

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 4304

By: Worthen

6
7 COMMITTEE SUBSTITUTE

8 [revenue and taxation - exemption - trusts -
9 effective date]

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11
12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

13 SECTION 1. AMENDATORY 68 O.S. 2021, Section 1356, as
14 last amended by Section 1, Chapter 392, O.S.L. 2025 (68 O.S. Supp.
15 2025, Section 1356), is amended to read as follows:

16 Section 1356. Exemptions - Governmental and nonprofit entities.

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

19 1. Sale of tangible personal property or services to the United
20 States government or to this state, any political subdivision of
21 this state, ~~or~~ any agency of a political subdivision of this state
22 or a public trust, organized pursuant to the provisions of Section
23 176 et seq. of Title 60 of the Oklahoma Statutes, with a
24 municipality as the beneficiary of such trust; provided, all sales

1 to contractors in connection with the performance of any contract
2 with the United States government, this state, or any of its
3 political subdivisions shall not be exempted from the tax levied by
4 Section 1350 et seq. of this title, 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. Sale 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
17 related subjects;

18 7. Sale 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 sale 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 sale 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. Sale of tangible personal property or services to any
2 county, municipality, a public trust, organized pursuant to the
3 provisions of Section 176 et seq. of Title 60 of the Oklahoma
4 Statutes, with a municipality as the beneficiary of such trust,
5 rural water district, public school district, city-county library
6 system, the institutions of The Oklahoma State System of Higher
7 Education, the Grand River Dam Authority, the Northeast Oklahoma
8 Public Facilities Authority, the Oklahoma Municipal Power Authority,
9 City of Tulsa-Rogers County Port Authority, Muskogee City-County
10 Port Authority, the Oklahoma Department of Veterans Affairs, the
11 Broken Bow Economic Development Authority, Ardmore Development
12 Authority, Durant Industrial Authority, Oklahoma Ordnance Works
13 Authority, Central Oklahoma Master Conservancy District, Arbuckle
14 Master Conservancy District, Fort Cobb Reservoir Master Conservancy
15 District, Foss Reservoir Master Conservancy District, Mountain Park
16 Master Conservancy District, Waurika Lake Master Conservancy
17 District and the Office of Management and Enterprise Services only
18 when carrying out a public construction contract on behalf of the
19 Oklahoma Department of Veterans Affairs, and effective July 1, 2022,
20 the University Hospitals Trust, or to any person with whom any of
21 the above-named subdivisions or agencies of this state has duly
22 entered into a public contract pursuant to law, necessary for
23 carrying out such public contract or to any subcontractor to such a
24 public contract, and the above named political subdivisions or

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

14 11. Sales of tangible personal property or services to private
15 institutions of higher education and private elementary and
16 secondary institutions of education accredited by the State
17 Department of Education or registered by the State Board of
18 Education for purposes of participating in federal programs or
19 accredited as defined by the Oklahoma State Regents for Higher
20 Education which are exempt from taxation pursuant to the provisions
21 of the Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
22 501(c) (3) including materials, supplies, and equipment used in the
23 construction and improvement of buildings and other structures owned
24 by the institutions and operated for educational purposes.

1 Any person, firm, agency, or entity making purchases on behalf
2 of any institution, agency or subdivision in this state, shall
3 certify in writing, on the copy of the invoice or sales ticket the
4 nature of the purchases, and violation of this paragraph shall be a
5 misdemeanor as set forth in paragraph 10 of this section;

6 12. Tuition and educational fees paid to private institutions
7 of higher education and private elementary and secondary
8 institutions of education accredited by the State Department of
9 Education or registered by the State Board of Education for purposes
10 of participating in federal programs or accredited as defined by the
11 Oklahoma State Regents for Higher Education which are exempt from
12 taxation pursuant to the provisions of the Internal Revenue Code of
13 1986, as amended, 26 U.S.C., Section 501(c)(3);

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

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

1 (7) public or private school personnel for purposes
2 of raising funds for the benefit of a public or
3 private school, public school district, public or
4 private school board, or public or private school
5 student group or organization, or

6 b. Sales of tangible personal property made by or to
7 nonprofit parent-teacher associations or organizations
8 exempt from taxation pursuant to the provisions of the
9 Internal Revenue Code of 1986, as amended, 26 U.S.C.,
10 Section 501(c)(3), nonprofit local public or private
11 school foundations which solicit money or property in
12 the name of any public or private school or public
13 school district.

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

21 14. Sales of tangible personal property by:

- 22 a. local 4-H clubs,
- 23 b. county, regional or state 4-H councils,
- 24 c. county, regional or state 4-H committees,

- d. 4-H leader associations,
- e. county, regional or state 4-H foundations, and
- f. authorized 4-H camps and training centers.

The exemption provided by this paragraph shall be limited to sales for the purpose of raising funds for the benefit of such organizations. Sale of tangible personal property exempted by this paragraph shall include sale of admission tickets;

15. The first Seventy-five Thousand Dollars (\$75,000.00) each year from sale of tickets and concessions at athletic events by each organization exempt from taxation pursuant to the provisions of the Internal Revenue Code of 1986, as amended, 26 U.S.C., Section 501(c)(4);

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

17. Sales of tangible personal property or services to fire departments organized pursuant to Section 592 of Title 18 of the Oklahoma Statutes, which items are to be used for the purposes of the fire department. Any person making purchases on behalf of any such fire department shall certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor that the

1 purchases are made for and on behalf of such fire department and set
2 out the name of such fire department. Any person who wrongfully or
3 erroneously certifies that the purchases are for any such fire
4 department or who otherwise violates the provisions of this section
5 shall be deemed guilty of a misdemeanor and upon conviction thereof,
6 shall be fined an amount equal to double the amount of sales tax
7 involved or incarcerated for not more than sixty (60) days, or both;

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

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

22 20. Sales of tangible personal property or services to any Boys
23 & Girls Clubs of America affiliate in this state which is not
24 affiliated with the Salvation Army and which is exempt from taxation

1 pursuant to the provisions of the Internal Revenue Code of 1986, as
2 amended, 26 U.S.C., Section 501(c)(3);

3 21. Sales of tangible personal property or services to any
4 organization, which takes court-adjudicated juveniles for purposes
5 of rehabilitation, and which is exempt from taxation pursuant to the
6 provisions of the Internal Revenue Code of 1986, as amended, 26
7 U.S.C., Section 501(c)(3), provided that at least fifty percent
8 (50%) of the juveniles served by such organization are court
9 adjudicated and the organization receives state funds in an amount
10 less than ten percent (10%) of the annual budget of the
11 organization;

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

13 a. any health center as defined in Section 254b of Title
14 42 of the United States Code,

15 b. any clinic receiving disbursements of state monies
16 from the Indigent Health Care Revolving Fund pursuant
17 to the provisions of Section 66 of Title 56 of the
18 Oklahoma Statutes,

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

21 (1) provides primary care services at no cost to the
22 recipient, and

23 (2) is exempt from taxation pursuant to the
24 provisions of Section 501(c)(3) of the Internal

1 Revenue Code of 1986, as amended, 26 U.S.C.,
2 Section 501(c) (3), and

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

5 23. Dues or fees including free or complimentary dues or fees
6 which have a value equivalent to the charge that could have
7 otherwise been made, to YMCAs, YWCAs, or municipally-owned
8 recreation centers for the use of facilities and programs;

9 24. The first Fifteen Thousand Dollars (\$15,000.00) each year
10 from sales of tangible personal property or services to or by a
11 cultural organization established to sponsor and promote
12 educational, charitable, and cultural events for disadvantaged
13 children, and which organization is exempt from taxation pursuant to
14 the provisions of the Internal Revenue Code of 1986, as amended, 26
15 U.S.C., Section 501(c) (3);

16 25. Sales of tangible personal property or services to museums
17 or other entities which have been accredited by the American
18 Alliance of Museums. Any person making purchases on behalf of any
19 such museum or other entity shall certify, in writing, on the copy
20 of the invoice or sales ticket to be retained by the vendor that the
21 purchases are made for and on behalf of such museum or other entity
22 and set out the name of such museum or other entity. Any person who
23 wrongfully or erroneously certifies that the purchases are for any
24 such museum or other entity or who otherwise violates the provisions

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

5 26. Sales of tickets for admission by any museum accredited by
6 the American Alliance of Museums. In order to be eligible for the
7 exemption provided by this paragraph, an amount equivalent to the
8 amount of the tax which would otherwise be required to be collected
9 pursuant to the provisions of Section 1350 et seq. of this title
10 shall be separately stated on the admission ticket and shall be
11 collected and used for the sole purpose of servicing or aiding in
12 the servicing of debt incurred by the museum to effect the
13 construction, enlarging or renovation of any facility to be used for
14 entertainment, edification, or cultural cultivation to which entry
15 is gained with a paid admission ticket;

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

20 28. Sales of tangible personal property or services to the
21 organization known as the Disabled American Veterans, Department of
22 Oklahoma, Inc., and subordinate chapters thereof;

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

4 30. a. Until July 1, 2022, transfer of tangible personal
5 property made pursuant to Section 3226 of Title 63 of
6 the Oklahoma Statutes by the University Hospitals
7 Trust, and

8 b. Effective July 1, 2022, transfer of tangible personal
9 property or services to or by:

10 (1) the University Hospitals Trust created pursuant
11 to Section 3224 of Title 63 of the Oklahoma
12 Statutes, or

13 (2) nonprofit entities which are exempt from taxation
14 pursuant to the provisions of the Internal
15 Revenue Code of 1986, as amended, of the United
16 States, 26 U.S.C., Section 501(c)(3), which have
17 entered into a joint operating agreement with the
18 University Hospitals Trust;

19 31. Sales of tangible personal property or services to a
20 municipality, county, or school district pursuant to a lease or
21 lease-purchase agreement executed between the vendor and a
22 municipality, county, or school district. A copy of the lease or
23 lease-purchase agreement shall be retained by the vendor;
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1 32. Sales of tangible personal property or services to any
2 spaceport user, as defined in the Oklahoma Space Industry
3 Development Act;

4 33. The sale, use, storage, consumption, or distribution in
5 this state, whether by the importer, exporter, or another person, of
6 any satellite or any associated launch vehicle including components
7 of, and parts and motors for, any such satellite or launch vehicle,
8 imported or caused to be imported into this state for the purpose of
9 export by means of launching into space. This exemption provided by
10 this paragraph shall not be affected by:

- 11 a. the destruction in whole or in part of the satellite
12 or launch vehicle,
- 13 b. the failure of a launch to occur or be successful, or
- 14 c. the absence of any transfer or title to, or possession
15 of, the satellite or launch vehicle after launch;

16 34. The sale, lease, use, storage, consumption, or distribution
17 in this state of any space facility, space propulsion system or
18 space vehicle, satellite, or station of any kind possessing space
19 flight capacity including components thereof;

20 35. The sale, lease, use, storage, consumption, or distribution
21 in this state of tangible personal property, placed on or used
22 aboard any space facility, space propulsion system or space vehicle,
23 satellite, or station possessing space flight capacity, which is
24 launched into space, irrespective of whether such tangible property

1 is returned to this state for subsequent use, storage, or
2 consumption in any manner;

3 36. The sale, lease, use, storage, consumption, or distribution
4 in this state of tangible personal property meeting the definition
5 of "section 38 property" as defined in Sections 48(a)(1)(A) and
6 (B)(i) of the Internal Revenue Code of 1986, as amended, that is an
7 integral part of and used primarily in support of space flight;
8 however, section 38 property used in support of space flight shall
9 not include general office equipment, any boat, mobile home, motor
10 vehicle, or other vehicle of a class or type required to be
11 registered, licensed, titled or documented in this state or by the
12 United States government, or any other property not specifically
13 suited to supporting space activity. The term "in support of space
14 flight", for purposes of this paragraph, means the altering,
15 monitoring, controlling, regulating, adjusting, servicing, or
16 repairing of any space facility, space propulsion systems or space
17 vehicle, satellite, or station possessing space flight capacity
18 including the components thereof;

19 37. The purchase or lease of machinery and equipment for use at
20 a fixed location in this state, which is used exclusively in the
21 manufacturing, processing, compounding, or producing of any space
22 facility, space propulsion system or space vehicle, satellite, or
23 station of any kind possessing space flight capacity. Provided, the
24 exemption provided for in this paragraph shall not be allowed unless

1 the purchaser or lessee signs an affidavit stating that the item or
2 items to be exempted are for the exclusive use designated herein.
3 Any person furnishing a false affidavit to the vendor for the
4 purpose of evading payment of any tax imposed by Section 1354 of
5 this title shall be subject to the penalties provided by law. As
6 used in this paragraph, "machinery and equipment" means "section 38
7 property" as defined in Sections 48(a)(1)(A) and (B)(i) of the
8 Internal Revenue Code of 1986, as amended, which is used as an
9 integral part of the manufacturing, processing, compounding, or
10 producing of items of tangible personal property. Such term
11 includes parts and accessories only to the extent that the exemption
12 thereof is consistent with the provisions of this paragraph;

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

18 39. Sales of tangible personal property or services which are
19 directly used in or for the benefit of a state park in this state,
20 which are made to an organization which is exempt from taxation
21 pursuant to the provisions of the Internal Revenue Code of 1986, as
22 amended, 26 U.S.C., Section 501(c)(3) and which is organized
23 primarily for the purpose of supporting one or more state parks
24 located in this state;

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

3 41. Sales of tangible personal property or services for use on
4 campus or school construction projects for the benefit of
5 institutions of The Oklahoma State System of Higher Education,
6 private institutions of higher education accredited by the Oklahoma
7 State Regents for Higher Education, or any public school or school
8 district when such projects are financed by or through the use of
9 nonprofit entities which are exempt from taxation pursuant to the
10 provisions of the Internal Revenue Code of 1986, as amended, 26
11 U.S.C., Section 501(c)(3);

12 42. Sales of tangible personal property or services by an
13 organization which is exempt from taxation pursuant to the
14 provisions of the Internal Revenue Code of 1986, as amended, 26
15 U.S.C., Section 501(c)(3), in the course of conducting a national
16 championship sports event, but only if all or a portion of the
17 payment in exchange therefor would qualify as the receipt of a
18 qualified sponsorship payment described in Internal Revenue Code of
19 1986, as amended, 26 U.S.C., Section 513(i). Sales exempted
20 pursuant to this paragraph shall be exempt from all Oklahoma sales,
21 use, excise, and gross receipts taxes;

22 43. Sales of tangible personal property or services to or by an
23 organization which:
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- 1 a. is exempt from taxation pursuant to the provisions of
2 the Internal Revenue Code of 1986, as amended, 26
3 U.S.C., Section 501(c) (3),
4 b. is affiliated with a comprehensive university within
5 The Oklahoma State System of Higher Education, and
6 c. has been organized primarily for the purpose of
7 providing education and teacher training and
8 conducting events relating to robotics;

9 44. The first Fifteen Thousand Dollars (\$15,000.00) each year
10 from sales of tangible personal property to or by youth athletic
11 teams which are part of an athletic organization exempt from
12 taxation pursuant to the provisions of the Internal Revenue Code of
13 1986, as amended, 26 U.S.C., Section 501(c) (4), for the purposes of
14 raising funds for the benefit of the team;

15 45. Sales of tickets for admission to a collegiate athletic
16 event that is held in a facility owned or operated by a municipality
17 or a public trust of which the municipality is the sole beneficiary
18 and that actually determines or is part of a tournament or
19 tournament process for determining a conference tournament
20 championship, a conference championship, or a national championship;

21 46. Sales of tangible personal property or services to or by an
22 organization which is exempt from taxation pursuant to the
23 provisions of the Internal Revenue Code of 1986, as amended, 26
24 U.S.C., Section 501(c) (3) and is operating the Oklahoma City

1 National Memorial and Museum, an affiliate of the National Park
2 System;

3 47. Sales of tangible personal property or services to
4 organizations which are exempt from federal taxation pursuant to the
5 provisions of Section 501(c)(3) of the Internal Revenue Code of
6 1986, as amended, 26 U.S.C., Section 501(c)(3), the memberships of
7 which are limited to honorably discharged veterans, and which
8 furnish financial support to area veterans' organizations to be used
9 for the purpose of constructing a memorial or museum;

10 48. Sales of tangible personal property or services on or after
11 January 1, 2003, to an organization which is exempt from taxation
12 pursuant to the provisions of the Internal Revenue Code of 1986, as
13 amended, 26 U.S.C., Section 501(c)(3) that is expending monies
14 received from a private foundation grant in conjunction with
15 expenditures of local sales tax revenue to construct a local public
16 library;

17 49. Sales of tangible personal property or services to a state
18 that borders this state or any political subdivision of that state,
19 but only to the extent that the other state or political subdivision
20 exempts or does not impose a tax on similar sales of items to this
21 state or a political subdivision of this state;

22 50. Effective July 1, 2005, sales of tangible personal property
23 or services to the career technology student organizations under the
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1 direction and supervision of the Oklahoma Department of Career and
2 Technology Education;

3 51. Sales of tangible personal property to a public trust
4 having either a single city, town or county or multiple cities,
5 towns or counties, or combination thereof as beneficiary or
6 beneficiaries or a nonprofit organization which is exempt from
7 taxation pursuant to the provisions of the Internal Revenue Code of
8 1986, as amended, 26 U.S.C., Section 501(c)(3) for the purpose of
9 constructing improvements to or expanding a hospital or nursing home
10 owned and operated by any such public trust or nonprofit entity
11 prior to July 1, 2008, in counties with a population of less than
12 one hundred thousand (100,000) persons, according to the most recent
13 Federal Decennial Census. As used in this paragraph, "constructing
14 improvements to or expanding" shall not mean any expense for routine
15 maintenance or general repairs and shall require a project cost of
16 at least One Hundred Thousand Dollars (\$100,000.00). For purposes
17 of this paragraph, sales made to a contractor or subcontractor that
18 enters into a contractual relationship with a public trust or
19 nonprofit entity as described by this paragraph shall be considered
20 sales made to the public trust or nonprofit entity. The exemption
21 authorized by this paragraph shall be administered in the form of a
22 refund from the sales tax revenues apportioned pursuant to Section
23 1353 of this title and the vendor shall be required to collect the
24 sales tax otherwise applicable to the transaction. The purchaser

1 may apply for a refund of the sales tax paid in the manner
2 prescribed by this paragraph. Within thirty (30) days after the end
3 of each fiscal year, any purchaser that is entitled to make
4 application for a refund based upon the exempt treatment authorized
5 by this paragraph may file an application for refund of the sales
6 taxes paid during such preceding fiscal year. The Oklahoma Tax
7 Commission shall prescribe a form for purposes of making the
8 application for refund. The Tax Commission shall determine whether
9 or not the total amount of sales tax exemptions claimed by all
10 purchasers is equal to or less than Six Hundred Fifty Thousand
11 Dollars (\$650,000.00). If such claims are less than or equal to
12 that amount, the Tax Commission shall make refunds to the purchasers
13 in the full amount of the documented and verified sales tax amounts.
14 If such claims by all purchasers are in excess of Six Hundred Fifty
15 Thousand Dollars (\$650,000.00), the Tax Commission shall determine
16 the amount of each purchaser's claim, the total amount of all claims
17 by all purchasers, and the percentage each purchaser's claim amount
18 bears to the total. The resulting percentage determined for each
19 purchaser shall be multiplied by Six Hundred Fifty Thousand Dollars
20 (\$650,000.00) to determine the amount of refundable sales tax to be
21 paid to each purchaser. The pro rata refund amount shall be the
22 only method to recover sales taxes paid during the preceding fiscal
23 year and no balance of any sales taxes paid on a pro rata basis
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1 shall be the subject of any subsequent refund claim pursuant to this
2 paragraph;

3 52. Effective July 1, 2006, sales of tangible personal property
4 or services to any organization which assists, trains, educates, and
5 provides housing for physically and mentally disabled persons and
6 which is exempt from taxation pursuant to the provisions of the
7 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
8 501(c)(3) and that receives at least eighty-five percent (85%) of
9 its annual budget from state or federal funds. In order to receive
10 the benefit of the exemption authorized by this paragraph, the
11 taxpayer shall be required to make payment of the applicable sales
12 tax at the time of sale to the vendor in the manner otherwise
13 required by law. Notwithstanding any other provision of the Uniform
14 Tax Procedure Code to the contrary, the taxpayer shall be authorized
15 to file a claim for refund of sales taxes paid that qualify for the
16 exemption authorized by this paragraph for a period of one (1) year
17 after the date of the sale transaction. The taxpayer shall be
18 required to provide documentation as may be prescribed by the
19 Oklahoma Tax Commission in support of the refund claim. The total
20 amount of sales tax qualifying for exempt treatment pursuant to this
21 paragraph shall not exceed One Hundred Seventy-five Thousand Dollars
22 (\$175,000.00) each fiscal year. Claims for refund shall be
23 processed in the order in which such claims are received by the
24 Oklahoma Tax Commission. If a claim otherwise timely filed exceeds

1 the total amount of refunds payable for a fiscal year, such claim
2 shall be barred;

3 53. The first Two Thousand Dollars (\$2,000.00) each year of
4 sales of tangible personal property or services to, by, or for the
5 benefit of a qualified neighborhood watch organization that is
6 endorsed or supported by or working directly with a law enforcement
7 agency with jurisdiction in the area in which the neighborhood watch
8 organization is located. As used in this paragraph, "qualified
9 neighborhood watch organization" means an organization that is a
10 not-for-profit corporation under the laws of this state that was
11 created to help prevent criminal activity in an area through
12 community involvement and interaction with local law enforcement and
13 which is one of the first two thousand organizations which makes
14 application to the Oklahoma Tax Commission for the exemption after
15 March 29, 2006;

16 54. Sales of tangible personal property to a nonprofit
17 organization, exempt from taxation pursuant to the provisions of the
18 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
19 501(c)(3), organized primarily for the purpose of providing services
20 to homeless persons during the day and located in a metropolitan
21 area with a population in excess of five hundred thousand (500,000)
22 persons according to the latest Federal Decennial Census. The
23 exemption authorized by this paragraph shall be applicable to sales
24

1 of tangible personal property to a qualified entity occurring on or
2 after January 1, 2005;

3 55. Sales of tangible personal property or services to or by an
4 organization which is exempt from taxation pursuant to the
5 provisions of the Internal Revenue Code of 1986, as amended, 26
6 U.S.C., Section 501(c)(3) for events the principal purpose of which
7 is to provide funding for the preservation of wetlands and habitat
8 for wild ducks;

9 56. Sales of tangible personal property or services to or by an
10 organization which is exempt from taxation pursuant to the
11 provisions of the Internal Revenue Code of 1986, as amended, 26
12 U.S.C., Section 501(c)(3) for events the principal purpose of which
13 is to provide funding for the preservation and conservation of wild
14 turkeys;

15 57. Sales of tangible personal property or services to an
16 organization which:

17 a. is exempt from taxation pursuant to the provisions of
18 the Internal Revenue Code of 1986, as amended, 26
19 U.S.C., Section 501(c)(3), and

20 b. is part of a network of community-based, autonomous
21 member organizations that meets the following
22 criteria:

23 (1) serves people with workplace disadvantages and
24 disabilities by providing job training and

1 employment services, as well as job placement
2 opportunities and post-employment support,

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

5 (3) collects donated clothing and household goods to
6 sell in retail stores and provides contract labor
7 services to business and government, and

8 (4) provides documentation to the Oklahoma Tax
9 Commission that over seventy-five percent (75%)
10 of its revenues are channeled into employment,
11 job training and placement programs, and other
12 critical community services;

13 58. Sales of tickets made on or after September 21, 2005, and
14 complimentary or free tickets for admission issued on or after
15 September 21, 2005, which have a value equivalent to the charge that
16 would have otherwise been made, for admission to a professional
17 athletic event in which a team in the National Basketball
18 Association is a participant, which is held in a facility owned or
19 operated by a municipality, a county, or a public trust of which a
20 municipality or a county is the sole beneficiary, and sales of
21 tickets made on or after July 1, 2007, and complimentary or free
22 tickets for admission issued on or after July 1, 2007, which have a
23 value equivalent to the charge that would have otherwise been made,
24 for admission to a professional athletic event in which a team in

1 the National Hockey League is a participant, which is held in a
2 facility owned or operated by a municipality, a county, or a public
3 trust of which a municipality or a county is the sole beneficiary;

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

15 60. Sales of tickets for admission to an annual event sponsored
16 by an educational and charitable organization of women which is
17 exempt from taxation pursuant to the provisions of the Internal
18 Revenue Code of 1986, as amended, 26 U.S.C., Section 501(c)(3) and
19 has as its mission promoting volunteerism, developing the potential
20 of women and improving the community through the effective action
21 and leadership of trained volunteers;

22 61. Sales of tangible personal property or services to an
23 organization, which is exempt from taxation pursuant to the
24 provisions of the Internal Revenue Code of 1986, as amended, 26

1 U.S.C., Section 501(c)(3), and which is itself a member of an
2 organization which is exempt from taxation pursuant to the
3 provisions of the Internal Revenue Code of 1986, as amended, 26
4 U.S.C., Section 501(c)(3), if the membership organization is
5 primarily engaged in advancing the purposes of its member
6 organizations through fundraising, public awareness, or other
7 efforts for the benefit of its member organizations, and if the
8 member organization is primarily engaged either in providing
9 educational services and programs concerning health-related diseases
10 and conditions to individuals suffering from such health-related
11 diseases and conditions or their caregivers and family members or
12 support to such individuals, or in health-related research as to
13 such diseases and conditions, or both. In order to qualify for the
14 exemption authorized by this paragraph, the member nonprofit
15 organization shall be required to provide proof to the Oklahoma Tax
16 Commission of its membership status in the membership organization;

17 62. Sales of tangible personal property or services to or by an
18 organization which is part of a national volunteer women's service
19 organization dedicated to promoting patriotism, preserving American
20 history, and securing better education for children and which has at
21 least one hundred sixty-eight thousand members in three thousand
22 chapters across the United States;

23 63. Sales of tangible personal property or services to or by a
24 YWCA or YMCA organization which is part of a national nonprofit

1 community service organization working to meet the health and social
2 service needs of its members across the United States;

3 64. Sales of tangible personal property or services to or by a
4 veteran's organization which is exempt from taxation pursuant to the
5 provisions of the Internal Revenue Code of 1986, as amended, 26
6 U.S.C., Section 501(c)(19) and which is known as the Veterans of
7 Foreign Wars of the United States, Oklahoma Chapters;

8 65. Sales of boxes of food by a church or by an organization,
9 which is exempt from taxation pursuant to the provisions of the
10 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
11 501(c)(3). To qualify under the provisions of this paragraph, the
12 organization must be organized for the primary purpose of feeding
13 needy individuals or to encourage volunteer service by requiring
14 such service in order to purchase food. These boxes shall only
15 contain edible staple food items;

16 66. Sales of tangible personal property or services to any
17 person with whom a church has duly entered into a construction
18 contract, necessary for carrying out such contract or to any
19 subcontractor to such a construction contract;

20 67. Sales of tangible personal property or services used
21 exclusively for charitable or educational purposes, to or by an
22 organization which:
23
24

- 1 a. is exempt from taxation pursuant to the provisions of
2 the Internal Revenue Code of 1986, as amended, 26
3 U.S.C., Section 501(c)(3),
4 b. has filed a Not-for-Profit Certificate of
5 Incorporation in this state, and
6 c. is organized for the purpose of:
7 (1) providing training and education to
8 developmentally disabled individuals,
9 (2) educating the community about the rights,
10 abilities, and strengths of developmentally
11 disabled individuals, and
12 (3) promoting unity among developmentally disabled
13 individuals in their community and geographic
14 area;

15 68. Sales of tangible personal property or services to any
16 organization which is a shelter for abused, neglected, or abandoned
17 children and which is exempt from taxation pursuant to the
18 provisions of the Internal Revenue Code of 1986, as amended, 26
19 U.S.C., Section 501(c)(3); provided, until July 1, 2008, such
20 exemption shall apply only to eligible shelters for children from
21 birth to age twelve (12) and after July 1, 2008, such exemption
22 shall apply to eligible shelters for children from birth to age
23 eighteen (18);
24

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

4 a. possesses a 3-star rating from the Department of Human
5 Services Reaching for the Stars Program or a national
6 accreditation, and

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

11 For the purposes of this paragraph, sales made to any person,
12 firm, agency, or entity that has entered previously into a
13 contractual relationship with a child care center for construction
14 and improvement of buildings and other structures owned by the child
15 care center and operated for educational purposes shall be
16 considered sales made to a child care center. Any such person,
17 firm, agency, or entity making purchases on behalf of a child care
18 center shall certify, in writing, on the copy of the invoice or
19 sales ticket the nature of the purchase. Any such person, or person
20 acting on behalf of a firm, agency, or entity making purchases on
21 behalf of a child care center in violation of this paragraph shall
22 be guilty of a misdemeanor and upon conviction thereof shall be
23 fined an amount equal to double the amount of sales tax involved or
24 incarcerated for not more than sixty (60) days or both;

1 70. a. Sales of tangible personal property to a service
2 organization of mothers who have children who are
3 serving or who have served in the military, which
4 service organization is exempt from taxation pursuant
5 to the provisions of the Internal Revenue Code of
6 1986, as amended, 26 U.S.C., Section 501(c)(19) and
7 which is known as the Blue Star Mothers of America,
8 Inc. The exemption provided by this paragraph shall
9 only apply to the purchase of tangible personal
10 property actually sent to United States military
11 personnel overseas who are serving in a combat zone
12 and not to any other tangible personal property
13 purchased by the organization. Provided, this
14 exemption shall not apply to any sales tax levied by a
15 city, town, county, or any other jurisdiction in this
16 state.

17 b. The exemption authorized by this paragraph shall be
18 administered in the form of a refund from the sales
19 tax revenues apportioned pursuant to Section 1353 of
20 this title, and the vendor shall be required to
21 collect the sales tax otherwise applicable to the
22 transaction. The purchaser may apply for a refund of
23 the state sales tax paid in the manner prescribed by
24 this paragraph. Within sixty (60) days after the end

1 of each calendar quarter, any purchaser that is
2 entitled to make application for a refund based upon
3 the exempt treatment authorized by this paragraph may
4 file an application for refund of the state sales
5 taxes paid during such preceding calendar quarter.

6 The Tax Commission shall prescribe a form for purposes
7 of making the application for refund.

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

16 71. Sales of food and snack items to or by an organization
17 which is exempt from taxation pursuant to the provisions of the
18 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
19 501(c)(3), whose primary and principal purpose is providing funding
20 for scholarships in the medical field;

21 72. Sales of tangible personal property or services for use
22 solely on construction projects for organizations which are exempt
23 from taxation pursuant to the provisions of the Internal Revenue
24 Code of 1986, as amended, 26 U.S.C., Section 501(c)(3) and whose

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

17 73. Sales of tickets for admission to events held by
18 organizations exempt from taxation pursuant to the provisions of the
19 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
20 501(c) (3) that are organized for the purpose of supporting general
21 hospitals licensed by the State Department of Health;

22 74. Sales of tangible personal property or services:

23 a. to a foundation which is exempt from taxation pursuant
24 to the provisions of the Internal Revenue Code of

1 1986, as amended, 26 U.S.C., Section 501(c)(3) and
2 which raises tax-deductible contributions in support
3 of a wide range of firearms-related public interest
4 activities of the National Rifle Association of
5 America and other organizations that defend and foster
6 Second Amendment rights, and

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

11 75. Sales by an organization or entity which is exempt from
12 taxation pursuant to the provisions of the Internal Revenue Code of
13 1986, as amended, 26 U.S.C., Section 501(c)(3) which are related to
14 a fundraising event sponsored by the organization or entity when the
15 event does not exceed any five (5) consecutive days and when the
16 sales are not in the organization's or the entity's regular course
17 of business. Provided, the exemption provided in this paragraph
18 shall be limited to tickets sold for admittance to the fundraising
19 event and items which were donated to the organization or entity for
20 sale at the event;

21 76. Effective November 1, 2017, sales of tangible personal
22 property or services to an organization which is exempt from
23 taxation pursuant to the provisions of the Internal Revenue Code of
24 1986, as amended, 26 U.S.C., Section 501(c)(3) and operates as a

1 collaborative model which connects community agencies in one
2 location to serve individuals and families affected by violence and
3 where victims have access to services and advocacy at no cost to the
4 victim;

5 77. Effective July 1, 2018, sales of tangible personal property
6 or services to or by an association which is exempt from taxation
7 pursuant to the provisions of the Internal Revenue Code of 1986, as
8 amended, 26 U.S.C., Section 501(c)(19) and which is known as the
9 National Guard Association of Oklahoma;

10 78. Effective July 1, 2018, sales of tangible personal property
11 or services to or by an association which is exempt from taxation
12 pursuant to the provisions of the Internal Revenue Code of 1986, as
13 amended, 26 U.S.C., Section 501(c)(4) and which is known as the
14 Marine Corps League of Oklahoma;

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

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

22 a. exempt from taxation pursuant to the provisions of the
23 Internal Revenue Code of 1986, as amended, 26 U.S.C.,
24 Section 501(c)(3),

- 1 b. verified with a letter from the MIT Fab Foundation as
2 an official member of the Fab Lab Network in
3 compliance 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 of 1986, as amended,
15 26 U.S.C., Section 501(c)(3), and which meets the following
16 requirements:

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

1 b. it conducts its activities in a manner that serves
2 public or charitable purposes, rather than commercial
3 purposes,

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

8 d. it compensates its employees in a manner that does not
9 incentivize employees to act other than in the best
10 interests of its clients;

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

1 least seventy-five percent (75%) of its funds on the restoration to
2 single-family housing following a disaster including related general
3 and administrative expenses, shall be eligible for the exemption
4 authorized by this paragraph;

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

7 a. operates as a part of an organization which is exempt
8 from taxation pursuant to the provisions of the
9 Internal Revenue Code of 1986, as amended, 26 U.S.C.,
10 Section 501(c)(3),

11 b. is not accredited by the American Alliance of Museums,
12 and

13 c. operates on an annual budget of less than One Million
14 Dollars (\$1,000,000.00);

15 84. Until July 1, 2022, sales of tangible personal property or
16 services for use in a clinical practice or medical facility operated
17 by an organization which is exempt from taxation pursuant to the
18 provisions of the Internal Revenue Code of 1986, as amended, of the
19 United States, 26 U.S.C., Section 501(c)(3), and which has entered
20 into a joint operating agreement with the University Hospitals Trust
21 created pursuant to Section 3224 of Title 63 of the Oklahoma
22 Statutes. The exemption provided by this paragraph shall be limited
23 to the purchase of tangible personal property and services for use
24 in clinical practices or medical facilities acquired or leased by

1 the organization from the University Hospitals Authority, University
2 Hospitals Trust, or the University of Oklahoma on or after June 1,
3 2021;

4 85. Sales of tangible personal property or services to or by a
5 women's veterans organization, and its subchapters in this state,
6 that is exempt from taxation pursuant to the provisions of the
7 Internal Revenue Code of 1986, as amended, 26 U.S.C., Section
8 501(c)(19) and is known as the Oklahoma Women Veterans Organization;

9 86. Sales of tangible personal property or services to a
10 nonprofit entity, organized pursuant to Oklahoma law before January
11 1, 2019, exempt from federal income taxation pursuant to Section
12 501(c) of the Internal Revenue Code of 1986, as amended, the
13 principal functions of which are to provide assistance to natural
14 persons following a disaster, with program emphasis on repair or
15 restoration to single-family residential dwellings or the
16 construction of a replacement single-family residential dwelling.
17 For purposes of this paragraph, an entity operated exclusively for
18 charitable and educational purposes through the coordination of
19 volunteers for the disaster recovery of homes (as derived from Part
20 III, Statement of Program Services, of Internal Revenue Service Form
21 990) and which offers its services free of charge to disaster
22 survivors statewide who are low income with no or limited means of
23 recovery on their own for the restoration to single-family housing
24 following a disaster including related general and administrative

1 expenses, shall be eligible for the exemption authorized by this
2 paragraph. The exemption provided by this paragraph shall only be
3 applicable to sales made on or after July 1, 2022. As used in this
4 paragraph, "disaster" means damage to property with or without
5 accompanying injury to persons from heavy rain, high winds, tornadic
6 winds, drought, wildfire, snow, ice, geologic disturbances,
7 explosions, chemical accidents or spills and other events causing
8 damage to property on a large scale;

9 87. Effective July 1, 2022, sales of tangible personal property
10 or services to an organization which is exempt from taxation
11 pursuant to the provisions of the Internal Revenue Code of 1986, as
12 amended, 26 U.S.C., Section 501(c)(3) and which provides support to
13 veterans, active duty members of the Armed Forces, reservists, and
14 members of the National Guard to assist with the transition to
15 civilian life and which provides documentation to the Oklahoma Tax
16 Commission that over seventy percent (70%) of its revenue is
17 expended on support for transition to civilian life; and

18 88. Sales of tangible personal property or services to or by an
19 organization in this state which:

- 20 a. is exempt from taxation pursuant to the provisions of
21 the Internal Revenue Code of 1986, as amended, 26
22 U.S.C., Section 501(c)(3), and
23 b. provides documentation to the Oklahoma Tax Commission
24 showing the organization's principal purpose is to

1 provide school supplies or articles of clothing for
2 underserved students attending grades prekindergarten
3 through twelve at public schools in this state.

4 SECTION 2. This act shall become effective November 1, 2026.

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6 60-2-17028 JM 03/05/26
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