CHAPTER 65. SALES AND USE TAX

SUBCHAPTER 1. GENERAL PROVISIONS

710:65-1-7. Consumer/user defined; specific applications

"Consumer" or **"user"** means a person to whom a taxable sale of tangible personal property is made or for whom a taxable service is performed.

(1) **Hospitals, sanitariums, nursing homes and emergency medical care.** Hospitals and sanitariums are primarily engaged in the business of selling services, and for the purposes of the Sales Tax Code are considered to be the consumers or users of all tangible personal property and services used in the operation of the institution. Thus, the gross proceeds derived from sales of tangible personal property and certain services to such institutions are subject to tax. This paragraph applies to all hospitals, sanitariums and nursing homes, including those owned or operated by churches, fraternities, cooperatives, or any other organization, except those operated by the Federal Government, the State, or a political subdivision thereof.

(2) **Withdrawals from stock.** If any business purchases tangible personal property for resale, manufacturing or further processing and that business withdraws tangible personal property, either from its inventory or after such inventory has been manufactured or processed for its own use or consumption, that business has made a taxable sale and the value of the property withdrawn is taxable at its **"sales value"**, as defined in *OAC* 710:65-1-2. The business withdrawing tangible personal property from inventory should include the **"sales value"** of such property in gross receipts or gross proceeds on its sales tax report for the month the property was withdrawn.

(3) **Contractors.** Contractors are consumers or users, and must pay sales tax on all taxable services and tangible personal property, including materials, supplies, and equipment, purchased to develop and improve real property. Examples of contractors subject to this paragraph are: painting contractors, road contractors, grading and excavating contractors, electrical contractors, plumbing contractors, and other persons engaged in a contractual arrangement to make improvements on real property. A person working for a salary or wage is not considered a contractor. The Sales Tax Code limits the ability of contractors to make purchases exempt from sales tax based on the exempt status of another entity ~~to the following situations:~~. [**See:** 710:65-7-6 and 710:65-7-13]

(A) **Exemptions that generally may not extend to contractors.** The following are non-exhaustive examples of exempt entities or exemption types for which the exemption generally may not be extended or otherwise transferred to a contractor or subcontractor:

(i) Federal government;

(ii) State government;

(iii) Trust authorities organized pursuant to 60 O.S. 176, except those specifically exempted under 68 O.S. § 1356(B)(10);

(iv) Federally recognized Indian tribes; and

(v) Exemptions that, by their nature, are not transferrable to contractors, including exemptions that:

(I) apply only to specific transactions or purchases, such as admission ticket sales;

(II) are administered through a refund process, under which the exempt entity claims a refund of tax paid rather than providing an exemption to the contractor; or

(III) authorize the exempt entity to make tax-exempt sales, but do not exempt the entity's purchases from sales tax.

(B) **Exemptions that may generally extend to contractors.** The following are non-exhaustive examples of exempt entities or exemption types for which the exemption generally may be extended or otherwise transferred to a contractor or subcontractor:

~~(A)~~(i) A contractor who has a public contract, or a subcontractor to that public contract, with an Oklahoma municipality, county, public school district, city-county library system, an institution of the Oklahoma System of Higher Education, a rural water district, the Grand River Dam Authority, the Northeast Oklahoma Public Facilities Authority, the Oklahoma Municipal Power Authority, the City of Tulsa-Rogers County Port Authority, the Broken Bow Economic Development Authority, the Muskogee City-County Port Authority, the Oklahoma Ordnance Works Authority, the Durant Industrial Authority, the Ardmore Development Authority, the Oklahoma Department of Veterans Affairs, the 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 or the Office of Management and Enterprise Services only when carrying out a public construction contract on behalf of the Oklahoma Department of Veterans Affairs, the Oklahoma State University Medical Authority and Trust, the Oklahoma State University Veterinary Medicine Authority and Trust, and effective July 1, 2022, the University Hospitals Trust may make purchases of tangible personal property or services, which are necessary for carrying out the public contract, exempt from sales tax.

~~(B)~~(ii) A contractor who has entered into a contract with a private institution of higher education or with a private elementary or secondary institution, may make purchases of tangible personal property or services, including materials, supplies and equipment used in the construction of buildings owned and used by the institution for educational purposes exempt from sales tax.

~~(C)~~(iii) A contractor who has contracted with an agricultural permit holder to construct a facility which will be used directly in the production of any livestock, including facilities used in the production and storage of feed for livestock owned by the agricultural permit holder, may make purchases of materials, supplies and equipment necessary to fulfill the contract, exempt from sales tax.

~~(D)~~(iv) A contractor may make purchases of materials, supplies and equipment necessary to fulfill a contract, exempt from sales tax, 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. The projects must be financed by or through the use of nonprofit entities which are exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code.

~~(E)~~(v) A contractor may make purchases of machinery, equipment, fuels, and chemicals or other materials, exempt from sales tax, which will be incorporated into and directly used or consumed in the process of treatment of hazardous waste, pursuant to *OAC* 710:65-13-80. Contractors claiming exemption for purchases to be used to remediate hazardous wastes should obtain a letter certifying the exemption status from the Tax Commission by following the procedures set out in 710:65-13-80, and provide a copy of the letter to vendors, pursuant to subsection (f) of that rule.

~~(F)~~(vi) A contractor, or a subcontractor to such contractor, with whom a church has duly entered into a construction contract may make purchases of tangible personal property or services exempt from sales tax which are necessary for carrying out such construction contract.

~~(G)~~(vii) A contractor, or a subcontractor to such contractor, may make purchases of tangible personal property which is to be *consumed or incorporated in the construction or expansion of a facility for a corporation organized under Section 437 et seq. of Title 18 of the Oklahoma Statutes as a rural electric cooperative* exempt from sales tax.

~~(H)~~(viii) A contractor, or a subcontractor to such contractor, may make purchases of tangible personal property or services pursuant to a contractual relationship with a child care center, qualified for exemption pursuant ~~68 O.S. § 1356(69)~~68 O.S. § 1356(B)(69), for construction and improvement of buildings and other structures owned by the child care center and operated for educational purposes exempt from sales tax.

~~(I)~~(ix) A contractor, or a subcontractor to such contractor, may make purchases of tangible personal property or services exempt from sales tax pursuant to a contractual relationship with a manufacturer for the construction and improvement of manufacturing goods, wares, merchandise, property, machinery and equipment for use in a manufacturing operation classified under NAICS No. 324110 (Petroleum Refineries).

(4) **Repairmen.** Repairmen are persons engaged in the business of repairing tangible personal property. Parts incidental to the repair service which are consumed/used in making repairs are taxable to the repairman as a consumer/user. [**See:** 68 O.S. § 1352]

SUBCHAPTER 7. DUTIES AND LIABILITIES

710:65-7-13. Vendors' responsibility - sales to contractors

(a) **General rule.** Contractors are defined by statute as consumer/users and must pay sales tax on all taxable services and tangible personal property, including materials, supplies, and equipment purchased to develop, repair, alter, remodel, and improve real property.

(b) **Limited exceptions.** A contractor may make purchases based upon the exempt status of another entity only in the statutorily-limited circumstances described in this paragraph.

(1) A contractor who has a public contract, or a subcontractor to that public contract, with an Oklahoma municipality, county, public school district, city-county library system, an institution of the Oklahoma System of Higher Education, a rural water district, the Grand River Dam Authority, the Northeast Oklahoma Public Facilities Authority, the Oklahoma Municipal Power Authority, the City of Tulsa-Rogers County Port Authority, the Broken Bow Economic Development Authority, the Muskogee City-County Port Authority, the Oklahoma Ordnance Works Authority, the Durant Industrial Authority, the Ardmore Development Authority, the Oklahoma Department of Veterans Affairs, the 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 or the Office of Management and Enterprise Services only when carrying out a public construction contract on behalf of the Oklahoma Department of Veterans Affairs and effective July 1, 2022, the University Hospitals Trust may

make purchases of tangible personal property or services, which are necessary for carrying out the public contract, exempt from sales tax.

(2) A contractor who has entered into a contract with a private institution of higher education or with a private elementary or secondary institution, may make purchases of tangible personal property or services, including materials, supplies and equipment used in the construction of buildings owned and used by the institution for educational purposes exempt from sales tax. However, the institution must be registered or accredited with the Oklahoma State Regents for Higher Education, the State Board of Education, or the State Department of Education.

(3) A contractor who has contracted with an agricultural permit holder to construct a facility which will be used directly in the production of any livestock, including facilities used in the production and storage of feed for livestock owned by the agricultural permit holder, may make purchases of materials, supplies and equipment necessary to fulfill the contract, exempt from sales tax. [**See:** *OAC* 710:65-7-11]

(4) A contractor may make purchases exempt from sales tax 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. The projects must be financed by or through the use of nonprofit entities which are exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code. Contractors claiming exemption for purchases to be used in a qualified campus construction project should obtain a letter certifying the exemption status from the Tax Commission by following the procedures set out in 710:65-13-210, and provide a copy of the letter to vendors, pursuant to subsection (g) of that rule. ~~[**See:** 68 O.S. §1356(41)]~~[See: 68 O.S. § 1356(B)(41)]

(5) A contractor may make purchases of machinery, equipment, fuels, and chemicals or other materials, exempt from sales tax, which will be incorporated into and directly used or consumed in the process of treatment of hazardous waste, pursuant to *OAC* 710:65-13-80. Contractors claiming exemption for purchases to be used to remediate hazardous wastes should obtain a letter certifying the exemption status from the Tax Commission by following the procedures set out in 710:65-13-80, and provide a copy of the letter to vendors, pursuant to subsection (f) of that rule.

(6) A contractor, or a subcontractor to such contractor, with whom a church has duly entered into a construction contract may make purchases of tangible personal property or services exempt from sales tax which are necessary for carrying out such construction contract.

(7) A contractor, or a subcontractor to such contractor, may make purchases of tangible personal property which is to be *consumed or incorporated in the construction or expansion of a facility for a corporation organized under Section 437 et seq. of Title 18 of the Oklahoma Statutes as a rural electric cooperative* exempt from sales tax. Contractors claiming exemption for purchases to be used in a qualified rural electric cooperative project shall follow the procedures set out in *OAC* 710:65-13-124.

(8) A contractor, or a subcontractor to such contractor, may make purchases of tangible personal property or services pursuant to a contractual relationship with a child care center, qualified for exemption pursuant ~~68 O.S. § 1356(69)~~68 O.S. §1356(B)(69), for construction and improvement of buildings and other structures owned by the child care center and operated for educational purposes exempt from sales tax.

(9) A contractor, or a subcontractor to such contractor, may make purchases of tangible personal property or services exempt from sales tax pursuant to a contractual relationship with a manufacturer for the construction and improvement of manufacturing goods, wares, merchandise, property, machinery and equipment for use in a manufacturing operation classified under NAICS No. 324110 (Petroleum Refineries).

(c) **Exemptions that generally may not extend to contractors.** The following are non-exhaustive examples of exempt entities or exemption types for which the exemption generally may not be extended or otherwise transferred to a contractor or subcontractor:

(1) Federal government;

(2) State government;

(3) Trust authorities organized pursuant to 60 O.S. 176, except those specifically exempted under 68 O.S. § 1356(B)(10);

(4) Federally recognized Indian tribes; and

(5) Exemptions that, by their nature, are not transferrable to contractors, including exemptions that:

(A) apply only to specific transactions or purchases, such as admission ticket sales;

(B) are administered through a refund process, under which the exempt entity claims a refund of tax paid rather than providing an exemption to the contractor; or

(C) authorize the exempt entity to make tax-exempt sales, but do not exempt the entity's purchases from sales tax.

(d) **Documentation required for limited exceptions.** In the case of a sale to a contractor claiming exemption pursuant to subsections (b)(1), (b)(2), (b)(6), (b)(8), or (b)(9) of this Section, the vendor must obtain:

(1) A **copy** of the exemption letter or card issued to one of the entities described in (b) of this Section;

(2) Documentation indicating the contractual relationship between the contractor and the entity; and,

(3) Certification by the purchaser, on the face of each invoice or sales receipt, setting out the name of the exempt entity, that the purchases are being made on behalf of the entity, and that they are necessary for the completion of the contract.

SUBCHAPTER 13. SALES AND USE TAX EXEMPTIONS

PART 31. MEDICINE, MEDICAL APPLIANCES, AND HEALTH CARE ENTITIES AND ACTIVITIES

710:65-13-172. Exemption for health centers, indigent health care clinics, certain community-based health care centers, and community mental health centers

(a) **Qualification for the exemption for health centers, indigent health care clinics, certain community-based health care centers and community mental health centers.** Sales tax does not apply to the sale of tangible personal property or taxable services when sold to:

(1) Any health center as defined in Section 254b(a) of Title 42 of the United States Code;

(2) Any clinic receiving disbursements of state monies from the Indigent Health Care Revolving Fund pursuant to the provisions of Section 66 of Title 56 of the Oklahoma Statues;

(3) Any community-based health center which provides primary care services at no cost to the recipients, **and** is exempt from taxation pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3). For purposes of this Section, **"primary care services"** means health services related to family medicine, internal medicine, pediatrics, obstetrics, or gynecology that are furnished by physicians, and where appropriate, physician assistants, nurse practitioners, or other licensed medical professionals; or

(4) Any community mental health center as defined in Section 3-302 of Title 43A of the Oklahoma Statutes. For purposes of this Section, "**community mental health center**" means *a facility offering:*

(A) *A comprehensive array of community-based mental health services, including, but not limited to, outpatient treatment, emergency evaluation and care, consultation, education, rehabilitation services, and aftercare, and*

(B) *Certain services at the option of the center, including, but not limited to, inpatient treatment , training programs, and research and evaluation programs.*

(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at www.tax.ok.gov along with the applicable documentation set forth in (c) of this Section:

(c) **Supporting documentation required.**

(1) **Health centers.** Health centers must submit the letter of notification from the U.S. Department of Health and Human Services, recognizing that the center qualifies under Section 254b(a) of Title 42 of the United States Code.

(2) **Clinics receiving disbursements of state monies from the Oklahoma Indigent Health Care Revolving Fund.** Clinics receiving disbursements of state monies from the Oklahoma Indigent Health Care Revolving Fund must submit a copy of the letter or disbursement voucher from the Fund, showing the date the funds were disbursed.

(3) **Community-based health centers.** Community-based health centers must submit the documentation described in (A) through (C) of this paragraph:

(A) A letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U.S.C. § 501(c)(3);

(B) A written description of the primary care services provided must be submitted, stating the activities of the organization, and evidenced by copies of the following, as applicable:

(i) By-laws;

(ii) An audit or other financial statement, showing the types and amounts of revenue received; and

(iii) Intake documents or other forms used to obtain information from clients and which specifically reflect that the primary care services were being provided at no cost to the recipients.

(C) For the purposes of this paragraph, **"at no cost to the recipient"** means at no cost to either the recipient or any unit of government, or any insurance company, or any other person or entity. Centers which provide primary care services on a "sliding scale" fee schedule do **not** qualify for the exemption.

(4) **Community mental health centers.** Community mental health centers must submit to the Commission, as part of its application, proof of recognition by the Oklahoma Department of Mental Health and Substance Abuse Services that applicant qualifies as a Community Mental Health Center, along with a written description of the comprehensive array of community-based mental health and other optional services the facility offers, as may be evidenced by copies of:

(A) Articles of incorporation;

(B) By-laws;

(C) Brochure; or

(D) Notarized letter from the President or Chairman of the organization.

(d) **Exemption limited to eligible, properly documented transactions.** Only sales of tangible personal property and services purchased by the organization, invoiced to the organization, and paid for by funds or check directly from the organization will qualify for the exemption described in this Section.

(e) **Purchases by contractors.** ~~Purchases of taxable personal property or services by a contractor, as defined by 68 O.S. §1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, may ~~not~~ purchase tangible personal property or services to perform contracts with qualifying health care organizations exempt from sales tax.

PART 43. SOCIAL, CHARITABLE, AND CIVIC ORGANIZATIONS AND ACTIVITIES

710:65-13-334. Exemption for qualified museums

(a) **General provisions.** Museums or other entities accredited by the American Alliance of Museums formally the American Association of Museums are exempt from the levy of sales tax on their purchases of tangible personal property and services, and provided that the museum is in compliance with (d)(2) of this Section, on the sales of tickets for admission.

(b) **Certification required for purchases.** Certification, in which the name of the museum or other accredited entity is set out on the face of the invoice or sales receipt to be obtained and retained by the vendor, is required of persons making purchases on behalf of a qualifying museum or other accredited entity, in order to support the exemption pursuant to *OAC* 710:65-3-30 and 710:65-3-33.

(c) **Application procedure.** Application for the exemption is made by submitting to the Taxpayer Resource Center, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at www.tax.ok.gov along with written confirmation that the applicant is currently accredited by the American Alliance of Museums formally the American Association of Museums.

(d) **Exemption limited to eligible, properly-documented transactions.**

(1) Only those purchases actually purchased by the museum or other accredited entity, invoiced to the museum or entity, and paid for by funds or check directly from the museum or other accredited entity, will qualify for the exemption on purchases.

(2) To qualify for the exemption on sales of admission tickets, the museum must separately state an amount equivalent to the tax which would otherwise have been required to be collected on the face of the admission ticket and must use the amount so stated and so collected solely for the purpose of servicing debt incurred by the museum in the construction, enlargement, or renovation of facilities used or to be used for the entertainment, edification, or cultural cultivation of persons admitted to the museum or facility. The museum or other accredited entity must maintain records adequate to show that the proper amount was collected in lieu of the tax and that those funds were used for purposes of servicing qualifying projects.

(e) **Purchases by contractors.** ~~Purchases of taxable personal property or services by a contractor, as defined by 68 O.S. § 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, who performs improvements to real property for organizations which qualify for the exemption from sales tax on their purchases described in this Section may ~~**not**~~ purchase tangible personal property or services to perform the contract exempt from sales tax under the exemption provided by statute to museums and other accredited entities.

710:65-13-335. Limited exemption for organizations which sponsor and promote educational, charitable, and cultural events for disadvantaged children

(a) **Qualification for educational, charitable, and cultural events for disadvantaged children exemption.** The first $15,000.00 of each calendar year's sales to or by organizations which were established to sponsor or promote educational, charitable, or cultural events for disadvantaged children, are exempt from sales tax.

(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at www.tax.ok.gov and the supporting documentation described in (c) of this Section.

(c) **Supporting documentation required.** To support the exemption claimed under this Section, the applicant must submit to the Commission, along with the application:

(1) A letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U.S.C. § 501(c)(3); and

(2) Documentation showing that the organization was established to sponsor and provide educational, charitable, and cultural events for disadvantaged children, along with a written description of the activities of the organization, as may be evidenced by copies of one or more of the following:

(A) Articles of incorporation;

(B) By-laws;

(C) Brochure; or,

(D) Notarized letter from the President or Chairman of the organization.

(d) **Exemption limited to eligible, properly-documented transactions.** Only the first $15,000 of either sales or purchases of the organization are exempt. The organization must keep accurate records to enable it to properly document the exemption on its purchases and to know when it is required to charge sales tax on its sales. If sales tax is collected by the organization on sales which could have been exempt under the provisions of this Section, the sales tax must be remitted to the Oklahoma Tax Commission. Only those purchases actually purchased by the organization, invoiced to the organization, and paid for by funds or check directly from the organization, will qualify for the exemption described in this Section.

(e) **Purchases by contractors.** ~~Purchases of taxable personal property or services by a contractor, as defined by 68 O.S. § 1352, are taxable to the contractor. A~~Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, may ~~not~~ purchase tangible personal property or services to perform contracts with qualifying organizations exempt from sales tax.

710:65-13-342. Qualifications for "Juvenile Rehabilitation" exemption

(a) **Qualification for the Juvenile Rehabilitation exemption.** Sales tax does not apply to the sale of goods or services to organizations which take court-adjudicated juveniles for purposes of rehabilitation and which are exempt from taxation pursuant to

the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3). However, at least ~~fifty percent (50%)~~ 50% of the juveniles served by the organization must be court-adjudicated and the organization must receive state funds in an amount which is less than ~~ten percent (10%)~~ 10% of the annual budget of the organization.

(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at www.tax.ok.gov along with supporting documentation as follows:

(1) Letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U.S.C. § 501(c)(3);

(2) A copy of the last audit, income tax informational return, or other financial statements which will show that for the last fiscal year end before application, less than 10% of the budget of the organization was from state funds;

(3) A statement signed by a responsible officer of the organization that sets out the percentage of juveniles served which were court-adjudicated during the last fiscal year, giving the total number served, and the total number of those that were court-adjudicated;

(4) A written description stating the activities of the organization, as evidenced by copies of:

(A) Articles of incorporation;

(B) By-laws;

(C) Brochure; or,

(D) Notarized letter from the President or Chairman of the organization which states the services provided by the organization.

(c) **Exemption limited to eligible, properly documented transactions.** Only sales of goods or services purchased by the organization, invoiced to the organization, and paid for by funds or check directly from the organization will qualify for the exemption described in this Section.

(d) **Purchases by contractors.** ~~Purchases of taxable personal property or services by a contractor, as defined by 68 O.S. § 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, who performs improvements to real property for "Juvenile Rehabilitation" organizations may ~~**not**~~ purchase the tangible personal property or services used to perform the contract exempt from sales tax under the exemption provided by statute to "Juvenile Rehabilitation" organizations.

710:65-13-343. Exemption for qualified youth athletic teams

(a) **General provisions.** Sales tax does not apply to the first $15,000.00 of each year's sales to or by youth athletic teams, made for the purpose of raising funds for the benefit of the team. In order to qualify for exemption the youth athletic team must be a part of an athletic organization exempt from federal income taxation pursuant to 26 U.S.C. § 501(c)(4).

(b) **Application process.** Application is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at www.tax.ok.gov, along with the following information:

(1) Letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U.S.C. § 501(c)(4); and,

(2) A written description stating the activities of the organization, as evidenced by copies of:

(A) Articles of incorporation;

(B) By-laws;

(C) Brochure; or,

(D) Notarized letter from the President or Chairman of the organization.

(c) **Exemption limited to eligible, properly-documented transactions.** Only the first $15,000 of either sales or purchases of the organization are exempt. The organization must keep accurate records to enable it to properly document the exemption on its purchases and to know when it is required to charge sales tax on its sales. If sales tax is collected by the organization on sales which could have been exempt under the provisions of this Section, the sales tax must be remitted to the Oklahoma Tax Commission. Only those purchases actually purchased by the organization, invoiced to the organization, and paid for by funds or check directly from the organization, will qualify for the exemption described in this Section.

(d) **Purchases by contractors.** ~~Purchases of taxable personal property or services by a contractor, as defined by 68 O.S. § 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, may ~~not~~ purchase tangible personal property or services to perform contracts with qualifying organizations exempt from sales tax.

710:65-13-344. Exemption for tax exempt, nonprofit organizations, which provide services during the day to homeless persons

(a) **Qualification for tax-exempt, nonprofit organizations which provide services during the day to homeless person exemption.** Sales of tangible personal property to a nonprofit organization exempt from income taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C. Section 501(c)(3), which is 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 ~~five hundred thousand (500,000)~~ 500,000 persons according to the latest Federal Decennial Census are exempt from sales tax.

(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at www.tax.ok.gov

along with supporting documentation as follows:

(1) A letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U.S.C. Section 501(c)(3); and

(2) Documentation showing that the organization was established to provide services to homeless persons during the day and is located in a metropolitan area with a population in excess of ~~five hundred thousand (500,000)~~ 500,000 persons according to the latest Federal Decennial Census. Also, a written description of the services of the organization, as may be evidenced by copies of:

(A) Articles of incorporation;

(B) By-laws;

(C) Brochure; or

(D) Notarized letter from the President or Chairman of the organization.

(c) **Exemption limited to eligible, properly-documented transactions.** Only those purchases actually purchased by the organization, invoiced to the organization, and paid for by funds or check directly from the organization, will qualify for the exemption described in this Section.

(d) **Purchases by contractors.** ~~Purchases of tangible personal property by a contractor, as defined by 68 O.S. Section 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, who performs improvements to real property for organizations which qualify for the exemption from sales tax on their purchases described in this Section may **~~not~~** purchase tangible personal property or services to perform the contract exempt from sales tax under the exemption provided by statute to the qualified organizations.

710:65-13-345. Exemption for tax exempt organizations, which provide funding for the preservation of wetlands or habitats for wild ducks or preservation and conservation of wild turkeys

(a) **Qualifications for exemption.** Sales of tangible personal property or services are exempt from sales tax when made to or by an organization exempt from income taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C. Section 501(c)(3), for events the principal purpose of which is to provide funding for the preservation of wetlands and habitats for wild ducks or preservation and conservation of wild turkeys.

(b) **Exemption limited to eligible, properly-documented transactions.** Only those purchases or sales which are made for an event, the principal purpose of which is to provide funding for the preservation of wetlands and habitats for wild ducks and/or the preservation and conservation of wild turkeys will qualify for the exemption described in this Section.

(c) **Application process.** Application is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at www.tax.ok.gov, along with the following information:

(1) Letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U.S.C. § 501(c)(3); and,

(2) A written description stating the activities of the organization, as evidenced by copies of:

(A) Articles of incorporation;

(B) By-laws;

(C) Brochure; or,

(D) Notarized letter from the President or Chairman of the organization.

(d) **Purchases by contractors.** ~~Purchase of taxable personal property or services by a contractor, as defined by 68 O.S. § 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, may ~~not~~ purchase tangible personal property or services to perform contracts with qualifying organizations enumerated in ~~68 O.S. §1356(55) & (56)~~ 68 O.S. § 1356(B)(55) & (B)(56) exempt from sales tax.

710:65-13-346. Exemption for tax exempt organizations which are a part of a network of community-based, autonomous member organizations providing job training and employment services

(a) **Qualifications for exemption.** Sales of tangible personal property or services are exempt from sales tax when made to an organization, exempt from income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code, which is a part of a network of community-based, autonomous member organizations provided that the organization meets the following criteria;

(1) Serves people with workplace disadvantages and disabilities by providing job training and employment services, as well as job placement opportunities and post-employment support,

(2) Has locations in the United States and at least twenty other countries,

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

(4) Provides documentation to the Oklahoma Tax Commission that over ~~seventy-five percent (75%)~~ 75% of its revenues are channeled into employment, job training and placement programs and other critical community services.

(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at www.tax.ok.gov along with supporting documentation as follows:

(1) Letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U.S.C. Section 501(c)(3);

(2) A written description stating the activities of the organization which shows that the applicant meets the criteria set out in subsection (a) above as evidenced by copies of:

(A) Articles of incorporation;

(B) By-laws;

(C) Brochure; or

(D) Notarized letter from the President or Chairman of the organization.

(c) **Exemption limited to eligible, properly documented transactions.** Only sales of tangible personal property or services, purchased by the organization, invoiced to the organization, and paid for by funds or checks directly from the organization, will qualify for the exemption described in this Section.

(d) **Purchases by contractors.** ~~Purchases of tangible personal property or services by a contractor, as defined by 68 O.S. § 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, who performs improvements to real property for organizations which qualify for the exemption from sales tax on their purchases described in this Section may ~~**not**~~ purchase the tangible personal property or services to perform the contract exempt from sales tax under the exemption provided by statute to the qualified organizations.

710:65-13-347. Exemption for specialized facilities, which provide services for physically and mentally handicapped persons

(a) **Qualification for specialized facilities, which provide services for physically and mentally handicapped persons.** Sales of tangible personal property and services are exempt from sales tax when made to an organization exempt from income taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), which assists, trains, educates, and provides housing for physically and mentally handicapped persons provided that the organization receives at least ~~eighty-five percent (85%)~~ 85% of its annual budget from state or federal funds.

(b) **Application process.**

(1) **Application.** All "specialized facilities" shall file an Application/Intent to Qualify with the Commission. The Application/Intent to Qualify shall be on forms provided by the Commission and shall include, as attachments, the following information:

(A) Letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U.S.C. Section 501(c)(3);

(B) A written description stating the activities of the organization, as evidenced by copies of:

(i) Articles of incorporation;

(ii) By-laws;

(iii) Brochure; or

(iv) Notarized letter from the President or Chairman of the organization; AND

(C) Copy of the organization's annual budget representing that ~~eighty-five percent (85%)~~ 85% of its budget is from state or federal funds.

(2) **Review.** Upon receipt of the Application, the Application will be reviewed by the Commission for completeness and compliance with the exemption. The applicant will be notified of any action taken regarding the Application by the Commission.

(c) **Exemption limited to eligible, properly documented transactions.** The exemption will be administered as a refund to the qualified organization. To receive the benefit of the exemption, the qualified organization must pay the applicable sales tax at the time of purchase to the vendor. Only sales of tangible personal property or services, purchased by the organization, invoiced to the organization, and paid for by funds or check directly from the organization will qualify for the refund described in this Section.

(d) **Refund procedure.** To obtain a refund under this Section, the qualified organization must file within ~~one (1)~~ 1 year after the date of the sales transaction, a claim for a refund on forms provided by the Commission, along with invoices, and all receipts indicating the amount of state and local sales tax paid on sales exempt from tax under this section. Refund claims will be processed in the order of claims received by the Oklahoma Tax Commission. The sales tax qualifying for the exemption is limited to ~~One Hundred Seventy-five Thousand Dollars ($175,000.00)~~ $175,000 each fiscal year and timely filed claims that exceed that total amount of refunds payable will be barred.

(e) **Purchases by contractors.** ~~Purchases of tangible personal property or services by a contractor, as defined by 68 O.S. Section 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, who performs improvements to real property for qualified organizations may ~~**not**~~ purchase the tangible personal property or services to perform the contract exempt from sales tax under the exemption provided by this Section.

710:65-13-348. Limited exemption for qualified neighborhood watch organizations

(a) **Qualification for exemption.** Effective July 1, 2005, the first $2,000 of each calendar year's sales of tangible personal property or services, to, by, or for the benefit of a qualified neighborhood watch organization that is endorsed or supported by or working directly with a law enforcement agency with jurisdiction in the area in which the neighborhood watch organization is located are exempt from sales tax. For purposes of this exemption "**qualified neighborhood watch organization**" *means an organization that is a not-for-profit corporation under the laws of the State of Oklahoma that was created to help prevent criminal activity in an area*

through community involvement and interaction with local law enforcement and which is one of the first two thousand organizations which makes application to the Oklahoma Tax Commission for the exemption after March 29, 2006.~~[68 O.S. § 1356(53)]~~[68 O.S. § 1356(B)(53)]

(b) **Application process.** Only the first two thousand applications received by the Oklahoma Tax Commission are eligible for exemption. Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at www.tax.ok.gov along with supporting documentation as follows:

(1) Documentation showing that the organization is a not-for profit corporation under the laws of Oklahoma established to help prevent criminal activity in a specific area through community involvement and interaction with local law enforcement, as may be evidenced by copies of one or more of the following:

(A) Articles of incorporation;

(B) By-laws;

(C) Other documents that show the intent of the incorporators at the time of incorporation.

(2) Documentation showing that the organization is either endorsed, supported by or working directly with a law enforcement agency that has jurisdiction in the area where the neighborhood watch is located. Documentation may consist of membership lists, notices or minutes of meetings or letters from the applicable law enforcement agencies concerning their support, endorsement or involvement with the organization.

(3) A description of the boundaries of the area in which the neighborhood watch organization is located.

(4) The name and address of the person representing the organization to whom the exemption card will be mailed and who will be responsible for keeping track of the sales made to, by, or for the benefit of the organization so that the annual limit of $2,000 will not be exceeded by the organization.

(c) **Exemption limited to eligible, properly-documented transactions.** Only the first $2,000 of either sales to, by or on behalf of the organization are exempt. The organization must keep accurate records to enable it to properly document the exemption. The exemption documentation that vendors are required to obtain on purchases to, or for the benefit of the organization is set out in 710:65-7-17.

(d) **Purchases by contractors.** ~~Purchases of tangible personal property or services by a contractor, as defined by 68 O.S. § 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, who performs improvements to real property for organizations which qualify for the exemption from sales tax on their purchases described in this Section may ~~**not**~~ purchase tangible personal property or services to perform the contract exempt from sales tax under the exemption provided by statute to the qualified organizations.

(e) **Review and determination.** Upon receipt of the application, the Commission will review and make a determination as to the applicant's eligibility. Upon approval, an exemption card will be sent to the applicant.

(f) **Denial of exemption; cancellation, suspension, revocation of exemption card.** The exemption may be denied, and the exemption card cancelled, suspended, or revoked by the Commission for non-compliance with the provisions of this Section, with applicable Oklahoma tax statutes, or for other good cause shown. Proceedings related to the cancellation or refusal to issue a certification pursuant to this Section shall be governed by 710:1-5-100 and 710:1-5-21 through 710:1-5-49 of the permanent rules of the Commission.

710:65-13-350. Exemption for Daughters of the American Revolution

(a) **General provisions.** Sales of tangible personal property or services to or by the Daughters of the American Revolution are exempt from sales tax.

(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at www.tax.ok.gov along with supporting documentation as follows:

(1) Written confirmation that the applicant is currently recognized as an Oklahoma chapter of the Daughters of the American Revolution; and

(2) A written description stating the activities of the organization, as evidenced by copies of:

(A) Articles of incorporation;

(B) By-laws;

(C) Brochure; or

(D) Notarized letter from the President or Chairman of the organization.

(c) **Exemption limited to eligible, properly-documented transactions.** Only property or services actually purchased by the organization, invoiced to the organization, and paid for by funds or check directly from the organization, will qualify for the exemption described in this Section.

(d) **Purchases by contractors.** ~~Purchases of taxable personal property or services by a contractor, as defined by 68 O.S. Section 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, who performs improvements to real property for organizations which qualify for the exemption from sales tax on their purchases described in this Section may ~~**not**~~ purchase tangible personal property or services to perform the contract exempt from sales tax under the exemption provided by statute to the qualified organizations.

710:65-13-351. Exemption for Veterans of Foreign Wars, Department of Oklahoma, Inc. and subordinate posts

(a) **General provisions.** Sales of tangible personal property or services to or by the Veterans of Foreign Wars, Department of Oklahoma, Inc. and its subordinate posts are exempt from sales tax.

(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at www.tax.ok.gov along with supporting documentation as follows:

(1) A letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U. S. C. § 501(c)(19);

(2) Written confirmation that the applicant is currently recognized as a post of the Veterans of Foreign Wars, Department of Oklahoma, Inc.; and

(3) A written description stating the activities of the organization, as evidenced by copies of:

(A) Articles of incorporation;

(B) By-laws;

(C) Brochure; or

(D) Notarized letter from the President or Chairman of the organization.

(c) **Exemption limited to eligible, properly-documented transactions.** Only property or services actually purchased by the organization, invoiced to the organization, and paid for by funds or check directly from the organization, will qualify for the exemption described in this Section.

(d) **Purchases by contractors.** ~~Purchases of taxable personal property or services by a contractor, as defined by 68 O.S. Section 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, who performs improvements to real property for organizations which qualify for the exemption from sales tax on their purchases described in this Section may ~~**not**~~ purchase tangible personal property or services to perform the contract exempt from sales tax under the exemption provided by statute to the qualified organizations.

710:65-13-352. Exemption for YWCA or YMCA organizations

(a) **General provisions.** Sales of tangible personal property or services to or by YWCA or YMCA organizations are exempt from sales tax.

(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at www.tax.ok.gov along with supporting documentation as follows:

(1) Written confirmation that the applicant is currently recognized as part of a national nonprofit community service organization meeting the health and social service needs of its members; and

(2) A written description stating the activities of the organization, as evidenced by copies of:

(A) Articles of incorporation;

(B) By-laws;

(C) Brochure; or

(D) Notarized letter from the President or Chairman of the organization.

(c) **Exemption limited to eligible, properly-documented transactions.** Only property or services actually purchased by the organization, invoiced to the organization, and paid for by funds or check directly from the organization, will qualify for the exemption described in this Section.

(d) **Purchases by contractors.** ~~Purchases of taxable personal property or services by a contractor, as defined by 68 O.S. Section 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, who performs improvements to real property for organizations which qualify for the exemption from sales tax on their purchases described in this Section may ~~**not**~~ purchase tangible personal property or services to perform the contract exempt from sales tax under the exemption provided by statute to the qualified organizations.

710:65-13-353. Exemption for organizations primarily engaged in providing educational services and programs concerning health-related diseases and conditions

(a) **Qualification for organizations primarily engaged in providing educational services and programs concerning health-related diseases and conditions exemption.** Sales of tangible personal property or services to an organization primarily engaged in providing educational services and programs concerning health-related diseases and conditions to individuals suffering from such health-related diseases and conditions, their caregivers and family members, or in health-related research of such diseases and conditions, or both, are exempt from sales tax. However, in order to qualify, 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.

(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at www.tax.ok.gov along with supporting documentation as follows:

(1) A letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U. S. C. § 501(c)(3);

(2) Proof of membership in a tax-exempt organization primarily engaged in advancing the purposes of its member organization, including a description of the activities of the membership organization; and

(3) Documentation showing that the organization is primarily engaged either in providing educational services, programs or support concerning health-related diseases and conditions to individuals suffering from such diseases or their caregivers and family members and or health-related research of such diseases or conditions, along with a written description of the activities of the organization, as may be evidenced by copies of one or more of the following:

(A) Articles of incorporation;

(B) By-laws;

(C) Brochure; or

(D) Notarized letter from the President or Chairman of the organization.

(c) **Exemption limited to eligible, properly-documented transactions.** Only property or services actually purchased by the organization, invoiced to the organization, and paid for by funds or check directly from the organization, will qualify for the exemption described in this Section.

(d) **Purchases by contractors.** ~~Purchases of taxable personal property or services by a contractor, as defined by 68 O.S. Section 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, who performs improvements to real property for organizations which qualify for the exemption from sales tax on their purchases described in this Section may ~~**not**~~ purchase tangible personal property or services to perform the contract exempt from sales tax under the exemption provided by statute to the qualified organizations.

710:65-13-354. Exemption for organizations whose purpose is to provide training and education to developmentally disabled persons

(a) **Qualification for organizations whose purpose is to provide training and education to developmentally disabled persons.** Sales to or by qualifying organizations of tangible personal property and services to be used exclusively for charitable or educational purposes are exempt from sales tax. To qualify an organization must be exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code; must have filed a Not-for-Profit Certificate of Incorporation in Oklahoma, and must be 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.

(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at www.tax.ok.gov along with supporting documentation as follows:

(1) A letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U. S. C. § 501(c)(3);

(2) Proof of Not-for-Profit Certificate of Incorporation in Oklahoma; and

(3) Documentation showing that the organization 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, along with a written description of the activities of the organization, as may be evidenced by copies of one or more of the following:

(A) Articles of incorporation;

(B) By-laws;

(C) Brochure; or

(D) Notarized letter from the President or Chairman of the organization which states the services provided by the organization.

(c) **Purchases by contractors.** ~~Purchases of taxable personal property or services by a contractor, as defined by 68 O.S. Section 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, may ~~not~~ purchase tangible personal property or services to perform contracts with qualifying organizations exempt from sales tax.

710:65-13-355. Exemption for shelters for abused, neglected, or abandoned children from birth to age eighteen

(a) **Qualification for shelters for abused, neglected, or abandoned children from birth to age eighteen.** Sales of tangible personal property and 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.

(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at www.tax.ok.gov along with supporting documentation as follows:

(1) A letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U. S. C. § 501(c)(3); and

(2) Documentation showing that the organization is a shelter for abused, neglected, or abandoned children from birth to age eighteen.

(3) A written description of the activities of the organization, as may be evidenced by copies of one or more of the following:

(A) Articles of incorporation;

(B) By-laws;

(C) Brochure;

(D) Intake documents or other forms used to obtain information from clients which specifically reflect age of children and reason for being sheltered; or

(E) Notarized letter from the President or Chairman of the organization which states the services provided by the organization.

(c) **Exemption limited to eligible, properly-documented transactions.** Only sales of goods or services actually purchased by the organization, invoiced to the organization, and paid for by funds or check directly from the organization, will qualify for the exemption described in this Section.

(d) **Purchases by contractors.** ~~Purchases of taxable personal property or services by a contractor, as defined by 68 O.S. Section 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, may ~~not~~ purchase tangible personal property or services to perform contracts with qualifying organizations exempt from sales tax.

710:65-13-359. Nonprofit foundations supporting NRA and other like organizations

(a) **Qualifications for exemption.** Sales 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 are exempt from sales tax.

(b) **Application process.** Application is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at www.tax.ok.gov, along with the following information:

(1) A letter from the Internal Revenue Service (IRS) recognizing the foundation or organization as exempt from federal income taxation pursuant to 26 U.S.C. § 501(c)(3); and

(2) A written description of the qualifying activities of the foundation or organization, as may be evidenced by copies of:

(A) Articles of incorporation;

(B) By-laws;

(C) Brochure; and

(D) Notarized letter from the President or Chairman of the foundation or organization.

(c) **Exemption limited to eligible, properly documented transactions.** Only property purchased by the foundation/organization, invoiced to the foundation/organization, and paid for by funds or check directly from the foundation/organization will qualify for the exemption described in this Section.

(d) **Purchases by contractors.** ~~Purchase of taxable personal property or services by a contractor, as defined by 68 O.S. § 1352, are taxable to the contractor. A~~Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, may ~~not~~ purchase tangible personal property or services to perform contracts with qualifying foundations/organizations enumerated in ~~68 O.S. §1356(74)(a)~~ 68 O.S. § 1356(B)(74)(a) exempt from sales tax.

710:65-13-362. Exemption for Boys & Girls Clubs of America affiliates

(a) **General provisions.** Sales of tangible personal property or services to any Boys & Girls Clubs of America affiliate in Oklahoma which is not affiliated with the Salvation Army and which is exempt from taxation pursuant to the Internal Revenue Code, 26 U.S.C. § 501(c)(3) are exempt from sales tax.

(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at tax.ok.gov along with supporting documentation as follows:

(1) Letter from the Internal Revenue Service recognizing the organization as exempt from federal income taxation pursuant to 26 U.S.C. § 501(c)(3); and

(2) Documentation verifying that the applicant club is not affiliated with the Salvation Army.

(c) **Exemption limited to eligible, properly-documented transactions.** Only property or services actually purchased by the organization, invoiced to the organization, and paid for by funds or check directly from the organization, will qualify for the exemption described in this Section.

(d) **Purchases by contractors.** ~~Purchases of taxable personal property or services by a contractor, as defined by 68 O.S. § 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, who performs improvements to real property for organizations which qualify for the exemption from sales tax on their purchases described in this Section may ~~not~~ purchase tangible personal property or services to perform the contract exempt from sales tax under the exemption provided by statute to the qualified organizations.

710:65-13-363. Exemption for the National Guard Association of Oklahoma

(a) **General provisions.** Effective July 1, 2018, sales of tangible personal property or services to or by an association which is exempt from taxation pursuant to 26 U.S.C. § 501(c)(19) and which is known as the National Guard Association of Oklahoma are

exempt from sales tax.

(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at www.tax.ok.gov along with supporting documentation as follows:

(1) A letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U.S.C. § 501(c)(19); and

(2) Written confirmation that the applicant is currently recognized as the National Guard Association of Oklahoma.

(c) **Exemption limited to eligible, properly-documented transactions.** Only property or services actually purchased by the organization, invoiced to the organization, and paid for by funds or check directly from the organization, will qualify for the exemption described in this Section.

(d) **Purchases by contractors.** ~~Purchases of taxable personal property or services by a contractor, as defined by 68 O.S. § 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, who performs improvements to real property for organizations which qualify for the exemption from sales tax on their purchases described in this Section may ~~**not**~~ purchase tangible personal property or services to perform the contract exempt from sales tax under the exemption provided by statute to the qualified organizations.

710:65-13-364. Exemption for the Marine Corps League of Oklahoma

(a) **General provisions.** Effective July 1, 2018, sales of tangible personal property or services to or by an association which is exempt from taxation pursuant to 26 U.S.C. § 501(c)(4) and which is known as the Marine Corps League of Oklahoma are exempt from sales tax.

(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at www.tax.ok.gov along with supporting documentation as follows:

(1) A letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U.S.C. § 501(c)(4); and

(2) Written confirmation that the applicant is currently recognized as the Marine Corps League of Oklahoma.

(c) **Exemption limited to eligible, properly-documented transactions.** Only property or services actually purchased by the organization, invoiced to the organization, and paid for by funds or check directly from the organization, will qualify for the exemption described in this Section.

(d) **Purchases by contractors.** ~~Purchases of taxable personal property or services by a contractor, as defined by 68 O.S. § 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, who performs improvements to real property for organizations which qualify for the exemption from sales tax on their purchases described in this Section may ~~**not**~~ purchase tangible personal property or services to perform the contract exempt from sales tax under the exemption provided by statute to the qualified organizations.

710:65-13-365. Exemption for tax exempt organizations who operate as a collaborative model which connects community agencies to serve individuals and families affected by violence

(a) **Qualifications for exemption.** Effective November 1, 2017, sales of tangible personal property or services are exempt from sales tax when made to an organization exempt from income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code that operates as a collaborative model which connects community agencies in one location to serve individuals and families affected by violence and where victims have access to services and advocacy at no cost to the victim. For the purposes of this paragraph, **"at no cost to the recipient"** means at no cost to either the recipient or any unit of government, or any insurance company, or any other person or entity. Organizations which provide services on a "sliding scale" fee schedule do **not** qualify for the exemption.

(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at www.tax.ok.gov along with supporting documentation as follows:

(1) Letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U.S.C. Section 501(c)(3);

(2) A written description stating the activities of the organization which shows that the applicant meets the criteria set out in subsection (a) above as evidenced by copies of:

(A) Articles of incorporation;

(B) By-laws;

(C) Brochure; or

(D) Notarized letter from the President or Chairman of the organization.

(c) **Exemption limited to eligible, properly documented transactions.** Only sales of tangible personal property or services, purchased by the organization, invoiced to the organization, and paid for by funds or checks directly from the organization, will qualify for the exemption described in this Section.

(d) **Purchases by contractors.** ~~Purchases of tangible personal property or services by a contractor, as defined by 68 O.S. § 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor who performs improvements to real property for organizations which qualify for the exemption from sales tax on their purchases described in this Section may ~~**not**~~ purchase the tangible personal

property or services to perform the contract exempt from sales tax under the exemption provided by statute to the qualified organizations.

710:65-13-366. Exemption for tax exempt organization who is an official member of the Fab Lab Network

(a) **Qualifications for exemption.** Effective November, 1, 2019, sales of tangible personal property or services are exempt from sales tax when made to, or by, an organization which is exempt from taxation pursuant to 26 U.S.C., Section 501(c)(3), who is an official member of the Fab Lab Network in compliance with the Fab Charter as verified by a letter from the MIT Fab Foundation and whose primary and principal purpose is to provide community access to advanced 21st century manufacturing and digital fabrication tools for science, technology, engineering, art and math ("STEAM") learning skills, developing inventions, creating and sustaining businesses and producing personalized products.

(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at www.tax.ok.gov along with supporting documentation as follows:

(1) Letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U.S.C. Section 501(c)(3).

(2) A written description stating the activities of the organization which shows the applicant meets the criteria set out in subsection (a) above as evidenced by copies of:

(A) Articles of incorporation;

(B) By-laws;

(C) Brochure;

(D) Letter from the MIT Fab Foundation verifying the organization is an official member of the Fab Lab Network and in compliance with the Fab Charter.

(c) **Exemption limited to eligible, properly documented transactions.** Only sales of tangible personal property or services, purchased by the organization, invoiced to the organization, and paid for by funds or checks directly from the organization, will qualify for the exemption described in this Section.

(d) **Purchases by contractors.** ~~Purchases of tangible personal property or services by a contractor, as defined by 68 O.S. § 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, who performs improvements to real property for organizations which qualify for the exemption from sales tax on their purchases described in this Section may ~~**not**~~ purchase the tangible personal property or services to perform the contract exempt from sales tax under the exemption provided by statute to the qualified organizations.

710:65-13-367. Exemption for the American Legion

(a) **Qualifications for exemption.** Sales of tangible personal property or services are exempt from sales tax when made to the American Legion, whether the purchase is made by the entity charterd by the United States Congress or is an entity organized under the laws of this or another state pursuant to the authority of the national American Legion organization.

(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E, available online at www.tax.ok.gov along with supporting documentation as follows:

(1) Documentation that the applicant is the entity chartered as the American Legion by the U.S. Congress;

(2) Proof the applicant is organized under the laws of Oklahoma or another state pursuant to the authority of the national American Legion organization;

(3) Written confirmation the applicant is currently recognized as an organization of the American Legion.

(c) **Exemption limited to eligible, properly documented transactions.** Only sales of tangible personal property or services, purchased by the organization, invoiced to the organization, and paid for by funds or checks directly from the organization, will qualify for the exemption described in this Section.

(d) **Purchases by contractors.** ~~Purchases of tangible personal property or services by a contractor, as defined by 68 O.S. § 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, who performs improvements to real property for organizations which qualify for the exemption from sales tax on their purchases described in this Section may ~~**not**~~ purchase the tangible personal property or services to perform the contract exempt from sales tax under the exemption provided by statute to the qualified organizations.

710:65-13-368. Exemption for nonprofit organizations that construct, remodel and sell affordable housing

(a) **Qualifications for exemption.** Effective November 1, 2021, sales of tangible personal property or services used solely for construction and remodeling projects are exempt from sales tax when made to an organization exempt from income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code which meets the following requirements:

(1) Its primary purpose is to construct or remodel and sell affordable housing and provide homeownership education to residents of Oklahoma that have an income below ~~one hundred percent (100%)~~ 100% of the Family Median Income guidelines as defined by the U.S. Department of Housing and Urban Development,

(2) Conducts its activities in a manner that serves public or charitable purposes, rather than commercial purposes,

(3) Receives funding and revenue and charges fees in a manner that does not incentivize it or its employees to act other than in the best interest of its clients, and

(4) Compensates its employees in a manner that does not incentivize employees to act other than in the best interest of its clients.

(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E available online at www.tax.ok.gov along with supporting documentation as follows:

(1) Letter from the Internal Revenue Service recognizing the organization as exempt from federal income taxation pursuant to 26 U.S.C. Section 501(c)(3); and

(2) A written description stating the activities of the organization which shows that the applicant meets the criteria set out in subsection (a) above as evidenced by copies of:

(A) Articles of incorporation;

(B) By-laws;

(C) Brochure; or

(D) Notarized letter from the President or Chairman of the organization.

(c) **Exemption limited to eligible, properly documented transactions.** Only sales of tangible personal property or services, purchased by the organization, invoiced to the organization, and paid for by funds or checks directly from the organization, will qualify for the exemption described in this Section.

(d) **Purchases by contractors.** ~~Purchases of tangible personal property or services by a contractor, as defined by 68 O.S. § 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, who performs improvements to real property for organizations which qualify for the exemption from sales tax on their purchases described in this Section may ~~not~~ purchase the tangible personal property or services to perform the contract exempt from sales tax under the exemption provided by statute to the qualified organizations.

710:65-13-369. Exemption for nonprofit organizations restoring single family housing following a disaster

(a) **General provisions.** Sales of tangible personal property or services to a nonprofit entity, organized pursuant to Oklahoma law before January 1, 2022, exempt from federal income taxation pursuant to Section 501(c) of the Internal Revenue Code of 1986, as amended, the principal functions of which are to provide assistance to natural persons following a disaster, with program emphasis on repair or restoration to single-family residential dwellings or the construction of a replacement single-family residential dwelling. As used in this Section, "disaster" means damage to property with or without accompanying injury to persons from heavy rain, high winds, tornadic winds, drought, wildfire, snow, ice, geologic disturbances, explosions, chemical accidents or spills and other events causing damage to property on a large scale. For purposes of this exemption, an entity that expended at least 75% of its funds on the restoration to single-family housing following a disaster, including related general and administrative expenses, shall be eligible for the exemption authorized by this Section.

(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E available online at www.tax.ok.gov along with supporting documentation as follows:

(1) Letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U.S.C. Section 501(c)(3);

(2) A written description stating the activities of the organization which shows that the applicant meets the criteria set out in subsection (a) above as evidenced by copies of:

(A) Articles of incorporation;

(B) By-laws;

(C) Brochure; or

(D) Notarized letter from the President or Chairman of the organization; and

(3) A copy of an audit, income tax informational return or financial statement which demonstrates that for the last fiscal year end before application that at least 75% of the applying organization's funds were expended on the restoration to single family housing following a disaster including related general and administrative expenses.

(c) **Exemption limited to eligible, properly documented transactions.** Only sales of tangible personal property or services, purchased by the organization, invoiced to the organization, and paid for by funds or checks directly from the organization, will qualify for the exemption described in this Section.

(d) **Purchases by contractors.** ~~Purchases of tangible personal property or services by a contractor, as defined by 68 O.S. § 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, who performs improvements to real property for organizations which qualify for the exemption from sales tax on their purchases described in this Section may ~~not~~ purchase the tangible personal property or services to perform the contract exempt from sales tax under the exemption provided by statute to the qualified organizations.

710:65-13-370. Exemption for non-accredited museums [REVOKED]

~~(a) **General provisions.** Effective November 1, 2021 through December 31, 2024, sales of tangible personal property or services to a museum that operates as part of an organization which is exempt from taxation pursuant 26 U.S.C., § 501(c)(3) and is not~~

~~accredited by the American Alliance of Museums are exempt from sales and use tax. To qualify, the described entities must operate on an annual budget of less than One Million Dollars ($1,000,000.00). [**See**: 68 O.S. § 1356]~~

~~(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E available online at www.tax.ok.gov along with supporting documentation as follows:~~

~~(1) Letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U.S.C. § 501(c)(3);~~

~~(2) A written description stating the activities of the organization which shows that the applicant operates within the organization as a museum as evidenced by copies of:~~

~~(A) Articles of incorporation;~~

~~(B) By-laws;~~

~~(C) Brochure; or,~~

~~(D) Notarized letter from the President or Chairman of the organization; and~~

~~(3) A copy of an audit, income tax informational return, or other financial statement which demonstrates the organization's annual budget is less than One Million Dollars ($1,000,000.00).~~

~~(c) **Exemption limited to eligible, properly documented transactions.** Only sales of goods or services purchased by the organization, invoiced to the organization, and paid for by funds or check directly from the organization will qualify for the exemption described in this Section.~~

~~(d) **Purchases by contractors.** Purchases of taxable personal property or services by a contractor, as defined by 68 O.S. § 1352, are taxable to the contractor. A contractor who performs improvements to real property for "non-accredited museums" may **not** purchase the tangible personal property or services used to perform the contract exempt from sales tax under the exemption provided by statute to "non-accredited museums".~~

710:65-13-371. Exemption for Oklahoma Women Veterans Organization and Subchapters

(a) **General provisions.** *Sales of tangible personal property or services to or by a women's veteran's organization, and its subchapters in Oklahoma, that is exempt from taxation pursuant to 26 U.S.C., § 501(c)(19) and is known as the Oklahoma Women Veterans Organization* are exempt from sales tax. ~~[68 O.S. § 1356(85)]~~[68 O.S. § 1356(B)(85)]

(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E available online at www.tax.ok.gov along with supporting documentation as follows:

(1) Letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U.S.C. § 501(c)(19); and,

(2) Written confirmation that the applicant is currently recognized as the Oklahoma Women Veterans Organization or a subchapter thereof.

(c) **Exemption limited to eligible, properly documented transactions.** Only sales of goods or services purchased by the organization, invoiced to the organization, and paid for by funds or check directly from the organization will qualify for the exemption described in this Section.

(d) **Purchases by contractors.** ~~Purchases of taxable personal property or services by a contractor, as defined by 68 O.S. § 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, who performs improvements to real property for organizations which qualify for the exemption from sales tax on their purchases described in this Section may ~~**not**~~ purchase the tangible personal property or services to perform the contract exempt from sales tax under the exemption provided by statute to the qualified organizations.

710:65-13-372. Exemption for nonprofit organizations that provide support to veterans, active duty members of the Armed Forces, reservists and members of the National Guard

(a) **General provisions.** *Sales of tangible personal property or services to an organization that is exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), and which provides support to veterans, active duty members of the Armed Forces, reservists and members of the National Guard to assist with the transition to civilian life, and that provides documentation to the Tax Commission that over 70% of its revenue is expended on support for transition to civilian life* are exempt from sales tax. ~~[68 O.S. § 1356(84)]~~[68 O.S. § 1356(B)(84)]

(b) **Application process.** Application for exemption is made by submitting to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City, OK 73194, a completed Form 13-16-A, contained in Packet E available online at www.tax.ok.gov along with supporting documentation as follows:

(1) Letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U.S.C. § 501(c)(3);

(2) A written description stating the activities of the organization which shows that the applicant meets the criteria set out in subsection (a) of this Section as evidenced by copies of:

(A) Articles of incorporation;

(B) By-laws;

(C) Brochure; or

(D) Notarized letter from the President or Chairperson of the organization; and

(3) A copy of an audit, income tax informational return or financial statement which demonstrates that for the last fiscal year end before application that over 70% of the applying organization's funds were expended on the support for veterans, active duty members of the Armed Forces, reservists and members of the National Guard to assist with the transition to civilian life.

(c) **Exemption limited to eligible, properly documented transactions.** Only sales of goods or services purchased by the organization, invoiced to the organization, and paid for by funds or check directly from the organization will qualify for the exemption described in this Section.

(d) **Purchases by contractors.** ~~Purchases of taxable personal property or services by a contractor, as defined by 68 O.S. § 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, who performs improvements to real property for organizations which qualify for the exemption from sales tax on their purchases described in this Section may ~~**not**~~ purchase the tangible personal property or services to perform the contract exempt from sales tax under the exemption provided by statute to the qualified organizations.

710:65-13-373. Organizations providing school supplies for underserved students

(a) **General provisions.** Sales to or by a 501(c)(3) nonprofit whose principal purpose is to provide school supplies or clothing for underserved pre-K through 12th grade public school students in Oklahoma are exempt from sales tax.[See: 68 O.S. § 1356]

(b) **Application process.** To apply for this sales tax exemption permit, a completed Form 13-16-A must be mailed to the Oklahoma Tax Commission, Business Tax Services Division, Oklahoma City, OK 73194, along with all required documentation. Form 13-16-A is included in Packet E, which may be found online at tax.ok.gov. The following documentation must be included with the application at the time of submission:

(1) A letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U.S.C. § 501(c)(3); and,

(2) Documentation which shows the applicant meets the criteria set out in subsection (a) above as evidenced by copies of:

(A) Articles of incorporation;

(B) By-laws;

(C) Brochure; or,

(D) Notarized letter from the President or Chairman of the organization.

(c) **Exemption limited to eligible, properly documented transactions.** Only sales or purchases of the organization are exempt. The organization must keep accurate records to enable it to properly document the exemption on its purchases and to know when it is required to charge sales tax on its sales. If sales tax is collected by the organization on sales which could have been exempt under the provisions of this Section, the sales tax must be remitted to the Oklahoma Tax Commission. Only those purchases actually purchased by the organization, invoiced to the organization, and paid for by funds or check directly from the organization, will qualify for the exemption described in this Section.

(d) **Purchases by contractors.** ~~Purchase of tangible personal property or services by a contractor, as defined by 68 O.S. § 1352, are taxable to the contractor. A~~ Effective November 1, 2026, a contractor, as defined by 68 O.S. § 1352, may ~~not~~ purchase tangible personal property or services to perform contracts with qualifying organizations exempt from sales tax.