

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 HOUSE BILL 1171

By: Stark

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5
6 AS INTRODUCED

7 An Act relating to revenue and taxation; 68 O.S.
8 2021, Section 1356, as last amended by Section 1,
9 Chapter 444, O.S.L. 2024 (68 O.S. Supp. 2024, Section
10 1356), which relates to sales tax exemptions;
11 providing sales tax exemption to certain nonprofit
12 entities; prescribing limitations on gross revenues
13 for purposes of exempt treatment; providing exception
14 for purchases of alcohol and tobacco; providing an
15 effective date; and declaring an emergency.

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

17 SECTION 1. AMENDATORY 68 O.S. 2021, Section 1356, as
18 last amended by Section 1, Chapter 444, O.S.L. 2024 (68 O.S. Supp.
19 2024, Section 1356), is amended to read as follows:

20 Section 1356. Exemptions - Governmental and nonprofit entities.

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

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

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

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

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

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

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

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

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

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

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

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

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1 10. Sales of tangible personal property or services to any
2 county, municipality, rural water district, public school district,
3 city-county library system, the institutions of The Oklahoma State
4 System of Higher Education, the Grand River Dam Authority, the
5 Northeast Oklahoma Public Facilities Authority, the Oklahoma
6 Municipal Power Authority, City of Tulsa-Rogers County Port
7 Authority, Muskogee City-County Port Authority, the Oklahoma
8 Department of Veterans Affairs, the Broken Bow Economic Development
9 Authority, Ardmore Development Authority, Durant Industrial
10 Authority, Oklahoma Ordnance Works Authority, Central Oklahoma
11 Master Conservancy District, Arbuckle Master Conservancy District,
12 Fort Cobb Reservoir Master Conservancy District, Foss Reservoir
13 Master Conservancy District, Mountain Park Master Conservancy
14 District, Waurika Lake Master Conservancy District and the Office of
15 Management and Enterprise Services only when carrying out a public
16 construction contract on behalf of the Oklahoma Department of
17 Veterans Affairs, the Oklahoma State University Medical Authority
18 and Trust, the Oklahoma State University Veterinary Medicine
19 Authority and Trust, and effective July 1, 2022, the University
20 Hospitals Trust, or to any person with whom any of the above-named
21 subdivisions or agencies of this state has duly entered into a
22 public contract pursuant to law, necessary for carrying out such
23 public contract or to any subcontractor to such a public contract.
24 Any person making purchases on behalf of such subdivision or agency

1 of this state shall certify, in writing, on the copy of the invoice
2 or sales ticket to be retained by the vendor that the purchases are
3 made for and on behalf of such subdivision or agency of this state
4 and set out the name of such public subdivision or agency. Any
5 person who wrongfully or erroneously certifies that purchases are
6 for any of the above-named subdivisions or agencies of this state or
7 who otherwise violates this section shall be guilty of a misdemeanor
8 and upon conviction thereof shall be fined an amount equal to double
9 the amount of sales tax involved or incarcerated for not more than
10 sixty (60) days or both;

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

22 Any person, firm, agency or entity making purchases on behalf of
23 any institution, agency or subdivision in this state, shall certify
24 in writing, on the copy of the invoice or sales ticket the nature of

1 the purchases, and violation of this paragraph shall be a
2 misdemeanor as set forth in paragraph 10 of this section;

3 12. Tuition and educational fees paid to private institutions
4 of higher education and private elementary and secondary
5 institutions of education accredited by the State Department of
6 Education or registered by the State Board of Education for purposes
7 of participating in federal programs or accredited as defined by the
8 Oklahoma State Regents for Higher Education which are exempt from
9 taxation pursuant to the provisions of the Internal Revenue Code, 26
10 U.S.C., Section 501(c)(3);

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

- 12 (1) a public school,
- 13 (2) a private school offering instruction for grade
14 levels kindergarten through twelfth grade,
- 15 (3) a public school district,
- 16 (4) a public or private school board,
- 17 (5) a public or private school student group or
18 organization,
- 19 (6) a parent-teacher association or organization
20 other than as specified in subparagraph b of this
21 paragraph, or
- 22 (7) public or private school personnel for purposes
23 of raising funds for the benefit of a public or
24 private school, public school district, public or

1 private school board or public or private school
2 student group or organization, or

- 3 b. Sales of tangible personal property made by or to
4 nonprofit parent-teacher associations or organizations
5 exempt from taxation pursuant to the provisions of the
6 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
7 nonprofit local public or private school foundations
8 which solicit money or property in the name of any
9 public or private school or public school district.

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

17 14. Sales of tangible personal property by:

- 18 a. local 4-H clubs,
19 b. county, regional or state 4-H councils,
20 c. county, regional or state 4-H committees,
21 d. 4-H leader associations,
22 e. county, regional or state 4-H foundations, and
23 f. authorized 4-H camps and training centers.
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1 The exemption provided by this paragraph shall be limited to
2 sales for the purpose of raising funds for the benefit of such
3 organizations. Sales of tangible personal property exempted by this
4 paragraph shall include sales of admission tickets;

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

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

15 17. Sales of tangible personal property or services to fire
16 departments organized pursuant to Section 592 of Title 18 of the
17 Oklahoma Statutes which items are to be used for the purposes of the
18 fire department. Any person making purchases on behalf of any such
19 fire department shall certify, in writing, on the copy of the
20 invoice or sales ticket to be retained by the vendor that the
21 purchases are made for and on behalf of such fire department and set
22 out the name of such fire department. Any person who wrongfully or
23 erroneously certifies that the purchases are for any such fire
24 department or who otherwise violates the provisions of this section

1 shall be deemed guilty of a misdemeanor and upon conviction thereof,
2 shall be fined an amount equal to double the amount of sales tax
3 involved or incarcerated for not more than sixty (60) days, or both;

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

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

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

23 21. Sales of tangible personal property or services to any
24 organization, which takes court-adjudicated juveniles for purposes

1 of rehabilitation, and which is exempt from taxation pursuant to the
2 provisions of the Internal Revenue Code, 26 U.S.C., Section
3 501(c) (3), provided that at least fifty percent (50%) of the
4 juveniles served by such organization are court adjudicated and the
5 organization receives state funds in an amount less than ten percent
6 (10%) of the annual budget of the organization;

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

8 a. any health center as defined in Section 254b of Title
9 42 of the United States Code,

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

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

16 (1) provides primary care services at no cost to the
17 recipient, and

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

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

23 23. Dues or fees including free or complimentary dues or fees
24 which have a value equivalent to the charge that could have

1 otherwise been made to YMCAs, YWCAs or municipally-owned recreation
2 centers for the use of facilities and programs;

3 24. The first Fifteen Thousand Dollars (\$15,000.00) each year
4 from sales of tangible personal property or services to or by a
5 cultural organization established to sponsor and promote
6 educational, charitable and cultural events for disadvantaged
7 children, and which organization is exempt from taxation pursuant to
8 the provisions of the Internal Revenue Code, 26 U.S.C., Section
9 501(c) (3);

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

23 26. Sales of tickets for admission by any museum accredited by
24 the American Alliance of Museums. In order to be eligible for the

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

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

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

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

20 30. a. Until July 1, 2022, transfer of tangible personal
21 property made pursuant to Section 3226 of Title 63 of
22 the Oklahoma Statutes by the University Hospitals
23 Trust, and
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1 b. Effective July 1, 2022, transfer of tangible personal
2 property or services to or by:

3 (1) the University Hospitals Trust created pursuant
4 to Section 3224 of Title 63 of the Oklahoma
5 Statutes, or

6 (2) nonprofit entities which are exempt from taxation
7 pursuant to the provisions of the Internal
8 Revenue Code of the United States, 26 U.S.C.,
9 Section 501(c)(3), which have entered into a
10 joint operating agreement with the University
11 Hospitals Trust;

12 31. Sales of tangible personal property or services to a
13 municipality, county or school district pursuant to a lease or
14 lease-purchase agreement executed between the vendor and a
15 municipality, county or school district. A copy of the lease or
16 lease-purchase agreement shall be retained by the vendor;

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

20 33. The sale, use, storage, consumption or distribution in this
21 state, whether by the importer, exporter or another person, of any
22 satellite or any associated launch vehicle including components of,
23 and parts and motors for, any such satellite or launch vehicle,
24 imported or caused to be imported into this state for the purpose of

1 export by means of launching into space. This exemption provided by
2 this paragraph shall not be affected by:

- 3 a. the destruction in whole or in part of the satellite
4 or launch vehicle,
- 5 b. the failure of a launch to occur or be successful, or
- 6 c. the absence of any transfer or title to, or possession
7 of, the satellite or launch vehicle after launch;

8 34. The sale, lease, use, storage, consumption or distribution
9 in this state of any space facility, space propulsion system or
10 space vehicle, satellite or station of any kind possessing space
11 flight capacity including components thereof;

12 35. The sale, lease, use, storage, consumption or distribution
13 in this state of tangible personal property, placed on or used
14 aboard any space facility, space propulsion system or space vehicle,
15 satellite, or station possessing space flight capacity, which is
16 launched into space, irrespective of whether such tangible property
17 is returned to this state for subsequent use, storage, or
18 consumption in any manner;

19 36. The sale, lease, use, storage, consumption or distribution
20 in this state of tangible personal property meeting the definition
21 of "section 38 property" as defined in Sections 48(a)(1)(A) and
22 (B)(i) of the Internal Revenue Code of 1986, that is an integral
23 part of and used primarily in support of space flight; however,
24 section 38 property used in support of space flight shall not

1 include general office equipment, any boat, mobile home, motor
2 vehicle or other vehicle of a class or type required to be
3 registered, licensed, titled or documented in this state or by the
4 United States government, or any other property not specifically
5 suited to supporting space activity. The term "in support of space
6 flight", for purposes of this paragraph, means the altering,
7 monitoring, controlling, regulating, adjusting, servicing or
8 repairing of any space facility, space propulsion systems or space
9 vehicle, satellite or station possessing space flight capacity
10 including the components thereof;

11 37. The purchase or lease of machinery and equipment for use at
12 a fixed location in this state, which is used exclusively in the
13 manufacturing, processing, compounding or producing of any space
14 facility, space propulsion system or space vehicle, satellite or
15 station of any kind possessing space flight capacity. Provided, the
16 exemption provided for in this paragraph shall not be allowed unless
17 the purchaser or lessee signs an affidavit stating that the item or
18 items to be exempted are for the exclusive use designated herein.
19 Any person furnishing a false affidavit to the vendor for the
20 purpose of evading payment of any tax imposed by Section 1354 of
21 this title shall be subject to the penalties provided by law. As
22 used in this paragraph, "machinery and equipment" means "section 38
23 property" as defined in Sections 48(a)(1)(A) and (B)(i) of the
24 Internal Revenue Code of 1986, which is used as an integral part of

1 the manufacturing, processing, compounding or producing of items of
2 tangible personal property. Such term includes parts and
3 accessories only to the extent that the exemption thereof is
4 consistent with the provisions of this paragraph;

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

10 39. Sales of tangible personal property or services which are
11 directly used in or for the benefit of a state park in this state,
12 which are made to an organization which is exempt from taxation
13 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,
14 Section 501(c)(3) and which is organized primarily for the purpose
15 of supporting one or more state parks located in this state;

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

18 41. Sales of tangible personal property or services for use on
19 campus or school construction projects for the benefit of
20 institutions of The Oklahoma State System of Higher Education,
21 private institutions of higher education accredited by the Oklahoma
22 State Regents for Higher Education or any public school or school
23 district when such projects are financed by or through the use of
24 nonprofit entities which are exempt from taxation pursuant to the

1 provisions of the Internal Revenue Code, 26 U.S.C., Section
2 501(c) (3);

3 42. Sales of tangible personal property or services by an
4 organization which is exempt from taxation pursuant to the
5 provisions of the Internal Revenue Code, 26 U.S.C., Section
6 501(c) (3), in the course of conducting a national championship
7 sports event, but only if all or a portion of the payment in
8 exchange therefor would qualify as the receipt of a qualified
9 sponsorship payment described in Internal Revenue Code, 26 U.S.C.,
10 Section 513(i). Sales exempted pursuant to this paragraph shall be
11 exempt from all Oklahoma sales, use, excise and gross receipts
12 taxes;

13 43. Sales of tangible personal property or services to or by an
14 organization which:

- 15 a. is exempt from taxation pursuant to the provisions of
16 the Internal Revenue Code, 26 U.S.C., Section
17 501(c) (3),
- 18 b. is affiliated with a comprehensive university within
19 The Oklahoma State System of Higher Education, and
- 20 c. has been organized primarily for the purpose of
21 providing education and teacher training and
22 conducting events relating to robotics;

23 44. The first Fifteen Thousand Dollars (\$15,000.00) each year
24 from sales of tangible personal property to or by youth athletic

1 teams which are part of an athletic organization exempt from
2 taxation pursuant to the provisions of the Internal Revenue Code, 26
3 U.S.C., Section 501(c)(4), for the purposes of raising funds for the
4 benefit of the team;

5 45. Sales of tickets for admission to a collegiate athletic
6 event that is held in a facility owned or operated by a municipality
7 or a public trust of which the municipality is the sole beneficiary
8 and that actually determines or is part of a tournament or
9 tournament process for determining a conference tournament
10 championship, a conference championship, or a national championship;

11 46. Sales of tangible personal property or services to or by an
12 organization which is exempt from taxation pursuant to the
13 provisions of the Internal Revenue Code, 26 U.S.C., Section
14 501(c)(3) and is operating the Oklahoma City National Memorial and
15 Museum, an affiliate of the National Park System;

16 47. Sales of tangible personal property or services to
17 organizations which are exempt from federal taxation pursuant to the
18 provisions of Section 501(c)(3) of the Internal Revenue Code, 26
19 U.S.C., Section 501(c)(3), the memberships of which are limited to
20 honorably discharged veterans, and which furnish financial support
21 to area veterans' organizations to be used for the purpose of
22 constructing a memorial or museum;

23 48. Sales of tangible personal property or services on or after
24 January 1, 2003, to an organization which is exempt from taxation

1 pursuant to the provisions of the Internal Revenue Code, 26 U.S.C.,
2 Section 501(c)(3) that is expending monies received from a private
3 foundation grant in conjunction with expenditures of local sales tax
4 revenue to construct a local public library;

5 49. Sales of tangible personal property or services to a state
6 that borders this state or any political subdivision of that state,
7 but only to the extent that the other state or political subdivision
8 exempts or does not impose a tax on similar sales of items to this
9 state or a political subdivision of this state;

10 50. Effective July 1, 2005, sales of tangible personal property
11 or services to the Career Technology Student Organizations under the
12 direction and supervision of the Oklahoma Department of Career and
13 Technology Education;

14 51. Sales of tangible personal property to a public trust
15 having either a single city, town or county or multiple cities,
16 towns or counties or combination thereof as beneficiary or
17 beneficiaries or a nonprofit organization which is exempt from
18 taxation pursuant to the provisions of the Internal Revenue Code, 26
19 U.S.C., Section 501(c)(3) for the purpose of constructing
20 improvements to or expanding a hospital or nursing home owned and
21 operated by any such public trust or nonprofit entity prior to July
22 1, 2008, in counties with a population of less than one hundred
23 thousand (100,000) persons, according to the most recent Federal
24 Decennial Census. As used in this paragraph, "constructing

1 improvements to or expanding" shall not mean any expense for routine
2 maintenance or general repairs and shall require a project cost of
3 at least One Hundred Thousand Dollars (\$100,000.00). For purposes
4 of this paragraph, sales made to a contractor or subcontractor that
5 enters into a contractual relationship with a public trust or
6 nonprofit entity as described by this paragraph shall be considered
7 sales made to the public trust or nonprofit entity. The exemption
8 authorized by this paragraph shall be administered in the form of a
9 refund from the sales tax revenues apportioned pursuant to Section
10 1353 of this title and the vendor shall be required to collect the
11 sales tax otherwise applicable to the transaction. The purchaser
12 may apply for a refund of the sales tax paid in the manner
13 prescribed by this paragraph. Within thirty (30) days after the end
14 of each fiscal year, any purchaser that is entitled to make
15 application for a refund based upon the exempt treatment authorized
16 by this paragraph may file an application for refund of the sales
17 taxes paid during such preceding fiscal year. The Oklahoma Tax
18 Commission shall prescribe a form for purposes of making the
19 application for refund. The Tax Commission shall determine whether
20 or not the total amount of sales tax exemptions claimed by all
21 purchasers is equal to or less than Six Hundred Fifty Thousand
22 Dollars (\$650,000.00). If such claims are less than or equal to
23 that amount, the Tax Commission shall make refunds to the purchasers
24 in the full amount of the documented and verified sales tax amounts.

1 If such claims by all purchasers are in excess of Six Hundred Fifty
2 Thousand Dollars (\$650,000.00), the Tax Commission shall determine
3 the amount of each purchaser's claim, the total amount of all claims
4 by all purchasers, and the percentage each purchaser's claim amount
5 bears to the total. The resulting percentage determined for each
6 purchaser shall be multiplied by Six Hundred Fifty Thousand Dollars
7 (\$650,000.00) to determine the amount of refundable sales tax to be
8 paid to each purchaser. The pro rata refund amount shall be the
9 only method to recover sales taxes paid during the preceding fiscal
10 year and no balance of any sales taxes paid on a pro rata basis
11 shall be the subject of any subsequent refund claim pursuant to this
12 paragraph;

13 52. Effective July 1, 2006, sales of tangible personal property
14 or services to any organization which assists, trains, educates, and
15 provides housing for physically and mentally handicapped persons and
16 which is exempt from taxation pursuant to the provisions of the
17 Internal Revenue Code, 26 U.S.C., Section 501(c)(3) and that
18 receives at least eighty-five percent (85%) of its annual budget
19 from state or federal funds. In order to receive the benefit of the
20 exemption authorized by this paragraph, the taxpayer shall be
21 required to make payment of the applicable sales tax at the time of
22 sale to the vendor in the manner otherwise required by law.
23 Notwithstanding any other provision of the Uniform Tax Procedure
24 Code to the contrary, the taxpayer shall be authorized to file a

1 claim for refund of sales taxes paid that qualify for the exemption
2 authorized by this paragraph for a period of one (1) year after the
3 date of the sale transaction. The taxpayer shall be required to
4 provide documentation as may be prescribed by the Oklahoma Tax
5 Commission in support of the refund claim. The total amount of
6 sales tax qualifying for exempt treatment pursuant to this paragraph
7 shall not exceed One Hundred Seventy-five Thousand Dollars
8 (\$175,000.00) each fiscal year. Claims for refund shall be
9 processed in the order in which such claims are received by the
10 Oklahoma Tax Commission. If a claim otherwise timely filed exceeds
11 the total amount of refunds payable for a fiscal year, such claim
12 shall be barred;

13 53. The first Two Thousand Dollars (\$2,000.00) each year of
14 sales of tangible personal property or services to, by, or for the
15 benefit of a qualified neighborhood watch organization that is
16 endorsed or supported by or working directly with a law enforcement
17 agency with jurisdiction in the area in which the neighborhood watch
18 organization is located. As used in this paragraph, "qualified
19 neighborhood watch organization" means an organization that is a
20 not-for-profit corporation under the laws of this state that was
21 created to help prevent criminal activity in an area through
22 community involvement and interaction with local law enforcement and
23 which is one of the first two thousand organizations which makes

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1 application to the Oklahoma Tax Commission for the exemption after
2 March 29, 2006;

3 54. Sales of tangible personal property to a nonprofit
4 organization, exempt from taxation pursuant to the provisions of the
5 Internal Revenue Code, 26 U.S.C., Section 501(c)(3), organized
6 primarily for the purpose of providing services to homeless persons
7 during the day and located in a metropolitan area with a population
8 in excess of five hundred thousand (500,000) persons according to
9 the latest Federal Decennial Census. The exemption authorized by
10 this paragraph shall be applicable to sales of tangible personal
11 property to a qualified entity occurring on or after January 1,
12 2005;

13 55. Sales of tangible personal property or services to or by an
14 organization which is exempt from taxation pursuant to the
15 provisions of the Internal Revenue Code, 26 U.S.C., Section
16 501(c)(3) for events the principal purpose of which is to provide
17 funding for the preservation of wetlands and habitat for wild ducks;

18 56. Sales of tangible personal property or services to or by an
19 organization which is exempt from taxation pursuant to the
20 provisions of the Internal Revenue Code, 26 U.S.C., Section
21 501(c)(3) for events the principal purpose of which is to provide
22 funding for the preservation and conservation of wild turkeys;

23 57. Sales of tangible personal property or services to an
24 organization which:

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

4 b. is part of a network of community-based, autonomous
5 member organizations that meets the following
6 criteria:

7 (1) serves people with workplace disadvantages and
8 disabilities by providing job training and
9 employment services, as well as job placement
10 opportunities and post-employment support,

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

13 (3) collects donated clothing and household goods to
14 sell in retail stores and provides contract labor
15 services to business and government, and

16 (4) provides documentation to the Oklahoma Tax
17 Commission that over seventy-five percent (75%)
18 of its revenues are channeled into employment,
19 job training and placement programs and other
20 critical community services;

21 58. Sales of tickets made on or after September 21, 2005, and
22 complimentary or free tickets for admission issued on or after
23 September 21, 2005, which have a value equivalent to the charge that
24 would have otherwise been made, for admission to a professional

1 athletic event in which a team in the National Basketball
2 Association is a participant, which is held in a facility owned or
3 operated by a municipality, a county or a public trust of which a
4 municipality or a county is the sole beneficiary, and sales of
5 tickets made on or after July 1, 2007, and complimentary or free
6 tickets for admission issued on or after July 1, 2007, which have a
7 value equivalent to the charge that would have otherwise been made,
8 for admission to a professional athletic event in which a team in
9 the National Hockey League is a participant, which is held in a
10 facility owned or operated by a municipality, a county or a public
11 trust of which a municipality or a county is the sole beneficiary;

12 59. Sales of tickets for admission and complimentary or free
13 tickets for admission which have a value equivalent to the charge
14 that would have otherwise been made to a professional sporting event
15 involving ice hockey, baseball, basketball, football or arena
16 football, or soccer. As used in this paragraph, "professional
17 sporting event" means an organized athletic competition between
18 teams that are members of an organized league or association with
19 centralized management, other than a national league or national
20 association, that imposes requirements for participation in the
21 league upon the teams, the individual athletes or both, and which
22 uses a salary structure to compensate the athletes;

23 60. Sales of tickets for admission to an annual event sponsored
24 by an educational and charitable organization of women which is

1 exempt from taxation pursuant to the provisions of the Internal
2 Revenue Code, 26 U.S.C., Section 501(c)(3) and has as its mission
3 promoting volunteerism, developing the potential of women and
4 improving the community through the effective action and leadership
5 of trained volunteers;

6 61. Sales of tangible personal property or services to an
7 organization, which is exempt from taxation pursuant to the
8 provisions of the Internal Revenue Code, 26 U.S.C., Section
9 501(c)(3), and which is itself a member of an organization which is
10 exempt from taxation pursuant to the provisions of the Internal
11 Revenue Code, 26 U.S.C., Section 501(c)(3), if the membership
12 organization is primarily engaged in advancing the purposes of its
13 member organizations through fundraising, public awareness or other
14 efforts for the benefit of its member organizations, and if the
15 member organization is primarily engaged either in providing
16 educational services and programs concerning health-related diseases
17 and conditions to individuals suffering from such health-related
18 diseases and conditions or their caregivers and family members or
19 support to such individuals, or in health-related research as to
20 such diseases and conditions, or both. In order to qualify for the
21 exemption authorized by this paragraph, the member nonprofit
22 organization shall be required to provide proof to the Oklahoma Tax
23 Commission of its membership status in the membership organization;

24

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

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

10 64. Sales of tangible personal property or services to or by a
11 veteran's organization which is exempt from taxation pursuant to the
12 provisions of the Internal Revenue Code, 26 U.S.C., Section
13 501(c) (19) and which is known as the Veterans of Foreign Wars
14 Department of Oklahoma;

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

23 66. Sales of tangible personal property or services to any
24 person with whom a church has duly entered into a construction

1 contract, necessary for carrying out such contract or to any
2 subcontractor to such a construction contract;

3 67. Sales of tangible personal property or services used
4 exclusively for charitable or educational purposes, to or by an
5 organization which:

6 a. is exempt from taxation pursuant to the provisions of
7 the Internal Revenue Code, 26 U.S.C., Section
8 501(c) (3),

9 b. has filed a Not-for-Profit Certificate of
10 Incorporation in this state, and

11 c. is organized for the purpose of:

12 (1) providing training and education to
13 developmentally disabled individuals,

14 (2) educating the community about the rights,
15 abilities and strengths of developmentally
16 disabled individuals, and

17 (3) promoting unity among developmentally disabled
18 individuals in their community and geographic
19 area;

20 68. Sales of tangible personal property or services to any
21 organization which is a shelter for abused, neglected, or abandoned
22 children and which is exempt from taxation pursuant to the
23 provisions of the Internal Revenue Code, 26 U.S.C., Section
24 501(c) (3); provided, until July 1, 2008, such exemption shall apply

1 only to eligible shelters for children from birth to age twelve (12)
2 and after July 1, 2008, such exemption shall apply to eligible
3 shelters for children from birth to age eighteen (18);

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

7 a. possesses a 3-star rating from the Department of Human
8 Services Reaching for the Stars Program or a national
9 accreditation, and

10 b. allows on-site universal prekindergarten education to
11 be provided to four-year-old children through a
12 contractual agreement with any public school or school
13 district.

14 For the purposes of this paragraph, sales made to any person,
15 firm, agency or entity that has entered previously into a
16 contractual relationship with a child care center for construction
17 and improvement of buildings and other structures owned by the child
18 care center and operated for educational purposes shall be
19 considered sales made to a child care center. Any such person,
20 firm, agency or entity making purchases on behalf of a child care
21 center shall certify, in writing, on the copy of the invoice or
22 sales ticket the nature of the purchase. Any such person, or person
23 acting on behalf of a firm, agency or entity making purchases on
24 behalf of a child care center in violation of this paragraph shall

1 be guilty of a misdemeanor and upon conviction thereof shall be
2 fined an amount equal to double the amount of sales tax involved or
3 incarcerated for not more than sixty (60) days or both;

4 70. a. Sales of tangible personal property to a service
5 organization of mothers who have children who are
6 serving or who have served in the military, which
7 service organization is exempt from taxation pursuant
8 to the provisions of the Internal Revenue Code, 26
9 U.S.C., Section 501(c)(19) and which is known as the
10 Blue Star Mothers of America, Inc. The exemption
11 provided by this paragraph shall only apply to the
12 purchase of tangible personal property actually sent
13 to United States military personnel overseas who are
14 serving in a combat zone and not to any other tangible
15 personal property purchased by the organization.
16 Provided, this exemption shall not apply to any sales
17 tax levied by a city, town, county, or any other
18 jurisdiction in this state.

19 b. The exemption authorized by this paragraph shall be
20 administered in the form of a refund from the sales
21 tax revenues apportioned pursuant to Section 1353 of
22 this title, and the vendor shall be required to
23 collect the sales tax otherwise applicable to the
24 transaction. The purchaser may apply for a refund of

1 the state sales tax paid in the manner prescribed by
2 this paragraph. Within sixty (60) days after the end
3 of each calendar quarter, any purchaser that is
4 entitled to make application for a refund based upon
5 the exempt treatment authorized by this paragraph may
6 file an application for refund of the state sales
7 taxes paid during such preceding calendar quarter.
8 The Tax Commission shall prescribe a form for purposes
9 of making the application for refund.

10 c. A purchaser who applies for a refund pursuant to this
11 paragraph shall certify that the items were actually
12 sent to military personnel overseas in a combat zone.
13 Any purchaser that applies for a refund for the
14 purchase of items that are not authorized for
15 exemption under this paragraph shall be subject to a
16 penalty in the amount of Five Hundred Dollars
17 (\$500.00);

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

23 72. Sales of tangible personal property or services for use
24 solely on construction projects for organizations which are exempt

1 from taxation pursuant to the provisions of the Internal Revenue
2 Code, 26 U.S.C., Section 501(c) (3) and whose purpose is providing
3 end-of-life care and access to hospice services to low-income
4 individuals who live in a facility owned by the organization. The
5 exemption provided by this paragraph applies to sales to the
6 organization as well as to sales to any person with whom the
7 organization has duly entered into a construction contract,
8 necessary for carrying out such contract or to any subcontractor to
9 such a construction contract. Any person making purchases on behalf
10 of such organization shall certify, in writing, on the copy of the
11 invoice or sales ticket to be retained by the vendor that the
12 purchases are made for and on behalf of such organization and set
13 out the name of such organization. Any person who wrongfully or
14 erroneously certifies that purchases are for any of the above-named
15 organizations or who otherwise violates this section shall be guilty
16 of a misdemeanor and upon conviction thereof shall be fined an
17 amount equal to double the amount of sales tax involved or
18 incarcerated for not more than sixty (60) days or both;

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

24 74. Sales of tangible personal property or services:

1 a. to a foundation which is exempt from taxation pursuant
2 to the provisions of the Internal Revenue Code, 26
3 U.S.C., Section 501(c)(3) and which raises tax-
4 deductible contributions in support of a wide range of
5 firearms-related public interest activities of the
6 National Rifle Association of America and other
7 organizations that defend and foster Second Amendment
8 rights, and

9 b. to or by a grassroots fundraising program for sales
10 related to events to raise funds for a foundation
11 meeting the qualifications of subparagraph a of this
12 paragraph;

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

23 76. Effective November 1, 2017, sales of tangible personal
24 property or services to an organization which is exempt from

1 taxation pursuant to the provisions of the Internal Revenue Code, 26
2 U.S.C., Section 501(c)(3) and operates as a collaborative model
3 which connects community agencies in one location to serve
4 individuals and families affected by violence and where victims have
5 access to services and advocacy at no cost to the victim;

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

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

16 79. Sales of tangible personal property or services to the
17 American Legion, whether the purchase is made by the entity
18 chartered by the United States Congress or is an entity organized
19 under the laws of this or another state pursuant to the authority of
20 the national American Legion organization;

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

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

- 1 b. verified with a letter from the Fab Foundation as an
2 official member of the Fab Lab Network in compliance
3 with the Fab Charter, and
- 4 c. able to provide documentation that its primary and
5 principal purpose is to provide community access to
6 advanced 21st century manufacturing and digital
7 fabrication tools for science, technology,
8 engineering, art and math (STEAM) learning skills,
9 developing inventions, creating and sustaining
10 businesses and producing personalized products;

11 81. Effective November 1, 2021, sales of tangible personal
12 property or services used solely for construction and remodeling
13 projects to an organization which is exempt from taxation pursuant
14 to the provisions of the Internal Revenue Code, 26 U.S.C., Section
15 501(c) (3), and which meets the following requirements:

- 16 a. its primary purpose is to construct or remodel and
17 sell affordable housing and provide homeownership
18 education to residents of Oklahoma that have an income
19 that is below one hundred percent (100%) of the Family
20 Median Income guidelines as defined by the U.S.
21 Department of Housing and Urban Development,
- 22 b. it conducts its activities in a manner that serves
23 public or charitable purposes, rather than commercial
24 purposes,

1 c. it receives funding and revenue and charges fees in a
2 manner that does not incentivize it or its employees
3 to act other than in the best interests of its
4 clients, and

5 d. it compensates its employees in a manner that does not
6 incentivize employees to act other than in the best
7 interests of its clients;

8 82. Effective November 1, 2021, sales of tangible personal
9 property or services to a nonprofit entity, organized pursuant to
10 Oklahoma law before January 1, 2022, exempt from federal income
11 taxation pursuant to Section 501(c) of the Internal Revenue Code of
12 1986, as amended, the principal functions of which are to provide
13 assistance to natural persons following a disaster, with program
14 emphasis on repair or restoration to single-family residential
15 dwellings or the construction of a replacement single-family
16 residential dwelling. As used in this paragraph, "disaster" means
17 damage to property with or without accompanying injury to persons
18 from heavy rain, high winds, tornadic winds, drought, wildfire,
19 snow, ice, geologic disturbances, explosions, chemical accidents or
20 spills and other events causing damage to property on a large scale.
21 For purposes of this paragraph, an entity that expended at least
22 seventy-five percent (75%) of its funds on the restoration to
23 single-family housing following a disaster including related general
24

1 and administrative expenses, shall be eligible for the exemption
2 authorized by this paragraph;

3 83. Effective November 1, 2021, through December 31, 2024,
4 sales of tangible personal property or services to a museum that:

- 5 a. operates as a part of an organization which is exempt
6 from taxation pursuant to the provisions of the
7 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
- 8 b. is not accredited by the American Alliance of Museums,
9 and
- 10 c. operates on an annual budget of less than One Million
11 Dollars (\$1,000,000.00);

12 84. Until July 1, 2022, sales of tangible personal property or
13 services for use in a clinical practice or medical facility operated
14 by an organization which is exempt from taxation pursuant to the
15 provisions of the Internal Revenue Code of the United States, 26
16 U.S.C., Section 501(c)(3), and which has entered into a joint
17 operating agreement with the University Hospitals Trust created
18 pursuant to Section 3224 of Title 63 of the Oklahoma Statutes. The
19 exemption provided by this paragraph shall be limited to the
20 purchase of tangible personal property and services for use in
21 clinical practices or medical facilities acquired or leased by the
22 organization from the University Hospitals Authority, University
23 Hospitals Trust, or the University of Oklahoma on or after June 1,
24 2021; ~~and~~

1 85. Sales of tangible personal property or services to a
2 nonprofit entity, organized pursuant to Oklahoma law before January
3 1, 2019, exempt from federal income taxation pursuant to Section
4 501(c) of the Internal Revenue Code of 1986, as amended, the
5 principal functions of which are to provide assistance to natural
6 persons following a disaster, with program emphasis on repair or
7 restoration to single-family residential dwellings or the
8 construction of a replacement single-family residential dwelling.
9 For purposes of this paragraph, an entity operated exclusively for
10 charitable and educational purposes through the coordination of
11 volunteers for the disaster recovery of homes (as derived from Part
12 III, Statement of Program Services, of Internal Revenue Service Form
13 990) and offers its services free of charge to disaster survivors
14 statewide who are low income with no or limited means of recovery on
15 their own for the restoration to single-family housing following a
16 disaster including related general and administrative expenses,
17 shall be eligible for the exemption authorized by this paragraph.
18 The exemption provided by this paragraph shall only be applicable to
19 sales made on or after July 1, 2022. As used in this paragraph,
20 "disaster" means damage to property with or without accompanying
21 injury to persons from heavy rain, high winds, tornadic winds,
22 drought, wildfire, snow, ice, geologic disturbances, explosions,
23 chemical accidents or spills and other events causing damage to
24 property on a large scale; and

1 86. Sales of tangible personal property or services to a
2 nonprofit organization, created pursuant to the provisions of
3 Oklahoma law or authorized to conduct activity in Oklahoma pursuant
4 to the nonprofit entity law of another state, having exempt status
5 pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986,
6 as amended, in good standing and having gross revenue not to exceed
7 Three Million Dollars (\$3,000,000.00) during the tax year ending on
8 the date immediately preceding the first date after the end of such
9 tax year upon which the entity seeks to make otherwise taxable
10 purchases of tangible personal property or services. The provisions
11 of this paragraph shall not be applicable to purchases of alcohol or
12 tobacco by the nonprofit entity.

13 SECTION 2. This act shall become effective July 1, 2025.

14 SECTION 3. It being immediately necessary for the preservation
15 of the public peace, health or safety, an emergency is hereby
16 declared to exist, by reason whereof this act shall take effect and
17 be in full force from and after its passage and approval.

18

19 60-1-10117 AO 12/17/24

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