

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*  
Brooks \_\_\_\_\_  
Daniels *Juanita Daniels*  
Dossett \_\_\_\_\_  
Dugger *Paul Dugger*  
Floyd \_\_\_\_\_  
Hall *Chad Hall*  
Ikley-Freeman \_\_\_\_\_  
Jech *Wayne Jech*  
Kidd *Chris Kidd*  
Matthews \_\_\_\_\_  
Montgomery *JM*

Pemberton *Don Pemberton*  
Pugh \_\_\_\_\_  
Rader *Mike Rader*  
Rosino *Paul Rosino*  
Scott \_\_\_\_\_  
Shaw *Wayne Shaw*  
Simpson *Wayne Simpson*  
Stanislawski *Stan Stanislawski*  
Thompson *Tom Thompson*

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 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.

17  
18  
19  
20  
21  
22  
23  
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