

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 1482

By: West (Tammy)

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6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68
8 O.S. 2021, Section 1354, which relates to sales tax;
9 modifying items subject to sales tax to include dues
and fees paid at certain car washes; providing
definition; and providing an effective date.

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

15 SECTION 1. AMENDATORY 68 O.S. 2021, Section 1354, is
16 amended to read as follows:

17 Section 1354. A. There is hereby levied upon all sales, not
18 otherwise exempted in the Oklahoma Sales Tax Code, an excise tax of
19 four and one-half percent (4.5%) of the gross receipts or gross
20 proceeds of each sale of the following:

21 1. Tangible personal property, except newspapers and
22 periodicals;

23 2. Natural or artificial gas, electricity, ice, steam, or any
24 other utility or public service, except water, sewage and refuse.

1 Provided, the rate of four and one-half percent (4.5%) shall not
2 apply to sales subject to the provisions of paragraph 6 of Section
3 1357 of this title;

4 3. Transportation for hire to persons by common carriers,
5 including railroads both steam and electric, motor transportation
6 companies, pullman car companies, airlines, and other means of
7 transportation for hire, excluding:

8 a. transportation services provided by a tourism service
9 broker which are incidental to the rendition of
10 tourism brokerage services by such broker to a
11 customer regardless of whether or not such
12 transportation services are actually owned and
13 operated by the tourism service broker. For purposes
14 of this subsection, "tourism service broker" means any
15 person, firm, association or corporation or any
16 employee of such person, firm, association or
17 corporation which, for a fee, commission or other
18 valuable consideration, arranges or offers to arrange
19 trips, tours or other vacation or recreational travel
20 plans for a customer, and

21 b. transportation services provided by a funeral
22 establishment to family members and other persons for
23 purposes of conducting a funeral in this state;

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1 4. Intrastate, interstate and international telecommunications
2 services sourced to this state in accordance with Section 1354.30 of
3 this title and ancillary services. Provided:

4 a. the term "telecommunications services" shall mean the
5 electronic transmission, conveyance, or routing of
6 voice, data, audio, video, or any other information or
7 signals to a point, or between or among points. The
8 term "telecommunications services" includes such
9 transmission, conveyance, or routing in which computer
10 processing applications are used to act on the form,
11 code or protocol of the content for purposes of
12 transmission, conveyance or routing without regard to
13 whether such service is referred to as voice-over
14 Internet protocol services or is classified by the
15 Federal Communications Commission as enhanced or value
16 added. "Telecommunications services" do not include:

- 17 (1) data processing and information services that
18 allow data to be generated, acquired, stored,
19 processed, or retrieved and delivered by an
20 electronic transmission to a purchaser where such
21 purchaser's primary purpose for the underlying
22 transaction is the processed data or information,
23 (2) installation or maintenance of wiring or
24 equipment on a customer's premises,

- 1 (3) tangible personal property,
- 2 (4) advertising, including but not limited to
- 3 directory advertising,
- 4 (5) billing and collection services provided to third
- 5 parties,
- 6 (6) Internet access services,
- 7 (7) radio and television audio and video programming
- 8 services, regardless of the medium, including the
- 9 furnishing of transmission, conveyance and
- 10 routing of such services by the programming
- 11 service provider. Radio and television audio and
- 12 video programming services shall include, but not
- 13 be limited to, cable service as defined in 47
- 14 U.S.C. 522(6) and audio and video programming
- 15 services delivered by commercial mobile radio
- 16 service providers, as defined in 47 C.F.R. 20.3,
- 17 (8) ancillary services, or
- 18 (9) digital products delivered electronically,
- 19 including but not limited to, software, music,
- 20 video, reading materials or ring tones,

21 b. the term "interstate" means a "telecommunications
22 service" that originates in one United States state,
23 or a United States territory or possession, and
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1 terminates in a different United States state or a
2 United States territory or possession,

3 c. the term "intrastate" means a telecommunications
4 service that originates in one United States state or
5 a United States territory or possession, and
6 terminates in the same United States state or a United
7 States territory or possession,

8 d. the term "ancillary services" means services that are
9 associated with or incidental to the provision of
10 telecommunications services, including but not limited
11 to "detailed telecommunications billing", "directory
12 assistance", "vertical service", and "voice mail
13 services",

14 e. in the case of a bundled transaction that includes
15 telecommunication service, ancillary service, Internet
16 access or audio or video programming service:

17 (1) if the price is attributable to products that are
18 taxable and products that are nontaxable, the
19 portion of the price attributable to the
20 nontaxable products may be subject to tax unless
21 the provider can identify by reasonable and
22 verifiable standards such portion for its books
23 and records kept in the regular course of
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1 business for other purposes, including, but not
2 limited to, nontax purposes, and

3 (2) the provisions of this paragraph shall apply
4 unless otherwise provided by federal law, and

5 f. a sale of prepaid calling service or prepaid wireless
6 calling service shall be taxable at the time of sale
7 to the customer;

8 5. Telecommunications nonrecurring charges, which means an
9 amount billed for the installation, connection, change or initiation
10 of telecommunications services received by a customer;

11 6. Printing or printed matter of all types, kinds, or character
12 and, except for services of printing, copying or photocopying
13 performed by a privately owned scientific and educational library
14 sustained by monthly or annual dues paid by members sharing the use
15 of such services with students interested in the study of geology,
16 petroleum engineering or related subjects, any service of printing
17 or overprinting, including the copying of information by mimeograph,
18 multigraph, or by otherwise duplicating written or printed matter in
19 any manner, or the production of microfiche containing information
20 from magnetic tapes or other media furnished by customers;

21 7. Service of furnishing rooms by hotel, apartment hotel,
22 public rooming house, motel, public lodging house, or tourist camp;

23 8. Service of furnishing storage or parking privileges by auto
24 hotels or parking lots;

1 9. Computer hardware, software, coding sheets, cards, magnetic
2 tapes or other media on which prewritten programs have been coded,
3 punched, or otherwise recorded, including the gross receipts from
4 the licensing of software programs;

5 10. Foods, confections, and all drinks sold or dispensed by
6 hotels, restaurants, or other dispensers, and sold for immediate
7 consumption upon the premises or delivered or carried away from the
8 premises for consumption elsewhere;

9 11. Advertising of all kinds, types, and characters, including
10 any and all devices used for advertising purposes except those
11 specifically exempt pursuant to the provisions of Section 1357 of
12 this title;

13 12. Dues or fees to clubs including free or complimentary dues
14 or fees which have a value equivalent to the charge that would have
15 otherwise been made, including any fees paid for the use of
16 facilities or services rendered at a health spa or club or any
17 similar facility or business;

18 13. Dues or fees for car wash memberships, clubs, or any other
19 type of periodic payment plans for the use of automatic tunnel car
20 washes. The term "automatic tunnel car wash" means washing a
21 vehicle by mechanical means, where the only activities performed by
22 an employee include one or more of the following:

23 a. receiving payment for the transaction,
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- 1 b. guiding the vehicle into the entrance or exit of the
2 conveyor,
- 3 c. applying low-pressure spray of chemicals to the
4 vehicle prior to the cleaning of the vehicle, or
- 5 d. placing protective tape or covers on the vehicle prior
6 to cleaning.

7 The term "automatic tunnel car wash" does not include self-
8 service car washes without automatic car washing mechanical
9 components or any activity whereby an employee physically touches
10 the vehicle for the purpose of cleaning or restoring the vehicle,
11 enters or cleans any part of the interior of the vehicle, or
12 performs an activity on the vehicle other than those listed above;

13 14. Tickets for admission to or voluntary contributions made to
14 places of amusement, sports, entertainment, exhibition, display, or
15 other recreational events or activities, including free or
16 complimentary admissions which have a value equivalent to the charge
17 that would have otherwise been made; provided, that the state tax
18 generated from the sale of tickets for admission by an aquarium
19 exempt from taxation pursuant to the provisions of the Internal
20 Revenue Code, 26 U.S.C., Section 501(c)(3), or owned or operated by
21 a public trust or political subdivision of this state, shall be
22 collected and disbursed to the nonprofit organization, public trust
23 or political subdivision responsible for the aquarium's operations
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1 for use by that entity for promoting visitation primarily to out-of-
2 state residents;

3 ~~14.~~ 15. Charges made for the privilege of entering or engaging
4 in any kind of activity, such as tennis, racquetball, or handball,
5 when spectators are charged no admission fee;

6 ~~15.~~ 16. Charges made for the privilege of using items for
7 amusement, sports, entertainment, or recreational activity, such as
8 trampolines or golf carts;

9 ~~16.~~ 17. The rental of equipment for amusement, sports,
10 entertainment, or other recreational activities, such as bowling
11 shoes, skates, golf carts, or other sports or athletic equipment;

12 ~~17.~~ 18. The gross receipts from sales from any vending machine
13 without any deduction for rental to locate the vending machine on
14 the premises of a person who is not the owner or any other
15 deductions therefrom;

16 ~~18.~~ 19. The gross receipts or gross proceeds from the rental or
17 lease of tangible personal property, including rental or lease of
18 personal property when the rental or lease agreement requires the
19 vendor to launder, clean, repair, or otherwise service the rented or
20 leased property on a regular basis, without any deduction for the
21 cost of the service rendered. If the rental or lease charge is
22 based on the retail value of the property at the time of making the
23 rental or lease agreement and the expected life of the property, and
24 the rental or lease charge is separately stated from the service

1 cost in the statement, bill, or invoice delivered to the consumer,
2 the cost of services rendered shall be deducted from the gross
3 receipts or gross proceeds;

4 ~~19.~~ 20. Flowers, plants, shrubs, trees, and other floral items,
5 whether or not produced by the vendor, sold by persons engaged in
6 florist or nursery business in this state, including all orders
7 taken by an Oklahoma business for delivery in another state. All
8 orders taken outside this state for delivery within this state shall
9 not be subject to the taxes levied in this section;

10 ~~20.~~ 21. Tangible personal property sold to persons, peddlers,
11 solicitors, or other salesmen, for resale when there is likelihood
12 that this state will lose tax revenue due to the difficulty of
13 enforcing the provisions of the Oklahoma Sales Tax Code because of:

- 14 a. the operation of the business,
 - 15 b. the nature of the business,
 - 16 c. the turnover of independent contractors,
 - 17 d. the lack of place of business in which to display a
18 permit or keep records,
 - 19 e. lack of adequate records,
 - 20 f. the fact that the persons are minors or transients,
 - 21 g. the fact that the persons are engaged in service
22 businesses, or
 - 23 h. any other reasonable reason;
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1 ~~21.~~ 22. Any taxable services and tangible personal property
2 including materials, supplies, and equipment sold to contractors for
3 the purpose of developing and improving real estate even though said
4 real estate is intended for resale as real property, hereby declared
5 to be sales to consumers or users, however, taxable materials,
6 supplies and equipment sold to contractors as provided by this
7 subsection which are purchased as a result of and subsequent to the
8 date of a contract entered into either prior to the effective date
9 of any law increasing the rate of sales tax imposed by this article,
10 or entered into prior to the effective date of an ordinance or other
11 measure increasing the sales tax levy of a political subdivision
12 shall be subject to the rate of sales tax applicable, as of the date
13 such contract was entered into, to sales of such materials, supplies
14 and equipment if such purchases are required in order to complete
15 the contract. Such rate shall be applicable to purchases made
16 pursuant to the contract or any change order under the contract
17 until the contract or any change order has been completed, accepted
18 and the contractor has been discharged from any further obligation
19 under the contract or change order or until two (2) years from the
20 date on which the contract was entered into whichever occurs first.
21 The increased sales tax rate shall be applicable to all such
22 purchases at the time of sale and the contractor shall file a claim
23 for refund before the expiration of three (3) years after the date
24 of contract completion or five (5) years after the contract was

1 entered into, whichever occurs earlier. However, the Oklahoma Tax
2 Commission shall prescribe rules and regulations and shall provide
3 procedures for the refund to a contractor of sales taxes collected
4 on purchases eligible for the lower sales tax rate authorized by
5 this subsection;

6 ~~22.~~ 23. Any taxable services and tangible personal property
7 sold to persons who are primarily engaged in selling their services,
8 such as repairmen, hereby declared to be sales to consumers or
9 users; and

10 ~~23.~~ 24. Canoes and paddleboats as defined in Section 4002 of
11 Title 63 of the Oklahoma Statutes.

12 B. All solicitations or advertisements in print or electronic
13 media by Group Three vendors, for the sale of tangible property to
14 be delivered within this state, shall contain a notice that the sale
15 is subject to Oklahoma sales tax, unless the sale is exempt from
16 such taxation.

17 SECTION 2. This act shall become effective November 1, 2025.

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