangible personal property or services to a motion
20 picture or television production company to be used or consumed in
21 connection with an eligible production. For purposes of this
22 paragraph, "eligible production" means a documentary, special, music
23 video, or a television commercial or television program that will
24 serve as a pilot for or be a segment of an ongoing dramatic or

1 situation comedy series filmed or taped for network or national or
2 regional syndication or a feature-length motion picture intended for
3 theatrical release or for network or national or regional
4 syndication or broadcast. The provisions of this paragraph shall
5 apply to sales occurring on or after July 1, 1996. In order to
6 qualify for the exemption, the motion picture or television
7 production company shall file any documentation and information
8 required to be submitted pursuant to rules promulgated by the Tax
9 Commission;

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

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

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

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

1 28. Beginning July 1, 2005, sales of aircraft engine repairs,
2 modification, and replacement parts, sales of aircraft frame repairs
3 and modification, aircraft interior modification, and paint, and
4 sales of services employed in the repair, modification and
5 replacement of parts of aircraft engines, aircraft frame and
6 interior repair and modification, and paint;

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

10 a. are loaded on the ship, motor vessel or barge and used
11 in the maintenance and operation of the ship, motor
12 vessel or barge, or

13 b. enter into and become component parts of the ship,
14 motor vessel or barge;

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

22 a. such sale or event may not be held for a period
23 exceeding three (3) consecutive days,
24

1 b. the sale must be conducted within six (6) months of
2 the date of death of the decedent, and

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

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

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

18 33. Sales of modular dwelling units when built at a production
19 facility and moved in whole or in parts, to be assembled on-site,
20 and permanently affixed to the real property and used for
21 residential or commercial purposes. The exemption provided by this
22 paragraph shall equal forty-five percent (45%) of the total sales
23 price of the modular dwelling unit. For purposes of this paragraph,
24 "modular dwelling unit" means a structure that is not subject to the

1 motor vehicle excise tax imposed pursuant to Section 2103 of this
2 title;

3 34. Sales of tangible personal property or services to:

4 a. persons who:

5 (1) are residents of Oklahoma ~~and,~~

6 (2) have been honorably discharged from active
7 service in any branch of the Armed Forces of the
8 United States or the Oklahoma National Guard ~~and~~
9 ~~who,~~

10 (3) have been ~~certified~~ awarded service-connected
11 disability compensation rated at one hundred
12 percent (100%) that is permanent and total by the
13 United States Department of Veterans Affairs or
14 its successor ~~to be in receipt of disability~~
15 ~~compensation at the one hundred percent rate and~~
16 ~~the disability shall be permanent and have been~~
17 and

18 (4) have sustained their disability through military
19 action or accident ~~or resulting,~~ from disease
20 contracted while in such active military service,
21 or from medical treatment or vocational
22 rehabilitation services provided by the United
23 States Department of Veterans Affairs or its

24

1 service providers, as provided in Section 1151 of
2 Title 38 of the United States Code,

3 b. persons who:

4 (1) are residents of Oklahoma, and

5 (2) are the surviving spouse of ~~such person if the~~
6 ~~person~~ a veteran who is deceased and the spouse
7 has not remarried; provided, ~~sales for the~~
8 ~~benefit of the person to a spouse of the eligible~~
9 ~~person or to~~ such veteran qualified prior to
10 death pursuant to subparagraph a of this
11 paragraph, or

12 (3) are the surviving spouse of a veteran who has not
13 remarried and has been awarded Dependency and
14 Indemnity Compensation pursuant to Section 1318
15 of Title 38 of the United States Code at any time
16 after the death of his or her veteran spouse, or

17 c. a member of the household in which the eligible person
18 resides when the sales are for the benefit of an
19 eligible person under subparagraph a or b of this
20 paragraph and who is authorized to make purchases on
21 the person's behalf, when such eligible person is not
22 present at the sale, ~~shall also be exempt for purposes~~
23 ~~of this paragraph.~~ The Oklahoma Tax Commission shall
24 issue a separate exemption card to a spouse of an

1 eligible person or to a member of the household in
2 which the eligible person resides who is authorized to
3 make purchases on the person's behalf, if requested by
4 the eligible person. Sales qualifying for the
5 exemption authorized by this paragraph shall not
6 exceed Twenty-five Thousand Dollars (\$25,000.00) per
7 year per individual while the disabled veteran is
8 living. Sales qualifying for the exemption authorized
9 by this paragraph shall not exceed ~~One Thousand~~
10 ~~Dollars (\$1,000.00)~~ Five Thousand Dollars (\$5,000.00)
11 per year for ~~an unremarried~~ a surviving spouse
12 eligible pursuant to subparagraph b of this paragraph.
13 Upon request of the Tax Commission, a person asserting
14 or claiming the exemption authorized by this paragraph
15 shall provide a statement, executed under oath, that
16 the total sales amounts for which the exemption is
17 applicable have not exceeded Twenty-five Thousand
18 Dollars (\$25,000.00) per year per living disabled
19 veteran ~~or One Thousand Dollars (\$1,000.00) per year~~
20 ~~for an unremarried surviving spouse~~ eligible pursuant
21 to subparagraph a of this paragraph and Five Thousand
22 Dollars (\$5,000.00) per year for a surviving spouse
23 eligible pursuant to subparagraph b of this paragraph.
24 If the amount of such exempt sales exceeds such

1 amount, the sales tax in excess of the authorized
2 amount shall be treated as a direct sales tax
3 liability and may be recovered by the Tax Commission
4 in the same manner provided by law for other taxes,
5 including penalty and interest. This paragraph shall
6 not confer a right to obtain a refund of sales taxes
7 from the Oklahoma Tax Commission collected prior to
8 the date a veteran has been awarded service-connected
9 disability compensation rated at one hundred percent
10 (100%) that is permanent and total by the United
11 States Department of Veterans Affairs or prior to the
12 time a surviving spouse has been awarded Dependency
13 and Indemnity Compensation pursuant to Section 1318 of
14 Title 38 of the United States Code after the death of
15 the veteran of whom he or she was the surviving
16 spouse. The Oklahoma Tax Commission may promulgate
17 any regulations necessary for the implementation of
18 this paragraph;

19 35. Sales of electricity to the operator, specifically
20 designated by the Corporation Commission, of a spacing unit or lease
21 from which oil is produced or attempted to be produced using
22 enhanced recovery methods, including, but not limited to, increased
23 pressure in a producing formation through the use of water or
24 saltwater if the electrical usage is associated with and necessary

1 for the operation of equipment required to inject or circulate
2 fluids in a producing formation for the purpose of forcing oil or
3 petroleum into a wellbore for eventual recovery and production from
4 the wellhead. In order to be eligible for the sales tax exemption
5 authorized by this paragraph, the total content of oil recovered
6 after the use of enhanced recovery methods shall not exceed one
7 percent (1%) by volume. The exemption authorized by this paragraph
8 shall be applicable only to the state sales tax rate and shall not
9 be applicable to any county or municipal sales tax rate;

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

19 37. Sales of vitamins, minerals and dietary supplements by a
20 licensed chiropractor to a person who is the patient of such
21 chiropractor at the physical location where the chiropractor
22 provides chiropractic care or services to such patient. The
23 provisions of this paragraph shall not be applicable to any drug,
24

1 medicine or substance for which a prescription by a licensed
2 physician is required;

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

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

20 40. Sales of tangible personal property or services to a
21 business primarily engaged in the repair of consumer electronic
22 goods, including, but not limited to, cell phones, compact disc
23 players, personal computers, MP3 players, digital devices for the
24 storage and retrieval of information through hard-wired or wireless

1 computer or Internet connections, if the devices are sold to the
2 business by the original manufacturer of such devices and the
3 devices are repaired, refitted or refurbished for sale by the entity
4 qualifying for the exemption authorized by this paragraph directly
5 to retail consumers or if the devices are sold to another business
6 entity for sale to retail consumers;

7 41. Before July 1, 2019, sales of rolling stock when sold or
8 leased by the manufacturer, regardless of whether the purchaser is a
9 public services corporation engaged in business as a common carrier
10 of property or passengers by railway, for use or consumption by a
11 common carrier directly in the rendition of public service. For
12 purposes of this paragraph, "rolling stock" means locomotives,
13 autocars and railroad cars; and

14 42. Sales of gold, silver, platinum, palladium or other bullion
15 items such as coins and bars and legal tender of any nation, which
16 legal tender is sold according to its value as precious metal or as
17 an investment. As used in the paragraph, "bullion" means any
18 precious metal, including, but not limited to, gold, silver,
19 platinum and palladium, that is in such a state or condition that
20 its value depends upon its precious metal content and not its form.
21 The exemption authorized by this paragraph shall not apply to
22 fabricated metals that have been processed or manufactured for
23 artistic use or as jewelry.

24 SECTION 2. This act shall become effective November 1, 2019."

1 Passed the House of Representatives the 24th day of April, 2019.

2
3
4 Presiding Officer of the House of
5 Representatives

6 Passed the Senate the ____ day of _____, 2019.

7
8
9 Presiding Officer of the Senate

1 ENGROSSED SENATE
2 BILL NO. 310

By: Simpson of the Senate

3 and

4 Miller of the House

5
6 An Act relating to sales tax; amending 68 O.S. 2011,
7 Section 1357, as last amended by Section 18, Chapter
8 54, O.S.L. 2015 (68 O.S. Supp. 2018, Section 1357),
9 which relates to sales tax exemptions; modifying
10 eligibility for sales tax exemption related to
11 specified military disability; modifying and
12 expanding applicability under specified
13 circumstances; increasing amount of exemption for
14 certain spouse of eligible person; construing
15 provision; authorizing rulemaking; and providing an
16 effective date.

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

18 SECTION 3. AMENDATORY 68 O.S. 2011, Section 1357, as
19 last amended by Section 18, Chapter 54, O.S.L. 2015 (68 O.S. Supp.
20 2018, Section 1357), is amended to read as follows:

21 Section 1357. Exemptions - General.

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

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

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

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

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

23 5. Sales of programs relating to sporting and entertainment
24 events, and sales of advertising on billboards (including signage,

1 posters, panels, marquees, or on other similar surfaces, whether
2 indoors or outdoors) or in programs relating to sporting and
3 entertainment events, and sales of any advertising, to be displayed
4 at or in connection with a sporting event, via the Internet,
5 electronic display devices, or through public address or broadcast
6 systems. The exemption authorized by this paragraph shall be
7 effective for all sales made on or after January 1, 2001;

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

15 7. Eggs, feed, supplies, machinery and equipment purchased by
16 persons regularly engaged in the business of raising worms, fish,
17 any insect or any other form of terrestrial or aquatic animal life
18 and used for the purpose of raising same for marketing. This
19 exemption shall only be granted and extended to the purchaser when
20 the items are to be used and in fact are used in the raising of
21 animal life as set out above. Each purchaser shall certify, in
22 writing, on the invoice or sales ticket retained by the vendor that
23 the purchaser is regularly engaged in the business of raising such
24 animal life and that the items purchased will be used only in such

1 business. The vendor shall certify to the Oklahoma Tax Commission
2 that the price of the items has been reduced to grant the full
3 benefit of the exemption. Violation hereof by the purchaser or
4 vendor shall be a misdemeanor;

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

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

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

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

23 12. Sales of food or food products for home consumption which
24 are purchased in whole or in part with coupons issued pursuant to

1 the federal food stamp program as authorized by Sections 2011
2 through 2029 of Title 7 of the United States Code, as to that
3 portion purchased with such coupons. The exemption provided for
4 such sales shall be inapplicable to such sales upon the effective
5 date of any federal law that removes the requirement of the
6 exemption as a condition for participation by the state in the
7 federal food stamp program;

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

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

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

24

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

6 (1) are primarily involved in the collection and
7 distribution of food and other household products
8 to other organizations that facilitate the
9 distribution of such products to the needy and
10 such distributee organizations are exempt from
11 taxation pursuant to the provisions of Section
12 501(c)(3) of the Internal Revenue Code, 26
13 U.S.C., Section 501(c)(3), or

14 (2) facilitate the distribution of such products to
15 the needy.

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

20 15. Sales of tangible personal property or services to
21 children's homes which are located on church-owned property and are
22 operated by organizations exempt from taxation pursuant to the
23 provisions of the Internal Revenue Code, 26 U.S.C., Section
24 501(c)(3);

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

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

1 18. Sales of the following telecommunications services:

2 a. Interstate and International "800 service". "800
3 service" means a "telecommunications service" that
4 allows a caller to dial a toll-free number without
5 incurring a charge for the call. The service is
6 typically marketed under the name "800", "855", "866",
7 "877", and "888" toll-free calling, and any subsequent
8 numbers designated by the Federal Communications
9 Commission, or

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

23 c. Interstate and International "private communications
24 service". "Private communications service" means a

1 "telecommunications service" that entitles the
2 customer to exclusive or priority use of a
3 communications channel or group of channels between or
4 among termination points, regardless of the manner in
5 which such channel or channels are connected, and
6 includes switching capacity, extension lines,
7 stations, and any other associated services that are
8 provided in connection with the use of such channel or
9 channels,

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

17 e. Interstate and International telecommunications
18 service which is:

19 (1) rendered by a company for private use within its
20 organization, or

21 (2) used, allocated, or distributed by a company to
22 its affiliated group,

23 f. Regulatory assessments and charges, including charges
24 to fund the Oklahoma Universal Service Fund, the

1 Oklahoma Lifeline Fund and the Oklahoma High Cost
2 Fund, and

3 g. Telecommunications nonrecurring charges, including but
4 not limited to the installation, connection, change or
5 initiation of telecommunications services which are
6 not associated with a retail consumer sale;

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

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

1 machinery, tools, supplies, equipment and related tangible personal
2 property and services used or consumed in the repair, remodeling or
3 maintenance of aircraft, aircraft engines, or aircraft component
4 parts which occur at a qualified aircraft maintenance facility;

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

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

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

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

1 all sales to the federal government shall be considered to be to an
2 out-of-state buyer or consumer;

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

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

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

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

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

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

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

20 29. Sales of materials and supplies to the owner or operator of
21 a ship, motor vessel or barge that is used in interstate or
22 international commerce if the materials and supplies:
23
24

1 a. are loaded on the ship, motor vessel or barge and used
2 in the maintenance and operation of the ship, motor
3 vessel or barge, or

4 b. enter into and become component parts of the ship,
5 motor vessel or barge;

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

13 a. such sale or event may not be held for a period
14 exceeding three (3) consecutive days,

15 b. the sale must be conducted within six (6) months of
16 the date of death of the decedent, and

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

20 31. Beginning January 1, 2004, sales of electricity and
21 associated delivery and transmission services, when sold exclusively
22 for use by an oil and gas operator for reservoir dewatering projects
23 and associated operations commencing on or after July 1, 2003, in
24 which the initial water-to-oil ratio is greater than or equal to

1 five-to-one water-to-oil, and such oil and gas development projects
2 have been classified by the Corporation Commission as a reservoir
3 dewatering unit;

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

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

17 34. Sales of tangible personal property or services to:

18 a. persons who:

19 (1) are residents of Oklahoma ~~and,~~

20 (2) have been honorably discharged from active

21 service in any branch of the Armed Forces of the

22 United States or the Oklahoma National Guard ~~and~~

23 ~~who,~~

24

1 (3) have been ~~certified~~ awarded service-connected
2 disability compensation rated at one hundred
3 percent (100%) that is permanent and total by the
4 United States Department of Veterans Affairs or
5 its successor ~~to be in receipt of disability~~
6 ~~compensation at the one hundred percent rate and~~
7 ~~the disability shall be permanent and have been~~
8 and

9 (4) have sustained their disability through military
10 action or accident ~~or resulting,~~ from disease
11 contracted while in such active military service,
12 or from medical treatment or vocational
13 rehabilitation services provided by the United
14 States Department of Veterans Affairs or its
15 service providers, as provided in Section 1151 of
16 Title 38 of the United States Code,

17 b. persons who:

18 (1) are residents of Oklahoma, and

19 (2) are the surviving spouse of such person if the
20 ~~person~~ a veteran who is deceased and the spouse
21 has not remarried; provided, ~~sales for the~~
22 ~~benefit of the person to a spouse of the eligible~~
23 ~~person or to~~ such veteran qualified prior to

1 death pursuant to subparagraph a of this
2 paragraph, or

3 (3) are the surviving spouse of a veteran who has not
4 remarried and has been awarded Dependency and
5 Indemnity Compensation pursuant to Section 1318
6 of Title 38 of the United States Code at any time
7 after the death of their veteran spouse, or

8 c. a member of the household in which the eligible person
9 resides when the sales are for the benefit of an
10 eligible person under subparagraphs a or b of this
11 paragraph and who is authorized to make purchases on
12 the person's behalf, when such eligible person is not
13 present at the sale, ~~shall also be exempt for purposes~~
14 ~~of this paragraph.~~ The Oklahoma Tax Commission shall
15 issue a separate exemption card to a spouse of an
16 eligible person or to a member of the household in
17 which the eligible person resides who is authorized to
18 make purchases on the person's behalf, if requested by
19 the eligible person. Sales qualifying for the
20 exemption authorized by this paragraph shall not
21 exceed Twenty-five Thousand Dollars (\$25,000.00) per
22 year per individual while the disabled veteran is
23 living. Sales qualifying for the exemption authorized
24 by this paragraph shall not exceed ~~One Thousand~~

1 ~~Dollars (\$1,000.00)~~ Five Thousand Dollars (\$5,000.00)

2 per year for an ~~unremarried~~ a surviving spouse

3 eligible pursuant to subparagraph b of this paragraph.

4 Upon request of the Tax Commission, a person asserting

5 or claiming the exemption authorized by this paragraph

6 shall provide a statement, executed under oath, that

7 the total sales amounts for which the exemption is

8 applicable have not exceeded Twenty-five Thousand

9 Dollars (\$25,000.00) per year per living disabled

10 veteran ~~or One Thousand Dollars (\$1,000.00) per year~~

11 ~~for an unremarried surviving spouse~~ eligible pursuant

12 to subparagraph a of this paragraph and Five Thousand

13 Dollars (\$5,000.00) per year for a surviving spouse

14 eligible pursuant to subparagraph b of this paragraph.

15 If the amount of such exempt sales exceeds such

16 amount, the sales tax in excess of the authorized

17 amount shall be treated as a direct sales tax

18 liability and may be recovered by the Tax Commission

19 in the same manner provided by law for other taxes,

20 including penalty and interest. This paragraph shall

21 not confer a right to obtain a refund of sales taxes

22 from the Oklahoma Tax Commission collected prior to

23 the date a veteran has been awarded service-connected

24 disability compensation rated at one hundred percent

1 (100%) that is permanent and total by the United
2 States Department of Veterans Affairs or prior to the
3 time a surviving spouse or a surviving dependent has
4 been awarded Dependency and Indemnity Compensation
5 pursuant to Section 1318 of Title 38 of the United
6 States Code after the death of the veteran of whom
7 they were the surviving spouse or surviving dependent.
8 The Oklahoma Tax Commission may promulgate any
9 regulations necessary for the implementation of this
10 paragraph;

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

1 shall be applicable only to the state sales tax rate and shall not
2 be applicable to any county or municipal sales tax rate;

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

12 37. Sales of vitamins, minerals and dietary supplements by a
13 licensed chiropractor to a person who is the patient of such
14 chiropractor at the physical location where the chiropractor
15 provides chiropractic care or services to such patient. The
16 provisions of this paragraph shall not be applicable to any drug,
17 medicine or substance for which a prescription by a licensed
18 physician is required;

19 38. Sales of goods, wares, merchandise, tangible personal
20 property, machinery and equipment to a web search portal located in
21 this state which derives at least eighty percent (80%) of its annual
22 gross revenue from the sale of a product or service to an out-of-
23 state buyer or consumer. For purposes of this paragraph, "web
24 search portal" means an establishment classified under NAICS code

1 519130 which operates websites that use a search engine to generate
2 and maintain extensive databases of Internet addresses and content
3 in an easily searchable format;

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

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

23 41. Before July 1, 2019, sales of rolling stock when sold or
24 leased by the manufacturer, regardless of whether the purchaser is a

1 public services corporation engaged in business as a common carrier
2 of property or passengers by railway, for use or consumption by a
3 common carrier directly in the rendition of public service. For
4 purposes of this paragraph, "rolling stock" means locomotives,
5 autocars and railroad cars; and

6 42. Sales of gold, silver, platinum, palladium or other bullion
7 items such as coins and bars and legal tender of any nation, which
8 legal tender is sold according to its value as precious metal or as
9 an investment. As used in the paragraph, "bullion" means any
10 precious metal, including, but not limited to, gold, silver,
11 platinum and palladium, that is in such a state or condition that
12 its value depends upon its precious metal content and not its form.
13 The exemption authorized by this paragraph shall not apply to
14 fabricated metals that have been processed or manufactured for
15 artistic use or as jewelry.

16 SECTION 4. This act shall become effective November 1, 2019.

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24

1 Passed the Senate the 12th day of March, 2019.

2
3 _____
4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2019.

7
8 _____
9 Presiding Officer of the House
10 of Representatives