OKLAHOMA TAX COMMISSION

STATE OF OKLAHOMA

Tax Expenditure Report

2013-2014

PREPARED BY THE
TAX POLICY DIVISION
OF THE
OKLAHOMA TAX COMMISSION

TAX EXPENDITURE REPORT

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I. INTRODUCTION

The following report is the twelfth issue of the Oklahoma Tax Expenditure Report. Pursuant to Section 1 of Enrolled Senate Bill No. 135 of the Forty-fifth Legislature, First Regular Session, codified at Section 205 of Title 68, the report includes the Tax Commission's best estimate of the amount of state revenue that would have been collected but for the existence of each exclusion, deduction, credit, exemption, deferral, or other preferential tax treatment allowed by law for the previous fiscal year. Enrolled House Bill 2426 of the Forty-sixth Legislature, Second Regular Session amended Section 205 to provide that the report will be prepared no later than October 1, of each even-numbered year. Our next report will be issued October 1, 2016 with estimates for fiscal year 2016.

The provisions of state tax law that fall within this definition of a "tax expenditure" are separated by tax type. Statutory provisions that affect more than one tax type are listed under each tax. Tax expenditures do not include incentive payment programs or exemptions to taxes not administered, regulated, or collected by the Tax Commission.

The estimates are based upon information from actual tax returns and secondary data sources. Each estimate has a different level of reliability based upon the accuracy of both the data and the estimation procedure. The different categories are as follows:

Level 1	Estimate based upon information contained in actual tax returns. The data collected is from returns verified for accuracy and unverified returns. This is the highest level of reliability.
Level 2	Estimate based upon a projection from a composite of a fraction of returns filed or average amount of collections for the particular tax type involved.
Level 3	Estimate derived from secondary data sources, such as other governmental agencies, industry sources, or national reports.
Level 4	Level assigned for those items for which no known reliable data source exists.

The estimation process for income tax expenditures prevents the summing of each expenditure and the drawing of any precise conclusions about their aggregate value. Estimates which are less than Twenty-five Thousand Dollars ($25,000.00) are listed as "Minimal" unless a Level 1 estimate is available. Expenditures for which data resources are unavailable to provide an estimate contain the notation N/A (not available). The Commission will continue to strive to provide an estimate for these expenditures in subsequent reports. In 1995, the Tax Commission contracted with the Center for Economic and Management Research (CEMR) at the University of Oklahoma and the Office of Business and Economic Research (OBER) at Oklahoma State University wherein the departments utilized their resources to provide revenue estimates for sales tax expenditures. The expenditures for which the departments provided estimates are noted in the “Data Source” line as “OU/OSU Group.” The original estimates provided by the OU/OSU Group have been adjusted for the 2014 fiscal year. The sales and use tax estimates were not adjusted for the remuneration allowed vendors as compensation for collecting taxes, partial compliance upon the removal of an exemption, or changes in buyer patterns due to the loss of an exemption.

This report does not propose to offer an official list of tax expenditures. Rather, it describes as many statutory “tax expenditures” as possible and provides revenue estimates for as many provisions of the state tax laws as can be isolated and measured. Further, each description is a very brief overview and is not intended to describe the tax expenditure with specificity.

II. INCOME TAX

A. CREDITS

Oklahoma offers a variety of income tax credits. Tax credits directly reduce tax liability and, in some cases, are fully refundable, transferable, or can be carried forward to a subsequent tax year. (Credits are not refundable, not transferable and have no carryover unless otherwise indicated below). Expenditure estimates below reflect income tax filings for 2012 tax year. Senate Bill 1267 [Second Regular Session of the 52nd Legislature (2010)] provided for a moratorium on generating certain tax credits for events, transactions, investments or expenditures made from July 1, 2010 through June 30, 2012. These credits will be denoted with an asterisk (*).

1. ***Investment in Equipment Used for Recycling, Reuse, or Source Reduction of Hazardous Waste****

   Citation: **27A O.S. §2-11-303**
   Description: A one-time credit against income tax is allowed for an investment in equipment and installation of processes used for the recycling, reuse or source reduction of hazardous waste. The credit is not to exceed twenty percent (20%) of the net investment cost. The credit must be taken within three (3) years of installation and may not exceed a total of Fifty Thousand Dollars ($50,000.00) for three consecutive tax years. This credit has been repealed, effective January 1, 2014.
   Estimate: Zero
   Data Source: Income Tax Returns
   Reliability: 1

2. ***Low Income Sales Tax Relief***

   Citation: **68 O.S. §1370.3**
   Description: For Oklahoma residents whose gross household income is under Twelve Thousand Dollars ($12,000.00) per year, a refundable credit of Forty Dollars ($40.00) per personal exemption is allowed. Credit is only available if sales tax is levied under 68 O.S. §1370.2. To date, sales tax has not been levied under 68 O.S. §1370.2. This credit is different than the Sales Tax Relief Credit authorized under 68 O.S. §5011.
   Estimate: Zero
   Data Source: Income Tax Returns
   Reliability: 1

3. ***Taxes Paid to Another State***

   Citation: **68 O.S. §2357**
   Description: An income tax credit is allowed for taxes paid to another state by resident individuals upon personal services compensation.
   Estimate: $35,641,000.00 / 29,301 Returns
   Data Source: Income Tax Returns
   Reliability: 1

4. ***Child Care / Child Tax Credit***

Citation: **68 O.S. §2357**

Description: An income tax credit is allowed for child care expenses in the amount of twenty percent (20%) of the federal child care credit. Taxpayers can elect to take the greater of the child care credit or five percent (5%) of the federal child tax credit authorized under the Internal Revenue Code. In both cases, federal adjusted gross income cannot exceed One Hundred Thousand Dollars ($100,000.00). This credit is allowed to residents and part-year residents, subject to proration of Oklahoma adjusted gross income to federal adjusted gross income.

Estimate: $27,398,000.00 / 378,993 Returns

Data Source: Income Tax Returns

Reliability: 1

5. ***Gas Used in Manufacturing****

Citation: **68 O.S. §2357**

Description: An income tax credit is allowed for gas used in the manufacturing process. This credit is available to Oklahoma manufacturers who use or consume natural or casinghead gas (with certain limitations) in their manufacturing establishment. This credit has been repealed, effective January 1, 2014.

Estimate: $30,000.00 / 41 Returns

Data Source: Income Tax Returns

Reliability: 1

6. ***Water Treatment & Pollution Control Facility***

Citation: **68 O.S. §2357**

Description: An income tax credit is allowed for water treatment facilities and pollution control devices. This credit has been repealed, effective January 1, 2014.

Estimate: Zero

Data Source: Income Tax Returns

Reliability: 1

7. ***Oklahoma Investment/New Jobs***[1]

Citation: **68 O.S. §2357.4**

Description: An income tax credit is allowed for either an investment in depreciable property used in a manufacturing or processing facility or for a net increase in average levels of employment in said facilities. Any credit allowed but not used may be carried over in order to each of the four (4) years following the year of qualification and, to the extent not used in those years, in order to each of the fifteen (15) years following the initial five-year period.

[1] House Bill 3024 [Second Regular Session of the 52nd Legislature (2010)] provided for a moratorium on claiming tax credits generated from July 1, 2010 through June 30, 2012. Tax credits accrued during this period were limited to a period of two (2) taxable years - fifty percent (50%) of the total amount of the accrued credit in each taxable year. Credits generated during the moratorium period could not be claimed for any period prior to the taxable year beginning January 1, 2012.

7. ***Oklahoma Investment/New Jobs (Continued)***

Estimate: $94,792,000.00[2] / 937 Returns
Data Source: Income Tax Returns
Reliability: 1

8. ***Energy Conservation Assistance Fund****

Citation: **68 O.S. §2357.6**
Description: Individuals or corporations are allowed a credit against income tax for fifty percent (50%) of monies contributed to the Energy Conservation Assistance Fund described in 63 O.S. §2901. This credit has been repealed, effective January 1, 2014.
Estimate: $2,000.00 / 13 Returns
Data Source: Income Tax Returns
Reliability: 1

9. ***Oklahoma Coal Production****

Citation: **68 O.S. §2357.11**
Description: Sec. 2357.11 (B) provides an income tax credit for the purchase of Oklahoma-mined coal to businesses providing water, heat, light or power from coal to the citizens of Oklahoma, or to those businesses which burn coal to generate heat, light or power for use in manufacturing operations in Oklahoma. An additional credit is allowed for Oklahoma-mined coal purchased. Sec. 2357.11 (D) provides a coal credit to businesses primarily engaged in mining, producing or extracting coal in this state. A valid permit issued by the Oklahoma Department of Mines must be held. The credit provided in this paragraph will not be allowed for coal mined, produced or extracted in any month in which the average price of coal is $68 or more per ton, excluding freight charges. Credits earned prior to January 1, 2014, are transferable and may be claimed up to five (5) years. For credits earned on or after January 1, 2014, any credit earned but not used shall be refunded at an amount equal to eighty-five percent (85%) of the amount of the credit.
Estimate: $79,000.00 / 10 Returns
Data Source: Income Tax Returns
Reliability: 1

10. ***Commercial Space Industries Credit***

Citation: **68 O.S. §2357.13**
Description: An income tax credit is allowed for investments in qualified commercial space industry projects. The credit is five percent (5%) of the eligible capital costs. Any credit allowed but not used may be carried over for a period of four (4) years. This credit has been repealed, effective January 1, 2014.
Estimate: Zero

[2] Under 62 O.S. §690.4 (Enterprise Zone Incentive and Initiative), the Oklahoma investment/new jobs credit (68 O.S. §2357.4) available to manufacturers and processors located in designated enterprise zones is increased. Estimate is not available for this particular part of the incentive since tax return source data does not differentiate between normal investment / new jobs credit and enterprise zone investment / new jobs credit.

10. ***Commercial Space Industries Credit (Continued)***

Data Source: Income Tax Returns

Reliability: 1

11. ***Investments in Clean-Burning Motor Vehicles***

Citation: **68 O.S. §2357.22**

Description: A one-time income tax credit is allowed for investments in qualified clean-burning motor vehicle fuel property. Depending on the type of property, the credit is either fifty percent (50%)[3] or seventy-five percent (75%) of the cost of the qualified clean-burning motor vehicle fuel property. In cases where no credit is previously claimed and a motor vehicle is purchased with "factory installed" clean-burning fuel equipment, and the taxpayer elects not to determine the exact investment cost, the credit is limited to ten percent (10%) of the motor vehicle purchase price up to One Thousand Five Hundred Dollars ($1,500.00). Property directly related to the delivery of natural gas from a private home qualifies for a credit of the lesser of fifty percent (50%) of the cost of the property or Two Thousand Five Hundred Dollars ($2,500.00). Any credit allowed but not used may be carried over for a period of five (5) years.

Estimate: $10,674,000.00 / 872 Returns

Data Source: Income Tax Returns

Reliability: 1

12. ***Investments in Electric Motor Vehicles***

Citation: **68 O.S. §2357.22**

Description: A one-time income tax credit is allowed for investments in qualified electric motor vehicle property. The credit is fifty percent (50%) of the cost of the qualified electric motor vehicle property. In cases where no credit is previously claimed and a motor vehicle is purchased with "factory installed" electrical equipment, and the taxpayer elects not to determine the exact investment cost, the credit is limited to ten percent (10%) of the motor vehicle purchase price up to One Thousand Five Hundred Dollars ($1,500.00). This credit is for investments in qualified electric motor vehicle property placed in service before July 1, 2010; however, any credit allowed but not used may be carried over for a period of five (5) years.

Estimate: $377,000.00 / 162 Returns

Data Source: Income Tax Returns

Reliability: 1

[3] Beginning August 22, 2014, the amount of the credit is forty-five percent (45%) of the cost of the qualified clean-burning motor vehicle fuel property.

13. ***Agricultural Processing Facilities****

Citation: **68 O.S. §2357.25**

Description: An income tax credit is allowed for Oklahoma agricultural producers who invest in Oklahoma producer-owned agricultural processing cooperatives, ventures or marketing associations. This credit is for tax years ending on or before December 31, 2009; however, any unused credit may be carried over for a period of six (6) years.

Estimate: $532,000.00 / 15 Returns

Data Source: Income Tax Returns

Reliability: 1

14. ***Child Care Services – Employers****

Citation: **68 O.S. §2357.26**

Description: An income tax credit for twenty percent (20%) of the amount paid by employers to provide accredited child care programs for the children of their employees is allowed. Unused credit may be carried over for a period of four (4) years. This credit has been repealed, effective January 1, 2014.

Estimate: $5,000.00 / 9 Returns

Data Source: Income Tax Returns

Reliability: 1

15. ***Child Care Service Providers****

Citation: **68 O.S. §2357.27**

Description: An income tax credit for twenty percent (20%) of eligible expenses incurred by entities primarily engaged in the business of providing child care services is allowed. Any unused credit may be carried over for a period of four (4) years. This credit is for tax years ending on or before December 31, 2016.

Estimate: $61,000.00 / 23 Returns

Data Source: Income Tax Returns

Reliability: 1

16. ***Ad Valorem Tax***

Citation: **68 O.S. §2357.29**

Description: This refundable income tax credit is for residential property damaged or destroyed by the tornado or similar cyclonic winds on May 3, 1999, October 9, 2001 or May 8 or 9, 2003. Eligible taxpayers may claim this credit for five (5) consecutive years. After the first year the credit is claimed, the amount of the credit will be eighty percent (80%) of the previous year's credit. This credit has been repealed, effective January 1, 2014.

Estimate: Zero

Data Source: Income Tax Returns

Reliability: 1

17. ***Natural Disaster Tax Credit***

Citation: **68 O.S. §2357.29A**

Description: A refundable income tax credit is allowed for owners of residential real property whose primary residence was damaged or destroyed in a natural disaster occurring after December 31, 2011. For purposes of this credit, a "natural disaster" means a weather or fire event for which a Presidential Major Disaster Declaration was issued or a tornado occurring in calendar year 2012 or 2013 regardless of whether a Presidential Major Disaster Declaration was issued. The amount of the credit is the difference between the ad valorem property tax paid on the property and on improvements in the year prior to the damage or destruction and the ad valorem property tax paid the first year after the improvement is complete. Eligible taxpayers will be entitled to claim this credit for five (5) consecutive years. After the first year the credit is claimed, the amount of the credit will be eighty percent (80%) of the previous year's credit.

Estimate: N/A (effective May 29, 2013[4])

18. ***Small Business Guaranty Fee****

Citation: **68 O.S. §2357.30**

Description: An income tax credit is allowed for small business operating within this state for amounts paid to the U.S. Small Business Administration as a guaranty fee pursuant to obtaining financing guaranteed by the Small Business Administration. Unused credit may be carried over for a period of five (5) years. This credit has been repealed, effective January 1, 2014.

Estimate: $425,000.00 / 49 Returns

Data Source: Income Tax Returns

Reliability: 1

19. ***Credit for Electricity Generated by Zero-Emission Facilities***[5]

Citation: **68 O.S. §2357.32A**

Description: An income tax credit is allowed based on the amount of electricity generated by a qualified zero-emission facility. Credits earned prior to January 1, 2014, are transferable and any unused credit may be carried over for a period of ten (10) years. For credits earned on or after January 1, 2014, any credit earned but not used shall be refunded at an amount equal to eighty-five percent (85%) of the amount of the credit.

Estimate: $18,181,000.00 / 114 Returns

Data Source: Income Tax Returns

Reliability: 1

[4] This credit is available for tax year 2012, however did not become effective until May 29, 2013. As of the publication of this report, no credits have been claimed.

[5] House Bill 3024 [Second Regular Session of the 52nd Legislature (2010)] provided for a moratorium on claiming tax credits generated from July 1, 2010 through June 30, 2011. Tax credits generated during the moratorium period could not be claimed for any period prior to the taxable year beginning January 1, 2012.

20. ***Credit for Manufacturers of Advanced Small Wind Turbines****

Citation: **68 O.S. §2357.32B**

Description: A transferable income tax credit is allowed for Oklahoma manufacturers of advanced small wind turbine products, including rotor blades and alternators. The credit is based on the square footage of rotor-swept area of advanced small wind turbines manufactured in this state. This credit is for tax years ending on or before December 31, 2012; however, any unused credit may be carried over for a period of ten (10) years.

Estimate: $605,000.00 / 32 Returns

Data Source: Income Tax Returns

Reliability: 1

21. ***Hepatitis Immunization****

Citation: **68 O.S. §2357.33**

Description: An income tax credit is allowed for amounts paid by a taxpayer operating one or more food service establishments for providing immunizations against Hepatitis A to employees who work in such establishments. This credit has been repealed, effective January 1, 2014.

Estimate: $16,000.00 / 6 Returns

Data Source: Income Tax Returns

Reliability: 1

22. ***Tourism Promotion Credit***

Citation: **68 O.S. §§2357.34 through 2357.40**

Description: An income tax credit is allowed for an investment in a qualified tourism attraction project. The credit is based on the approved costs of the project and is ten percent (10%), if the approved costs are between Five Hundred Thousand Dollars ($500,000.00) and One Million Dollars ($1,000,000.00); or twenty-five percent (25%), if the approved costs are in excess of One Million Dollars ($1,000,000.00). Any credit allowed but not used may be carried over for ten (10) years. This credit has been repealed, effective January 1, 2014.

Estimate: Zero

Data Source: Income Tax Returns

Reliability: 1

23. ***Tax Credit for Qualified Rehabilitation Expenditures***[6]

Citation: **68 O.S. §2357.41**

Description: A transferable income tax credit equal to one hundred percent (100%) of the federal rehabilitation credit under Title 26 U.S.C. §47 is allowed. Unused credit may be carried over for a period of ten (10) years.

Estimate: $3,869,000.00 / 47 Returns

[6] House Bill 3024 [Second Regular Session of the 52nd Legislature (2010)] provided for a moratorium on claiming tax credits generated from July 1, 2010 through June 30, 2012. Tax credits generated during the moratorium period could not be claimed for any period prior to the taxable year beginning January 1, 2012.

23. ***Tax Credit for Qualified Rehabilitation Expenditures (Continued)***

Data Source: Income Tax Returns
Reliability: 1

24. ***Oklahoma Earned Income Tax Credit***

Citation: **68 O.S. §2357.43**
Description: A refundable Oklahoma Earned Income Tax Credit equal to five percent (5%) of the federal Earned Income Tax Credit is allowed.
Estimate: $39,126,000.00 / 331,854 Returns
Data Source: Income Tax Returns
Reliability: 1

25. ***Credit for Donations to Biomedical Research Institute***

Citation: **68 O.S. §2357.45**
Description: An income tax credit is allowed for donations to a qualified independent biomedical research institute. The credit is fifty percent (50%) of the amount donated, not to exceed One Thousand Dollars ($1,000.00). Unused credit may be carried over for a period of four (4) years.
Estimate: $479,000.00 / 985 Returns
Data Source: Income Tax Returns
Reliability: 1

26. ***Credit for Donations to Cancer Research Institute***

Citation: **68 O.S. §2357.45**
Description: An income tax credit is allowed for donations to a cancer research institute. The credit is fifty percent (50%) of the amount donated, not to exceed One Thousand Dollars ($1,000.00). Unused credit may be carried over for a period of four (4) years.
Estimate: $343,000.00 / 1,681 Returns
Data Source: Income Tax Returns
Reliability: 1

27. ***Credit for Eligible Expenditures Incurred by a Contractor in the Construction of Energy Efficient Residential Property****

Citation: **68 O.S. §2357.46**
Description: An income tax credit, not to exceed Four Thousand Dollars ($4,000.00), is allowed for eligible expenditures incurred by a contractor in the construction of energy efficient residential property of two thousand (2,000) square feet or less. Unused credit may be carried over for a period of four (4) years. This credit is transferable.
Estimate: $3,714,000.00 / 174 Returns
Data Source: Income Tax Returns
Reliability: 1

28. ***Credit for Eligible Wages Paid by an Employer to an Injured Employee****

Citation: **68 O.S. §2357.47**

Description: An income tax credit is allowed for eligible wages paid by an employer to an injured employee. The credit is ten percent (10%) of the amount of the gross wages paid to the employee for a period not to exceed ninety (90) days but in no event shall the credit exceed Five Thousand Dollars ($5,000.00) for each employee of each taxpayer. In no event shall the total credit claimed exceed Twenty-five Thousand Dollars ($25,000.00) in any one year for any taxpayer. This credit is for tax years ending on or before December 31, 2014.

Estimate: $98,000.00 / 9 Returns

Data Source: Income Tax Returns

Reliability: 1

29. ***Credit for Modification Expenses Paid by an Employer for an Injured Employee****

Citation: **68 O.S. §2357.47**

Description: An income tax credit is allowed for eligible modification expenses of an employer. The credit is fifty percent (50%) of the amount of the funds expended for eligible modification expenses or new tools or equipment but in no event shall the credit exceed One Thousand Dollars ($1,000.00) for eligible modification expenses incurred for any single employee. In no event shall the total credit claimed exceed Ten Thousand Dollars ($10,000.00) in any year for any taxpayer. This credit is for tax years ending on or before December 31, 2016.

Estimate: Minimal[7]

Data Source: Income Tax Returns

Reliability: 1

30. ***Qualified Recycling Facility****

Citation: **68 O.S. §2357.59**

Description: An income tax credit is allowed for qualified recycling facilities based upon fifteen percent (15%) of the investment cost. Unused credit may be carried over for a period of fourteen (14) years. The credit is for investments in a qualified recycling facility only if construction or on-site installation of the facility commences before December 31, 1999.

Estimate: $2,000.00 / 10 Returns

Data Source: Income Tax Returns

Reliability: 1

[7] Because less than five (5) returns claimed the credit the exact amount is not shown to avoid disclosure of information about specific taxpayers.

31. ***Investment in Qualified Small Business Capital Companies and Small Business Ventures***[8]

Citation: **68 O.S. §2357.62 and §2357.63**

Description: An income tax credit is allowed for investments in qualified small business capital companies based on twenty percent (20%) of the qualified investment in the capital company which is subsequently invested in a small business venture or an in conjunction investment directly in the small business venture. This credit is for tax years ending on or before December 31, 2011; however, any unused credit may be carried over subject to the following limitations:

- The credit may be carried over for a period not to exceed three (3) years for investments made on or after November 1, 2006.
- The credit may be carried over for a period not to exceed ten (10) years for investments made prior to June 7, 2006.
- The credit may be carried over for a period not to exceed ten (10) years for investments made on or after June 7, 2006 and prior to November 1, 2006, provided they met the conditions specified in statute.

Estimate: $4,890,000.00 / 190 Returns

Data Source: Income Tax Returns

Reliability: 1

32. ***Credit for Qualified Ethanol Facilities****

Citation: **68 O.S. §2357.66**

Description: An ethanol facility that established the 7.5-cents per gallon credit in tax year 2013 may claim the credit for a period not to exceed thirty-six (36) consecutive months. An ethanol facility that established the 20-cent per gallon credit on or before December 31, 2010 may claim the credit for sixty (60) months beginning the first month the facility became eligible for the credit. This income tax credit has been repealed, effective January 1, 2014.

Estimate: Zero

Data Source: Income Tax Returns

Reliability: 1

33. ***Credit for Eligible Biodiesel Facility****

Citation: **68 O.S. §2357.67**

Description: Beginning January 1, 2013, a biodiesel facility will receive a credit for production from a new facility which has not received credits prior to January 1, 2013, or the expansion of the capacity of an existing facility by at least 2 million gallons first placed into service after January 1, 2013, as certified by the design engineer of the facility to the OTC. The credit is 7.5-cents per gallon of biodiesel for new production for a period not to exceed thirty-six (36) months. A biodiesel facility that established the 20-cent per-

[8] Senate Bill 1590 [Second Regular Session of the 52nd Legislature (2010)] provided for a moratorium on tax credits for investments made on or after June 1, 2010, through December 31, 2011. The *Small Business Capital Formation Incentive Act* sunsetted on December 31, 2011.

33. ***Credit for Eligible Biodiesel Facility*(Continued)***

gallon credit on or before December 31, 2008 may claim the credit for sixty (60) months beginning the first month the facility became eligible for the credit. A biodiesel facility that established the additional 20-cent per gallon credit on or before December 31, 2008 may claim the credit for sixty (60) months beginning the first month for which production from the expanded facility became eligible for the credit. The credit may be carried over for five (5) succeeding taxable years. This credit has been repealed, effective January 1, 2014.

Estimate: Zero
Data Source: Income Tax Returns
Reliability: 1

34. ***Investment in Rural Venture Capital Companies and Rural Small Business Ventures***[9]

Citation: **68 O.S. §2357.73 and §2357.74**
Description: An income tax credit is allowed for investments in a qualified rural small business capital company based on thirty percent (30%) of the qualified investment in the capital company which is subsequently invested in an Oklahoma rural small business venture or an in conjunction investment directly in the rural small business venture. This credit is for tax years ending on or before December 31, 2011; however, any unused credit may be carried over subject to the following limitations:

• The credit may be carried over for a period not to exceed three (3) years for investments made on or after November 1, 2006.
• The credit may be carried over for a period not to exceed ten (10) years for investments made prior to June 7, 2006.
• The credit may be carried over for a period not to exceed ten (10) years for investments made on or after June 7, 2006 and prior to November 1, 2006, provided they met the conditions specified in statute.

Estimate: $3,939,000.00 / 197 Returns
Data Source: Income Tax Returns
Reliability: 1

35. ***Investment Incentive Credit****

Citation: **68 O.S. §2357.81**
Description: An income tax credit is allowed for new or expanded facilities located within certain qualified incentive districts, based on an ad valorem abatement. Any unused credit allowed but not used may be carried over for ten (10) years. This credit has been repealed, effective January 1, 2014.

Estimate: Zero
Data Source: Income Tax Returns
Reliability: 1

[9] Senate Bill 1590 [Second Regular Session of the 52nd Legislature (2010)] provided for a moratorium on tax credits for investments made on or after June 1, 2010, through December 31, 2011. The *Rural Venture Capital Formation Incentive Act* sunsetted on December 31, 2011.

36. ***Poultry Litter Tax Credit****

Citation: **68 O.S. §2357.100**

Description: An income tax credit of Ten Dollars ($10.00) per ton of poultry litter purchased from a registered Oklahoma-based poultry operation located within an environmentally sensitive and nutrient-limited watershed is allowed if the poultry litter is to be used or spread in a watershed that is not environmentally sensitive and nutrient-limited. This credit is for tax years ending on or before December 31, 2013; however, any unused credit may be carried over for a period of five (5) years.

Estimate: $79,000.00 / 35 Returns

Data Source: Income Tax Returns

Reliability: 1

37. ***Film and Music Profit Reinvestment Credit****

Citation: **68 O.S. §2357.101**

Description: An income tax credit of twenty-five percent (25%) of the profit from the investment in an existing film for a production company is allowed if the profit is reinvested to pay for production costs for a new film. This credit is for tax years ending on or before December 31, 2014.

Estimate: $6,000.00 / 9 Returns

Data Source: Income Tax Returns

Reliability: 1

38. ***Dry Fire Hydrant Credit****

Citation: **68 O.S. §2357.102**

Description: An income tax credit is allowed for the purchase of a dry fire hydrant or the cost to provide an acceptable means of water storage for such dry fire hydrant including a pond, tank, or other storage facility with the primary purpose of fire protection within the State of Oklahoma. The tax credit is fifty percent (50%) of the purchase of a dry fire hydrant or the cost to provide an acceptable means of water storage for such dry fire hydrant. Unused credit may be carried over for a period of four (4) years. This credit has been repealed, effective January 1, 2014.

Estimate: Minimal[10]

Data Source: Income Tax Returns

Reliability: 1

39. ***Credit for Eligible Taxpayer's Qualified Railroad Reconstruction or Replacement Expenditures****

Citation: **68 O.S. §2357.104**

Description: An income tax credit is allowed for an eligible taxpayer's qualified railroad reconstruction or replacement expenditures. The tax credit is equal to fifty percent (50%) of an eligible taxpayer's qualified

[10] Because less than five (5) returns claimed the credit the exact amount is not shown to avoid disclosure of information about specific taxpayers.

39. ***Credit for Eligible Taxpayer's Qualified Railroad Reconstruction or Replacement Expenditures*(Continued)***

railroad reconstruction or replacement expenditures, but is limited to the product of Six Thousand Dollars ($6,000.00) and the number of miles of railroad track owned or leased within this state by the eligible taxpayer as of the close of the taxable year, provided the taxpayer may only claim one third (1/3) of the credit in any one taxable period. The credit may be carried over for five (5) succeeding taxable years. This credit is transferable. The tax credit is equal to fifty percent (50%) of an eligible taxpayer's qualified railroad reconstruction or replacement expenditures.

Estimate: $352,000.00 / 8 Returns
Data Source: Income Tax Returns
Reliability: 1

40. ***Computer Industry Credit***

Citation: **68 O.S. §2357.201**
Description: For taxable years 2006 through 2013, there is a refundable income tax credit equal to fifteen percent (15%) of qualified capital, wage, or training expenditures incurred by business enterprises whose principal activity is data processing services, computer systems design services or other computer related services. Business enterprises must have maintained an Oklahoma payroll of at least Eighty-five Million Dollars ($85,000,000.00) to qualify for this credit[11]. The total credits per fiscal year cannot exceed Three Hundred Fifty Thousand Dollars ($350,000.00) each year.
Estimate: Zero
Data Source: Income Tax Returns
Reliability: 1

41. ***Specially Trained Canine Credit****

Citation: **68 O.S. §2357.203**
Description: An income tax credit is allowed in the amount of fifty percent (50%) of the qualified direct costs associated with the operation of a business enterprise for which the principal purpose is the rearing of specially trained canines. Unused credit may be carried over for a period of five (5) years. This credit has been repealed, effective November 1, 2013.
Estimate: $10,000.00 / 9 Returns
Data Source: Income Tax Returns
Reliability: 1

42. ***Oklahoma Equal Opportunity Education Scholarship Act***

Citation: **68 O.S. §2357.206**
Description: An income tax credit is allowed in the amount of fifty percent (50%) of the amount donated to a scholarship granting

[11] Other requirements to qualify for this credit include seventy-five percent (75%) out-of-state sales, utilization of high speed processing systems in Oklahoma (TPF or zTPF), and a labor force of One Thousand (1,000) in Oklahoma.

42. ***Oklahoma Equal Opportunity Education Scholarship Act (Continued)***

organization or an educational improvement grant organization not to exceed One Thousand Dollars ($1,000.00) for each taxpayer or Two Thousand Dollars ($2,000.00) for married taxpayers filing jointly. Tax credits which are allocated to partners, shareholders, members and other equity owners of pass-through entities are not subject to this limitation. Unused credit may be carried over for a period of three (3) years.

Estimate: N/A (effective for tax year 2011[12])

43. ***Credit for Tuition Reimbursement for Employers in the Aerospace Sector and Credit for Employers in the Aerospace Sector***

Citation: **68 O.S. §2357.302**

Description: An income tax credit is allowed for a qualified employer for tuition reimbursement to a qualified employee. The amount of the credit is fifty percent (50%) of the tuition reimbursed to a qualified employee for the first through fourth years of employment.

Citation: **68 O.S. §2357.303**

Description: An income tax credit is allowed for a qualified employer for compensation paid to a qualified employee. The amount of the credit is ten percent (10%) of the compensation paid for the first through fifth years of employment in the aerospace sector if the qualified employee graduated from an institution located in this state; or five percent (5%) if the qualified employee graduated from an institution located outside this state. The credit cannot exceed Twelve Thousand Five Hundred Dollars ($12,500.00) for each qualified employee annually.

Estimate: **$**677,000.00 / 31 Returns

Data Source: Income Tax Returns

Reliability: 1

44. ***Credit for Employees in the Aerospace Sector***

Citation: **68 O.S. §2357.304**

Description: An income tax credit is allowed for a qualified employee of up to Five Thousand Dollars ($5,000.00) per year for a period of time not to exceed five (5) years. Any credit claimed, but not used, may be carried over up to five (5) subsequent taxable years.

Estimate: $2,497,000.00 / 895 Returns

Data Source: Income Tax Returns

Reliability: 1

45. ***Wire Transmitter Fee Credit***

Citation: **68 O.S. §2357.401**

Description: This is an income tax credit in the amount of all electronic funds transfers fees paid by individuals or entities pursuant to 63 O.S. §2-503.1j. This credit is for tax years ending on or before

[12] Credits generated in tax year 2011 and tax year 2012 could not be claimed until tax year 2013.

45. ***Wire Transmitter Fee Credit (Continued)***

December 31, 2016. Any unused credit may be carried over for a period of five (5) years.

Estimate: $410,000.00 / 4,293 Returns
Data Source: Income Tax Returns
Reliability: 1

46. ***Credit for Electric Vehicle Manufacturers***

Citation: **68 O.S. §2357.402**
Description: An income tax credit is allowed for electric vehicle manufacturers for electric vehicles manufactured after June 30, 2010, in the amount of $500.00 per vehicle for qualified low-speed vehicles, $1,000.00 for qualified medium-speed vehicles and $2,000.00 per vehicle for all other qualified electric motor vehicles. Any unused credit may be carried over for a period not to exceed five (5) years. This credit has been repealed, effective January 1, 2014.
Estimate: Zero
Data Source: Income Tax Returns
Reliability: 1

47. ***Affordable Housing Tax Credit***

Citation: **68 O.S. §2357.403**
Description: An income tax credit, equal to the amount of federal low-income housing tax credit, not to exceed $4.0 million per allocation year, is allowed for qualified housing projects placed in service after July 1, 2015.
Estimate: N/A (effective January 1, 2015)

48. ***Volunteer Firefighter Credit***

Citation: **68 O.S. §2358.7**
Description: An income tax credit of Two Hundred Dollars ($200.00) or Four Hundred Dollars ($400.00) is allowed for a volunteer firefighter who completes annual continuing education, training and certification requirements.
Estimate: $680,000.00 / 2,183 Returns
Data Source: Income Tax Returns
Reliability: 1

49. ***Credit for Financial Institutions Making Loans under the Rural Economic Development Loan Act****

Citation: **68 O.S. §2370**
Description: A tax credit is allowed in an amount equal to the amount of taxable income received by a participating financial institution pursuant to a loan made under the Rural Economic Development Loan Act. The credit is limited each year to five percent (5%) of the amount of annual payroll certified by the Oklahoma Rural Economic Development Loan Program Review Board. This credit is for tax

49. ***Credit for Financial Institutions Making Loans under the Rural Economic Development Loan Act* (Continued)***

years ending on or before December 31, 2016. Any unused credit may be carried over for a period of five (5) years.

Estimate: Minimal[13]

Data Source: Income Tax Returns

Reliability: 1

50. ***Credit for Stafford Loan Origination Fee****

Citation: **68 O.S. §2370.3**

Description: A tax credit is allowed for any state banking association, national banking association, or credit union domiciled in this state for the amount of the origination fee paid by the banking association or credit union to the United States Department of Education pursuant to the "Stafford" loan guaranty program for an Oklahoma resident. The credit may be carried over for five (5) succeeding taxable years. This credit has been repealed, effective January 1, 2014.

Estimate: Minimal[13]

Data Source: Income Tax Returns

Reliability: 1

51. ***Low Income Property Tax Relief***

Citation: **68 O.S. §2907**

Description: A refundable income tax credit is allowed for an Oklahoma taxpayer, head of household, at least sixty-five (65) years of age or totally disabled, with a gross household income which does not exceed Twelve Thousand Dollars ($12,000.00). The credit is based on the property tax that exceeds one percent (1%) of the household income, limited to a maximum credit of Two Hundred Dollars ($200.00).

Estimate: $157,000.00 / 935 Returns

Data Source: Income Tax Returns

Reliability: 1

52. ***Sales Tax Relief***

Citation: **68 O.S. §5011**

Description: Persons domiciled in this state during the entire calendar year and whose gross household income does not exceed Twenty Thousand Dollars ($20,000.00) for individuals and Fifty Thousand Dollars ($50,000.00) for those who claim a dependent, are at least sixty-five (65) years old or have a physical disability constituting a substantial handicap to employment may file a claim for sales tax relief. This relief is in the form of a refundable income tax credit in the amount of Forty Dollars ($40.00) per qualified exemption.

Estimate: $39,328,000.00 / 476,193 Returns

Data Source: Income Tax Returns

Reliability: 1

[13] Because less than five (5) returns claimed the credit the exact amount is not shown to avoid disclosure of information about specific taxpayers.

53. ***Oklahoma Research and Development Incentives Act****

Citation:	**68 O.S. §54006**
Description:	An income tax credit is allowed for a net increase in the number of full-time-equivalent employees engaged in computer services, data processing or research and development. The amount of the credit Five Hundred Dollars ($500.00) for each new employee, but not to exceed fifty (50) new employees. Any credits allowed but not used in any taxable year may be carried over in order to each of the four (4) years following the year of qualification and, to the extent not used in those years, in order to each of the five (5) years following the initial five-year period. This credit has been repealed, effective January 1, 2014.
Estimate:	$8,000.00 / 11 Returns
Data Source:	Income Tax Returns
Reliability:	1

54. ***Oklahoma Capital Investment Board***

Citation:	**74 O.S. §5085.7**
Description:	The Oklahoma Capital Investment Board (OCIB) is allowed to sell up to Twenty Million Dollars ($20,000,000.00) in tax credits against income tax under certain circumstances per fiscal year.
Estimate:	Minimal[14]
Data Source:	Income Tax Returns
Reliability:	1

B. DEDUCTIONS AND EXEMPTIONS

Oklahoma allows deductions and exemptions to taxpayers in computing Oklahoma taxable income under certain conditions.[15] The amount of deduction or exemption varies by type. Exemptions generally refer to a personal allowance or specific monetary exemption which may be claimed by an individual to reduce Oklahoma taxable income. A tax deduction is a reduction of a taxpayer's total income that decreases the amount of taxable income used in calculating the income tax. Expenditure estimates below reflect income tax filings for 2012 tax year.

1. ***Oil and Gas Depletion Allowance***

Citation:	**68 O.S. §2353**
Description:	An income tax deduction is available as an allowance for depletion based upon cost of oil and gas deposit.
Estimate:	$12,569,000.00 / 90,215 Returns
Data Source:	Oklahoma Individual Income Tax Micro-Simulator
Reliability:	2

[14] Because less than five (5) returns claimed the credit the exact amount is not shown to avoid disclosure of information about specific taxpayers.
[15] While some of these deductions and exemptions are available for both corporate and individual income tax filers, aggregate data for corporate filers is not available. The tax expenditure estimates in this report, for deductions and exemptions which are available for both corporate and individual filers, reflect only *individual* income tax due to the data limitation.

2. ***Sale of National Historic Landmark***

Citation: **68 O.S. §2357.24**

Description: An income tax deduction is allowed by a resident taxpayer of fifty percent (50%) of any capital gain the owner of a "National Historic Landmark" realizes upon the sale of such landmark to the state. This deduction has been repealed, effective January 1, 2014.

Estimate: N/A

3. ***Deduction for Living Organ Donation***

Citation: **68 O.S. §2358**

Description: A one-time income tax deduction for individual taxpayers only, of up to Ten Thousand Dollars ($10,000.00) is allowed for unreimbursed expenses for the donation of one or more human organs. The donor must donate the organ while living to qualify for the deduction.

Estimate: N/A

4. ***Taxpayers with Physical Disabilities***

Citation: **68 O.S. §2358**

Description: Individual Oklahoma resident taxpayers with physical disabilities may deduct the expenditures to modify a motor vehicle, home, or workplace to compensate for their handicap.

Estimate: $39,000.00 / 456 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

5. ***Nonrecurring Adoption Expenses***

Citation: **68 O.S. §2358**

Description: Nonrecurring adoption expenses incurred in connection with the adoption or proposed adoption of a minor may be deducted from Oklahoma adjusted gross income. The deduction is limited to Twenty Thousand Dollars ($20,000.00) per calendar year.

Estimate: $145,000.00 / 519 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

6. ***Oklahoma College Savings Plan Act***

Citation: **68 O.S. §2358**

Description: An income tax deduction is allowed for contributions to an account established under the Oklahoma College Savings Plan Act up to Ten Thousand Dollars ($10,000.00) for each individual taxpayer, or Twenty Thousand Dollars ($20,000.00) for taxpayers filing a joint return.

Estimate: $3,044,000.00 / 11,896 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

7. ***Members of the Armed Services***

Citation: **68 O.S. §2358**

Description: One hundred percent (100%) of income received from the United States as salary or compensation, other than retirement benefits, as a member of the Armed Forces is deducted from taxable income.

Estimate: $16,862,000.00 / 21,275 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

8. ***Itemized/Standard Deductions***

Citation: **68 O.S. §2358**

Description: Individual taxpayers may either itemize their deductions or claim an Oklahoma standard deduction. If using itemized deductions, those will be the same as claimed for federal income tax purposes. The Oklahoma standard deduction equals the federal standard deduction for all filing statuses.

Estimate: $518,400,000.00 / 494,880 Itemized Returns
$370,397,000.00 / 1,113,330 Standard Deduction Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

9. ***Swine and Poultry Producers***

Citation: **68 O.S. §2358**

Description: An income tax deduction from adjusted gross income is allowed for the depreciation of new construction or expansion costs incurred by swine and poultry producers.

Estimate: Estimate is not available. This deduction is commingled with several others on the Oklahoma income tax form 511 and therefore the amount of income deducted under this expenditure item cannot be estimated.

10. ***Oklahoma Police Corps Scholarship Program***

Citation: **68 O.S. §2358**

Description: An income tax deduction is allowed, by individual taxpayers, of federally taxable scholarship or stipend income if received from the Oklahoma Police Corps Scholarship Program.

Estimate: Estimate is not available. This deduction is commingled with several others on the Oklahoma income tax form 511 and therefore the amount of income deducted under this expenditure item cannot be estimated.

11. ***Deduction for Discharge of Farm Indebtedness Income***

Citation: **68 O.S. §2358**

Description: An income tax deduction is allowed, by individual taxpayers, due to the discharge of farm indebtedness.

Estimate: Estimate is not available. This deduction is commingled with several others on the Oklahoma income tax form 511 and therefore

11. ***Deduction for Discharge of Farm Indebtedness Income (Continued)***

the amount of income deducted under this expenditure item cannot be estimated.

12. ***Oklahoma Source Capital Gain Deduction***

Citation: **68 O.S. §2358**

Description: Taxpayers may deduct certain qualifying capital gains that are included in federal adjusted gross income or federal taxable income. The qualifying gain must be earned on real or tangible personal property located within Oklahoma; be earned on the sale of stock or ownership interest in an Oklahoma headquartered entity; or be earned on the sale of real property, tangible personal property or intangible personal property located within Oklahoma as part of the sale of all or substantially all of the assets of an Oklahoma headquartered entity or an Oklahoma proprietorship business enterprise.

Estimate: $157,014,000.00 / 18,085 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

13. ***Transfers of Technologies to Small Business***

Citation: **68 O.S. §2358**

Description: Royalty payments received for transfers of technologies to qualified Oklahoma small businesses are exempt from taxable income.

Estimate: Estimate is not available. This exemption is commingled with several others on the Oklahoma income tax form 511 and therefore the amount of income exempted under this expenditure item cannot be estimated.

14. ***Personal Exemption***

Citation: **68 O.S. §2358**

Description: A personal exemption of One Thousand Dollars ($1,000.00) in lieu of the federal personal exemption is allowed in calculating Oklahoma taxable income for an individual taxpayer.

Estimate: $126,808,000.00 / 1,724,112 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

15. ***Blind Individuals***

Citation: **68 O.S. §2358**

Description: An income tax exemption of One Thousand Dollars ($1,000.00) is allowed for each individual taxpayer or spouse who is blind at the close of the tax year.

Estimate: $111,000.00 / 4,723 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

16. ***Individuals Sixty-five (65) or Older***

Citation: **68 O.S. §2358**

Description: An income tax exemption of One Thousand Dollars ($1,000.00) is allowed for each individual taxpayer or spouse who is sixty-five (65) years of age or older; provided certain income limitations apply.

Estimate: $228,000.00 / 84,961 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

17. ***Government Retirement Benefits***

Citation: **68 O.S. §2358**

Description: An income tax exemption is allowed for the first Ten Thousand Dollars ($10,000.00) of most Oklahoma and federal government retirement benefits which are included in Federal Adjusted Gross Income.

Estimate: $22,247,000.00 / 60,661 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

18. ***Social Security Benefits***

Citation: **68 O.S. §2358**

Description: An income tax exemption is allowed for all Social Security benefits to the extent the Social Security benefits are included in Federal Adjusted Gross Income.

Estimate: $109,923,000.00 / 198,374 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

19. ***Civil Service Retirement in Lieu of Social Security Benefits***

Citation: **68 O.S. §2358**

Description: One hundred percent (100%) of certain federal civil service benefits received in lieu of Social Security benefits are exempt from taxable income.

Estimate: $28,678,000.00 / 25,734 Returns

Data Source: Income Tax Returns

Reliability: 1

20. ***Military Retirement Benefits***

Citation: **68 O.S. §2358**

Description: There is an income tax exemption for military retirement benefits from any component of the Armed Forces of the United States. The exemption amount is the greater of seventy-five percent (75%) of their military retirement benefits or Ten Thousand Dollars ($10,000.00); but may not exceed the amount included in the Federal Adjusted Gross Income.

Estimate: $20,440,000.00 / 29,355 Returns

Data Source: Income Tax Returns

Reliability: 1

21. ***Private Retirement Benefits***

Citation: **68 O.S. §2358**

Description: There is an income tax exemption for specified private retirement benefits. The exemption is no more than Ten Thousand Dollars ($10,000.00) of the amount included in the Federal Adjusted Gross Income.

Estimate: $64,778,000.00 / 233,659 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

22. ***Deferred Compensation***

Citation: **68 O.S. §2358**

Description: Lump-sum distributions from employer deferred compensation plans, which are not plans within the Internal Revenue Code, deposited in separate bank accounts are excluded from an individual's taxable income.

Estimate: Estimate is not available. This exemption is commingled with several others on the Oklahoma income tax form 511 and therefore the amount of income exempted under this expenditure item cannot be estimated.

23. ***Medical Savings Account***

Citation: **68 O.S. §2358**

Description: Contributions made to and interest earned on a medical savings account are exempt from an individual's taxable income.

Estimate: Estimate is not available. This exemption is commingled with several others on the Oklahoma income tax form 511 and therefore the amount of income exempted under this expenditure item cannot be estimated.

24. ***Agricultural Commodity Processing Facilities***

Citation: **68 O.S. §2358**

Description: An exclusion from taxable income, in the amount of fifteen percent (15%) of the investment for new or expanded agricultural commodity processing facilities, is allowed.

Estimate: Estimate is not available. This exemption is commingled with several others on the Oklahoma income tax form 511 and therefore the amount of income exempted under this expenditure item cannot be estimated.

25. ***Indian Employment Exclusion***

Citation: **68 O.S. §2358**

Description: Allows for the exclusion of wages not excluded for federal income tax purposes due to the claiming of the federal Indian employment credit. This exclusion will not be available for tax years beginning on or after January 1, 2014, since the federal Indian employment credit is only for taxable years beginning before December 31, 2013.

25. ***Indian Employment Exclusion (Continued)***

Estimate: Estimate is not available. This exemption is commingled with several others on the Oklahoma income tax form 511 and therefore the amount of income exempted under this expenditure item cannot be estimated.

26. ***Safety Pays OSHA Consultation Service Exemption***

Citation: **68 O.S. §2358**

Description: An employer that utilizes the Safety Pays OSHA Consultation Service provided by the Oklahoma Department of Labor is entitled to a One Thousand Dollar ($1,000.00) exemption for the tax year the service is utilized.

Estimate: Estimate is not available. This exemption is commingled with several others on the Oklahoma income tax form 511 and therefore the amount of income exempted under this expenditure item cannot be estimated.

27. ***Dividend/Interest Income Exclusion***

Citation: **68 O.S. §2358**

Description: A dividend/interest income exclusion is allowed to individual taxpayers of One Hundred Dollars ($100.00) per person not to exceed Two Hundred ($200.00) on a joint return. This exclusion has been repealed, effective January 1, 2014.

Estimate: $1,107,000.00 / 293,189 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

28. ***Prisoners of War***

Citation: **68 O.S. §2358.1**

Description: Income of members of the Armed Forces of the United States and certain civilians who have been detained as prisoners of war or are listed as missing in action is exempt from state income taxes. The income of spouses and dependents of such persons is eligible for an exemption from Oklahoma income tax for the duration of the prisoner of war or missing in action status. Section 2358.1 further provides for refund provisions on taxes paid during prisoner of war or missing in action status.

Estimate: Zero

Data Source: Income Tax Returns

Reliability: 1

29. ***Deceased Member of Armed Forces and Spouse***

Citation: **68 O.S. §2358.1A**

Description: Any payment made by the United States Department of Defense as a result of the death of a member of the Armed Forces of the United States who has been killed in action in a United States Department of Defense designated combat zone is exempt from Oklahoma income tax during the taxable year in which the

29. ***Deceased Member of Armed Forces and Spouse (Continued)***

individual is declared deceased by the Armed Forces. Any income earned by the spouse of a member of the Armed Forces of the United States who has been killed in action in a United States Department of Defense designated combat zone is exempt from Oklahoma income tax during the taxable year in which the individual is declared deceased by the Armed Forces.

Estimate: N/A

30. ***Political Contributions***

Citation: **68 O.S. §2358.3**

Description: Contributions to a political party or to a candidate or candidate committee may be deducted from adjusted gross income. The deduction may not exceed One Hundred Dollars ($100.00) per person or Two Hundred Dollars ($200.00) on a joint return. This deduction has been repealed, effective January 1, 2014.

Estimate: $133,000.00 / 23,033 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

31. ***Foster Care Deduction***

Citation: **68 O.S. §2358.5-1**

Description: An income tax deduction of up to Five Thousand Dollars ($5,000.00) for expenses incurred to provide care for a foster child.

Estimate: N/A (effective for tax year 2014)

32. ***Tax Incentives for Inventors***

Citation: **74 O.S. §5064.7**

Description: Royalty income is exempt from state income taxes for a period of seven (7) years upon certain products developed and manufactured in Oklahoma. Further, manufacturers may qualify for the Oklahoma Investment/New Jobs Credit (68 O.S. §2357.4) and an income exclusion of sixty-five percent (65%) of depreciable property purchased and directly used in manufacturing the product, not to exceed Five Hundred Thousand Dollars ($500,000.00).

Estimate: Estimate is not available. This exemption is commingled with several others on the Oklahoma income tax form 511 and therefore the amount of income exempted under this expenditure item cannot be estimated.

33. ***Small Business Incubators – Sponsors***

Citation: **74 O.S. §5075**

Description: Income earned by a small business incubator sponsor from rental and service fees is exempt from income tax. This exemption is available for a period up to ten (10) years.

Estimate: Estimate is not available. This exemption is commingled with several others on the Oklahoma income tax form 511 and therefore the amount of income exempted under this expenditure item cannot be estimated.

34. ***Small Business Incubators – Tenants***

Citation: **74 O.S. §5078**

Description: Tenants of small business incubators are exempt from income tax on the income earned as a result of the occupancy in the incubator. This exemption is available for a period up to ten (10) years.

Estimate: Estimate is not available. This exemption is commingled with several others on the Oklahoma income tax form 511 and therefore the amount of income exempted under this expenditure item cannot be estimated.

C. BONDS, NOTES AND OBLIGATIONS

Oklahoma exempts the interest and other income earned on certain bonds, notes, and obligations from Oklahoma income tax. Tax return source data does not typically show this data; therefore, estimates are not available.

1. ***Municipal Power Authority***

Citation: **11 O.S. §24-106**

Description: **I**ncome and interest earned on bonds and notes of the Municipal Power Authority are nontaxable.

2. ***Urban Renewal Authorities***

Citation: **11 O.S. §38-115**

Description: Income and interest derived from Urban Renewal Authorities' notes and bonds are exempt from all taxes.

3. ***Public Rural Ambulance Service Districts***

Citation: **19 O.S. §1220**

Description: The income interest and capital gains on securities and evidences of indebtedness issued by public rural ambulance service districts are exempt from income tax.

4. ***State of Oklahoma Building Bonds***

Citation: **62 O.S. §57.4**

Description: All bonds issued pursuant to this act, and the interest thereon, is not be subject to taxation by the State of Oklahoma.

5. ***State of Oklahoma Building Bonds of 1961***

Citation: **62 O.S. §57.34**

Description: Income derived from State of Oklahoma Building Bonds of 1961 is not subject to taxation by the State of Oklahoma.

6. ***State Of Oklahoma Building Bonds of 1965***

Citation: **62 O.S. §57.54**

Description: Income derived from State of Oklahoma Building Bonds of 1965 is not subject to taxation by the State of Oklahoma.

7. ***State of Oklahoma Institutional Building Bonds of 1965***
Citation: **62 O.S. §57.64**
Description: Income derived from State of Oklahoma Institutional Building Bonds of 1965 is not subject to taxation by the State of Oklahoma.

8. ***Local Industrial Development Act***
Citation: **62 O.S. §660**
Description: Bonds issued under the Local Industrial Development Act are exempt from all state taxes.

9. ***University Hospital Authority Revenue Bonds***
Citation: **63 O.S. §3218**
Description: University Hospital Authority Revenue bonds are exempt from taxation by the State of Oklahoma and any political subdivision thereof, including the income therefrom, and any gain from the sale thereof.

10. ***Bond Interest Income***
Citation: **68 O.S. §2358.5**
Description: Interest from local government obligations issued after July 1, 2001 by or on behalf of Oklahoma educational institutions, cities, towns, counties or public trusts (in which any of the foregoing are beneficiaries) is exempt from Oklahoma income tax.

11. ***Oklahoma Turnpike Authority***
Citation: **69 O.S. §1714**
Description: The Oklahoma Turnpike Authority is not required to pay any taxes or assessments on any project or property acquired under the statute creating and governing the Authority. Any income earned by the Authority, as well as any bond issued by the Authority is exempt from state taxation. In the event the Authority leases property for concessions, that transaction creates a taxable event.

12. ***Oklahoma Educational Television Authority***
Citation: **70 O.S. §23-116**
Description: Income earned by the Oklahoma Educational Television Authority and income derived from bonds issued by the Authority are exempt from income tax.

13. ***Oklahoma Student Loan Authority Bonds***
Citation: **70 O.S. §695.3**
Description: Bonds and the income from bonds issued by the Oklahoma Student Loan Authority are exempt from income tax.

14. ***Independent School Districts – Stadium, Sports Arena, & Recreation Facilities Construction Revenue Bonds***
Citation: **70 O.S. §821.4**
Description: Any bond issued pursuant to 70 O.S. §821 et seq. is exempt from income tax.

15. ***Board of Regents of Specific Institutions of Higher Learning Authorized to Issue Tax Exempt Bonds***
Citation: **70 O.S. §4002**
Description: Bonds issued by various boards of regents of institutes of higher learning are exempt from income tax.

16. ***Oklahoma Tuition Trust***
Citation: **70 O.S. §6014**
Description: The property and income of the Oklahoma Tuition Trust are exempt from taxation. Purchasers of advance tuition payments administered by the Oklahoma Tuition Trust are allowed to deduct those payments from taxable income in the year the purchase was made.

17. ***Oklahoma Industrial Finance Authority – State Industrial Finance Bonds***
Citation: **74 O.S. §856**
Description: Income derived from bonds of Oklahoma Industrial Finance Authority is exempt from income tax.

18. ***Native American Cultural & Educational Authority of Oklahoma***
Citation: **74 O.S. §1226.10**
Description: The Native American Cultural & Educational Authority of Oklahoma is exempt from paying taxes on any project or property acquired or used by the Authority. This includes income from the property of the Authority.

19. ***Oklahoma Development Finance Authority Bonds***
Citation: **74 O.S. §5062.11**
Description: Income derived from bonds issued by the Oklahoma Development Finance Authority is exempt from income tax.

20. ***Credit Enhancement Reserve Fund General Obligation Bonds Issued by the Oklahoma Development Finance Authority***
Citation: **74 O.S. §5063.18**
Description: Interest and income from Credit Enhancement Reserve Fund General Obligation bonds issued by the Oklahoma Development Finance Authority are exempt from income tax.

21. ***Irrigation Districts***
Citation: **82 O.S. §277.17**
Description: All bonds, notes, and warrants, as well as interest thereon, issued pursuant to the Oklahoma Irrigation District Act are exempt from income tax.

22. ***Conservancy Districts/Conservancy Bonds***
Citation: **82 O.S. §688**
Description: Interest on any bond, note or warrant issued by a conservancy district is exempt from income tax.

23. ***Grand River Dam Authority***
Citation: **82 O.S. §876**
Description: Bonds and interest on bonds issued by the Grand River Dam Authority are exempt from income tax.

24. ***Water Resources Board Investment Certificates***
Citation: **82 O.S. §1085.33**
Description: Income derived from Water Resources Board Investment Certificates is exempt from income tax.

25. ***Port Authority Bonds***
Citation: **82 O.S. §1124**
Description: Income derived from bonds issued by Port Authorities is exempt from income tax.

26. ***Regional Water Districts***
Citation: **82 O.S. §1274**
Description: Interest and capital gains on obligations, securities, and evidences of indebtedness of regional water districts are exempt from income tax.

27. ***Rural Water, Sewer, Gas & Solid Waste Management Districts***
Citation: **82 O.S. §1324.22**
Description: Interest and capital gains on securities or evidences of indebtedness of rural water, sewer, gas, and solid waste management districts are exempt from income tax.

D. EXEMPT ENTITIES

Oklahoma statutes exempt a variety of entities from Oklahoma income tax. These include certain governmental entities, quasi-governmental agencies and certain other tax-exempt organizations. Most of these entities do not have income tax filing requirements with the Oklahoma Tax Commission; therefore, an estimate of the tax expenditure is not available.

1. ***Airport Property & Income***
Citation: **3 O.S. §65.17**
Description: Any property in this state acquired by municipalities operating an airport for public purposes is exempt from taxation by the State of Oklahoma.

2. ***Investment of Surplus Funds of Cemetery Corporations***
Citation: **8 O.S. §17**
Description: Surplus funds of cemetery corporations to be invested in secure real estate or securities to ensure perpetual maintenance and improvement of the cemetery are exempt from taxation by the State of Oklahoma.

3. ***Municipal Power Authority***
Citation: **11 O.S. §24-106**
Description: Property of the Municipal Power Authority is nontaxable by the State of Oklahoma.

4. ***Rural Electric Cooperatives***
Citation: **18 O.S. §437.25**
Description: Income earned by rural electric cooperatives is exempt from income tax.

5. ***Oklahoma Property and Casualty Insurance Guaranty Association***
Citation: **36 O.S. §2017**
Description: The Oklahoma Property and Casualty Insurance Guaranty Association is exempt from payment of all fees and all taxes levied by the State of Oklahoma.

6. ***Oklahoma Life and Health Insurance Guaranty Association***
Citation: **36 O.S. §2040**
Description: The Oklahoma Life and Health Insurance Guaranty Association is exempt from payment of all fees and all taxes levied by the State of Oklahoma, except taxes levied on real property.

7. ***Nonprofit Hospital Service and Medical Indemnity Corporations***
Citation: **36 O.S. §2617**
Description: Income earned by nonprofit hospital service and medical indemnity corporations is exempt from income tax.

8. ***Nonprofit Optometric Service and Indemnity Corporations***
Citation: **36 O.S. §2665**
Description: Income earned by nonprofit optometric service and indemnity corporations is exempt from income tax.

9. ***Nonprofit Dental Service Corporations***
Citation: **36 O.S. §2685**
Description: Income earned by nonprofit dental service corporations is exempt from Oklahoma income tax.

10. ***Nonprofit Chiropractic Service Corporations***
Citation: **36 O.S. §2691.15**
Description: Income earned by nonprofit chiropractic service corporations is exempt from Oklahoma income tax.

11. ***Housing Authorities***
Citation: **63 O.S. §1066**
Description: Property and funds of housing authorities are exempt from all state taxes. This tax exemption does not apply to any portion of the project used by a profit-making enterprise.

12. ***Exempt Organizations***
Citation: **68 O.S. §2359**
Description: This provision exempts certain organizations from Oklahoma income tax. The exemption includes organizations exempt from taxation under provisions of the Internal Revenue Code and insurance companies paying a tax on gross premiums.

13. ***Oklahoma Turnpike Authority***
Citation: **69 O.S. §1714**
Description: The Oklahoma Turnpike Authority is not required to pay any taxes or assessments on any project or property acquired under the statute creating and governing the Authority. Any income earned by the Authority, as well as any bond issued by the Authority, is exempt from state taxation. In the event the Authority leases property for concessions, that transaction creates a taxable event.

14. ***Oklahoma Educational Television Authority***
Citation: **70 O.S. §23-116**
Description: The Oklahoma Educational Television Authority is not required to pay any taxes or assessments upon any project or any property acquired or used by the Authority.

15. ***Oklahoma Tuition Trust***
Citation: **70 O.S. §6014**
Description: The property and income of the Oklahoma Tuition Trust are exempt from taxation. Purchasers of advance tuition payments administered by the Oklahoma Tuition Trust are allowed to deduct those payments from taxable income in the year the purchase was made.

16. ***Native American Cultural & Educational Authority of Oklahoma***
Citation: **74 O.S. §1226.10**
Description: The Native American Cultural & Educational Authority of Oklahoma is exempt from paying taxes on any project or property acquired or used by the Authority. This includes income from the property of the Authority.

17. ***Export Trading Companies***
Citation: **74 O.S. §2106**
Description: An export trading company, with a registered office or other office in this state, is exempt from state corporate income tax and franchise tax for a period of two (2) years from the date the Tax Commission certifies the export trading company as a qualified export trading company.

18. ***Oklahoma Center for the Advancement of Science and Technology***

Citation: **74 O.S. §5060.9**

Description: The Oklahoma Center for the Advancement of Science and Technology is exempt from all franchise, corporate business and income taxes levied by the state of Oklahoma.

E. MISCELLANEOUS INCOME TAX EXPENDITURES

Four (4) income tax expenditures are categorized as miscellaneous: Qualified Refinery Property, Cost of Complying with Sulfur Regulations, Net Operating Losses, and Income Averaging for Farmers. Expenditure estimates below reflect income tax filings for 2012 tax year.

1. ***Qualified Refinery Property***

Citation: **68 O.S. §2357.204**

Description: Qualified Oklahoma refineries may elect to expense the cost of qualified refinery property that is not chargeable to a capital account.

Estimate: Estimate is not available. This expense is commingled with several others on the Oklahoma income tax return; therefore the amount of the costs expensed under this expenditure item cannot be estimated.

2. ***Cost of Complying with Sulfur Regulations***

Citation: **68 O.S. §2357.205**

Description: Qualified Oklahoma refineries may elect to allocate all or a portion of the cost of complying with sulfur regulations to its owners.

Estimate: Estimate is not available. This expense is commingled with several others on the Oklahoma income tax return; therefore the amount of the costs allocated under this expenditure item cannot be estimated.

3. ***Net Operating Losses***[16]

Citation: **68 O.S. §2358**

Description: Oklahoma net operating losses can be used to offset another year's taxable income. Losses may either be carried forward or carried back at the option of the taxpayer.

Estimate: $20,265,000.00 / 17,415 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

4. ***Income Averaging for Farmers***

Citation: **68 O.S. §2358.4**

Description: Farmers may elect to compute Oklahoma income tax using the income averaging method.

Estimate: N/A

[16] While Net Operating Losses are available for both corporate and individual income tax filers, aggregate data for corporate filers is not available. The tax expenditure estimate for Net Operating Losses reflects only *individual* income tax due to the data limitation.

III. SALES AND USE TAXES

1. *Rural Electric Cooperatives*
Citation: **18 O.S. §437.25**
Description: Purchases by rural electric cooperatives and foreign corporations transacting business under the Rural Electric Cooperative Act.
Estimate (Sales Tax): $7,177,000.00
Data Source: OU/OSU Group
Reliability: 3

2. *Rural Water and Sewer Districts*
Citation: **18 O.S. §863**
Description: Purchases by nonprofit corporations organized for the purpose of developing and providing rural water supply and sewage disposal facilities.
Estimate (Sales Tax): N/A

3. *Ambulance Service Districts*
Citation: **19 O.S. §1220**
Description: Purchases made by ambulance service districts.
Estimate (Sales Tax): N/A

4. *Oklahoma Property and Casualty Insurance Guaranty Association*
Citation: **36 O.S. §2017**
Description: Purchases made by the Oklahoma Property and Casualty Insurance Guaranty Association.
Estimate (Sales Tax): Minimal
Data Source: Industry Sources
Reliability: 3

5. *Oklahoma Life and Health Insurance Guaranty Association*
Citation: **36 O.S. §2040**
Description: Purchases made by the Oklahoma Life and Health Insurance Guaranty Association.
Estimate (Sales Tax): Minimal
Data Source: Industry Sources
Reliability: 3

6. *Manufacturers of Low-Point Beer*
Citation: **37 O.S. §163.3**
Description: Purchases of machinery and equipment directly used in the manufacture, within the state, of low-point beer.
Estimate (Sales Tax): N/A

7. *Oklahoma Housing Authority*
Citation: **63 O.S. §1066**
Description: Purchase of property by an Oklahoma housing authority.

7. ***Oklahoma Housing Authority (Continued)***
Estimate (Sales Tax): $32,000.00
Data Source: OU/OSU Group
Reliability: 3

8. ***Newspapers and Periodicals***
Citation: **68 O.S. §1354**
Description: Sales of newspapers and periodicals.
Estimate (Sales Tax): $10,516,000.00
Data Source: OU/OSU Group[17]
Reliability: 3

9. ***Water, Sewage and Refuse Services***
Citation: **68 O.S. §1354**
Description: Sales of water, sewage, and refuse services.
Estimate (Sales Tax): $14,664,000.00
Data Source: OU/OSU Group
Reliability: 3

10. ***Tourism Broker Transportation Services***
Citation: **68 O.S. §1354**
Description: Transportation services provided by a tourism service broker which are incidental to the rendition of tourism brokerage services.
Estimate (Sales Tax): $552,000.00
Data Source: OU/OSU Group
Reliability: 3

11. ***Funeral Home Transportation Services***
Citation: **68 O.S. §1354**
Description: Transportation services provided by a funeral establishment to family members and other persons for purposes of conducting a funeral in this state.
Estimate (Sales Tax): $328,000.00
Data Source: OU/OSU Group
Reliability: 3

12. ***Scientific/Educational Lab Printing***
Citation: **68 O.S. §1354**
Description: Services of printing, copying or photocopying by a privately owned scientific and educational library.
Estimate (Sales Tax): Minimal
Data Source: OU/OSU Group
Reliability: 3

[17] The OU/OSU estimate has been modified to account for the decrease in recent years of newspaper/periodical sales made in a tangible format.

13. ***Credit for Contractors after Sales Tax Increase***
Citation: **68 O.S. §1354**
Description: Credit for taxes paid by a contractor for purchases made subsequent to the date of a contract entered into prior to the effective date of an increase in the sales tax levied.
Estimate (Sales Tax): Zero
Data Source: OU/OSU Group
Reliability: 3

14. ***Leases of Motor Vehicles***
Citation: **68 O.S. §1355**
Description: Leases for a period of twelve (12) months or more of motor vehicles.
Estimate (Sales Tax): N/A

15. ***Leases of Aircraft***
Citation: **68 O.S. §1355**
Description: Leases of aircraft upon which the owners have paid the aircraft excise tax or are exempt from such tax.
Estimate (Sales Tax): N/A

16. ***United States Government***
Citation: **68 O.S. §1356**
Description: Sales of property or services to the United States Government.
Estimate (Sales Tax): Zero[18]

17. ***State of Oklahoma***
Citation: **68 O.S. §1356**
Description: Sales of property or services to the State of Oklahoma and its political subdivisions.
Estimate (Sales Tax): $103,774,000.00
Data Source: OU/OSU Group
Reliability: 3

18. ***Agents of the United States Government***
Citation: **68 O.S. §1356**
Description: Sales to agents of the United States Government wherein ownership and possession transfer immediately to the United States Government.
Estimate (Sales Tax): Zero[18]

19. ***Federally Funded Facility***
Citation: **68 O.S. §1356**
Description: Sales of property to agents appointed by a political subdivision of this state if such sale is associated with the development of a qualified federal facility.
Estimate (Sales Tax): Zero

[18] All expenditures involving the United States are given an estimate of zero. This estimate is provided since the State cannot levy a tax upon the federal government under the decision of the U.S. Supreme Court.

19. ***Federally Funded Facility (Continued)***
Data Source: Tax Commission Records
Reliability: 1

20. ***County, District, or State Fair Authorities***
Citation: **68 O.S. §1356**
Description: Sales made by county, district or state fair authorities of this state upon the premises of the fair authority, for the sole benefit of the fair authority.
Estimate (Sales Tax): N/A

21. ***School Cafeterias***
Citation: **68 O.S. §1356**
Description: Sale of food in cafeterias or lunch rooms by elementary schools, high schools, colleges or universities.
Estimate (Sales Tax): $6,787,000.00
Data Source: OU/OSU Group
Reliability: 3

22. ***Fraternal, Religious, Civic, Charitable or Educational Societies***
Citation: **68 O.S. §1356**
Description: Dues paid to fraternal, religious, civic, charitable or educational societies or organizations by regular members thereof.
Estimate (Sales Tax): $4,023,000.00
Data Source: OU/OSU Group
Reliability: 3

23. ***Privately Owned Scientific and Educational Libraries***
Citation: **68 O.S. § 1356**
Description: Dues paid to privately owned scientific and educational libraries by members sharing the use of services rendered by such libraries with students interested in the study of geology, petroleum engineering or related subjects.
Estimate (Sales Tax): Not shown to avoid disclosure of information about specific taxpayers.
Data Source: Industry Sources
Reliability: 3

24. ***Churches***
Citation: **68 O.S. §1356**
Description: Sales of property or services to or by churches.
Estimate (Sales Tax): $6,135,000.00
Data Source: OU/OSU Group
Reliability: 3

25. ***Charitable Purposes***

Citation: **68 O.S. §1356**

Description: Sales by nonprofit organizations making sales on behalf of or at the request of a church or churches during one single three (3) day period each year, where the proceeds are used for charitable purposes.

Estimate (Sales Tax): N/A

26. ***Admission Tickets (College or University)***

Citation: **68 O.S. §1356**

Description: Amount of proceeds from sale of admission tickets which is separately stated on the ticket for repayment of money borrowed by any state-supported college or university for the purpose of constructing or enlarging any facility.

Estimate (Sales Tax): N/A

27. ***Council Organizations***

Citation: **68 O.S. §1356**

Description: Sales of tangible personal property or services to Council Organizations of the Boy Scouts of America, Girl Scouts of U.S.A. and Campfire USA.

Estimate (Sales Tax): $92,000.00

Data Source: Secondary Sources

Reliability: 3

28. ***Subdivisions or Agencies of the State***

Citation: **68 O.S. §1356**

Description: Sales of property or services to any county, municipality, rural water district, public school district, the institutions of The Oklahoma State System of Higher Education, the Grand River Dam Authority, the Northeast Oklahoma Public Facilities Authority, Oklahoma Municipal Power Authority, City of Tulsa Rogers County Port Authority, Muskogee City-County Port Authority, the Oklahoma Department of Veterans Affairs, the Broken Bow Economic Development Authority, Ardmore Development Authority, Durant Industrial Authority, Oklahoma Ordnance Works Authority, Central Oklahoma Master Conservancy District, Arbuckle Master Conservancy District, Fort Cobb Master Conservancy District, Foss Reservoir Master Conservancy District, Mountain Park Master Conservancy District, Waurika Lake Master Conservancy District and Department of Central Services only when carrying out a public construction contract on behalf of the Oklahoma Department of Veterans Affairs. The exemption also extends to persons who have entered into a public contract with any of the above-named subdivisions or agencies.

Estimate (Sales Tax): $129,086,000.00

Data Source: OU/OSU Group

Reliability: 3

29. ***Private Education Institutions***

Citation: **68 O.S. §1356**

Description: Sales to private institutions of higher education and private elementary and secondary institutions of education accredited by the State Department of Education.

Estimate (Sales Tax): $3,406,000.00

Data Source: OU/OSU Group

Reliability: 3

30. ***Tuition and Educational Fees***

Citation: **68 O.S. §1356**

Description: Tuition and educational fees paid to private institutions of higher education and private elementary and secondary institutions of education accredited by the State Department of Education.

Estimate (Sales Tax): $21,956,000.00

Data Source: OU/OSU Group

Reliability: 3

31. ***Sales by Schools***

Citation: **68 O.S. §1356**

Description: Sales of tangible personal property by a public school, private school (K-12), public school district, public or private school board, public or private school student group or organization, parent-teacher association or organization, or public or private school personnel for the purpose of raising funds.

Estimate (Sales Tax): $7,419,000.00

Data Source: OU/OSU Group

Reliability: 3

32. ***4-H Clubs***

Citation: **68 O.S. §1356**

Description: Sales of tangible personal property by local, county, state or regional 4-H clubs, 4-H councils, 4-H committees, 4-H leader associations, 4-H foundations, and 4-H camps and training centers for the purpose of raising funds.

Estimate (Sales Tax): Minimal

Data Source: OU/OSU Group

Reliability: 3

33. ***Athletic Event Admission Tickets***

Citation: **68 O.S. §1356**

Description: Exemption for the first Seventy-five Thousand Dollars ($75,000.00) of gross receipts each year from sale of tickets and concessions at athletic events by organizations exempt from taxation under 26 U.S.C. §501(c)(4).

Estimate (Sales Tax): N/A

34. ***Promotional Items***

Citation: **68 O.S. §1356**

Description: Items or services which are given away by the Department of Tourism as promotional items.

Estimate (Sales Tax): N/A

35. ***Volunteer Fire Departments***

Citation: **68 O.S. §1356**

Description: Sales of property or services to volunteer fire departments for use by the fire department.

Estimate (Sales Tax): N/A

36. ***Complimentary Admission Tickets***

Citation: **68 O.S. §1356**

Description: Free tickets for admission to places of amusement, sports, or other activities which are issued through a box office operated by a state institution of higher education or by a municipality.

Estimate (Sales Tax): Minimal

Data Source: OU/OSU Group

Reliability: 3

37. ***Sales by Fire Departments***

Citation: **68 O.S. §1356**

Description: Exemption for the first Fifteen Thousand Dollars ($15,000.00) of gross receipts each year from sales of tangible personal property by fire departments organized pursuant to Title 11, 18 or 19 of the Oklahoma Statutes for the purpose of raising funds.

Estimate (Sales Tax): $531,000.00

Data Source: OU/OSU Group

Reliability: 3

38. ***Boys and Girls Clubs of America***

Citation: **68 O.S. §1356**

Description: Sales of tangible personal property or services to any Boys and Girls Clubs of America affiliate in this state which is not affiliated with the Salvation Army.

Estimate (Sales Tax): $50,000.00

Data Source: OU/OSU Group

Reliability: 3

39. ***Court-Adjudicated Juvenile Facility***

Citation: **68 O.S. §1356**

Description: Sales of tangible personal property or services to any federally tax exempt organization that takes court-adjudicated juveniles for purposes of rehabilitation.

Estimate (Sales Tax): Minimal

Data Source: OU/OSU Group

Reliability: 3

40. ***Qualified Health Centers***
Citation: **68 O.S. §1356**
Description: Sales of property and services to federally-qualified health centers, indigent health care centers, and qualifying community-based health centers.
Estimate (Sales Tax): N/A

41. ***Dues or Fees Paid to YMCAs or YWCAs***
Citation: **68 O.S. §1356**
Description: Dues or fees paid to YMCAs, YWCAs, or municipally-owned recreation centers for use of facilities or programs.
Estimate (Sales Tax): N/A

42. ***Cultural Organizations***
Citation: **68 O.S. §1356**
Description: The first Fifteen Thousand Dollars ($15,000.00) each year from sales by or to cultural organizations.
Estimate (Sales Tax): $94,000.00
Data Source: Tax Commission Records
Reliability: 2

43. ***Museums***
Citation: **68 O.S. §1356**
Description: Sales of property or services to museums or other entities accredited by the American Association of Museums.
Estimate (Sales Tax): $179,000.00
Data Source: Industry Sources
Reliability: 3

44. ***Museum Admission Tickets***
Citation: **68 O.S. §1356**
Description: Sales of tickets for admission to museums accredited by the American Association of Museums.
Estimate (Sales Tax): N/A

45. ***Children's Homes***
Citation: **68 O.S. §1356**
Description: Sales of property or services to children's homes which are supported by one or more churches whose members serve as trustees of the home.
Estimate (Sales Tax): N/A

46. ***Disabled American Veterans***
Citation: **68 O.S. §1356**
Description: Sales of property or services to the organization known as Disabled American Veterans, Department of Oklahoma, Inc., and subordinate chapters thereof.
Estimate (Sales Tax): N/A

47. ***Youth Camps***

Citation: **68 O.S. §1356**

Description: Sales of property or services to youth camps supported or sponsored by one or more churches whose members serve as trustees of the organization.

Estimate (Sales Tax): N/A

48. ***University Hospital Trust***

Citation: **68 O.S. §1356**

Description: Transfer of property from University Hospitals Authority to University Hospitals Trust.

Estimate (Sales Tax): Zero

Data Source: Tax Commission Records

Reliability: 1

49. ***Lease or Lease-Purchase Agreement***

Citation: **68 O.S. §1356**

Description: Sales of tangible personal property or services to a municipality, county or school district pursuant to a lease or lease-purchase agreement between the vendor and a municipality, county or school district.

Estimate: (Sales Tax): N/A

50. ***Spaceport Operations***

Citation: **68 O.S. §1356**

Description: (A) Sales of tangible personal property or services to any spaceport user.

(B) Sale, use, storage, consumption, or distribution of any satellite or associated launch vehicle, including components, parts and motors, imported or caused to be imported into this state for the purpose of export by means of launching into space.

(C) Sale, lease, use, storage, consumption, or distribution in this state of any space facility, space propulsion system or space vehicle, satellite, or station of any kind possessing space flight capacity, including components thereof.

(D) Sale, lease, use, storage, consumption, or distribution in this state of tangible personal property placed on or used aboard any space facility, space propulsion system or space vehicle, satellite, or station possessing space flight capacity.

(E) Sale, lease, use, storage, consumption, or distribution in this state of tangible personal property meeting the definition of "section 38 property" as defined in Section 48 (a)(1)(A) and (B)(i) of the Internal Revenue Code of 1986, that is an integral part of and used primarily in support of space flight.

(F) Purchase or lease of machinery and equipment for use at a fixed location in this state, which is used exclusively in the manufacturing, processing, compounding, or producing of any space facility, space propulsion system or space vehicle, satellite, or station of any kind possessing space flight capacity.

50. ***Spaceport Operations (Continued)***

Estimate (Sales Tax): Zero
Data Source: Tax Commission Records
Reliability: 1

51. ***Admission Tickets Surcharge***

Citation: **68 O.S. §1356**
Description: Amount of surcharge or any other amount, which is separately stated on an admission ticket, which is imposed, collected and used for the sole purpose of constructing, remodeling or enlarging facilities of a public trust having a municipality or county as its sole beneficiary.
Estimate (Sales Tax): N/A

52. ***State Parks***

Citation: **68 O.S. §1356**
Description: Purchases of items used in or for the benefit of the state parks by a 501(c)(3) organization whose purpose is to support one or more state parks.
Estimate (Sales Tax): Zero
Data Source: Tax Commission Records
Reliability: 1

53. ***Parking Privileges***

Citation: **68 O.S. §1356**
Description: Sale, lease, or use of parking privileges by an institution of The Oklahoma State System of Higher Education.
Estimate (Sales Tax): N/A

54. ***Campus Construction Projects***

Citation: **68 O.S. §1356**
Description: Sales of tangible personal property or services for use on campus construction projects for the benefit of institutions of the Oklahoma State System of Higher Education or private institutions of higher education accredited by the Oklahoma State Regents for Higher Education when such projects are financed by or through the use of nonprofit entities which are exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3).
Estimate (Sales Tax): Zero
Data Source: Tax Commission Records
Reliability: 1

55. ***School Construction Projects***

Citation: **68 O.S. §1356**
Description: Sales of tangible personal property of services for use on school construction projects for the benefit of any public school or school district when such projects are financed by or through nonprofit entities exempt from taxation pursuant to 26 U.S.C. § 501(c)(3).

55. ***School Construction Projects (Continued)***
Estimate (Sales Tax): Zero
Data Source: Tax Commission Records
Reliability: 1

56. ***National Championship Sports Event***
Citation: **68 O.S. §1356**
Description: Sales of tangible personal property or services by a nonprofit organization made in the course of conducting a national championship sports event, if a portion of the payment would qualify as the receipt of a qualified sponsorship payment.
Estimate (Sales Tax): N/A

57. ***Education Related to Robotics***
Citation: **68 O.S. §1356**
Description: Sales of tangible personal property or services to or by nonprofit organizations affiliated with a comprehensive university within the Oklahoma State System of Higher Education providing education and teachers training relating to robotics.
Estimate (Sales Tax): Minimal
Data Source: Industry Sources
Reliability: 3

58. ***Youth Athletic Teams***
Citation: **68 O.S. §1356**
Description: The first Fifteen Thousand Dollars ($15,000.00) in sales of tangible personal property to or by youth athletic teams which are part of an organization which is exempt from taxation pursuant to 501(c)(4) of the Internal Revenue Code, which are made to raise money for the team.
Estimate (Sales Tax): Minimal
Data Source: Tax Commission Records
Reliability: 2

59. ***Championship Event Tickets***
Citation: **68 O.S. §1356**
Description: Sales of tickets to college athletic events at venues owned or operated by a municipality or a public trust, of which the municipality is the sole beneficiary, that are part of a tournament to determine regional or national championships at the college or university level.
Estimate (Sales Tax): N/A

60. ***Oklahoma City National Memorial***
Citation: **68 O.S. §1356**
Description: Sales of tangible personal property or services to or by a nonprofit organization operating the Oklahoma City National Memorial and Museum.
Estimate (Sales Tax): N/A

61. ***Veterans' Organizations***

Citation: **68 O.S. §1356**

Description: Sales of tangible personal property or services to nonprofit veterans' organizations which furnish support to area veterans' organizations to be used for the purpose of constructing a memorial or museum.

Estimate (Sales Tax): N/A

62. ***Public Libraries***

Citation: **68 O.S. §1356**

Description: Sales of tangible personal property or services made on or after July 1, 2003 to nonprofit organizations that are expending monies received from a private foundation grant in conjunction with expenditures of local sales tax revenue to construct a local public library.

Estimate (Sales Tax): Zero

Data Source: Tax Commission Records

Reliability: 1

63. ***Bordering States***

Citation: **68 O.S. §1356**

Description: Sales of tangible personal property and services to bordering states or their political subdivisions but only to the extent those states afford this state and its political subdivisions the same sales tax treatment.

Estimate (Sales Tax): N/A

64. ***Career Technology Student Organization***

Citation: **68 O.S. §1356**

Description: Sales of tangible personal property or services to the Career Technology Student Organizations under the supervision of the Oklahoma Department of Career and Technology Education.

Estimate (Sales Tax): Minimal

Data Source: Industry Sources

Reliability: 3

65. ***Improvements or Expansions of Hospitals or Nursing Homes***

Citation: **68 O.S. §1356**

Description: Purchases made to improve or expand hospital and nursing homes owned and operated by cities, towns, counties or multiples of them or by public trusts having these units of political subdivision as their beneficiary or to organizations exempt pursuant to Section 501(c)(3) of the Internal Revenue Code, or to the contractor or subcontractor with one of the above named types of entities.

Estimate (Sales Tax): Zero

Data Source: Tax Commission Records

Reliability: 1

66. ***Specialized Facilities Serving Physically and Mentally Handicapped Persons***

Citation: **68 O.S. §1356**

Description: Sales of tangible personal property and services to an organization, which assists, trains, educates, and provides housing for physically and mentally handicapped persons and which is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3); and provided that the organization receives at least eighty-five percent (85%) of its annual budget from state or federal funds.

Estimate (Sales Tax): Zero

Data Source: Tax Commission Records

Reliability: 1

67. ***Neighborhood Watch Organizations***

Citation: **68 O.S. §1356**

Description: The first Two Thousand Dollars ($2,000.00) in yearly sales to, by or for the benefit of the first two thousand (2,000) neighborhood watch organizations to apply that are working directly with law enforcement.

Estimate (Sales Tax): Minimal

Data Source: Tax Commission Records

Reliability: 2

68. ***Organization Providing Services during the Day to Homeless Persons***

Citation: **68 O.S. §1356**

Description: Sales of tangible personal property to an organization, exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code, organized primarily for the purpose of providing services to homeless persons during the day and located in a metropolitan area with a population in excess of 500,000 persons.

Estimate (Sales Tax): Minimal

Data Source: Industry Sources

Reliability: 3

69. ***Organization Providing Funding for the Preservation and Conservation of Wetlands and Habitat for Wild Ducks and Turkeys***

Citation: **68 O.S. §1356**

Description: Sales of tangible personal property or service to or by an organization exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code, for events the principal purpose of which is to provide funding for the preservation of wetlands and habitat for wild ducks and wild turkeys.

Estimate (Sales Tax): Minimal

Data Source: Industry Sources

Reliability: 3

70. ***Organization which is Part of a Network of Autonomous Member Organizations***

Citation: **68 O.S. §1356**

Description: Sales of tangible personal property or services to an organization exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code that is part of a network of community–based, autonomous member organizations that meet the following criteria:
(A) Serves people with workplace disadvantages and disabilities by providing job training and employment services, as well as job placement opportunities and post-employment support,
(B) Has locations in the United States and at least twenty (20) other countries,
(C) Collects donated clothing and household goods to sell in retail stores and provides contract labor services to business and government, and
(D) Provides documentation to the Oklahoma Tax Commission that over seventy-five percent (75%) of its revenues are channeled into employment, job training and placement programs and other critical community services.

Estimate (Sales Tax): $117,000.00

Data Source: Industry Sources

Reliability: 3

71. ***Tickets to National Basketball Association and National Hockey League Games***

Citation: **68 O.S. §1356**

Description: Sales or gifts of tickets to National Basketball Association or National Hockey League Games.

Estimate (Sales Tax): $2,246,000.00

Data Source: Industry Sources

Reliability: 3

72. ***Admission to Professional Sporting Events***

Citation: **68 O.S. §1356**

Description: Admissions to professional sporting events involving ice hockey baseball, basketball, football or arena football, or soccer.

Estimate (Sales Tax): $721,000.00

Data Source: Industry Sources

Reliability: 3

73. ***Tickets to an Annual Event Sponsored by an Educational and Charitable Organization of Women***

Citation: **68 O.S. §1356**

Description: Admissions to an annual event sponsored by an educational and charitable organization of women, exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code, that promotes volunteerism, developing the potential of women and improving the community through the effective action and leadership of trained volunteers.

Estimate (Sales Tax): N/A

74. ***Community Mental Health Center***

Citation: **68 O.S. § 1356**

Description: Sales of tangible personal property or services to any community mental health center as defined in 43A O.S. §3-302.

Estimate (Sales Tax): N/A

75. ***Community Health Charities Member Organizations***

Citation: **68 O.S. §1356**

Description: Sales of tangible personal property or services to an organization primarily engaged either in providing educational services and programs concerning health-related diseases and conditions to individuals suffering from such health-related diseases and conditions or their caregivers and family members or support to such individuals, or in health-related research as to such diseases and conditions, or both. Such organization must itself be a member of a tax-exempt organization that is primarily engaged in advancing the purposes of its member organizations through fundraising, public awareness or other efforts for the benefit of its member organizations. In order to qualify for the exemption, the member nonprofit organization shall be required to provide proof to the Oklahoma Tax Commission of its membership status in the membership organization.

Estimate (Sales Tax): N/A

76. ***National Volunteer Women's Service Organization***

Citation: **68 O.S. §1356**

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

Estimate (Sales Tax): Minimal

Data Source: Industry Sources

Reliability: 3

77. ***YMCA or YWCA***

Citation: **68 O.S. §1356**

Description: Sales of tangible personal property or services to or by a YMCA or YWCA organization.

Estimate (Sales Tax): $322,000.00

Data Source: Industry Sources

Reliability: 3

78. ***Veterans of Foreign Wars***

Citation: **68 O.S. §1356**

Description: Sales of tangible personal property or services to or by the Veterans of Foreign Wars (VFW) organization, Oklahoma chapters.

Estimate (Sales Tax): $36,000.00

Data Source: Industry Sources

Reliability: 3

79. ***Food Boxes Containing Edible Staple Food Items***

Citation: **68 O.S. §1356**

Description: Sales of boxes containing edible staple food items when the boxes are sold by churches or by organizations that are exempt pursuant to 26 U.S.C., §501(c)(3) where the organization was organized for the primary purpose of feeding needy persons or to encourage volunteer service.

Estimate (Sales Tax): N/A

80. ***Contractors and Subcontractors with Churches***

Citation: **68 O.S. §1356**

Description: Purchases of tangible personal property and services by persons with whom a church has duly entered into a construction contract or to a subcontractor to that contract.

Estimate (Sales Tax): N/A

81. ***Organizations Providing Training and Education to Developmentally Disabled Individuals***

Citation: **68 O.S. §1356**

Description: Provides a sales tax exemption for sales of tangible personal property or services used exclusively for charitable, educational or religious purposes, to or by an organization, which is exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code and has a Not-for-Profit Certificate of Incorporation in Oklahoma, that is organized for the purpose of providing training and education to developmentally disabled individuals; educating the community about the rights, abilities and strengths of developmentally disabled individuals; and promoting unity among developmentally disabled individuals in their community and geographic area.

Estimate (Sales Tax): N/A

82. ***Shelters for Abused, Neglected, or Abandoned Children***

Citation: **68 O.S. §1356**

Description: Provides an exemption from sales tax on sales of tangible personal property or services to an organization exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code, which is a shelter for abused, neglected, or abandoned children from birth to age eighteen.

Estimate (Sales Tax): N/A

83. ***Child Care Centers Possessing a 3-Star Rating***

Citation: **68 O.S. §1356**

Description: Provides an exemption for sales of tangible personal property or services to child care centers possessing a 3-star rating with the Department of Human Services and providing on-site universal pre-kindergarten education to four-year-old children through a contractual relationship with a public school.

Estimate (Sales Tax): N/A

84. ***Blue Star Mothers of America, Inc.***

Citation: **68 O.S. §1356**

Description: Provides an exemption for sales of tangible personal property to the exempt 501(c)(19) service organization known as Blue Star Mothers of America, Inc. which sends personal property to U.S. Military personnel overseas who are serving in a combat zone.

Estimate (Sales Tax): $750.00

Data Source: Tax Commission Records

Reliability: 1

85. ***Local Public or Private School Foundations***

Citation: **68 O.S. §1356**

Description: Sales of tangible personal property by or to nonprofit local public or private school foundations which solicit money or property in the name of any public or private school or public school district.

Estimate (Sales Tax): N/A

86. ***Organizations Providing Funds for Medical Scholarships***

Citation: **68 O.S. §1356**

Description: Sales of food and snack items to or by an organization exempt from taxation pursuant to 26 U.S.C. §501(c)(3) whose primary purpose is providing funds for scholarships in the medical field.

Estimate (Sales Tax): Minimal

Data Source: Tax Commission Records

Reliability: 2

87. ***Construction Projects for Entities Providing End-Of-Life Care and Hospice Services***

Citation: **68 O.S. §1356**

Description: Exempts sales of tangible personal property and services for use solely on construction projects for organizations exempt from taxation under 26 U.S.C. §501(c)(3) and whose purpose is to provide end-of-life care and access to hospice services to low-income individuals who live in a facility owned by the organization. The measure extends the exemption to sales to any person, including contractors and subcontractors, with whom such organization has duly entered into a construction contract, necessary for carrying out such contract.

Estimate (Sales Tax): Zero

Data Source: Tax Commission Records

Reliability: 1

88. ***Event Admissions Sales by Organizations Supporting General Hospitals***
Citation: **68 O.S. §1356**
Description: Exempts sales of admission tickets to events held by organizations exempt from taxation pursuant to 26 U.S.C. §501(c)(3) that are organized for the purpose of supporting general hospitals licensed by the Oklahoma Department of Health.
Estimate (Sales Tax): N/A

89. ***Nonprofit Foundation Raising Contributions in Support of Activities of the NRA and Similar Organizations***
Citation: **68 O.S. §1356**
Description: Exempts the sale of property to a nonprofit foundation which raises tax deductible contributions in support of a wide range of firearms related public interest activities of the National Rifle Association of America and other organizations that defend and foster the Second Amendment and also exempts sales of property to or by grassroots fundraising programs for sales related to events to raise funds for the referenced foundation.
Estimate (Sales Tax): Minimal
Data Source: Industry Sources
Reliability: 3

90. ***Transportation of School Pupils***
Citation: **68 O.S. §1357**
Description: Transportation of school pupils to and from elementary schools or high schools.
Estimate (Sales Tax): Zero
Data Source: OU/OSU Group
Reliability: 3

91. ***Local Transportation***
Citation: **68 O.S. §1357**
Description: Transportation of persons where the fare does not exceed One Dollar ($1.00) or local transportation within the corporate limits of a municipality except by taxicabs.
Estimate (Sales Tax): $273,000.00
Data Source: OU/OSU Group
Reliability: 3

92. ***Sales for Resale***
Citation: **68 O.S. §1357**
Description: Sales for resale to persons engaged in the business of reselling the articles purchased and who have been issued sales tax permits by the Oklahoma Tax Commission.
Estimate (Sales Tax): $4,289,000,000.00
Estimate (Use Tax): $921,700,000.00
Data Source: Tax Commission Records
Reliability: 1

93. ***Sales of Certain Types of Advertising***

Citation: **68 O.S. §1357**

Description: Sales of advertising space in newspapers, periodicals, programs relating to sporting and entertainment events, on billboards (including signage, posters, panels, marquees, or on other similar surfaces, whether indoors or outdoors), or programs relating to sporting and entertainment events, and sales of any advertising displayed at a sporting event by way of the Internet, electronic display devices, or through public address or broadcast systems, and any advertising via the Internet, electronic display devices, electronic media, including radio, public address or broadcast systems, television (whether through closed circuit broadcasting systems or otherwise), and cable and satellite television, and the servicing of any advertising devices.

Estimate (Sales Tax): $46,869,000.00

Data Source: OU/OSU Group

Reliability: 3

94. ***Terrestrial or Aquatic Animal Life Supplies***

Citation: **68 O.S. §1357**

Description: Eggs, feed, supplies, machinery and equipment purchased by persons regularly engaged in the business of raising worms, fish or insects.

Estimate (Sales Tax): Minimal

Data Source: OU/OSU Group

Reliability: 3

95. ***Utilities for Residential Use***

Citation: **68 O.S. §1357**

Description: Sale of natural or artificial gas and electricity when sold exclusively for residential use.

Estimate (Sales Tax): $132,617,000.00

Data Source: OU/OSU Group

Reliability: 3

96. ***Drugs***

Citation: **68 O.S. §1357**

Description: Sales of drugs, except for over-the-counter drugs, prescribed for the treatment of human beings by a person licensed to prescribe the drugs and sales of insulin and medical oxygen.

Estimate (Sales Tax): $123,928,000.00

Data Source: Secondary Sources

Reliability: 3

97. ***Oil or Chemical Drums***

Citation: **68 O.S. §1357**

Description: Sales of returnable oil and chemical drums to any person not in the business of reselling returnable oil drums.

Estimate (Sales Tax): N/A

98. ***Utensils Sold to Vendors***

Citation: **68 O.S. §1357**

Description: Sales of one-way utensils, paper napkins, cups and disposable containers to a vendor of meals or beverages.

Estimate (Sales Tax): N/A[19]

99. ***Federal Food Stamp Program***

Citation: **68 O.S. §1357**

Description: Sales of food or food products for home consumption which are purchased in whole or in part with federal food stamp coupons.

Estimate (Sales Tax): $38,618,000.00

Data Source: Oklahoma Department of Human Services

Reliability: 3

100. ***Meals on Wheels***

Citation: **68 O.S. §1357**

Description: Sales of food, food products or equipment and supplies to or by nonprofit organizations commonly known as "Meals on Wheels" or "Mobile Meals", or nonprofit entities that receive funding pursuant to the Older Americans Act of 1965, for the purpose of providing nutrition programs for the care and benefit of elderly persons.

Estimate (Sales Tax): N/A

101. ***Collection and Distribution of Food to the Needy***

Citation: **68 O.S. §1357**

Description: Sales to or by nonprofit organizations, which are exempt from tax under the provisions of Section 501(c)(3) of the Internal Revenue Code, which are primarily engaged in the collection and distribution of food and household products, and which facilitate the distribution of them to the needy.

Estimate: (Sales Tax): N/A

102. ***Children's Homes***

Citation: **68 O.S. §1357**

Description: Sales of tangible personal property or services to children's homes which are located on church-owned property and are operated by organizations, which are exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., §501(c)(3).

Estimate (Sales Tax): $85,000.00

Data Source: OU/OSU Group

Reliability: 3

[19] The specific amount related to this expenditure is not available but is included as a part of the estimate provided for the Sales for Resale exemption outlined in number 92 of the Sales and Use Tax Section.

103. ***Aircraft Maintenance Facility***

Citation: **68 O.S. §1357**

Description: Sales of computers, data processing equipment, related peripherals and telephone, telegraph or telecommunications service and equipment for use in a qualified aircraft maintenance or manufacturing facility. Further, sales of property consumed in the construction or expansion of a qualified aircraft maintenance or manufacturing facility.

Estimate (Sales Tax): N/A

104. ***Certain Telecommunications Services***

Citation: **68 O.S. §1357**

Description: Sales of interstate and international 800, 900 and private communications services, value-added nonvoice data service, interstate and international telecommunications service which is rendered by a company for private use within its organization or used or distributed by a company to its affiliated group, regulatory assessments and telecommunications nonrecurring charges, including installation, connection, change or initiation of telecommunications services which are not associated with a retail consumer sale.

Estimate (Sales Tax): N/A

105. ***Railroad Track Spikes***

Citation: **68 O.S. §1357**

Description: Sales of railroad track spikes manufactured and sold for use in this state.

Estimate (Sales Tax): N/A

106. ***Aircraft and Aircraft Parts***

Citation: **68 O.S. §1357**

Description: Sales of aircraft engine repairs and aircraft parts at a qualified aircraft maintenance facility and sales of machinery, tools, supplies, equipment, and related tangible personal property and services used or consumed in the repair, remodeling or maintenance of aircraft, aircraft engines, or aircraft component parts which occur at a qualified aircraft maintenance facility

Estimate (Sales Tax): N/A

107. ***Computer Services and Data Processing***

Citation: **68 O.S. §1357**

Description: Sales of machinery and equipment purchased and used by qualifying persons and establishments primarily engaged in computer services and data processing.

Estimate (Sales Tax): N/A

108. ***Prosthetic Devices***

Citation: **68 O.S. §1357**

Description: Sales of prosthetic devices to individuals for their own use.

Estimate (Sales Tax): N/A

109. ***Motion Picture and Television Production Companies***
Citation: **68 O.S. §1357**
Description: Sales of property or services to a motion picture or television production company to be used or consumed in connection with an eligible production.
Estimate (Sales Tax): $142,000.00
Data Source: Tax Commission Records
Reliability: 2

110. ***Diesel Fuel***
Citation: **68 O.S. §1357**
Description: Diesel fuel sold for use by commercial vessels, barges, and other commercial watercraft.
Estimate (Sales Tax): N/A

111. ***Biomedical Research Foundations***
Citation: **68 O.S. §1357**
Description: Sales of property and services to tax-exempt, independent, nonprofit biomedical research foundations and community blood banks.
Estimate (Sales Tax): N/A

112. ***Wireless Telecommunication Equipment***
Citation: **68 O.S. §1357**
Description: Wireless telecommunications equipment used as part of a promotional package.
Estimate (Sales Tax): N/A

113. ***Rail Transportation Cars***
Citation: **68 O.S. §1357**
Description: Leases of rail transportation cars used to transport coal to plants in this state that generate electricity.
Estimate (Sales Tax): N/A

114. ***Aircraft Repair and Modification***
Citation: **68 O.S. §1357**
Description: Sales of aircraft engine repairs, modification, and replacement parts, sales of aircraft frame repairs and modification, aircraft interior modification, and paint, and sales of services used in the repair, modification and replacement of parts of aircraft engines, aircraft frame and interior repair and modification, and paint.
Estimate (Sales Tax): $2,425,000.00
Data Source: OU/OSU Group
Reliability: 3

115. ***Ship, Motor Vessel or Barge***

Citation: **68 O.S. §1357**

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

Estimate (Sales Tax): N/A

116. ***Estate Sales***

Citation: **68 O.S. §1357**

Description: Estate sales if:

(A) Sale is held at decedent's residence.

(B) Sale is held for a period of three (3) consecutive days or less.

(C) Sale is held within six (6) months of the date of death.

(D) Goods sold must be part of the estate of the decedent.

(E) Sale must not be held by someone who is required to hold a sales tax permit or a Transient Merchant License.

Estimate (Sales Tax): N/A

117. ***Electricity Used in Oil De-watering Projects***

Citation: **68 O.S. §1357**

Description: Electricity used by an oil and gas operator for reservoir de-watering projects.

Estimate (Sales Tax): N/A

118. ***Prewritten Computer Software***

Citation: **68 O.S. §1357**

Description: Sales of prewritten computer software that is delivered electronically.

Estimate (Sales Tax): N/A

119. ***Modular Dwelling Units***

Citation: **68 O.S. §1357**

Description: Forty-five percent (45%) of the total sales price of sales of certain modular dwelling units.

Estimate (Sales Tax): N/A

120. ***Disabled Veterans in Receipt of Compensation at the One Hundred Percent Rate***

Citation: **68 O.S. §1357**

Description: Sales of tangible personal property or services not to exceed Twenty-five Thousand Dollars ($25,000.00) per year to persons who have been honorably discharged from active service in any branch of the Armed Forces of the United States or Oklahoma National Guard with certification from the United States Department of Veterans Affairs or its successor certifying such veteran is receiving compensation at the rate of one hundred percent (100%) and has a permanent disability sustained through military action or accident or resulting from a disease contracted

120. ***Disabled Veterans in Receipt of Compensation at the One Hundred Percent Rate (Continued)***

while in such active service; including sales for the benefit of disabled veterans to a spouse or to a member of the household in which the veteran resides and who is authorized to make purchases on the veteran's behalf, when such veteran is not present at the sale. Also, includes sales, not to exceed $1,000 per year, to the surviving spouse of a deceased qualified veteran if the surviving spouse has not remarried.

Estimate (Sales Tax): $28,054,000.00
Data Source: Tax Commission Records
Reliability: 2

121. ***Enhanced Recovery Methods***

Citation: **68 O.S. §1357**
Description: Sales of electricity that are used in enhanced recovery methods of oil production.
Estimate (Sales Tax): $1,907,000.00
Data Source: Industry Sources
Reliability: 3

122. ***Intrastate Charter and Tour Bus Transportation***

Citation: **68 O.S. §1357**
Description: The sale of intrastate charter and tour bus transportation.
Estimate (Sales Tax): N/A

123. ***Vitamins, Minerals and Dietary Supplements by a Licensed Chiropractor***

Citation: **68 O.S. §1357**
Description: Sales of vitamins, minerals and dietary supplements by a licensed chiropractor to his/her patient.
Estimate (Sales Tax): N/A

124. ***Web Search Portals***

Citation: **68 O.S. §1357**
Description: Sales of goods, wares, merchandise, tangible personal property, machinery and equipment to a web search portal located in this state.
Estimate (Sales Tax): N/A

125. ***Contractors and Subcontractors with Rural Electric Cooperatives***

Citation: **68 O.S. §1357**
Description: Purchases of tangible personal property made by contractors and subcontractors with rural electric cooperatives that is consumed or incorporated in the construction or expansion of a facility.
Estimate (Sales Tax): N/A

126. ***Businesses Engaged in Repair of Electronic Goods***

Citation: **68 O.S. §1357**

Description: Sales of tangible personal property or services to businesses primarily engaged in the repair of consumer electronic goods i.e., cell phones, compact disc players, personal computers etc., that are sold by the original manufacturer to the businesses where the goods are repaired, refitted, or refurbished for sale to retail consumers or to other businesses for subsequent sale to retail consumers.

Estimate (Sales Tax): Zero

Data Source: Tax Commission Records

Reliability: 1

127. ***Rolling Stock***

Citation: **68 O.S. §1357**

Description: Exempts prior to July 1, 2019 sales of rolling stock–locomotives, autocars, and railroad cars–when sold or leased by the manufacturer.

Estimate (Sales Tax): Not shown to avoid disclosure of information about specific taxpayers.

Data Source: Tax Commission Records

Reliability: 1

128. ***Precious Metals***

Citation: **68 O.S. §1357**

Description: Sales of gold, silver, platinum, palladium or other bullion items stored within a recognized depository facility which means an institution that accepts delivery of precious metals on behalf of the purchaser and provides storage of such precious metals, but shall not include financial institutions as defined in subsection E of Section 71 of Title 62 of the Oklahoma Statutes.[20]

Estimate (Sales Tax): N/A

129. ***Drugs and Medical Devices***

Citation: **68 O.S. §1357.6**

Description: Sales of drugs for the treatment of human beings, medical appliances, devices or equipment including prosthetic devices, durable medical equipment and mobility enhancing equipment when administered or distributed by an authorized practitioner or when purchased or leased by or on behalf of any individual for their use under a prescription or work order of an authorized practitioner and when the cost of such items is reimbursable under the Medicare or Medicaid Program.

Estimate (Sales Tax): $12,023,000.00

Data Source: OU/OSU Group

Reliability: 3

[20] SB 862, effective November 1, 2014, amends the current precious metals sales tax exemption by removing the requirement that in order to be exempt the items must be stored within a recognized depository facility.

130. ***Horses***

Citation: **68 O.S. §1357.7**
Description: Sales of horses.
Estimate (Sales Tax): $1,320,000.00
Data Source: OU/OSU Group
Reliability: 3

131. ***Related Entities***

Citation: **68 O.S. §1357.9**
Description: Sales of services between related entities, applies to services that become taxable after July 1, 2003.
Estimate (Sales Tax): Zero
Date Source: Tax Commission Records
Reliability: 1

132. ***Sales Tax Holiday***

Citation: **68 O.S. §1357.10**
Description: Provides for a sales tax exemption for the sale of clothing or footwear designed to be worn on or about the body if the sales price is less than $100.00 and the sale takes place during the period beginning at 12:01 AM the first Friday in August and ending at 12 midnight on the following Sunday. The exemption shall be for sales taxes levied by state, cities, counties, and authorities. The city and county taxes are reimbursed to cities and the counties from other state sales tax revenues.
Estimate (Sales Tax): $7,299,000.00
Data Source: Tax Commission Records
Reliability: 2

133. ***Agricultural Sales***

Citation: **68 O.S. §1358**
Description:
(A) Sales of agricultural products sold directly at or from a farm.
(B) Sales of livestock.
(C) Sales of baby chicks, turkey poults and starter pullets used in commercial production.
(D) Sales of animal feed.
(E) Sales of items to be used in production of agricultural products.
(F) Sales of farm machinery.
(G) Sales of supplies, machinery and equipment to persons raising evergreen trees.
(H) Sales to an agricultural permit holder or to any person the permit holder has contracted to construct livestock facilities.
Estimate (Sales Tax): $117,783,000.00
Data Source: Tax Commission Records
Reliability: 1

134. ***Sales to Manufacturers***

Citation: **68 O.S. §1359**

Description:
(A) Sales of property to a manufacturer for use in a manufacturing operation.
(B) Ethyl alcohol when sold and used for the purpose of blending with motor fuel.
(C) Sales of containers.
(D) Sales of returnable soft drink, beer and water containers.
(E) Sales of property by a manufacturer for immediate exportation out of the state.
(F) Machinery and supplies sold for use in reducing the harmful properties of hazardous waste.
(G) Sales of property to a "qualified manufacturer."
(H) Sales of property purchased and used by a licensed radio or television station in broadcasting.
(I) Sales of property purchased and used by a licensed cable television operator in cable casting.
(J) Sales of packaging materials.
(K) Sales of any pattern used in the process of manufacturing iron, steel or other metal castings.
(L) Deposits made and which are subsequently refunded for returnable containers used to transport cement.
(M) Machinery, electricity, fuels, explosives, and materials used in the mining of coals.
(N) Deposits made for returnable cartons, crates, pallets, and containers used to transport mushrooms from a farm for resale.
(O) Purchases of construction materials used to build new or expanded qualified wholesale grocery distribution facilities.
(P) Sales of tangible personal property and services used or consumed in all phases of the extraction and manufacturing of crushed stone and sand.
(Q) Sales made to any person making purchases pursuant to a contractual relationship for the construction and improvement of manufacturing goods, wares, merchandise, property, machinery and equipment for use in a manufacturing operation of a petroleum refinery.

Estimate (Sales Tax): $1,967,822,000.00

Data Source: OU/OSU Group

Reliability: 3

135. ***Sales to Corporations, Partnerships, or Limited Liability Companies***

Citation: **68 O.S. §1360**

Description: Sales between corporations, partnerships, or limited liability companies pursuant to a merger, reorganization, or dissolution.

Estimate (Sales Tax): N/A

136. ***Donations***

Citation: **68 O.S. §1362**

Description: Items that are withdrawn from inventory for donation to persons affected by the tornadoes for which a presidential disaster declaration was issued occurring in calendar year 2013[21].

Estimate (Sales Tax): N/A

137. ***Bad Debt Credit***

Citation: **68 O.S. §1366**

Description: Credit allowed for taxes paid on gross receipts subsequently determined to be worthless or uncollectible.

Estimate (Sales Tax): $75,000.00

Data Source: Tax Commission Records

Reliability: 1

138. ***Out-of-State Tax Credit***

Citation: **68 O.S. §1404**

Description: Credit allowed for tax paid on an article of tangible personal property to another state by the person using such tangible personal property in this state.

Estimate (Use Tax): $1,150,000.00

Data Source: Tax Commission Records

Reliability: 1

139. ***Machinery and Equipment Used in Manufacturing***

Citation: **68 O.S. §1404**

Description: Use of machinery and equipment purchased and used by persons establishing new or operating manufacturing plants.

Estimate (Use Tax): $5,172,000.00

Data Source: OU/OSU Group

Reliability: 3

140. ***Commercial Airlines or Railroads***

Citation: **68 O.S. §1404**

Description: Use of tangible personal property used or to be used by commercial airlines or railroads.

Estimate (Use Tax): $58,291,000.00

Data Source: OU/OSU Group

Reliability: 3

141. ***Livestock Purchased Outside the State***

Citation: **68 O.S. §1404**

Description: Livestock purchased outside this state and brought into this state for feeding or breeding purposes, and which is later resold.

[21] The exemption was extended pursuant to the passage of SB 1199, effective May 23, 2014, and HB 3216, effective May 2, 2014, to include items that are withdrawn from inventory for donation to persons affected by a tornado for which a presidential disaster declaration was issued occurring in years subsequent to 2013 or a tornado for which a Presidential Major Disaster Declaration was not issued occurring in calendar year 2012 or calendar year 2013.

141. ***Livestock Purchased Outside the State (Continued)***

Estimate (Use Tax): $65,365,000.00
Data Source: OU/OSU Group
Reliability: 3

142. ***Rail Transportation Cars***

Citation: **68 O.S. §1404**
Description: Leases of rail transportation cars used to transport coal to plants in this state that generate electricity.
Estimate (Use Tax): N/A

143. ***Bad Debt Credit***

Citation: **68. O.S. §1407.1**
Description: Credit allowed for taxes paid on gross receipts pursuant to §§1406 and 1407 of the Use Tax Code and subsequently determined to be worthless or uncollectible.
Estimate (Use Tax): $542.00
Data Source: Tax Commission Records
Reliability: 1

144. ***Sales Tax Credit for Tourism Attraction Operators***

Citation: **68 O.S. §2357.40**[22]
Description: Sales tax credit on approved costs of a company operating an approved tourism project.
Estimate (Sales Tax): Zero
Data Source: Tax Commission Records
Reliability: 1

145. ***Computer Services***

Citation: **68 O.S. §54003**
Description: Sales of computers, data processing equipment, telecommunications service and equipment, and related peripherals to a qualified purchaser engaged in computer services, data processing or research and development.
Estimate (Sales Tax): Zero
Estimate (Use Tax): Zero
Data Source: Tax Commission Records
Reliability: 1

146. ***Oklahoma Administrative Code***

Citation: **75 O.S. §256**
Description: Sale or resale of "Oklahoma Administrative Code" by Secretary of State.
Estimate (Sales Tax): Minimal
Data Source: Oklahoma Secretary of State's Office
Reliability: 3

[22] Repealed by Laws 2013, c. 363 § 12 effective January 1, 2014.

147. ***Irrigation Districts***
Citation: **82 O.S. §277.17**
Description: All purchases or use of tangible personal property by irrigation districts.
Estimate (Sales Tax): $49,000.00
Estimate (Use Tax): N/A
Data Source: OU/OSU Group
Reliability: 3

148. ***Conservancy Districts***
Citation: **82 O.S. §688.1**
Description: All purchases of property by conservancy districts and master conservancy districts.
Estimate (Sales Tax): N/A
Estimate (Use Tax): N/A

149. ***Regional Water Districts***
Citation: **82 O.S. §1274**
Description: All purchases of property by regional water districts.
Estimate (Sales Tax): N/A
Estimate (Use Tax): N/A

150. ***Rural Water, Sewer, Gas and Solid Waste Management Districts***
Citation: **82 O.S. §1324.22**
Description: All purchases of property by rural water, sewer, gas, and solid waste management districts.
Estimate (Sales Tax): N/A
Estimate (Use Tax): N/A

IV. AD VALOREM TAX

Ad valorem tax is a local revenue source and, as such, state revenues are not affected by the imposition of exclusions, exemptions, deductions, credits, deferrals, or other preferential tax treatment for purposes of ad valorem taxation. Therefore, a review of ad valorem tax expenditures is omitted from this report.

V. MOTOR VEHICLE REGISTRATION FEES

1. ***Abandoned Vehicles Auctioned by Class AA Wreckers***

Citation: **42 O.S. §91.1**
Description: Abandoned vehicles auctioned by Class AA wrecker services upon which prior years fees are exempted.
Estimate: Minimal
Data Source: Tax Commission Records
Reliability: 2

2. ***Road Construction Vehicles***

Citation: **47 O.S. §14-118**
Description: Overweight rubber-tired road construction vehicles.
Estimate: N/A

3. ***Donated Vehicles***

Citation: **47 O.S. §1115**
Description: Vehicles donated to nonprofit charitable organizations.
Estimate: Minimal
Data Source: Tax Commission Records
Reliability: 2

4. ***Military Personnel Vehicles***

Citation: **47 O.S. §1127**
Description: Vehicles owned by active duty members (or spouse) of the Armed Forces of the United States who are either residents of, or stationed in, Oklahoma.
Estimate: $2,234,000.00
Data Source: Motor Vehicle Registrations
Reliability: 2

5. ***Special Mobilized Machinery***

Citation: **47 O.S. §1129**
Description: Special purpose machines, which derive no revenue from the transportation of persons or property, and whose useful revenue-producing service is performed at destinations away from public highways.
Estimate: $5,837,000.00
Data Source: Motor Vehicle Registrations
Reliability: 2

6. ***Vehicle Replacement Credit***

Citation: **47 O.S. §1132**
Description: Credit allowed towards the registration fee of a new vehicle which is a replacement for a stolen or defective new original vehicle.
Estimate: Minimal
Data Source: Motor Vehicle Registrations
Reliability: 2

7. ***Destroyed Vehicles***

Citation: **47 O.S. §1132.3**

Description: A credit towards the registration fee due on a vehicle that is a replacement for a vehicle destroyed by tornado and eligible for a registration fee credit pursuant to the referenced statutory provision.

Estimate: Minimal

Data Source: Tax Commission Records

Reliability: 2

8. ***Farm Vehicles***

Citation: **47 O.S. §1134**

Description: Pickup, truck or truck-tractor owned and operated by a farmer and used primarily for farm use.

Estimate: $3,978,000.00

Data Source: Motor Vehicle Registrations

Reliability: 2

9. ***Taxicabs and Privately Owned School Buses***

Citation: **47 O.S. §1134.1**

Description: Special registration fees for taxicabs and privately-owned school buses used for transporting school children.

Estimate: $44,000.00

Data Source: Motor Vehicle Registrations

Reliability: 2

10. ***Forestry Vehicles***

Citation: **47 O.S. §1134.2**

Description: Vehicles used for transporting unfinished forest products from point of harvest to the point of first processing.

Estimate: $324,000.00

Data Source: Motor Vehicle Registrations

Reliability: 2

11. ***Political Subdivision Vehicles***

Citation: **47 O.S. §1135.1**

Description: Vehicles owned by a political subdivision of this state.

Estimate: $264,000.00

Data Source: Motor Vehicle Registrations

Reliability: 2

12. ***Vehicles Owned by a Religious Corporation or Society***

Citation: **47 O.S. §1135.1**

Description: Motor bus, manufactured home, or mobile chapel and power unit owned and operated by a religious corporation or society.

Estimate: $312,000.00

Data Source: Motor Vehicle Registrations

Reliability: 2

13. ***Youth Program Vehicles***

Citation: **47 O.S. §1135.1**

Description: Vehicles owned or operated by nonprofit organizations devoted exclusively to youth groups.

Estimate: $119,000.00

Data Source: Motor Vehicle Registrations

Reliability: 2

14. ***Employment of the Handicapped***

Citation: **47 O.S. §1135.1**

Description: Vehicles owned or operated by nonprofit organizations actually involved in programs for the employment of the handicapped.

Estimate: $20,000.00

Data Source: Motor Vehicle Registrations

Reliability: 2

15. ***Transportation for Older Persons***

Citation: **47 O.S. §1135.1**

Description: Vehicles owned and operated by nonprofit organizations that provide older persons transportation to and from medical, dental and religious services and relief from business and social isolation.

Estimate: $118,000.00

Data Source: Motor Vehicle Registrations

Reliability: 2

16. ***Transportation of Surplus Food***

Citation: **47 O.S. §1135.1**

Description: Vehicles owned and operated by private nonprofit organizations used for the transportation of surplus foods.

Estimate: $12,000.00

Data Source: Motor Vehicle Registrations

Reliability: 2

17. ***Fraternal or Civic Service Organization Vehicles***

Citation: **47 O.S. §1135.1**

Description: Any vehicle owned by a fraternal or civic service organization with at least one hundred (100) local chapters or clubs, and used to provide mobile health screening services to the general public at no cost to the recipient.

Estimate: N/A

18. ***Fire Department Vehicles***

Citation: **47 O.S. §1113**

Description: Vehicles owned and operated by a charitable corporation which provides a volunteer or full-time fire department.

Estimate: $9,000.00

Data Source: Motor Vehicle Registrations

Reliability: 2

19. ***Prisoner of War Vehicles***

Citation: **47 O.S. §1135.2**
Description: Vehicles owned by members of the Armed Forces or civilians who were former prisoners of war held by a foreign country.
Estimate: $17,000.00
Data Source: Motor Vehicle Registrations
Reliability: 2

20. ***Physically Disabled Vehicles***

Citation: **47 O.S. §1135.1**
Description: Vehicles which have been modified because of the physical disability of the owner or of a family member within the second degree of consanguinity of the owner.
Estimate: $123,000.00
Data Source: Motor Vehicle Registrations
Reliability: 2

21. ***Disabled Veterans Vehicles***

Citation: **47 O.S. §1135.2**
Description: Vehicles owned by veterans of the Armed Forces of the United States that have a service-connected disability rating of fifty percent (50%) or more.
Estimate: $3,431,000.00
Data Source: Motor Vehicle Registrations
Reliability: 2

22. ***Congressional Medal of Honor Recipient Vehicles***

Citation: **47 O.S. §1135.2**
Description: Vehicles owned by residents of this state who have been awarded the Congressional Medal of Honor.
Estimate: Minimal
Data Source: Motor Vehicle Registrations
Reliability: 2

23. ***Indian Tribal Vehicles***

Citation: **47 O.S. §1135.1**
Description: Vehicles owned by a Native American Indian Tribal Association and used for the furtherance of its tribal functions.
Estimate: $93,000.00
Data Source: Motor Vehicle Registrations
Reliability: 2

24. ***Antique or Classic Vehicles***

Citation: **47 O.S. §1135.1**
Description: Vehicles twenty-five (25) years of age or older which travel on the highways for historical or exhibition purposes only.
Estimate: $70,000.00
Data Source: Motor Vehicle Registrations
Reliability: 2

25. ***Killed in Action Vehicles***

Citation: **47 O.S. §1135.2**
Description: Vehicles owned by the spouse of a member of the Armed Forces who was killed in action.
Estimate: $1,400.00
Data Source: Motor Vehicle Registrations
Reliability: 2

26. ***Gold Star Parents' Vehicles***

Citation: **47 O.S. §1135.2**
Description: Vehicles owned by parents of a member of the United States Armed Forces who was killed during a war.
Estimate: $5,000.00
Data Source: Motor Vehicle Registrations
Reliability: 2

27. ***Former Military Vehicles***

Citation: **47 O.S. §1136.2**
Description: Former military vehicles used only for exhibitions, club activities, parades, and other functions of public interest and not used for regular transportation.
Estimate: Minimal
Data Source: Motor Vehicle Registrations
Reliability: 2

28. ***Rural Water or Sewer District Vehicles***

Citation: **68 O.S. §2903**
Description: Vehicles owned by any rural water or sewer district.
Estimate: $31,000.00
Data Source: Motor Vehicle Registrations
Reliability: 2

29. ***Conservancy District Vehicles***

Citation: **82 O.S. §688.1**
Description: Vehicles owned by conservancy districts and master conservancy districts.
Estimate: $1,000.00
Data Source: Motor Vehicle Registrations
Reliability: 2

VI. MOTOR VEHICLE EXCISE TAX

1. ***Donated Vehicles***
   Citation: **47 O.S. §1115**
   Description: Vehicles donated to nonprofit charitable organizations.
   Estimate: $66,000.00
   Data Source: Tax Commission Records
   Reliability: 2

2. ***International Registration Plan (IRP) Motor Vehicle Excise Tax***
   Citation: **68 O.S. §2103**
   Description: $10.00 excise tax rate applicable to trucks or truck-tractors titled with the state under the International Registration Plan (IRP) and registered for a laden weight or combined laden weight of 55,000 pounds or more.
   Estimate: $42,538,000.00
   Data Source: Motor Vehicle Excise Tax Receipts
   Reliability: 2

3. ***Marital and Parental Transfers***
   Citation: **68 O.S. §2103**
   Description: Transfers of a motor vehicle without consideration between a husband and wife, or parent and child.
   Estimate: $22,305,000.00
   Data Source: Motor Vehicle Excise Tax Receipts
   Reliability: 2

4. ***Transfers to a Trust***
   Citation: **68 O.S. §2103**
   Description: Transfers of a motor vehicle without consideration between an individual and an express trust with right of revocation.
   Estimate: $982,000.00
   Data Source: Motor Vehicle Excise Tax Receipts
   Reliability: 2

5. ***Replacement Vehicles***
   Citation: **68 O.S. §2103**
   Description: Credit allowed with respect to excise tax paid for a new vehicle which is a replacement for a stolen or defective new original vehicle.
   Estimate: Minimal
   Data Source: Motor Vehicle Excise Tax Receipts
   Reliability: 2

6. ***Destroyed Vehicles***

Citation: **68 O.S. §2103.1**

Description: A credit towards the excise tax due on a vehicle that is a replacement for a vehicle destroyed by tornado and eligible for an excise tax credit pursuant to the referenced statutory provision.

Estimate: Minimal

Data Source: Tax Commission Records

Reliability: 2

7. ***Nonresident Person***

Citation: **68 O.S. §2105**

Description: Vehicle owned by a nonresident person who operates principally in some other state, but who is in Oklahoma only occasionally.

Estimate: N/A

8. ***New Resident***

Citation: **68 O.S. §2105**

Description: Vehicle brought into this state by a person formerly living in another state, who has owned and registered the vehicle in such other state at least sixty (60) days prior to being subject to registration in this state.

Estimate: $18,935,000.00

Data Source: Motor Vehicle Excise Tax Receipts

Reliability: 2

9. ***Political Subdivision Vehicles***

Citation: **68 O.S. §2105**

Description: Vehicles registered or leased by the state, political subdivisions of the state, or certain fire departments.

Estimate: $2,422,000.00

Data Source: Motor Vehicle Excise Tax Receipts

Reliability: 2

10. ***Inherited Vehicles***

Citation: **68 O.S. §2105**

Description: Vehicles, the legal ownership of which was obtained by the owner through inheritance.

Estimate: $2,445,000.00

Data Source: Motor Vehicle Excise Tax Receipts

Reliability: 2

11. ***Used Motor Vehicle Dealers***

Citation: **68 O.S. §2105**

Description: Vehicles which are owned and being offered for sale by a licensed used motor vehicle dealer.

Estimate: $89,925,000.00

Data Source: Motor Vehicle Excise Tax Receipts

Reliability: 2

12. ***Out-of-State Motor Vehicle Dealers***
Citation: **68 O.S. §2105**
Description: Vehicles purchased by a dealer licensed in another state for use or resale in another state.
Estimate: N/A

13. ***Foreclosure Vehicles***
Citation: **68 O.S. §2105**
Description: Vehicles, the ownership of which was obtained by the lienholder or mortgagee under or by a foreclosure of a lien or mortgage.
Estimate: $23,613,000.00
Data Source: Motor Vehicle Excise Tax Receipts
Reliability: 2

14. ***Vehicles Taxed Under Ad Valorem Tax Code***
Citation: **68 O.S. §2105**
Description: Vehicles which are taxed under the Ad Valorem Tax Code.
Estimate: $803,000.00
Data Source: Motor Vehicle Excise Tax Receipts
Reliability: 2

15. ***Corporate, Partnership, or Limited Liability Company Vehicles***
Citation: **68 O.S. §2105**
Description: Vehicles transferred pursuant to the formation or dissolution of a corporation, partnership, or limited liability company.
Estimate: $1,794,000.00
Data Source: Motor Vehicle Excise Tax Receipts
Reliability: 2

16. ***Rental Vehicles***
Citation: **68 O.S. §2105**
Description: Vehicles purchased by a person to be used by a business engaged in renting motor vehicles without a driver.
Estimate: $9,068,000.00
Data Source: Motor Vehicle Excise Tax Receipts
Reliability: 2

17. ***New Motor Vehicle Dealer***
Citation: **68 O.S. §2105**
Description: Vehicles of the latest manufactured model transferred to a licensed, franchised new motor vehicle dealer.
Estimate: $950,000.00
Data Source: Motor Vehicle Excise Tax Receipts
Reliability: 2

18. ***Lease Vehicle***
Citation: **68 O.S. §2105**
Description: A leased vehicle transferred to the lessee.
Estimate: $966,000.00

18. ***Lease Vehicle (Continued)***

Data Source: Motor Vehicle Excise Tax Receipts
Reliability: 2

19. ***Fraternal or Civic Service Organization***

Citation: **68 O.S. §2105**
Description: Any vehicle owned by a fraternal or civic service organization with at least one hundred (100) local chapters or clubs and used to provide mobile health screening services to the general public at no cost to the recipient.
Estimate: N/A

20. ***New Dealer Temporary Registration***

Citation: **68 O.S. §2105**
Description: Any new vehicle registered and authorized by the manufacturer or dealer for an individual's personal use not to exceed four (4) months.
Estimate: $77,000.00
Data Source: Motor Vehicle Excise Tax Receipts
Reliability: 2

21. ***100% Disabled Veteran***

Citation: **68 O.S. §2105**
Description: Vehicles purchased by disabled veterans with one hundred percent (100%) service connected disability.
Estimate: $384,000.00
Data Source: Motor Vehicle Excise Tax Receipts
Reliability: 2

22. ***Irrigation District Vehicles***

Citation: **82 O.S. §§277.17 and 688.1**
Description: Vehicles purchased by irrigation districts, conservancy districts, and master conservancy districts and used in this state.
Estimate: $110,000.00
Data Source: Motor Vehicle Excise Tax Receipts
Reliability: 2

23. ***Non-IRP Heavy Weight Commercial Trucks and All Cargo-Carrying Commercial Trailers***

Citation: **68 O.S. §2103**
Description: $10.00 excise tax rate applicable to commercial (non-IRP) trucks or truck-tractors registered at a laden weight or combined laden weight of 55,000 lbs. or more and all cargo-carrying commercial trailers.
Estimate: $57,526,000.00
Data Source: Motor Vehicle Excise Tax Receipts
Reliability: 2

24. ***Return of Repossessed Vehicle Within 30 Days***

Citation:	**68 O.S. §2105**
Description:	Vehicles repossessed and then transferred back to the former owner within 30 days of issuance of the repossession title.[23]
Estimate:	Minimal
Data Source:	Motor Vehicle Excise Tax Receipts
Reliability:	2

[23] Effective November 1, 2013.

VII. MOTOR FUEL TAXES

Motor fuel tax being inclusive of gasoline excise tax and diesel fuel tax is levied upon the sale of such products in Oklahoma. Gasoline and diesel fuel sold to, or consumed by certain entities may be exempt or subject to credits as provided for by statute. Aggregate data is not available to estimate the tax expenditures.

1. ***Fuel for Exportation***
   Citation: **68 O.S. §500.10**
   Description: Sale of gasoline or diesel to be exported out of this state by a licensed supplier or licensed exporter.

2. ***Diverted Fuel***
   Citation: **68 O.S. §500.10**
   Description: Credit for gasoline or diesel taxes previously paid on motor fuel that was approved for diversion across state boundaries.

3. ***Fuel Exported by Tank Wagon***
   Citation: **68 O.S. §500.10**
   Description: Gasoline or diesel exported out of a bulk plant in this state in a tank wagon.

4. ***K-1 Kerosene***
   Citation: **68 O.S. §500.10**
   Description: K-1 kerosene sold at retail for use other than for highway use.

5. ***Sales to Federal Government***
   Citation: **68 O.S. §500.10**
   Description: Sales of gasoline or diesel fuel to the United States of America.
   Estimate (Gasoline Tax): Zero[24]
   Estimate (Diesel Tax): Zero[24]

6. ***Fuel Used for the Transportation of School Children***
   Citation: **68 O.S. §500.10**
   Description: Fuel sold for use solely in FFA and 4-H Club trucks and vehicles, and school buses operated by public school districts.

7. ***Fuel Used by Exempt Entities***
   Citation: **68 O.S. §500.10**
   Description: Fuel sold for use in motor vehicles owned and operated by counties, cities, towns, volunteer fire departments, rural electric cooperatives, rural water and sewer districts, rural ambulance service districts, or federally-recognized Indian tribes.

[24] All expenditures involving the United States are given an estimate of zero. This estimate is provided since the State cannot levy a tax upon the federal government under the decision of the U.S. Supreme Court.

8. ***Fuel Used for Agricultural Purposes***

Citation: **68 O.S. §500.10**

Description: Sales to persons actually engaged in farming for use in farm tractors or stationary engines.

9. ***Aircraft Fuel***

Citation: **68 O.S. §500.10**

Description: Gasoline, diesel and kerosene sold for use as fuel to generate power in aircraft engines.

10. ***Fuel Sold within Indian Country***

Citation: **68 O.S. §500.10**

Description: Motor fuel sold within an Indian Reservation or within Indian Country by a federally-recognized tribe to a member of that tribe and used in motor vehicles owned by that tribal member.

11. ***Diesel Fuel Used to Run Equipment***

Citation: **68 O.S. §500.10**

Description: The portion of diesel fuel used to operate equipment attached to a motor vehicle or consumed in a vehicle off-road.

12. ***Fuel Purchased Out of State***

Citation: **68 O.S. §500.10**

Description: Gasoline or diesel acquired outside the state in a motor vehicle and consumed in this state in the same vehicle.

13. ***Diesel Fuel Used for Certain Purposes***

Citation: **68 O.S. §500.10**

Description: Diesel fuel used as heating oil, in railroad locomotives, or any other motorized, flanged-wheel rail equipment, or used for other nonhighway purposes.

14. ***Lost or Destroyed Fuel***

Citation: **68 O.S. §500.10**

Description: Motor fuel lost or destroyed as a direct result of a sudden and unexpected casualty.

15. ***Contaminated Diesel***

Citation: **68 O.S. §500.10**

Description: Credit for taxes paid on diesel fuel which has been accidentally contaminated by dye.

16. ***Diesel Fuel Which Has Been Dyed Under Federal Regulations for Off-Road Use***

Citation: **68 O.S. §500.10**

Description: Dyed diesel fuel

VIII. FRANCHISE TAX

SJR 61, passed during the Second Regular Session of the Fifty-second Oklahoma Legislature, established a moratorium on franchise tax due for July 1, 2010 through June 30, 2013. Corporations are required to file franchise tax returns beginning again on July 1, 2014.

IX. GROSS PRODUCTION AND PETROLEUM EXCISE TAX

1. ***Enhanced Oil Recovery Deduction***

Citation:	**68 O.S. §§1001, 1101 and 1102**
Description:	An exemption of Gross Production Tax and Petroleum Excise Tax on the incremental production attributable to the working interest owners of an approved enhanced recovery operation.
Estimate: **(Gross Production)**	$362,000.00
Estimate: **(Petroleum Excise)**	$7,000.00
Data Source:	Gross Production Tax Reports
Reliability:	1

2. ***Gross Production Tax Incentives***

Citation:	**68 O.S. §1001**
Description:	Rebate of 6/7ths of the 7% Gross Production Tax paid.

Reestablished Production (Rebate)

Estimate: **(Gross Production)**	$4,242,000.00
Estimate: **(Petroleum Excise)**	Zero
Data Source:	Gross Production Tax Reports
Reliability:	1

Production Enhancement (Rebate)

Estimate: **(Gross Production)**	$24,051,000.00
Estimate: **(Petroleum Excise)**	Zero
Data Source:	Gross Production Tax Reports
Reliability:	1

Deep Wells < 15k Depth (Rebate)

Estimate: **(Gross Production)**	$8,313,000.00
Estimate: **(Petroleum Excise)**	Zero
Data Source:	Gross Production Tax Reports
Reliability:	1

New Discovery (Rebate)

Estimate: **(Gross Production)**	$573,000.00
Estimate: **(Petroleum Excise)**	Zero
Data Source:	Gross Production Tax Reports
Reliability:	1

3-D Seismic (Rebate)

Estimate: **(Gross Production)**	$7,270,000.00
Estimate: **(Petroleum Excise)**	Zero
Date Source:	Gross Production Tax Reports
Reliability:	1

2. ***Gross Production Tax Incentives (Continued)***

Economically At-Risk (Rebate)

Estimate: **(Gross Production)**	$10,661,000.00
Estimate: **(Petroleum Excise)**	Zero
Date Source:	Gross Production Tax Reports
Reliability:	1

Horizontally Drilled (Rebate)[25]

Estimate: **(Gross Production)**	$94,032,000.00
Estimate: **(Petroleum Excise)**	Zero
Data Source:	Gross Production Tax Reports
Reliability:	1

Ultra Deep Wells > 15k Depth (Rebate)[25]

Estimate: **(Gross Production)**	$14,168,000.00
Estimate: **(Petroleum Excise)**	Zero
Data Source:	Gross Production Tax Reports
Reliability:	1

Horizontally Drilled (Reduced Rate @ 1%)[26]

Estimate: **(Gross Production)**	$268,925,000.00
Estimate: **(Petroleum Excise)**	Zero
Date Source:	Gross Production Tax Reports
Reliability:	1

Ultra Deep Wells > 15k Depth (Reduced Rate @ 4%)[26]

Estimate: **(Gross Production)**	$3,928,000.00
Estimate: **(Petroleum Excise)**	Zero
Date Source:	Gross Production Tax Reports
Reliability:	1

3. ***Lease Interest Exemptions***

Citation:	**68 O.S. §§1008 and 1106**
Description:	The portion of royalty interest exempt from gross production and petroleum excise tax attributable to the minerals owned by cities, counties, school districts, Indian tribes, and state or federal government.
Estimate: **(Gross Production)**	$6,730,000.00
Estimate: **(Petroleum Excise)**	$121,000.00
Date Source:	Gross Production Tax Reports
Reliability:	1

[25] Incentive rebates for horizontally drilled and ultra-deep wells include the deferred payout of incentives that were accrued in production periods FY-10 and FY-11, pursuant to 68 O.S. Section 1001 (M).

[26] Incentive for horizontally drilled and ultra-deep wells changed from a rebate to a reduced tax rate effective July 1, 2011.

4. ***Gas Marketing Deduction***

Citation:	**68 O.S. §§1001.4, 1101 and 1102**
Description:	A deduction on the levy of gross production and petroleum excise tax for certain non-production related costs associated with the marketing and transportation of natural gas.
Estimate: (Gross Production)	$24,582,000.00
Estimate: (Petroleum Excise)	$441,000.00
Date Source:	Gross Production Tax Reports
Reliability:	1

5. ***Credit for Small Business and Rural Small Business Capital Companies***

Citation:	**68 O.S. §§2357.63(E) and 2357.74(E)**
Description:	A tax credit for qualified investment in Oklahoma Small Business Capital Companies and Oklahoma Rural Small Business Capital Companies to be taken against gross production and petroleum excise tax.
Estimate: (Gross Production)	$47,000.00
Estimate: (Petroleum Excise)	$850.00
Date Source:	Tax Commission Reports
Reliability:	1

X. MISCELLANEOUS TAX PROVISIONS

A. AIRCRAFT REGISTRATION FEES

Aircraft operated on or from any Oklahoma airport for thirty (30) days or longer must be registered in this state and the applicable registration fees paid thereon. Aircraft licensed by a foreign country, owned by governmental and certain other groups, and those not currently airworthy are exempt from the referenced registration requirements. Aggregate data to estimate these tax expenditures is not presently available.

1. ***Aircraft Owned by the Manufacturer***
   Citation: **3 O.S. §253**
   Description: Aircraft manufactured under a FAA approved certificate which are owned and in the possession of the manufacturer.

2. ***Aircraft Owned by Charitable Organizations***
   Citation: **3 O.S. §253**
   Description: Aircraft owned by charitable organizations and used solely for the furtherance of charitable purposes.

3. ***Aircraft Owned by Nonresidents***
   Citation: **3 O.S. §253**
   Description: Aircraft belonging to nonresidents of this state and registered in another state.

4. ***Aircraft of the Federal Government and State Government***
   Citation: **3 O.S. §253**
   Description: Aircraft of the federal government, any state government, and any aircraft of the Civil Air Patrol.

5. ***Aircraft of a Foreign Country***
   Citation: **3 O.S. §253**
   Description: Aircraft licensed by a foreign country with which the United States has a reciprocal agreement covering the operation of such licensed aircraft.

6. ***Aircraft Which Are Not Airworthy***
   Citation: **3 O.S. §253**
   Description: Aircraft not currently licensed or holding a current airworthiness certificate by the FAA.

B. AIRCRAFT EXCISE TAX

Aircraft excise tax is levied upon the transfer of legal ownership or use[7] within this state of each aircraft[8] that is to be registered with the FAA at a rate of three and one-fourth percent (3¼%) of the purchase price of such aircraft. Specific transactions are exempted from the imposition of aircraft excise tax including aircraft with a selling price in excess of $2,500,000, certain special purpose aircraft and aircraft transfers made without consideration to an express trust. Aggregate data to estimate these tax expenditures is not presently available.

1. ***Aircraft Owned by the Manufacturer***
Citation: **68 O.S. §6003**
Description: Aircraft manufactured under a FAA approved certificate which are owned and in the possession of the manufacturer.
Estimate: N/A

2. ***Aircraft Owned by Dealers***
Citation: **68 O.S. §6003**
Description: Aircraft owned by a licensed dealer and in the dealer's inventory.
Estimate: N/A

3. ***Aircraft of the Federal Government and State Governments***
Citation: **68 O.S. §6003**
Description: Aircraft belonging to the federal government or any state government.
Estimate: N/A

4. ***Corporate, Partnership or Limited Liability Company Aircraft***
Citation: **68 O.S. §6003**
Description: Aircraft transferred pursuant to the formation, reorganization or dissolution of a corporation, partnership, or limited liability company.
Estimate: N/A

5. ***Aircraft Owned by Commercial Airlines***
Citation: **68 O.S. §6003**
Description: Aircraft purchased outside this state and brought into the state to be used by commercial airlines.
Estimate: N/A

6. ***Aircraft upon Which an Out-Of-State Tax Has Been Paid***
Citation: **68 O.S. §6003**
Description: Aircraft on which a tax levied pursuant to the provisions of the laws of another state, equal to or in excess of the aircraft excise tax, has been paid.
Estimate: N/A

7. ***Aircraft Acquired by Inheritance***
Citation: **68 O.S. §6003**
Description: Aircraft when the legal ownership of such aircraft is obtained by the applicant for a certificate of title by inheritance.
Estimate: N/A

8. ***Aircraft Obtained through Foreclosure Proceedings***
Citation: **68 O.S. §6003**
Description: Aircraft obtained by the lienholder or mortgagee under or by foreclosure of a lien or mortgage.
Estimate: N/A

9. ***Aircraft Transferred within the Family***
Citation: **68 O.S. §6003**
Description: Aircraft transferred between husband and wife, or parent and child, where no valuable consideration is given.
Estimate: N/A

10. ***Aircraft Used for Agricultural Purposes***
Citation: **68 O.S. §6003**
Description: Aircraft purchased by a resident of this state and used exclusively in this state for agricultural spraying purposes.
Estimate: N/A

11. ***Aircraft Sold for More Than $2,500,000.00***
Citation: **68 O.S. §6003**
Description: Aircraft with a selling price in excess of Two Million Five Hundred Thousand Dollars ($2,500,000.00) which are transferred to a purchaser who is not a resident of this state for immediate transfer out of state.
Estimate: N/A

12. ***Trust Transfers***
Citation: **68 O.S. §6003**
Description: Aircraft transferred without consideration between an individual and an express trust.
Estimate: N/A

13. ***Rotary-wing Aircraft for Training of U.S. Military Personnel***
Citation: **68 O.S. §6003**
Description: Rotary-wing aircraft purchased to be used exclusively for training U.S. Military personnel or other U.S. Government authorized training. The exemption ceases January 1, 2018.
Estimate: N/A

C. WASTE TIRE RECYCLING FEES

A waste tire recycling fee is assessed on sales of motor vehicle tires and the first registration of motor vehicles. Exemptions from the imposition of the waste tire recycling fee exist for used or retread tires upon which the waste tire fee was previously paid, motor vehicles registered pursuant to the IRP and all-terrain and off-road motorcycles. Exemptions are reported in the aggregate and therefore estimates are not available.

1. ***International Registration Plan (IRP) Motor Vehicles***
Citation: **27A O.S. §2-11-401.2**
Description: Motor Vehicles registered pursuant to the IRP.

2. ***Recycling Fee Previously Paid***
Citation: **27A O.S. §2-11-401.2**
Description: Purchases of used or retreaded tires provided that the tire dealer can document that the recycling fee has been previously paid.

3. ***All-terrain Vehicles and Off-road Motorcycles***
Citation: **27A O.S. §2-11-401.2**
Description: All-terrain vehicles and off-road motorcycles registered pursuant to Section 1132 of Title 47.

D. ALCOHOLIC BEVERAGE & LOW POINT BEER EXCISE TAXES

1. ***Low Point Beer Manufactured for Export***
Citation: **37 O.S. §163.3**
Description: Low point beer manufactured for export.
Estimate: Zero
Data Source: Tax Commission Records
Reliability: 1

2. ***Beer Manufactured for Export***
Citation: **37 O.S. §553**
Description: Beer manufactured for export.
Estimate: $23,000.00
Data Source: Tax Commission Records
Reliability: 1

3. ***Industrial Use Alcohol***
Citation: **37 O.S. §554**
Description: Alcohol used exclusively for industrial purposes by the holder of an industrial license.
Estimate: Minimal
Data Source: ABLE Commission
Reliability: 3

4. ***U.S. Tax-Free Permit***
Citation: **37 O.S. §554**
Description: Alcohol lawfully withdrawn and used free of tax under a tax-free permit issued by the United States.
Estimate: N/A

5. ***Licensed Physicians and Dentists***
Citation: **37 O.S. §554**
Description: Alcohol used exclusively by licensed physicians, dentists, and pharmacists in the practice of their professions.
Estimate: Minimal
Data Source: ABLE Commission
Reliability: 3

6. ***Beer, Cider and Wine Made for Personal Use***
Citation: **37 O.S. §554**
Description: Beer, cider and wine made for personal use by a person licensed by the ABLE Commission.
Estimate: $87,000.00

6. ***Beer, Cider and Wine Made for Personal Use (Continued)***
Data Source: ABLE Commission
Reliability: 3

7. ***Sacramental Wine***
Citation: **37 O.S. §554**
Description: Wine used exclusively for sacramental purposes in bona fide religious ceremonies.
Estimate: $102.00
Data Source: Tax Commission Records
Reliability: 1

8. ***Imported Alcoholic Beverages***
Citation: **37 O.S. §554**
Description: Alcoholic beverages, not exceeding one (1) liter, imported into this state by the possessor for his/her personal use.
Estimate: $173.00
Data Source: Tax Commissions Records
Reliability: 1

E. CIGARETTE STAMP TAX

1. ***Veterans' Hospitals***
Citation: **68 O.S. §321**
Description: Cigarettes sold to veterans' hospitals and state-operated domiciliary homes for veterans.
Estimate: Zero
Data Source: Cigarette Wholesaler Tax Reports
Reliability: 1

2. ***United States of America***
Citation: **68 O.S. §321**
Description: Sales of cigarettes to the United States.
Estimate: Zero[27]

F. TOBACCO PRODUCTS TAX

1. ***Veterans' Hospitals***
Citation: **68 O.S. §419**
Description: Tobacco products sold to veterans' hospitals and state-operated domiciliary homes for veterans.
Estimate: Zero
Data Source: Tax Commission Records
Reliability: 1

[27] All expenditures involving the United States are given an estimate of zero. This estimate is provided since the State cannot levy a tax upon the federal government under the decision of the U.S. Supreme Court.

G. MOTOR FUEL/DIESEL FUEL IMPORTER FOR USE TAX

Importer for use tax is levied upon the importation of gasoline or diesel fuel wherein such products are brought into Oklahoma in the fuel supply tanks of vehicles being used on the highways of this state for commercial purposes. Gasoline and diesel fuel imported by certain vehicles or by certain entities may be exempt or subject to credits as provided for by statute. Aggregate data is not available to estimate the tax expenditures.

1. ***Automobiles or Recreational Vehicles***
   Citation: **68 O.S. §605**
   Description: Automobiles or recreational vehicles constructed and used for transporting persons other than for hire.

2. ***Vehicles Less Than 26,000 lbs.***
   Citation: **68 O.S. §605**
   Description: Fuel imported into the state in motor vehicles with a gross vehicle weight of less than twenty-six thousand (26,000) pounds.

3. ***Agricultural Vehicles***
   Citation: **68 O.S. §605**
   Description: Fuel imported by persons transporting livestock and farm products to or from the market.

4. ***Tour Buses***
   Citation: **68 O.S. §605**
   Description: Tour buses operated to transport passengers by charter or special service.

5. ***United States of America***
   Citation: **68 O.S. §605**
   Description: Motor fuel or diesel fuel used in vehicles owned by the United States of America.
   Estimate: Zero[28]

6. ***Temporary Fuel Permit***
   Citation: **68 O.S. §605**
   Description: Persons importing fuel for use in this state that have received a temporary fuel permit from the Tax Commission.

7. ***Credit for Fuel Consumed Outside the State***
   Citation: **68 O.S. §615**
   Description: Credit allowed for gasoline or diesel fuel upon which tax has been paid and thereafter consumed outside the State of Oklahoma.

[28] All expenditures involving the United States are given an estimate of zero. This estimate is provided since the State cannot levy a tax upon the federal government under the decision of the U.S. Supreme Court.

H. SPECIAL FUEL USE TAX

Special fuel use tax is levied upon fuel existing in a liquid or gaseous state and that is delivered into fuel supply tanks of motor vehicles in Oklahoma or that is imported into this state in the fuel supply tanks of vehicles being used on the highways of this state for commercial purposes. Special fuels used in certain vehicles or by certain entities may be exempt or subject to credits as provided for by statute. Aggregate data is not available to estimate the tax expenditures.

1. ***United States of America***
   Citation: **68 O.S. §708**
   Description: Special fuel delivered into the supply tanks of or used by motor vehicles owned by the United States.
   Estimate: Zero[29]

2. ***Agricultural Use***
   Citation: **68 O.S. §708**
   Description: Special fuel delivered into the supply tanks of farm tractors and stationary engines used for agricultural purposes.

3. ***Passenger Automobiles***
   Citation: **68 O.S. §708**
   Description: Special fuel imported into Oklahoma in the fuel supply tanks of passenger automobiles.

4. ***Motor Vehicles with 25 Gallons or Less Supply Tanks***
   Citation: **68 O.S. §708**
   Description: Special fuel imported into Oklahoma in storage tanks with a capacity of twenty-five (25) gallons or less and not used for commercial purposes.

5. ***Agricultural Vehicles***
   Citation: **68 O.S. §708**
   Description: Special fuel imported by persons transporting livestock and farm products to or from the market.

6. ***Road Machinery and Equipment***
   Citation: **68 O.S. §708**
   Description: Special fuel used in road machinery and equipment built for and used on location in the construction of public highways.

7. ***Passenger Motor Buses or Coaches***
   Citation: **68 O.S. §708**
   Description: Special fuel used in passenger motor buses or coaches with a seating capacity of ten (10) or more persons used in public transit systems.

[29] All expenditures involving the United States are given an estimate of zero. This estimate is provided since the State cannot levy a tax upon the federal government under the decision of the U.S. Supreme Court.

8. ***County, City or Town Vehicles***
Citation: **68 O.S. §708**
Description: Special fuel purchased by any county, city or town for use in vehicles operated for the benefit of the county, city or town.

9. ***School Districts***
Citation: **68 O.S. §708**
Description: Special fuel purchased by an Oklahoma school district for use in vehicles for the sole benefit of the school district.

10. ***State Department of Transportation***
Citation: **68 O.S. §708**
Description: Special fuel purchased by the Oklahoma Department of Transportation for use in vehicles for the sole benefit of the Department of Transportation.

11. ***Credit for Special Fuel Consumed Outside the State***
Citation: **68 O.S. §722**
Description: Credit allowed for special fuel upon which tax has been paid and thereafter consumed outside the State of Oklahoma.

12. ***Fee in Lieu of Tax***
Citation: **68 O.S. §723**
Description: Flat fee of Fifty Dollars ($50.00) for each automobile and truck using liquefied petroleum gas or natural gas as fuel. The fee is in lieu of the special fuel tax.

I. COIN-OPERATED MUSIC AND AMUSEMENT DEVICE FEES

A coin-op fee is for vending, music, amusement, and bulk-vending devices and is in lieu of sales tax. An annual decal is required; the decal amount depends on the type of device. No reporting requirement exists for coin-op devices exempted by statute and therefore tax expenditure estimates are unavailable.

1. ***Vending Devices Owned by Schools, Churches, or Governments***
Citation: **68 O.S. §1503.1**
Description: Coin-operated vending devices owned by and located in a public or private school, a church, or a governmental entity.

2. ***Newspaper Vending Devices***
Citation: **68 O.S. §1503.1**
Description: Coin-operated vending devices which dispense only newspapers or periodicals.

3. ***Postage Stamp Vending Devices***
Citation: **68 O.S. §1503.1**
Description: Coin-operated vending devices which dispense only postage stamps.

4. *Vending Devices Installed on Federal Military Bases*
Citation: **68 O.S. §1503.1**
Description: Coin-operated vending devices installed on federal military bases.

J. MOTOR VEHICLE RENTAL TAX

1. ***Lease Vehicles***
Citation: **68 O.S. §2110**
Description: Vehicles subject to any lease agreements.
Estimate: N/A

2. ***Prorate Vehicles***
Citation: **68 O.S. §2110**
Description: Truck or truck-tractors having a combined laden weight of eight thousand (8,000) pounds or more and registered pursuant to the IRP.
Estimate: N/A

3. ***Trailers or Semitrailers***
Citation: **68 O.S. §2110**
Description: Trailers or semitrailers registered pursuant to Section 1133 of Title 47 of the Oklahoma Statutes.
Estimate: N/A

4. ***State Government***
Citation: **68 O.S. §2110**
Description: Vehicle rentals to state government entities.
Estimate: $13,000.00
Data Source: Tax Commission Records
Reliability: 1

5. ***Bad Debt Deduction***
Citation: **68 O.S. §2110**
Description: Vehicle rental tax deduction from gross receipts for bad debts.
Estimate: Zero
Data Source: Tax Commission Records
Reliability: 1

K. DOCUMENTARY STAMP TAX

All property transferred by deed that is not specifically exempted by statute is subject to the documentary stamp tax, and shall be paid by either the grantee or the grantor to the county clerk. No centralized database exists to compile the property value or tax information for the property transfers exempted by statute and therefore estimates are not available.

1. ***Deeds Which Secure a Debt***
Citation: **68 O.S. §3202**
Description: Deeds which secure a debt or other obligation.

2. ***Supplemental Deeds***
Citation: **68 O.S. §3202**
Description: Deeds which, without additional consideration, confirm, correct, modify or supplement a deed previously recorded.

3. ***Deeds between Family Members***
Citation: **68 O.S. §3202**
Description: Deeds, without consideration, between husband and wife, parent and child or any persons related within the second degree of consanguinity or deeds between any person and an express revocable trust created by such person or such person's spouse.

4. ***Tax Deeds***
Citation: **68 O.S. §3202**
Description: Tax deeds.

5. ***Deeds of Release of Property***
Citation: **68 O.S. §3202**
Description: Deeds of release of property which is security for a debt or other obligation.

6. ***Deeds Executed by Indian Tribal Members***
Citation: **68 O.S. §3202**
Description: Deeds executed by members of Indian tribes in approval proceedings of the district courts or by the Secretary of the Interior.

7. ***Deeds of Partition***
Citation: **68 O.S. §3202**
Description: Deeds of partition, unless, for consideration, some of the parties take shares greater in value than their individual interests.

8. ***Merger Deeds***
Citation: **68 O.S. §3202**
Description: Deeds made pursuant to mergers of partnerships, limited liability companies, or corporations.

9. ***Deeds to a Parent Corporation***
Citation: **68 O.S. §3202**
Description: Deeds made by a subsidiary corporation to its parent corporation for no consideration.

10. ***State of Oklahoma***
Citation: **68 O.S. §3202**
Description: Deeds or instruments to which the State of Oklahoma or any of its instrumentalities, agencies or subdivisions is a party.

11. ***United States of America***
Citation: **68 O.S. §3202**
Description: Deeds or instruments to which the United States or any of its agencies or departments is a party.
Estimate: Zero[30]

12. ***Foreclosure Deeds***
Citation: **68 O.S. §3202**
Description: Deeds executed pursuant to a foreclosure proceeding in which the grantee is the holder of a mortgage on the property being foreclosed.

13. ***Oklahoma Space Industry Development Authority Deeds***
Citation: **68 O.S. §3202**
Description: Deeds or instruments to which the Oklahoma Space Industry Development Authority or a spaceport user is a party.

L. CHARITY GAMES TAX

1. ***Veterans' Organizations***
Citation: **3A O.S. §421**
Description: Sales of bingo faces, U-PIK-EM bingo game sets, breakopen ticket games, and other charity game equipment to certain veterans' organizations.
Estimate: $2,306,000.00
Data Source: Tax Commission Records
Reliability: 1

2. ***Group Home for Mentally Disabled Individuals***
Citation: **3A O.S. §421**
Description: Sales of bingo faces, U-PIK-EM bingo game sets, breakopen ticket games, and other charity games equipment to a group home for mentally disabled individuals exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code.
Estimate: N/A

3. ***Bad Debt Credit***
Citation: **3A O.S. §422**
Description: Credit allowed for taxes paid by the distributor that become uncollectible from an organization.
Estimate: Zero
Data Source: Tax Commission Records
Reliability: 1

[30] All expenditures involving the United States are given an estimate of zero. This estimate is provided since the State cannot levy a tax upon the federal government under the decision of the U.S. Supreme Court.

4. ***Damaged Equipment***

Citation: **3A O.S. §422**
Description: Credit for tax paid on damaged bingo faces, U-PIK-EM bingo game sets, breakopen ticket games, or charity game equipment.
Estimate: Zero
Data Source: Tax Commission Records
Reliability: 1

M. BOAT AND OUTBOARD MOTOR REGISTRATION FEES

1. ***Military Personnel***

Citation: **63 O.S. §4021**
Description: Boats/motors owned by active duty members (or spouse) of the Armed Forces of the United States who are either residents of, or stationed in, Oklahoma.
Estimate: $7,000.00
Data Source: Boat and Motor Registrations
Reliability: 2

2. ***Boat and Motor Replacement Credit***

Citation: **63 O.S. §4021**
Description: Credit allowed towards the registration fee of a new boat/motor which is a replacement for a stolen or defective new original boat/motor.
Estimate: Minimal
Data Source: Boat and Motor Registrations
Reliability: 2

3. ***State of Oklahoma***

Citation: **63 O.S. §4021**
Description: Boats/motors owned by the State of Oklahoma, its agencies, departments, or political subdivisions.
Estimate: $14,000.00
Data Source: Boat and Motor Registrations
Reliability: 2

4. ***Houseboats of a Fleet of 20 or More Vessels***

Citation: **63 O.S. §4021**
Description: Boats which are part of a fleet used for lodging and for which a rental fee and sales taxes are collected.
Estimate: Minimal
Data Source: Boat and Motor Registrations
Reliability: 2

5. ***Boy Scouts of America, Girl Scouts of U.S.A. and Campfire Girls***

Citation: **63. O.S. §4021**
Description: Boats/motors owned by Boy Scouts of America, Girl Scouts of U.S.A. and Campfire Girls devoted exclusively to youth programs

5. ***Boy Scouts of America, Girl Scouts of U.S.A. and Campfire Girls (Continued)***

emphasizing physical fitness, character development and citizenship training.

Estimate: $3,000.00
Data Source: Boat and Motor Registrations
Reliability: 2

6. ***Donated Boats and Motors***

Citation: **63 O.S. §4021**
Description: Boats/motors donated to charitable organizations.
Estimate: Minimal
Data Source: Tax Commission Records
Reliability: 2

N. BOAT AND OUTBOARD MOTOR EXCISE TAX

1. ***Donated Boats and Motors***

Citation: **63 O.S. §4021**
Description: Boats/motors donated to nonprofit charitable organizations.
Estimate: Minimal
Data Source: Tax Commission Records
Reliability: 2

2. ***Marital and Parental Transfers***

Citation: **63 O.S. §4103**
Description: Transfers of boats/motors, without consideration, between a husband and wife or parent and child.
Estimate: $191,000.00
Data Source: Boat and Motor Excise Tax Receipts
Reliability: 2

3. ***Replacement Boat and Motor***

Citation: **63 O.S. §4103**
Description: Credit allowed with respect to excise tax paid for a new boat/motor which is a replacement for a stolen or defective new original boat/motor.
Estimate: Minimal
Data Source: Boat and Motor Excise Tax Receipts
Reliability: 2

4. ***New Resident***

Citation: **63 O.S. §4106**
Description: Boat/motor brought into this state by a person formerly living in another state, who has owned and registered the boat/motor in such other state at least sixty (60) days prior to being subject to registration in this state.
Estimate: $71,000.00
Data Source: Boat and Motor Excise Tax Receipts
Reliability: 2

5. ***Government Entities***

Citation: **63 O.S. §4106**
Description: Any boat/motor registered by the United States, State of Oklahoma, or by any of their political subdivisions.
Estimate: $4,000.00
Data Source: Boat and Motor Excise Tax Receipts
Reliability: 2

6. ***Inherited***

Citation: **63 O.S. §4106**
Description: Any boat/motor, the legal ownership of which was obtained by the owner through inheritance.
Estimate: $27,000.00
Data Source: Boat and Motor Excise Tax Receipts
Reliability: 2

7. ***Used Boat and Motor Dealers***

Citation: **63 O.S. §4106**
Description: Any boat/motor owned and being offered for sale by a licensed boat/motor dealer.
Estimate: $41,000.00
Data Source: Boat and Motor Excise Tax Receipts
Reliability: 2

8. ***Foreclosure***

Citation: **63 O.S. §4106**
Description: Any boat/motor, the ownership of which was obtained by the lienholder or mortgagee under or by a foreclosure of a lien or mortgage.
Estimate: $35,000.00
Data Source: Boat and Motor Excise Tax Receipts
Reliability: 2

9. ***Boy Scouts of America, Girl Scouts of U.S.A. and Campfire Girls***

Citation: **63 O.S. §4106**
Description: Boats/motor owned by the council organization or similar state supervisory organizations of the Boy Scouts of America, Girl Scouts of U.S.A. and the Campfire Girls.
Estimate: Minimal
Data Source: Tax Commission Records
Reliability: 2

10. ***Corporate and Partnership Boats and Motors***

Citation: **63 O.S. §4106**
Description: Any boat or motor transferred pursuant to the formation or dissolution of a corporation or partnership.
Estimate: $2,000.00
Data Source: Tax Commission Records
Reliability: 2