

OKLAHOMA TAX COMMISSION
**TAX EXPENDITURE
REPORT**



OKLAHOMA
Tax Commission

2025-2026

PREPARED BY THE TAX POLICY DIVISION
OF THE OKLAHOMA TAX COMMISSION

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I. INTRODUCTION

The following report is the 18th issue of the Oklahoma Tax Expenditure Report prepared by the Tax Policy Division of the Oklahoma Tax Commission pursuant to 68 O.S. § 205(E). The report is published no later than October 1st of each even-numbered year. It includes the Tax Commission's best estimate of the amount of state revenue that would have been collected during the previous tax year, or the most recent tax year with complete data, but for the existence of each exclusion, deduction, credit, exemption, deferral, or other preferential tax treatment allowed by law.

The provisions of state tax law that fall within the definition of a "tax expenditure" are separated by tax type, with the applicable statutory provisions provided for reference. 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 reliability categories are as follows:

Level 1: Estimate based on information included in actual tax returns. The data are based on information reported on tax returns, some of which have been verified for accuracy. This is the highest level of reliability.

Level 2: Estimate based on a projection from a composite of a fraction of returns filed or the average amount of collections for the particular tax type involved.

Level 3: Estimate based on secondary data sources, such as other agencies, industry sources, or national reports.

The estimates presented in this report are *not* intended to represent the amount of revenue that could be realized through the repeal or elimination of a particular tax expenditure. Several factors should be considered when reviewing the estimates:

- **Timing and carryforward provisions.** Many income tax credits may be claimed over multiple years or carried forward when a taxpayer does not have sufficient tax liability to utilize the entire credit. Additionally, certain tax expenditures apply for a specified number of years and may continue to affect tax liability after the law has sunset or has been repealed.
- **Behavioral changes.** The estimates do not account for changes in taxpayer behavior that may occur if a tax expenditure were eliminated or modified.
- **Interaction among tax expenditures.** Each tax expenditure is estimated independently. A taxpayer may qualify for tax reductions under multiple provisions; therefore, eliminating one tax expenditure may increase utilization of another.
- **Collection of tax liability.** The estimates do not account for circumstances in which the full amount of a taxpayer's potential tax liability may not be collectible for various reasons.

All estimates given are rounded to the nearest thousand dollars and estimates less than \$25,000 are listed as "Minimal," unless a Level 1 estimate is available. Expenditures for which data resources are not available are reported as "Information Unavailable" in place of an estimate. The Commission will continue to strive to provide an estimate for these expenditures in subsequent reports.

For the 2025-26 report, the Tax Commission revised its methodology for estimating certain sales and use tax expenditures. Estimates previously derived from the 1996 OU/OSU study are no longer used due to the age of the underlying data. Additional information regarding the revised methodology is provided in the Sales and Use Taxes section of this report.

This report is not intended to establish or propose 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 brief overview and is not intended to provide a comprehensive or specific explanation of the applicable tax expenditure.

Note on certain tax types not included in this report:

Ad valorem tax is a local revenue source and, therefore, 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. Accordingly, ad valorem tax expenditures are not included in this report.

Motor vehicle excise tax and registration fees, aircraft excise tax and registration fees, and boat and outboard motor excise taxes are administered by Service Oklahoma following the transfer of motor vehicle services from the Oklahoma Tax Commission. Therefore, expenditure data are not available within Oklahoma Tax Commission records, and a review of these expenditures is not included in this report.

II. INCOME TAX

A. 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. Unless indicated otherwise, the following credits are nonrefundable, nontransferable, and have no carryover provisions.

The following expenditure estimates reflect income tax filings for the 2024 tax year, unless otherwise noted. Since the last expenditure report, some income tax credits have been repealed or allowed to sunset; those that had provisions allowing for the carryover of unused credits are reflected in this report, while those without carryover provisions are not included.

1. Low Income Sales Tax Relief

Statute: 68 O.S. § 1370.3

Estimate: \$0

Data Source: Income Tax Returns

Reliability: 1

Description: A refundable income tax credit of \$40 per personal exemption for Oklahoma residents whose gross household income does not exceed \$12,000 per year. The credit is only available if sales tax is levied under 68 O.S. § 1370.2, which to date has not occurred.

(Note: This credit is separate from the Sales Tax Relief Credit under 68 O.S. § 5011.)

2. Taxes Paid to Another State

Statute: 68 O.S. § 2357

Estimate: \$56,333,000 / 35,132 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax credit for taxes paid to another state by resident individuals on income received as compensation for personal services in another state.

3. Child Care / Child Tax Credit

Statute: 68 O.S. § 2357

Estimate: \$42,681,000 / 341,497 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax credit for the greater of 20% of the federal childcare credit or 5% of the federal child tax credit authorized under the Internal Revenue Code. In both cases, federal adjusted gross income (AGI) cannot exceed \$100,000. This credit is for residents, part-year residents and non-resident military, subject to proration of Oklahoma to Federal AGI.

4. Oklahoma Investment / New Jobs Credit

Statute: 68 O.S. § 2357.4

Estimate: \$58,870,000 / 723 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax credit 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. Unused credits may be carried over indefinitely.

5. Venture Capital Investment

Statute: 68 O.S. § 2357.7

Estimate: \$2,857,000 / 43 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax credit for 20% of the amount of investments made in qualified venture capital companies. Any credit not utilized for the year of investment can be carried forward for 3 years. Unused credits are freely transferable for the same 3-year period.

6. Investments in Clean-Burning Motor Vehicle Fuel Property (Motor Vehicles)

Statute: 68 O.S. § 2357.22

Estimate: \$12,840,000 / 364 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: A credit for the purchase or conversion of qualified clean-burning motor vehicle fuel property. The amount of credit is limited to the lesser of the cost of the conversion equipment installed or the amount of the credit based on the weight of the vehicle. For a motor vehicle originally equipped with clean-burning fuel property, the amount of the credit is limited to the lesser of the portion of the basis of the motor vehicle that is attributable to the storage of such fuel, from combustion of such fuel, or the amount of the credit based on the weight of the vehicle. If unable to determine the exact portion of the basis that is attributable to such property, the credit is 10% of the cost of the motor vehicle, not to exceed \$1,500.

7. Investments in Clean-Burning Motor Vehicle Fuel Property (Infrastructure)

Statute: 68 O.S. § 2357.22

Estimate: \$2,324,000 / 160 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: A per-location credit of 45% of the cost of the qualified clean-burning motor vehicle fuel property for property directly related to the delivery of a qualified fuel into the fuel tank of a motor vehicle and the storage of such fuel or for a public access recharging system for vehicles propelled by electricity. A per-location credit equal to the lesser of \$2,500 or 50% of the cost of property which is directly related to the compression and delivery of natural gas from a private home or residence, for noncommercial purposes, into the fuel tank of a motor vehicle propelled by compressed natural gas.

8. Natural Disaster Tax Credit

Statute: 68 O.S. § 2357.29A

Estimate: \$67,000 / 281 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: A refundable income tax credit 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. The credit amount 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 5 consecutive years. After the first year the credit is claimed, the credit will be 80% of the previous year's credit.

9. Electricity Generated by Zero-Emission Facilities

Statute: 68 O.S. § 2357.32A

Estimate: \$21,409,000 / 43 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax credit based on the amount of electricity generated by a qualified zero-emission facility placed in service before July 1, 2017. The credit is available for 10 years after the qualified zero-emission facility is placed in service. Credits earned on or after January 1, 2014, are not transferable; any credit earned, but not used, is refundable in an amount equal to 85% of the amount of the credit.¹

10. Qualified Rehabilitation Expenditures

Statute: 68 O.S. § 2357.41

Estimate: \$7,193,000 / 65 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: A transferable income tax credit equal to 100% of the federal rehabilitation credit under 26 U.S.C. § 47. Unused credits may be carried over for 10 years.

11. Oklahoma Earned Income Tax Credit

Statute: 68 O.S. § 2357.43

Estimate: \$23,704,000 / 274,684 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: A refundable income tax credit equal to 5% of the tax year 2022 Federal Earned Income Tax Credit.

12. Donations to Biomedical Research Institute

Statute: 68 O.S. § 2357.45

Estimate: \$648,000 / 832 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax credit for donations to a qualified independent biomedical research institute. The credit is 50% of the amount donated, not to exceed \$1,000 for each taxpayer, \$2,000 for married taxpayers filing jointly, or \$25,000 for a legal business entity that is not treated as a disregarded entity for federal income tax purposes. Unused credits may be carried over for 4 years.

13. Donations to Cancer Research Institute

Statute: 68 O.S. § 2357.45

Estimate: \$92,000 / 393 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax credit for donations to a cancer research institute. The credit is 50% of the amount donated, not to exceed \$1,000 for each taxpayer, or \$2,000 for married taxpayers filing jointly. Unused credits may be carried over for 4 years.

¹ 68 O.S. § 2357.32A(D)(3) allows taxpayers the option of irrevocably electing to defer the payment of the tax credit refund for 10 years for any credits initially claimed on or after July 1, 2019.

14. Qualified Railroad Reconstruction or Replacement Expenditures

Statute: 68 O.S. § 2357.104

Estimate: \$4,555,000 / 15 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: A transferable income tax credit equal to 50% of qualified track improvement expenditures up to a cap of \$5,000 multiplied by the miles of railroad track owned or leased by that taxpayer within Oklahoma. Unused credits may be transferred and/or carried forward for 5 years following the year of qualification. The credit is capped at \$5 million per year.

15. Strategic Industrial Development Enhancement (SIDE) Credit

Statute: 68 O.S. § 2357.105

Estimate: Minimal

Description: An income tax credit for amounts invested in strategic industrial development enhancement (SIDE) projects, effective for tax years 2023 through 2032. The credit is allocated by the Oklahoma Department of Commerce to a qualifying project and is transferable. Credits allocated by Commerce may not exceed \$12 million per year.

16. Scholarship-Granting Organizations

Statute: 68 O.S. § 2357.206

Estimate: \$7,248,000 / 1,824 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax credit for 50% of the amount donated to a scholarship granting organization, not to exceed \$1,000 for each taxpayer, \$2,000 for married taxpayers filing jointly, or \$100,000 for a legal business entity that is not treated as a disregarded entity for federal income tax purposes. The total credit is capped at \$25 million per year. Unused credits may be carried over for 3 years.

17. Educational Improvement Grant Organizations

Statute: 68 O.S. § 2357.206

Estimate: \$1,148,000 / 150 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax credit for 50% of the amount donated to an educational improvement grant organization not to exceed \$1,000 for each taxpayer, \$2,000 for married taxpayers filing jointly, or \$100,000 for a legal business entity that is not treated as a disregarded entity for federal income tax purposes. The total credit is capped at \$25 million per year. Unused credits may be carried over for 3 years.

18. Public School Foundations or Public School Districts

Statute: 68 O.S. § 2357.206

Estimate: \$1,344,000 / 760 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax credit for 50% of the amount donated to a public school foundation or public school district not to exceed \$1,000 for each taxpayer, \$2,000 for married taxpayers filing jointly, or \$100,000 for a legal business entity that is not treated as a disregarded entity for federal income tax purposes. The total credit is capped at \$25 million per year. Unused credits may be carried over for 3 years.

19. Employers in the Aerospace Sector

Statute: 68 O.S. §§ 2357.302 & 2357.303

Estimate: \$717,000 / 64 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax credit for employers to reimbursement tuition and/or compensation paid to a qualified employee. The tuition credit is 50% of the tuition reimbursed to a qualified employee for the 1st through 4th years of employment. The compensation credit is 10% of the compensation paid for the 1st through 5th years of employment in the aerospace sector if the qualified employee graduated from an Oklahoma institution, or 5% if the qualified employee graduated from an out-of-state institution. Total compensation credit cannot exceed \$12,500 for each qualified employee annually.

20. Employees in the Aerospace Sector

Statute: 68 O.S. § 2357.304

Estimate: \$9,990,000 / 2,719 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax credit for employees of \$5,000 per year for 5 years. Unused credits may be carried over for 5 years.

21. Employers of Qualified Civil Engineers

Statute: 68 O.S. §§ 2357.322 & 2357.323

Estimate: Information Unavailable. This credit is effective beginning tax year 2026.

Description: An income tax credit for employers to reimburse tuition and/or compensation paid to a qualified employee. The tuition credit is 50% of the tuition reimbursed to a qualified employee for the 1st through 4th years of employment, and the compensation credit is 10% of the compensation paid for the 1st through 5th years of employment if the qualified employee graduated from an Oklahoma institution, or 5% if the qualified employee graduated from an out-of-state institution. Total compensation credit cannot exceed \$12,500 for each qualified employee annually.

22. Employees of Qualified Civil Engineers

Statute: 68 O.S. § 2357.324

Estimate: Information Unavailable. This credit is effective beginning tax year 2026.

Description: An income tax credit for employees of \$5,000 per year for 5 years. Unused credits may be carried over for 5 years.

23. Affordable Housing Tax Credit

Statute: 68 O.S. § 2357.403

Estimate: \$2,918,000 / 23 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax credit, equal to the amount of the federal low-income housing tax credit, but not to exceed \$4 million per allocation year, is allowed for qualified housing projects placed in service after July 1, 2015. Unused credits may be carried forward for 2 years.

24. Employers in the Vehicle Manufacturing Industry

Statute: 68 O.S. § 2357.404

Estimate: Minimal

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax credit for employers to reimburse tuition reimbursement and/or compensation paid to a qualified employee. The tuition credit is 50% of the tuition reimbursed to a qualified employee for the 1st through 4th years of employment, and the compensation credit is 10% of the compensation paid for the 1st through 5th years of employment in the vehicle manufacturing sector if the qualified employee graduated from an Oklahoma institution, or 5% if the qualified employee graduated from an out-of-state institution. The credit for compensation cannot exceed \$12,500 for each qualified employee annually. This credit sunset as of January 1, 2026.

25. Employees in the Vehicle Manufacturing Industry

Statute: 68 O.S. § 2357.404

Estimate: \$59,000 / 17 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax credit for employees of \$5,000 per year for 5 years. Unused credits may be carried over for 5 years. This credit sunset as of January 1, 2026.

26. Software or Cybersecurity Employee Credit

Statute: 68 O.S. § 2357.405

Estimate: \$2,678,000 / 1,372 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax credit for individuals employed as qualified software or cybersecurity employees effective for tax years 2020 through 2029. The credit is either \$2,200 or \$1,800, depending upon the employee's level of education and is available for no more than 7 years.

27. Verified Blood Donation Credit

Statute: 68 O.S. § 2357.406

Estimate: \$69,000 / 265 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax credit of \$20 for employers for each employee blood donation as part of a blood drive organized by an Oklahoma nonprofit blood donation organization in coordination with an employer(s). Total credits are capped at \$500,000 per year.

28. Faculty Preceptor Credit

Statute: 68 O.S. § 2357.409

Estimate: Information Unavailable. This credit is effective beginning tax year 2026.

Description: An income tax credit for faculty preceptors who conduct preceptorship rotations. The taxpayer must receive approval from the Health Care Workforce Training Commission. The credit amount varies based on the type of trainee and the number of completed rotations. Unused credits may be carried over for 5 years.

29. Firefighter Cancer Screening Credit

Statute: 68 O.S. § 2357.501

Estimate: Information Unavailable. This credit is effective beginning tax year 2026.

Description: An income tax credit of \$250 for unreimbursed expenses incurred by a firefighter for cancer-screening. Unused credits may be carried over for 5 years.

30. Adoption Expense Credit

Statute: 68 O.S. § 2357.601

Estimate: \$114,000 / 148 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: A refundable income tax credit for nonrecurring expenses paid by a resident individual taxpayer in connection with the adoption (or proposed adoption) of a minor. The credit is 10% of qualified expenses, not to exceed \$2,000 per year for single or married filing separate returns and \$4,000 per year for married filing joint returns. Effective tax year 2026, the credit is 15% of qualified expenses, not to exceed \$3,000 per year for single or married filing separate returns, and not to exceed \$6,000 per year for married filing joint, head of household, or qualifying widow(er) returns.

31. Caring for Caregivers Credit

Statute: 68 O.S. § 2357.801

Estimate: \$92,000 / 126 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax credit for 50% of eligible expenditures incurred by a family caregiver for the care and support of an eligible family member. The maximum credit per eligible family member is \$2,000, or, if a veteran or has a diagnosis of dementia, the maximum credit is \$3,000. Beginning tax year 2026, the maximum credit is \$3,000 per eligible family member.

32. Volunteer Firefighter Credit

Statute: 68 O.S. § 2358.7

Estimate: \$1,069,000 / 2,284 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax credit of \$300 or \$600 for a volunteer firefighter who completes annual continuing education, training, and certification requirements.

33. Small Business Guaranty Fee Credit

Statute: 68 O.S. § 2370.1

Estimate: \$423,000 / 11 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: Certain financial institutions, whose main office is in Oklahoma, may claim a tax credit against the "in lieu" tax in the amount of the guaranty fees the financial institution pays to the U.S. Small Business Administration under certain loan programs. Unused credits may be carried over for 5 years.

34. Low Income Property Tax Relief

Statute: 68 O.S. § 2907

Estimate: \$102,000 / 634 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: A refundable income tax credit for an Oklahoma taxpayer, head of household, at least 65 years old or totally disabled, with a gross household income not exceeding \$12,000. The credit is the amount of property tax that exceeds 1% of the household income, limited to a maximum credit of \$200.

35. Oklahoma Rural Jobs Credit

Statute: 68 O.S. § 3934

Estimate: \$11,000 / 12 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax credit for investments made in rural funds. Unused credits may be carried forward for 5 years.

36. Sales Tax Relief

Statute: 68 O.S. § 5011

Estimate: \$26,764,000 / 324,796 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: A refundable income tax credit of \$40 per qualified exemption for sales tax relief. Individuals must be domiciled in Oklahoma during the entire year, whose gross household income does not exceed \$20,000 for individuals and \$50,000 with a dependent, and are at least 65 years old, or have a physical disability constituting a substantial handicap to employment.

37. Electric Vehicle Charging Tax

Statute: 68 O.S. § 6510

Estimate: Information Unavailable

Description: An income tax credit for the amount of electric vehicle charging taxes paid. The credit cannot exceed the total amount of registration fees paid for electric and plug-in hybrid vehicles. Unused credits may be carried over for 5 years.

38. Parental Choice Tax Credit – Private School Credit

Statute: 70 O.S. § 28-101(C)(1)

Estimate: \$247,824,919 tax credits issued in FY 2026 / 39,242 Approved Applications²

Data Source: Tax Commission Records

Reliability: 1

Description: A refundable income tax credit for qualified expenses to support the education of eligible students in Oklahoma. The amount of the credit varies based on the amount of tuition and fees and the federal adjusted gross income of the parents or legal guardians of the eligible student. The maximum credits are \$250 million for fiscal year 2026 and \$275 million for fiscal year 2027 and subsequent fiscal years. The tax credit is pre-paid at the beginning of the school year and is not claimed on the tax return.

39. Parental Choice Tax Credit – Homeschool Credit

Statute: 70 O.S. § 28-101(C)(2)

Estimate: \$3,588,881 in tax credits in Tax Year 2024 / 2,716 returns

Description: An income tax credit for qualified expenses paid by an Oklahoma taxpayer for the homeschool education of an eligible student. The amount of the credit is 100% of qualified expenses, not to exceed \$1,000 per eligible student per tax year. For tax year 2025, and subsequent tax years, the total amount of credits cannot exceed \$5 million annually. The tax credit is claimed on the tax return.

² Information for FY 2026 is provided because this tax credit is calculated by the fiscal year rather than the tax year to align with the school year. See PCTC Report for School year 2025-2026,
https://oklahoma.gov/content/dam/ok/en/tax/documents/resources/reports/pctc/2026/PCTC_Report_04012026.pdf

40. Parental Choice Tax Credit – Credit for Students Experiencing Homelessness

Statute:	70 O.S. § 28-101(C)(3)
Estimate:	\$240,000 tax credits issued in FY 2026 / 32 Approved Applications ³
Data Source:	Tax Commission Records
Reliability:	1
Description:	An income tax credit for an eligible student who attends an accredited private school that exclusively serves students experiencing homelessness. The credit is \$7,500 or the amount of the cost to educate the eligible student at the private school, whichever is less. The tax credit is pre-paid at the beginning of the school year and is not claimed on the tax return.

41. Parental Choice Tax Credit – Credit for Financially Disadvantaged Students

Statute:	70 O.S. § 28-101(C)(4)
Estimate:	\$2,347,000 tax credits issued in FY 2026 / 313 Approved Applications ⁴
Data Source:	Tax Commission Records
Reliability:	1
Description:	An income tax credit for an eligible student who attends an accredited private school that primarily serves financially disadvantaged students. The credit is \$7,500 or the amount of the cost to educate the eligible student at the private school, whichever is less. The tax credit is pre-paid at the beginning of the school year and is not claimed on the tax return.

42. Oklahoma Capital Investment Board

Statute:	74 O.S. § 5085.7
Estimate:	\$52,000 / 31 Returns
Data Source:	Income Tax Returns
Reliability:	1
Description:	The Oklahoma Capital Investment Board is allowed to sell up to \$20 million in income tax credits under certain circumstances per fiscal year.

B. DEDUCTIONS & EXEMPTIONS

Oklahoma allows deductions and exemptions to taxpayers in computing Oklahoma taxable income under certain conditions. The amount of the deduction or exemption varies. Exemptions generally refer to a personal allowance or specific monetary exemption that 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 2024 tax year.

Note: 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 that are available for both corporate and individual filers reflect only individual income tax.

1. Emergency Medical Personnel Death Benefit

Statute:	63 O.S. § 1-2505.1
Estimate:	Information Unavailable
Description:	An income tax exemption for the \$5,000 death benefit paid to the designated beneficiary of an emergency medical technician or a registered emergency medical responder whose death is a result of their official duties performed in the line of duty.

^{3,4} Information for FY 2026 is provided because this tax credit is calculated by the fiscal year rather than the tax year to align with the school year. See PCTC Report for School year 2025-2026, https://oklahoma.gov/content/dam/ok/en/tax/documents/resources/reports/pctc/2026/PCTC_Report_04012026.pdf

2. Oil and Gas Allowance

Statute: 68 O.S. § 2353

Estimate: \$9,956,000 / 70,893 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

Description: An income tax deduction is available as an allowance for depletion based upon cost of oil and gas deposit.

3. Deduction for Living Organ Donation

Statute: 68 O.S. § 2358

Estimate: Information Unavailable. Reporting is commingled on the tax form.

Description: A one-time income tax deduction of up to \$10,000 for unreimbursed expenses for the donation of human organ(s). The donor must donate while living to qualify.

4. Taxpayers with Physical Disabilities

Statute: 68 O.S. § 2358

Estimate: Minimal

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

Description: An income tax deduction for Oklahoma residents with physical disabilities for their expenditures to modify a motor vehicle, home, or workplace to compensate for handicap.

5. Oklahoma College Savings Plan Act

Statute: 68 O.S. § 2358

Estimate: \$5,082,000 / 18,043 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

Description: An income tax deduction for contributions to an account established under the Oklahoma College Savings Plan Act, up to \$10,000 for each individual taxpayer or \$20,000 for taxpayers filing a joint return.

6. Members of the Armed Services

Statute: 68 O.S. § 2358

Estimate: \$32,672,000 / 21,291 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

Description: An income tax deduction for 100% of income received from the United States as salary or compensation, other than retirement benefits, as a member of the U.S. Armed Forces.

7. Itemized / Standard Deductions

Statute: 68 O.S. § 2358

Estimate: \$572,737,000 / 1,724,924 Standard Deduction Returns

Estimate: \$85,587,000 / 166,986 Itemized Deductions Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

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 amount of the Oklahoma standard deduction is equal to the amount of tax year 2017 federal standard deduction.

8. Swine and Poultry Producers

Statute: 68 O.S. § 2358

Estimate: Information Unavailable. Reporting is commingled on the tax form.

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

9. Oklahoma Police Corps Scholarship Program

Statute: 68 O.S. § 2358

Estimate: Information Unavailable. Reporting is commingled on the tax form.

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

10. Deduction for Discharge of Farm Indebtedness Income

Statute: 68 O.S. § 2358

Estimate: Information Unavailable. Reporting is commingled on the tax form.

Description: An income tax deduction for individual taxpayers for the discharge of farm indebtedness.

11. Oklahoma Source Capital Gain Deduction

Statute: 68 O.S. § 2358

Estimate: \$131,206,000 / 18,151 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

Description: An income tax deduction for 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, the sale of stock or ownership interest in an Oklahoma headquartered entity, or 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.

12. Transfers of Technologies to Small Business

Statute: 68 O.S. § 2358

Estimate: Information Unavailable. Reporting is commingled on the tax form.

Description: An income tax exemption for royalty payments received for transfers of technologies to qualified Oklahoma small businesses.

13. Personal Exemption

Statute: 68 O.S. § 2358

Estimate: \$158,257,000 / 1,894,773 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

Description: A personal income tax exemption of \$1,000 in lieu of the federal personal exemption in calculating Oklahoma taxable income for an individual taxpayer.

14. Blind Individuals

Statute: 68 O.S. § 2358

Estimate: \$119,000 / 4,285 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

Description: An income tax exemption of \$1,000 for each individual taxpayer or spouse who is blind at the close of the tax year.

15. Individuals 65 or Older

Statute: 68 O.S. § 2358

Estimate: \$182,000 / 78,232 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

Description: An income tax exemption of \$1,000 for each individual taxpayer or spouse who is 65 years of age or older; provided certain income limitations apply.

16. Government Retirement Benefits

Statute: 68 O.S. § 2358
Estimate: \$25,340,000 / 64,652 Returns
Data Source: Oklahoma Individual Income Tax Micro-Simulator
Reliability: 2
Description: An income tax exemption for the first \$10,000 of most Oklahoma and federal government retirement benefits that are included in federally adjusted gross income.

17. Social Security Benefits

Statute: 68 O.S. § 2358
Estimate: \$260,553,000 / 288,142 Returns
Data Source: Oklahoma Individual Income Tax Micro-Simulator
Reliability: 2
Description: An income tax exemption for 100% of social security benefits to the extent the social security benefits are included in federal adjusted gross income.

18. Civil Service Retirement in Lieu of Social Security Benefits

Statute: 68 O.S. § 2358
Estimate: \$33,279,000 / 18,280 Returns
Data Source: Oklahoma Individual Income Tax Micro-Simulator
Reliability: 2
Description: An income tax exemption for 100% of certain federal civil service benefits received in lieu of social security benefits.

19. Military Retirement Benefits

Statute: 68 O.S. § 2358
Estimate: \$37,442,000 / 29,324 Returns
Data Source: Oklahoma Individual Income Tax Micro-Simulator
Reliability: 2
Description: An income tax exemption for 100% of military retirement benefits from any component of the U.S. Armed Forces.

20. Private Retirement Benefits

Statute: 68 O.S. § 2358
Estimate: \$96,145,000 / 284,619 Returns
Data Source: Oklahoma Individual Income Tax Micro-Simulator
Reliability: 2
Description: An income tax exemption of up to \$10,000 for specified private retirement benefits included in federal adjusted gross income.

21. Deferred Compensation

Statute: 68 O.S. § 2358
Estimate: Information Unavailable. Reporting is commingled on the tax form.
Description: An exclusion from an individual's taxable income for lump-sum distributions from employer deferred compensation plans, which are not plans within the Internal Revenue Code, deposited in separate bank accounts.

22. Medical Savings Account

Statute: 68 O.S. § 2358
Estimate: Information Unavailable. Reporting is commingled on the tax form.
Description: An income tax exemption for contributions made to a medical savings account and interest earned.

23. Agricultural Commodity Processing Facilities

Statute: 68 O.S. § 2358

Estimate: Information Unavailable. Reporting is commingled on the tax form.

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

24. Safety Pays OSHA Consultation Service Exemption

Statute: 68 O.S. § 2358

Estimate: Information Unavailable. Reporting is commingled on the tax form.

Description: An income tax exemption of \$1,000 for employers that utilize the Safety Pays OSHA Consultation Service provided by the Oklahoma Department of Labor.

25. Competitive Livestock Show Award

Statute: 68 O.S. § 2358

Estimate: Information Unavailable. Reporting is commingled on the tax form.

Description: An exclusion from taxable income for an award not to exceed \$600 from a livestock competition show.

26. Poll Worker Exemption

Statute: 68 O.S. § 2358

Estimate: Information Unavailable. Reporting is commingled on the tax form.

Description: An employer providing paid leave to an employee for the purpose of volunteering as a poll worker with a county election board in Oklahoma may exclude from taxable income \$100 for each day of leave provided in the tax year.

27. Achieving a Better Life (ABLE) Program

Statute: 68 O.S. § 2358

Estimate: Information Unavailable

Description: A tax deduction (\$10,000 per individual taxpayer or \$20,000 for taxpayers filing a joint return) for contributions to accounts established under the ABLE program pursuant to 56 OS § 4001.1. Amounts contributed but not deducted by the taxpayer in the tax year for which the contribution is made may be carried forward for up to 5 tax years.

28. Prisoners of War

Statute: 68 O.S. § 2358.1

Estimate: \$0

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax exemption for income of members of the U.S. Armed Forces and certain civilians who have been detained as prisoners of war or are listed as missing in action. 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.

29. Deceased Member of Armed Forces and Spouse

Statute: 68 O.S. § 2358.1A

Estimate: Information Unavailable

Description: An income tax exemption for any payment made by the U.S. Dept. of Defense (USDOD) as a result of the death of a member of the U.S. Armed Forces who has been killed in action in a USDOD designated combat zone. Exemption applies to the tax year the death occurred. Any income earned by the spouse of a member of the Armed Forces who has been killed in action in a USDOD designated combat zone is exempt from Oklahoma income tax during the tax year the individual is declared deceased by the Armed Forces.

30. Foster Care Deduction

Statute: 68 O.S. § 2358.5-1

Estimate: \$183,000 / 1,171 Returns

Data Source: Income Tax Returns

Reliability: 1

Description: An income tax deduction for up to \$5,000 of expenses incurred in caring for a foster child when the taxpayer contracts with a child-placing agency defined in statute.

31. Deductions for Qualified Equity Investments in an Eligible Oklahoma Venture Capital Company

Statute: 68 O.S. § 2358.110

Estimate: Less than \$30,000 / Under 10 Returns

Description: An accredited investor may deduct up to \$25 million during a taxable year for qualified equity investments in an eligible Oklahoma Venture Capital Company.

32. Tax Incentives for Inventors

Statute: 74 O.S. § 5064.7

Estimate: Information Unavailable. Reporting is commingled on the tax form.

Description: Royalty income is exempt from state income taxes for 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 65% of depreciable property purchased and directly used in manufacturing the product, not to exceed \$500,000.

33. Small Business Incubators - Tenants

Statute: 74 O.S. § 5078

Estimate: Information Unavailable. Reporting is commingled on the tax form.

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 10 years.

34. Oklahoma First-Time Home Buyer Savings Account

Statute: 46 O.S. § 311 et seq.

Estimate: Information Unavailable. Reporting is commingled on the tax form.

Description: Oklahoma residents may deduct from Oklahoma taxable income the amount contributed to a home buyer savings account, as well as exclude from Oklahoma taxable income the amount of earnings, including interest and other income on the principal in an eligible home buyer savings account.

C. BONDS, NOTES & 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 unavailable.

1. Municipal Power Authority

Statute: 11 O.S. § 24-106

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

2. Urban Renewal Authorities

Statute: 11 O.S. § 38-115

Description: Income and interest earned on bonds and notes of Urban Renewal Authorities are nontaxable.

3. Public Rural Ambulance Service Districts

Statute: 19 O.S. § 1220

Description: 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 (OBB)

Statute: 62 O.S. § 57.4

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

5. State of Oklahoma Building Bonds of 1961

Statute: 62 O.S. § 57.34

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

6. State of Oklahoma Building Bonds of 1965

Statute: 62 O.S. § 57.54

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

7. State of Oklahoma Institutional Building Bonds of 1965

Statute: 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 (LIDA)

Statute: 62 O.S. § 660

Description: Bonds issued under LIDA are not subject to taxation by the State of Oklahoma.

9. University Hospital Authority Revenue Bonds (UHA)

Statute: 63 O.S. § 3218

Description: UHA 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

Statute: 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 (OTA)

Statute: 69 O.S. § 1714

Description: The OTA is not required to pay any taxes or assessments on any project or property acquired under the statute creating and governing the OTA. Any income earned by the OTA, as well as any bond issued by the OTA, is exempt from state taxation. In the event the OTA leases property for concessions, that transaction creates a taxable event.

12. Oklahoma Educational Television Authority (OETA)

Statute: 70 O.S. § 23-116

Description: Income earned by the OETA and income derived from bonds issued by the OETA are exempt from income tax.

13. Oklahoma Student Loan Authority Bonds (OSLA)

Statute: 70 O.S. § 695.3

Description: Bonds and the income from bonds issued by the OSLA are exempt from income tax.

14. Independent School Districts – Stadium, Sports Arena, & Recreation Facilities Construction Revenue Bonds

Statute: 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

Statute: 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 (OTT)

Statute: 70 O.S. § 6014

Description: The property and income of the OTT are exempt from taxation. Purchasers of advanced tuition payments administered by the OTT 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 (OIFA)

Statute: 74 O.S. § 856

Description: Income derived from bonds of OIFA is exempt from income tax.

18. Native American Cultural and Educational Authority of Oklahoma (Authority)

Statute: 74 O.S. § 1226.10

Description: The Authority 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 (ODFA)

Statute: 74 O.S. § 5062.11

Description: Income derived from bonds issued by the ODFA is exempt from income tax.

20. Credit Enhancement Reserve Fund General Obligation Bonds Issued by the Oklahoma Development Finance Authority (CERFGO)

Statute: 74 O.S. § 5063.18

Description: Interest and income from CERFGO bonds issued by the ODFA are exempt from income tax.

21. Irrigation Districts

Statute: 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

Statute: 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 (GRDA)

Statute: 82 O.S. § 876

Description: Bonds and interest on bonds issued by the GRDA are exempt from income tax.

24. Water Resources Board Investment Certificates (WRB)

Statute: 82 O.S. § 1085.33

Description: Income derived from WRB Investment Certificates is exempt from income tax.

25. Port Authority Bonds

Statute: 82 O.S. § 1124

Description: Income derived from bonds issued by a port authority is exempt from income tax.

26. Regional Water Districts Board

Statute: 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

Statute: 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 do not have income tax filing requirements with the Oklahoma Tax Commission; therefore, an estimate of the tax expenditure is unavailable.

1. Airport Property & Income

Statute: 3 O.S. § 65-17

Description: Any property in this state acquired by municipalities operating an airport for public purposes is exempt from Oklahoma state taxation.

2. Investment of Surplus Funds of Cemetery Corporations

Statute: 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 Oklahoma state taxation.

3. Municipal Power Authority

Statute: 11 O.S. § 24-106

Description: Property of the Municipal Power Authority is exempt from Oklahoma state taxation.

4. Rural Electric Cooperatives

Statute: 18 O.S. § 437.25

Description: Income earned by rural electric cooperatives is exempt from Oklahoma income tax.

5. Oklahoma Property and Casualty Insurance Guaranty Association

Statute: 36 O.S. § 2017

Description: The Oklahoma Property and Casualty Insurance Guaranty Association is exempt from Oklahoma state taxation.

6. Oklahoma Life and Health Insurance Guaranty Association

Statute: 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

Statute: 36 O.S. § 2617

Description: Income earned by nonprofit hospital service and medical indemnity corporations is exempt from Oklahoma income tax.

8. Nonprofit Optometric Service and Indemnity Corporations

Statute: 36 O.S. § 2665

Description: Income earned by nonprofit optometric service and indemnity corporations is exempt from Oklahoma income tax.

9. Nonprofit Dental Service Corporations

Statute: 36 O.S. § 2685

Description: Income earned by nonprofit dental service corporations is exempt from Oklahoma income tax.

10. Nonprofit Chiropractic Service Corporations

Statute: 36 O.S. § 2691.15

Description: Income earned by nonprofit chiropractic service corporations is exempt from Oklahoma income tax.

11. Housing Authorities

Statute: 63 O.S. § 1066

Description: Property and funds of housing authorities are exempt from Oklahoma state taxation. The exemption does not apply to any portion of the project used by a profit-making enterprise.

12. Exempt Organizations

Statute: 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 (OTA)

Statute: 69 O.S. § 1714

Description: The OTA is not required to pay any taxes or assessments on any project or property acquired under the statute creating and governing the OTA. Any income earned by the OTA, as well as any bond issued by the OTA, is exempt from state taxation. In the event the OTA leases property for concessions, that transaction creates a taxable event.

14. Oklahoma Educational Television Authority (OETA)

Statute: 70 O.S. § 23-116

Description: The OETA is not required to pay any taxes or assessments upon any project or any property acquired or used by the OETA.

15. Oklahoma Tuition Trust (OTT)

Statute: 70 O.S. § 6014

Description: The property and income of the OTT are exempt from taxation. Purchasers of advanced tuition payments administered by the OTT are allowed to deduct those payments from taxable income in the year the purchase was made.

16. Native American Cultural & Educational Authority of Oklahoma (Authority)

Statute: 74 O.S. § 1226.10

Description: The Authority 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

Statute: 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 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 (OCAST)

Statute: 74 O.S. § 5060.9

Description: The OCAST is exempt from all franchise, corporate business and income taxes levied by the state of Oklahoma.

E. MISCELLANEOUS

1. Qualified Refinery Property

Statute: 68 O.S. § 2357.204

Estimate: Information Unavailable. Reporting is commingled on the tax form.

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

2. Cost of Complying with Sulfur Regulations

Statute: 68 O.S. § 2357.205

Estimate: Information Unavailable. Reporting is commingled on the tax form.

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

3. Net Operating Losses

Statute: 68 O.S. § 2358

Estimate: \$56,613,000⁶ / 20,889 Returns

Data Source: Oklahoma Individual Income Tax Micro-Simulator

Reliability: 2

Description: Oklahoma net operating losses generally may be carried forward or carried back in accordance with IRC § 172.

4. Income Averaging for Farmers

Statute: 68 O.S. § 2358.4

Estimate: Information Unavailable

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

⁶ While net operating losses are available for both corporate and individual income tax filers, aggregate data for corporate filers is unavailable. The tax expenditure estimate for net operating losses reflects only individual income tax due to the data limitation.

III. SALES AND USE TAXES

Sales and use tax exemptions exclude certain sales, purchases, or uses of tangible personal property and taxable services from the sales and use tax base. Exemptions may apply based on the type of product or service, the purchaser or seller, or the purpose or manner in which an item is purchased or used. Unless otherwise indicated, the following expenditure estimates represent the estimated state sales and use tax revenue foregone as a result of these exemptions. The estimates generally reflect sales and use tax activity for the 2024 tax year.

A portion of the sales and use tax estimates in prior expenditure reports were derived by growing estimates from a report prepared by the University of Oklahoma (OU) and Oklahoma State University (OSU) in September 1996. Due to the outdated nature of these estimates and the economic and tax policy changes that have occurred since the report was completed nearly 30 years ago, the Oklahoma Tax Commission has determined that these estimates should no longer be used. The comparable 2025–26 estimates are included in the appendix table, “Historic Sales Tax Estimate Comparisons,” for reference purposes only and will be removed from future expenditure reports.

For this report, the OTC provides estimates based on information reported directly on the Oklahoma Sales and Use Tax Returns, providing greater accuracy using vendor-reported information. While not all exemptions are separately reported, these data provide a more direct avenue for estimating expenditures. Where available, estimates are based on values reported on the Sales or Use Tax Return and are identified by their corresponding return line number throughout this section. The reported amounts are provided in the appendix table, “Exemptions as Reported on the Sales & Use Tax Returns.” Note, a single line item may capture multiple exemptions.

Estimates indicate which of the 161 sales and use tax expenditures may fall within a reported category and are not intended to be summed or aggregated across line items. Where available, the number of exemptions issued is also provided; these counts are not reported on the Sales and Use Tax Return and are included as a separate measure in the Estimate field.

1. Rural Electric Cooperatives

Statute: 18 O.S. § 437.25

Estimate: Information Unavailable / 21 Registered Entities; Reporting is commingled on the Sales Tax Return, Line 3x, “Other legal sales tax exemptions”.

Description: Purchases by rural electric cooperatives and foreign corporations transacting business under the Rural Electric Cooperative Act.

2. Rural Water and Sewer Districts

Statute: 18 O.S. § 863

Estimate: Information Unavailable / 153 Registered Entities; Reporting is commingled on the Sales Tax Return, Line 3x, “Other legal sales tax exemptions”.

Description: Purchases by nonprofit corporations organized for the purpose of developing and providing rural water supply and sewage disposal facilities.

3. Ambulance Service Districts

Statute: 19 O.S. § 1220

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, “Other legal sales tax exemptions”.

Description: Purchases by ambulance service districts.

4. Oklahoma Property and Casualty Insurance Guaranty Association

Statute: 36 O.S. § 2017

Estimate: Not shown to avoid disclosure of information about specific taxpayers.

Description: Purchases by the Oklahoma Property and Casualty Insurance Guaranty Association.

5. Oklahoma Life and Health Insurance Guaranty Association

Statute: 36 O.S. § 2040

Estimate: Not shown to avoid disclosure of information about specific taxpayers.

Description: Purchases by the Oklahoma Life and Health Insurance Guaranty Association.

6. Oklahoma Housing Authority

Statute: 63 O.S. § 1066

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Purchase of property by an Oklahoma housing authority.

7. Newspapers and Periodicals

Statute: 68 O.S. § 1354

Estimate: \$1,523,000

Data Source: Tax Commission Records

Reliability: 1

Description: Sales of newspapers and periodicals.

8. Water, Sewage and Refuse Services

Statute: 68 O.S. § 1354

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Sales of water, sewage and refuse services.

9. Tourism Broker Transportation Services

Statute: 68 O.S. § 1354

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Transportation services provided by a tourism service broker that are incidental to the rendition of tourism brokerage services.

10. Funeral Home Transportation Services

Statute: 68 O.S. § 1354

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Transportation services provided by a funeral establishment to family members and other persons for purposes of conducting a funeral in this state.

11. Scientific/Educational Lab Printing

Statute: 68 O.S. § 1354

Estimate: Not shown to avoid disclosure of information about specific taxpayers.

Description: Services of printing, copying or photocopying by a privately owned scientific and educational library.

12. Credit for Contractors after Sales Tax Increase

Statute: 68 O.S. § 1354

Estimate: \$0⁷

Description: Taxes paid by a contractor for purchases made after the date a contract was entered into, but prior to the effective date of an increase in the sales tax levied.

⁷ Not applicable for FY26; last increase to state sales tax rate was effective Feb. 1, 1990.

13. Aquarium Admission Ticket Sales

Statute: 68 O.S. § 1354

Estimate: Not shown to avoid disclosure of information about specific taxpayers.

Description: Sales of admission tickets by aquariums exempt from taxation pursuant to the provisions of the Internal Revenue Code, 26 U.S.C. §501(c)(3), or owned or operated by a public trust or political subdivision of this state, shall be collected and disbursed to the entity responsible for the aquarium's operations for use by that entity for promoting visitation primarily to out-of-state residents.

14. U.S. Government, or Agents of the U.S. Government

Statute: 68 O.S. § 1356

Estimate: \$0⁸

Description: Sales of property/services to the U.S. Government, or sales to agents of the U.S. Government wherein ownership and possession transfer immediately to the U.S. Government.

15. State of Oklahoma

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3k, "Churches, schools, governments".

Description: Sales of property/services to the State of Oklahoma and its political subdivisions.

16. Federally Funded Facility

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Lines 3k, "Churches, schools, governments" or 3r, "Qualifying exempt organization".

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.

17. County, District, or State Fair Authorities

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Lines 3k, "Churches, schools, governments" or 3r, "Qualifying exempt organization".

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.

18. School Cafeterias

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Lines 3k, "Churches, schools, governments" or 3r, "Qualifying exempt organization".

Description: Sale of food in cafeterias or lunchrooms by elementary schools, high schools, colleges or universities.

19. Fraternal, Religious, Civic, Charitable or Educational Societies

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Lines 3k, "Churches, schools, governments" or 3r, "Qualifying exempt organization".

Description: Dues paid to fraternal, religious, civic, charitable or educational societies or organizations by regular members thereof.

20. Privately Owned Scientific and Educational Libraries

Statute: 68 O.S. § 1356

Estimate: Not shown to avoid disclosure of information about specific taxpayers.

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.

⁸ All expenditures involving the U.S. Government are given an estimate of \$0. This estimate is provided since the State cannot levy a tax upon the Federal Government under the decision of the U.S. Supreme Court.

21. Churches

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 10,814 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3k, "Churches, schools, governments" or 3x, "Other legal sales tax exemptions".

Description: Sales of property/services to, or by, churches.

22. Charitable Purposes

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Lines 3k, "Churches, schools, governments", 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

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

23. Admission Tickets (College or University)

Statute: 68 O.S. § 1356

Estimate: Information Unavailable

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

24. Council Organizations

Statute: 68 O.S. § 1356

Estimate: Not shown to avoid disclosure of information about specific taxpayers.

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

25. Subdivisions or Agencies of the State

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3k, "Churches, schools, governments".

Description: Sales of property/services to any county, municipality, rural water district, public school district, city-county library system, the institutions of the Okla. State System of Higher Education, the Grand River Dam Authority, the Northeast Okla. Public Facilities Authority, Okla. Municipal Power Authority, City of Tulsa Rogers County Port Authority, Muskogee City-County Port Authority, the ODVA, the Broken Bow Economic Development Authority, Ardmore Development Authority, Durant Industrial Authority, Oklahoma Ordnance Works Authority, Central Okla. 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 OMES only when carrying out a public construction contract on behalf of the ODVA, the University Hospital Trust, the OSU Medical Authority and Trust, and the OSU Veterinary Medicine Authority and Trust. The exemption also extends to persons who have entered into a public contract with any of the above-named subdivisions or agencies.

26. Private Education Institutions

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3k, "Churches, schools, governments".

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

27. Tuition and Educational Fees

Statute: 68 O.S. § 1356

Estimate: Information Unavailable

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.

28. Sales by Schools

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3k, "Churches, schools, governments".

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

29. 4-H Clubs Schools

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 1,546 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

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

30. Athletic Event Admission Tickets

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: The first \$75,000 of gross receipts each year from sale of tickets and concessions at athletic events by § 501(c)(4) organizations.

31. Oklahoma Tourism & Recreation Department Advertising and Promotional Programs

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Lines 3k, "Churches, schools, governments", or 3x, "Other legal sales tax exemptions".

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

32. Volunteer Fire Departments

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 274 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3k, "Churches, schools, governments", or 3x, "Other legal sales tax exemptions".

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

33. Complimentary Admission Tickets

Statute: 68 O.S. § 1356

Estimate: Information Unavailable. Reporting is commingled on the Sales Tax Return, Line 3k, "Churches, schools, governments".

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

34. Fire Departments

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Lines 3k, "Churches, schools, governments", or 3x, "Other legal sales tax exemptions".

Description: The first \$15,000 of gross receipts each year from sales of tangible personal property by fire departments organized pursuant to Titles 11, 18 or 19 of the Oklahoma Statutes for the purpose of raising funds.

35. Boys and Girls Clubs of America

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 16 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

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

36. Court-Adjudicated Juvenile Facility

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 7 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

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

37. Qualified Health Centers

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 35 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

Description: Sales of property/services to federally qualified health centers, indigent health care centers, and qualifying community-based health centers.

38. Dues or Fees Paid to YMCAs or YWCAs

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

Description: Dues or fees paid to YMCAs, YWCAs, or municipally owned recreation centers for use of facilities or programs.

39. Cultural Organizations

Statute: 68 O.S. § 1356

Estimate: \$358,000 / 265 Registered Entities

Data Source: Estimate based on Tax Commission Records

Reliability: 2

Description: The first \$15,000 each year from sales to, or by, cultural organizations.

40. Accredited Museums

Statute: 68 O.S. § 1356

Estimate: \$70,000 / 15 Registered Entities

Data Source: Nonprofit Entities

Reliability: 3

Description: Sales of property/services to museums or other entities accredited by the American Association of Museums, aka the American Alliance of Museums.

41. Museum Admission Tickets

Statute: 68 O.S. § 1356

Estimate: \$415,000

Data Source: Nonprofit Entities

Reliability: 3

Description: Sales of tickets for admission to museums accredited by the American Association of Museums, aka the American Alliance of Museums.

42. Children's Homes

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 10 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

Description: Sales of property/services to children's homes supported by one or more churches whose members serve as trustees of the home.

43. Disabled American Veterans

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 15 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

Description: Sales of property/services to the organization known as Disabled American Veterans, Department of Oklahoma, Inc., and subordinate chapters thereof.

44. Youth Camps

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 44 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

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

45. University Hospitals Trust and Joint Operating Agreement Nonprofit Organization

Statute: 68 O.S. § 1356

Estimate: Not shown to avoid disclosure of information about specific taxpayers.

Description: Effective July 1, 2022, transfer of tangible personal property/services to, or by, the University Hospitals Trust created pursuant to 63 O.S. § 3224 along with the transfer of tangible personal property/services to, or by, nonprofit entities which are exempt from taxation pursuant to 26 U.S.C., § 501(c)(3) which have entered into a joint operating agreement with the University Hospitals Trust.

46. Lease or Lease-Purchase Agreement

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Lines 3k, "Churches, schools, governments", or 3x, "Other legal sales tax exemptions".

Description: Sales of tangible personal property/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.

47. Spaceport Operations

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 1 Registered Entity; Reporting is commingled on the Sales Tax Return, Lines 3k, "Churches, schools, governments", or 3x, "Other legal sales tax exemptions".

Description: Sales of tangible personal property or services to spaceport users and certain space-related property, machinery, and equipment, including satellites, launch vehicles, space facilities, and property used in or supporting spaceflight, as described in 68 O.S. § 1356.

48. Admission Tickets Surcharge

Statute: 68 O.S. § 1356

Estimate: Information Unavailable

Description: Amount of surcharge or any other amount that is separately stated on an admission ticket that 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.

49. State Parks

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 4 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3k, "Churches, schools, governments", or 3r, "Qualifying exempt organization".

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.

50. Parking Privileges

Statute: 68 O.S. § 1356

Estimate: \$353,000

Data Source: Higher Education Sources

Reliability: 3

Description: Sale, lease, or use of parking privileges by an institution of the Oklahoma State System of Higher Education.

51. Campus Construction Projects

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 10 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3k, "Churches, schools, governments", or 3x, "Other legal sales tax exemptions".

Description: Sales of tangible personal property/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 § 501(c)(3) nonprofit entities that are exempt from taxation.

52. School Construction Projects

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Lines 3k, "Churches, schools, governments", or 3x, "Other legal sales tax exemptions".

Description: Sales of tangible personal property/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 § 501(c)(3) nonprofit entities exempt from taxation.

53. National Championship Sports Event

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Sales of tangible personal property/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.

54. Education Related to Robotics

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 2 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

Description: Sales of tangible personal property/services to, or by, nonprofit organizations affiliated with a comprehensive university within the Oklahoma State System of Higher Education providing education and teacher training relating to robotics.

55. Youth Athletic Teams

Statute: 68 O.S. § 1356

Estimate: Minimal / 4 Registered Entities

Data Source: Estimate based on Tax Commission Records

Reliability: 2

Description: The first \$15,000 in sales of tangible personal property to, or by, youth athletic teams, that are part of an organization that is exempt from taxation pursuant to § 501(c)(4), that are made to raise money for the team.

56. Championship Event Tickets

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

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.

57. Oklahoma City National Memorial

Statute: 68 O.S. § 1356

Estimate: Not shown to avoid disclosure of information about specific taxpayers.

Description: Sales of tangible personal property/services to, or by, a nonprofit organization operating the OKC National Memorial Museum.

58. Veterans' Organizations

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 3 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

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

59. Public Libraries

Statute: 68 O.S. § 1356

Estimate: Minimal

Data Source: Tax Commission Records

Reliability: 1

Description: Sales of tangible personal property/services 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.

60. Bordering States

Statute: 68 O.S. § 1356

Estimate: Information Unavailable

Description: Sales of tangible personal property/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.

61. Career Technology Student Organization

Statute: 68 O.S. § 1356

Estimate: Minimal / 10 Registered Entities

Data Source: Industry Sources

Reliability: 3

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

62. Improvements or Expansions of Hospitals or Nursing Homes

Statute: 68 O.S. § 1356

Estimate: \$0 / 4 Exemptions

Data Source: Tax Commission Records

Reliability: 1

Description: Purchases made to improve or expand hospitals and nursing homes owned and operated by cities, towns, counties, or by public trusts having these units of political subdivision as their beneficiary, or to § 501(c)(3) organizations, or to the contractor or subcontractor with one of the above-named entities.

63. Specialized Facilities Serving Physically and Mentally Handicapped Persons

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 15 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

Description: Sales of tangible personal property/services to a § 501(c)(3) organization that assists, trains, educates, and provides housing for physically and mentally handicapped persons; and the organization receives at least 85% of its annual budget from state or federal funds.

64. Neighborhood Watch Organizations

Statute: 68 O.S. § 1356

Estimate: Minimal / 8 Registered Entities

Data Source: Estimate based on Tax Commission Records

Reliability: 2

Description: The first \$2,000 in yearly sales to, by, or for the benefit of the first 2,000 neighborhood watch organizations to apply that are working directly with law enforcement.

65. Organization Providing Services During the Day to Homeless Persons

Statute: 68 O.S. § 1356

Estimate: \$316,000 / 44 Registered Entities

Data Source: Nonprofit Entities

Reliability: 3

Description: Sales of tangible personal property to a § 501(c)(3) organization 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.

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

Statute: 68 O.S. § 1356

Estimate: Not shown to avoid disclosure of information about specific taxpayers.

Description: Sales of tangible personal property/services to, or by, a § 501(c)(3) organization for events the principal purpose of which is to provide funding for the preservation of wetlands and habitat for wild ducks and wild turkeys.

67. Organization Part of a Network of Autonomous Member Organizations

Statute: 68 O.S. § 1356

Estimate: Not shown to avoid disclosure of information about specific taxpayers.

Description: Sales of tangible personal property or services to a qualifying § 501(c)(3) organization that is part of a network of community-based, autonomous member organizations meeting the criteria set forth in 68 O.S. § 1356.

68. Tickets to National Basketball Association and National Hockey League Games

Statute: 68 O.S. § 1356

Estimate: Not shown to avoid disclosure of information about specific taxpayers.

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

69. Admission to Professional Sporting Events

Statute: 68 O.S. § 1356

Estimate: \$1,286,000

Data Source: Industry Sources

Reliability: 3

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

70. Annual Event Tickets Sponsored by an Educational and Charitable Organization of Women

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

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

71. Community Mental Health Center

Statute: 68 O.S. § 1356

Estimate: \$61,500 / 15 Registered Entities

Data Source: Nonprofit Entities

Reliability: 3

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

72. Community Health Charities Member Organizations

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 32 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

Description: Sales of tangible personal property/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.

73. National Volunteer Women's Service Organization

Statute: 68 O.S. § 1356

Estimate: Not shown to avoid disclosure of information about specific taxpayers.

Description: Sales of tangible personal property/services to, or by, an organization that 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 U.S.

74. YMCA or YWCA

Statute: 68 O.S. § 1356

Estimate: Not shown to avoid disclosure of information about specific taxpayers / 22 Registered Entities

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

75. Veterans of Foreign Wars

Statute: 68 O.S. § 1356

Estimate: Not shown to avoid disclosure of information about specific taxpayers / 84 Registered Entities

Description: Sales of tangible personal property/services to, or by, the Oklahoma chapters.

76. Food boxes Containing Edible Staple Food Items

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Sales of boxes containing edible staple food items when the boxes are sold by churches or by § 501(c)(3) organizations where the organization was organized to feed needy persons or to encourage volunteer service.

77. Contractors and Subcontractors with Churches

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3k, "Churches, schools, governments".

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

78. Organizations Providing Training and Education to Developmentally Disabled Individuals

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 100 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

Description: Sales of tangible personal property/services used exclusively for charitable, educational or religious purposes, to, or by, a § 501(c)(3) organization and has a Not-for-Profit Certificate of Incorporation in Oklahoma, that is organized to provide 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.

79. Shelters for Abused, Neglected or Abandoned Children

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 80 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

Description: Sales of tangible personal property/services to a § 501(c)(3) organization that is a shelter for abused, neglected, or abandoned children from birth to age 18.

80. Child Care Centers Possessing a 3-Star Rating

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 30 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

Description: Sales of tangible personal property/services to childcare centers possessing a 3-star rating with DHS and providing on-site universal pre-kindergarten education to 4-year-old children through a contractual relationship with a public school.

81. Blue Star Mothers of America, Inc.

Statute: 68 O.S. § 1356

Estimate: Not shown to avoid disclosure of information about specific taxpayers.

Description: 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.

82. Local Public or Private School Foundations

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 120 Registered Entities; Reporting is commingled on the Sales Tax Return, Line 3k, "Churches, schools, governments".

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

83. Organizations Providing Funds for Medical Scholarships

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 7 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

Description: Sales of food and snack items to, or by, a § 501(c)(3) organization whose primary purpose is providing funds for scholarships in the medical field.

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

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

Description: Sales of tangible personal property/services for use solely on construction projects for § 501(c)(3) organizations 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.

85. Event Admissions Sales by Organizations Supporting General Hospitals

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Sales of admission tickets to events held by § 501(c)(3) organizations that are organized for the purpose of supporting general hospitals licensed by the Oklahoma Dept. of Health.

86. Nonprofit Foundation Raising Contributions for NRA and Similar Organizations' Activities

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 7 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

Description: Sales of property to a nonprofit foundation that 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 sales of property to, or by, grassroots fundraising programs related to events to raise funds for the referenced foundation.

87. Nonprofit Fundraising Events

Statute: 68 O.S. § 1356

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Sales by a § 501(c)(3) organization that are related to a fundraising event sponsored by the organization when the event does not exceed 5 consecutive days and when the sales are not in the organizations or entity's regular course of business. The provided exemption is limited to tickets sold for admittance to the fundraising event and items that were donated to the organization or entity for sale at the event.

88. Organizations Connecting Community Agencies to Serve People Affected by Violence

Statute: 68 O.S. § 1356

Estimate: \$113,000 / 12 Registered Entities

Data Source: Nonprofit Entities

Reliability: 3

Description: Sales of tangible personal property/services to a § 501(c)(3) organization 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.

89. National Guard Association of Oklahoma

Statute: 68 O.S. § 1356

Estimate: Not shown to avoid disclosure of information about specific taxpayers.

Description: Sales of tangible personal property/services to or by a § 501(c)(19) association known as the National Guard Association of Oklahoma.

90. Marine Corps League of Oklahoma

Statute: 68 O.S. § 1356

Estimate: Not shown to avoid disclosure of information about specific taxpayers.

Description: Sales of tangible personal property/services to or by a § 501(c)(4) association known as the Marine Corps League of Oklahoma.

91. American Legion

Statute: 68 O.S. § 1356

Estimate: Not shown to avoid disclosure of information about specific taxpayers / 75 Registered Entities.

Description: Sales of tangible personal property/services to the American Legion, whether the purchase is made by the entity chartered by the U.S. Congress or is an entity organized under the laws of Oklahoma or another state pursuant to the authority of the national American Legion organization.

92. Fab Lab Network Member

Statute: 68 O.S. § 1356

Estimate: Not shown to avoid disclosure of information about specific taxpayers.

Description: Sales of tangible personal property/services to, or by, a § 501(c)(3) organization that 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.

93. Nonprofit Organizations that Construct, Remodel and Sell Affordable Housing

Statute: 68 O.S. § 1356

Estimate: \$304,000 / 27 Registered Entities

Data Source: Industry Sources

Reliability: 3

Description: Exempts sales of tangible personal property/services used solely for construction and remodeling projects for qualifying § 501(c)(3) organizations that construct or remodel and sell affordable housing to Oklahoma residents, as described in 68 O.S. § 1356.

94. Nonprofit Organizations Restoring Single-Family Housing Following a Natural Disaster

Statute: 68 O.S. § 1356

Estimate: \$281,000

Data Source: Tax Commission Records

Reliability: 1

Description: Exempts sales of tangible personal property/services to qualifying nonprofit organizations providing assistance for the repair, restoration, or replacement of single-family housing following a natural disaster, as described in 68 O.S. § 1356.

95. Nonprofit Organizations supporting Veterans and Military Personnel

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 29 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

Description: Sales of tangible personal property/services to a § 501(c)(3) organization that 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.

96. Oklahoma Women Veterans Organization and Subchapters

Statute: 68 O.S. § 1356

Estimate: Information Unavailable / 3 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

Description: Sales of tangible personal property/services to or by the Oklahoma Women Veterans Organization, a § 501(c)(19) organization, and its subchapters in Oklahoma.

97. Organization Providing Clothing and School Supplies to Underserved Students

Statute: 68 O.S. § 1357

Estimate: Minimal / 3 Registered Entities

Data Source: Nonprofit Entities

Reliability: 3

Description: Sales to and by an organization that provides school supplies and clothing to underserved students.

98. Transportation of School Pupils

Statute: 68 O.S. § 1357

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3k, "Churches, schools, governments".

Description: Transportation of school pupils to and from elementary schools or high schools.

99. Local Transportation

Statute: 68 O.S. § 1357

Estimate: \$346,000

Data Source: Industry Sources

Reliability: 3

Description: Transportation of persons where the fare does not exceed \$1 or local transportation within the corporate limits of a municipality, except by taxicabs.

100. Sales for Resale

Statute: 68 O.S. § 1357

Estimate: \$8,575,444,000 (Sales Tax), \$3,449,272,000 (Use Tax) / 65,722 Registered Entities

Data Source: Tax Commission Records

Reliability: 1

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 OTC.

101. Sales of Certain Types of Advertising

- Statute:** 68 O.S. § 1357
- Estimate:** Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".
- Description:** Sales of advertising space in newspapers, periodicals, programs relating to sporting and entertainment events, on billboards (including various types of signage), 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.

102. Terrestrial or Aquatic Animal Life Supplies

- Statute:** 68 O.S. § 1357
- Estimate:** Minimal
- Description:** Purchases of eggs, feed, supplies, machinery and equipment by persons regularly engaged in the business of raising worms, fish or insects.

103. Utilities for Residential Use

- Statute:** 68 O.S. § 1357
- Estimate:** Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".
- Description:** Sale of natural or artificial gas and electricity sold exclusively for residential use.

104. Drugs

- Statute:** 68 O.S. § 1357
- Estimate:** \$278,000,000
- Data Source:** Secondary Sources
- Reliability:** 3
- Description:** Sales of drugs, except for over-the-counter drugs, prescribed by a licensed person for the treatment of human beings, and sales of insulin and medical oxygen.

105. Oil or Chemical Drums

- Statute:** 68 O.S. § 1357
- Estimate:** Information Unavailable; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".
- Description:** Sales of returnable oil and chemical drums to any person not in the business of reselling returnable oil drums.

106. Utensils Sold to Vendors

- Statute:** 68 O.S. § 1357
- Estimate:** Information Unavailable.¹²
- Description:** Sales of one-way utensils, paper napkins, cups and disposable containers to a vendor of meals or beverages.

¹² The specific amount related to this expenditure is unavailable but is included as a part of the estimate provided for the Sales for Resale exemption outlined in number 100 of the Sales and Use Tax Section.

107. Federal Food Stamp Program

Statute: 68 O.S. § 1357

Estimate: \$0¹³

Data Source: Tax Commission Records

Reliability: 1

Description: Sales of food or food products for home consumption that are purchased as a whole, or in part, using federal food stamp coupons.

108. Meals on Wheels

Statute: 68 O.S. § 1357

Estimate: Information Unavailable / 79 Registered Entities; Reporting is commingled on the Sales Tax Return, Line 3r, "Qualifying exempt organization".

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, to provide nutrition programs for the care and benefit of elderly persons.

109. Collection and Distribution of Food to the Needy

Statute: 68 O.S. § 1357

Estimate: Information Unavailable / 173 Registered Entities; Reporting is commingled on the Sales Tax Return, Line 3r, "Qualifying exempt organization".

Description: Sales to, or by, nonprofit § 501(c)(3) organizations that are primarily engaged in the collection and distribution of food and household products for the needy.

110. Children's Homes

Statute: 68 O.S. § 1357

Estimate: Information Unavailable / 6 Registered Entities; Reporting is commingled on the Sales Tax Return, Line 3r, "Qualifying exempt organization".

Description: Sales of tangible personal property/services to children's homes that are located on church-owned property and are operated by § 501(c)(3) organizations.

111. Aircraft Maintenance Facility

Statute: 68 O.S. § 1357

Estimate: Information Unavailable

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.

112. Certain Telecommunications Services

Statute: 68 O.S. § 1357

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Sales of interstate and international 800, 900 and private communications services, value-added non-voice data service, interstate and international telecommunications service 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 that are not associated with a retail consumer sale.

¹³ Based on information from Oklahoma sales tax reports, sales tax in the amount of \$62,589,000 was exempted pursuant to the federal food stamp program but because federal law prohibits states from imposing sales tax on items purchased with food stamps a zero estimate is provided. 7 U.S.C. § 2013(a).

113. Railroad Track Spikes

Statute: 68 O.S. § 1357

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

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

114. Aircraft and Aircraft Parts

Statute: 68 O.S. § 1357

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

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/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.

115. Computer Services and Data Processing

Statute: 68 O.S. § 1357

Estimate: Information Unavailable / 18 Registered Entities; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

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

116. Prosthetic Devices

Statute: 68 O.S. § 1357

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Sales of prosthetic devices for individual use.

117. Motion Picture and Television Production Companies

Statute: 68 O.S. § 1357

Estimate: Minimal / 12 Registered Entities

Data Source: Tax Commission Records

Reliability: 1

Description: Sales of property/services to a motion picture or television production company to be used or consumed in connection with an eligible production.

118. Diesel Fuel

Statute: 68 O.S. § 1357

Estimate: Information Unavailable / 18 Registered Entities; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Diesel fuel sold for use by commercial vessels, barges and other commercial watercraft.

119. Biomedical Research Foundations

Statute: 68 O.S. § 1357

Estimate: Information Unavailable / 12 Registered Entities; Reporting is commingled on the Sales Tax Return, Lines 3r, "Qualifying exempt organization", or 3x, "Other legal sales tax exemptions".

Description: Sales of property/services to tax-exempt, independent, nonprofit biomedical research foundations and community blood banks.

120. Wireless Telecommunication Equipment

Statute: 68 O.S. § 1357

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Wireless telecommunications equipment used as part of a promotional package.

121. Rail Transportation Cars

Statute: 68 O.S. § 1357

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Leases of rail transportation cars used to transport coal to plants in this state that generate electricity.

122. Aircraft Repair and Modification

Statute: 68 O.S. § 1357

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

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.

123. Ship, Motor Vessel or Barge

Statute: 68 O.S. § 1357

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

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

124. Estate Sales

Statute: 68 O.S. § 1357

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Estate sales if the sale is held at decedent's residence, for up to 3 consecutive days, within 6 months of death. Goods sold must be part of the estate of the decedent. Sale must not be held by a person required to hold a sales tax permit/Transient Merchant License.

125. Electricity Used in Oil Dewatering Projects

Statute: 68 O.S. § 1357

Estimate: Information Unavailable / 4 Registered Entities; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Electricity used by an oil and gas operator for reservoir dewatering projects.

126. Prewritten Computer Software

Statute: 68 O.S. § 1357

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

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

127. Modular Dwelling Units

Statute: 68 O.S. § 1357

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Sales of certain modular dwelling units; exemption is 45% of the total sales price of the unit.

128. 100% Disabled Veterans & Surviving Spouses

Statute: 68 O.S. § 1357

Estimate: \$82,452,000 / 74,120 Registered Entities

Data Source: Estimate based on Tax Commission Records

Reliability: 2

Description: Sales of tangible personal property/services to qualifying 100% disabled Oklahoma veterans and certain surviving spouses, subject to eligibility requirements and annual sales limits.

129. Enhanced Recovery Methods

Statute: 68 O.S. § 1357

Estimate: Information Unavailable / 4 Registered Entities; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Sales of electricity that are used in enhanced recovery methods of oil production.

130. Intrastate Charter and Tour Bus Transportation

Statute: 68 O.S. § 1357

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: The sale of intrastate charter and tour bus transportation.

131. Vitamins, Minerals and Dietary Supplements by a Licensed Chiropractor

Statute: 68 O.S. § 1357

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Sales of vitamins, minerals and dietary supplements by a licensed chiropractor to his/her patient.

132. Web Search Portals

Statute: 68 O.S. § 1357

Estimate: Not shown to avoid disclosure of information about specific taxpayers.

Description: Sales of goods, wares, merchandise, tangible personal property, machinery and equipment to a web search portal located in this state.

133. Contractors and Subcontractors with Rural Electric Cooperatives

Statute: 68 O.S. § 1357

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Purchases of tangible personal property made by (sub)contractors with rural electric coops that are used in the construction or expansion of a facility.

134. Businesses Engaged in Repair of Electronic Goods

Statute: 68 O.S. § 1357

Estimate: \$0 / 0 Registered Entities

Data Source: Tax Commission Records

Reliability: 1

Description: Sales of tangible personal property/services to businesses primarily engaged in the repair of consumer electronic goods that are sold by the original manufacturer to businesses where the goods are repaired for sale.

135. Rolling Stock

Statute: 68 O.S. § 1357

Estimate: Not shown to avoid disclosure of information about specific taxpayers.

Description: On or after July 1, 2019, and prior to July 1, 2029, sales or leases¹⁴ of rolling stock-locomotives, autocars, and railroad cars when sold or leased by the manufacturer.

136. Precious Metals

Statute: 68 O.S. § 1357

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Sales of gold, silver, platinum, palladium or other bullion such as coins and bars and legal tender of any nation, which is sold according to its value or as an investment.

¹⁴ "Sales or leases" includes railroad car maintenance and retrofitting of railroad cars for further use only on the railways.

137. Commercial Forestry Service Equipment

- Statute:** 68 O.S. § 1357
- Estimate:** Not shown to avoid disclosure of information about specific taxpayers.
- Description:** Sales of commercial forestry service equipment, limited to, forwarders, fellers, bunchers, track/wheeled skidders, hydraulic excavators, delimbers, soil compactors and skid steer loaders, to businesses engaged in logging, timber and tree farming.

138. Qualifying Broadband Equipment by Providers of Internet Service

- Statute:** 68 O.S. § 1357
- Estimate:** \$2,519,000
- Data Source:** Estimate based on Tax Commission Records
- Reliability:** 2
- Description:** Sales, lease, rental, storage, use or other consumption of qualifying broadband equipment¹⁶ by internet service providers or subsidiaries if the property is directly used or consumed by the provider or subsidiary in or during the distribution of broadband Internet service. The exemption for qualified broadband equipment is to be administered as a rebate. No claim for rebate shall be approved unless the equipment was purchased in order to establish or expand broadband services in underserved or unserved areas¹⁷ and that the claimant establishes that as a result of the equipment purchased there has been net growth in the number of potential customers served in underserved or unserved areas.

139. Heavy Equipment Rental Recovery Fees

- Statute:** 68 O.S. § 1357
- Estimate:** Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".
- Description:** Recovery fees on the rental charge from items of heavy equipment property rental as provided for in 68 O.S. § 2807.11.

140. Firearm & Gun Safety Devices

- Statute:** 68 O.S. § 1357
- Estimate:** Minimal
- Data Source:** Estimate Based on Industry Information
- Reliability:** 2
- Description:** Sales of firearm safety devices and gun safety devices.

141. Drugs and Medical Devices

- Statute:** 68 O.S. § 1357.6
- Estimate:** Information Unavailable; Reporting is commingled on the Sales Tax Return, Lines 3p or 3x.
- Description:** Sales of drugs for the treatment of human beings, medical appliances, devices or 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. Sales of prosthetics, durable medical equipment and mobility-enhancing equipment when administered, distributed or prescribed by a practitioner, who is authorized by law to administer, distribute or prescribe such items.

142. Horses

- Statute:** 68 O.S. § 1357.7
- Estimate:** Information Unavailable; Reporting is commingled on the Sales Tax Return, Lines 3d, "Agricultural sales", or 3x, "Other legal sales tax exemptions".
- Description:** Sales of horses.

¹⁶ Does not include supporting or ancillary functions, such as office or field operations, marketing, transportation, warehousing, data storage, or similar operations that do not directly result in the distribution of broadband Internet service nor does it include property directly used or consumed during the data processing service or information service, or property sold or leased to the customer for use within the location receiving broadband.

¹⁷ For purposes of the exemption authorized by 68 O.S. § 1357(43), "broadband," "underserved" and "unserved" shall mean those services and areas as defined in 17 O.S. § 139.102.

143. Services Between Related Entities

Statute: 68 O.S. § 1357.9
Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".
Description: Sales of services between related entities.

144. Sales Tax Holiday

Statute: 68 O.S. § 1357.10
Estimate: \$9,212,000
Data Source: Tax Commission Records
Reliability: 1
Description: Sales of clothing or footwear designed to be worn on or about the body if the sales price is less than \$100 and the sale takes place during the period beginning at 12:01 AM, the first Friday in August and ending at midnight on the following Sunday. The exemption includes sales taxes levied by state, cities, counties and authorities. The local taxes are reimbursed to cities and counties from other state sales tax revenues.

145. Food & Food Ingredients

Statute: 68 O.S. § 1357.11
Estimate: \$469,195,000 (Sales Tax), \$3,011,000 (Use Tax)
Data Source: Tax Commission Records
Reliability: 1
Description: Retail sales of food and food ingredients for off-premises human consumption.

146. Agricultural Sales

Statute: 68 O.S. § 1358
Estimate: \$140,312,000 / 79,423 Registered Entities
Data Source: Tax Commission Records
Reliability: 1
Description: Sales of agricultural products sold directly at or from a farm; livestock; baby chicks; turkey poults and starter pullets used in commercial production; animal feed; items to be used in production of agricultural products; farm machinery; supplies, machinery and equipment to persons raising evergreen trees; sales to an agricultural permit holder or to any person the permit holder has contracted to construct livestock facilities.

147. Sales to Manufacturers

Statute: 68 O.S. § 1359
Estimate: Information Unavailable / 4,179 Exemptions
Description: Sales of property, machinery, equipment, supplies, containers, packaging materials, raw materials, and other items used in qualifying manufacturing, processing, extraction, mining, printing, broadcasting, cable casting, export, and industrial operations, including purchases by qualified manufacturers, petroleum refinery contractors, hazardous waste reduction operations, and digital asset mining facilities.

148. Machinery, Equipment, & Electricity Used for Commercial Digital Asset Mining

Statute: 68 O.S. § 1359
Estimate: \$41,000,000 / 173 Registered Entities
Data Source: Estimate based on Tax Commission Records
Reliability: 2
Description: Sales of qualifying machinery, equipment, software, and electricity used for commercial digital asset mining in colocation facilities exempt through 12/31/2029.

149. Sales to Corporations, Partnerships & Limited Liability Companies; Sales / Transfers Between Wholly Owned Subsidiaries

Statute: 68 O.S. § 1360

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Sales between corporations, partnerships, or limited liability companies pursuant to a merger, reorganization, or dissolution and sales or transfers of tangible personal property between wholly owned subsidiaries of a parent company and between a parent company and its wholly owned subsidiary.

150. Donations

Statute: 68 O.S. § 1362

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".

Description: Items that are withdrawn from inventory for donation to those affected by the tornadoes for which a presidential disaster declaration was issued.

151. Bad Debt Credit – Sales Tax

Statute: 68 O.S. § 1366

Estimate: \$278,000

Data Source: Tax Commission Records

Reliability: 1

Description: Taxes paid on gross receipts subsequently determined to be worthless or uncollectible.

152. Out-of-State Tax Credit

Statute: 68 O.S. § 1404

Estimate: \$1,641,000 (Use Tax)

Data Source: Tax Commission Records

Reliability: 1

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

153. Commercial Airlines or Railroads

Statute: 68 O.S. § 1404

Estimate: Information Unavailable

Description: Tangible personal property used, or to be used by, commercial airlines or railroads.

154. Livestock Purchased Outside the State

Statute: 68 O.S. § 1404

Estimate: Information Unavailable

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

155. Rail Transportation Cars

Statute: 68 O.S. § 1404

Estimate: Information Unavailable

Description: Leases of rail transportation cars used to transport coal to plants in this state that generate electricity.

156. Bad Debt Credit – Use Tax

Statute: 68 O.S. § 1407.1

Estimate: Information Unavailable

Data Source: Tax Commission Records

Reliability: 1

Description: Use taxes paid on gross receipts pursuant to 68 O.S. §§ 1406 and 1407 and subsequently determined to be worthless or uncollectible.

157. Oklahoma Administrative Code

Statute: 75 O.S. § 256
Estimate: Minimal
Data Source: Oklahoma Secretary of State's Office
Reliability: 3
Description: Sale or resale of the "Oklahoma Administrative Code" by Secretary of State.

158. Irrigation Districts

Statute: 82 O.S. § 277.17
Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".
Description: All purchases or use of tangible personal property by irrigation districts.

159. Conservancy Districts

Statute: 82 O.S. § 688.1
Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".
Description: All purchases of property by conservancy districts and master conservancy districts.

160. Regional Water Districts

Statute: 82 O.S. § 1274
Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".
Description: All purchases of property by regional water districts.

161. Rural Water, Sewer, Gas and Solid Waste Management Districts

Statute: 82 O.S. § 1324.22
Estimate: Information Unavailable / 156 Registered Entities; Reporting is commingled on the Sales Tax Return, Line 3x, "Other legal sales tax exemptions".
Description: All purchases of property by rural water, sewer, gas and solid waste management districts.

A. EXEMPTIONS IN-LIEU OF SALES TAX

This section includes transactions exempt from sales tax because another applicable tax, fee, or in-lieu payment has been or will be paid. Estimates are based on sources such as exemption forms, Tax Commission records, and Tax Commission estimates. The applicable tax and statutory authority are identified in each description.

1. Leases of Motor Vehicles

Statute: 68 O.S. § 1355
Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3c "Motor vehicle sales on which excise tax has been paid".
Description: Leases of motor vehicles for a term of 12 months or more, provided the vehicle excise tax imposed pursuant to 68 O.S. § 2103 has been paid.

2. Leases of Aircraft

Statute: 68 O.S. § 1355
Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x "Other legal sales tax exemptions".
Description: Leases of aircraft upon which the aircraft excise tax pursuant to 68 O.S. § 6001 has been paid or which are specifically exempt from such tax pursuant to 68 O.S. § 6003.

3. Tobacco & Cigarette Products

Statute: 68 O.S. § 1355

Estimate: \$38,960,000

Data Source: Estimate based on Tax Commission Records

Reliability: 2

Description: Sales of cigarettes or tobacco products to federally recognized tribes or their licensed retailers when the tribal compact in-lieu payment or applicable state cigarette or tobacco tax has been paid pursuant to 68 O.S. §§ 346, 349.1, & 426.

4. Motor Fuels

Statute: 68 O.S. § 1355

Estimate: \$460,516,000

Data Source: Estimate based on Tax Commission Records

Reliability: 2

Description: Sales of gasoline and other motor fuels subject to Oklahoma motor fuel taxes or the fee in lieu of Special Fuels Tax that has been or will be paid pursuant to 68 O.S. §§ 5004.4, 500.4B, & 702.

5. Motor Vehicles

Statute: 68 O.S. § 1355

Estimate: \$406,799,000

Data Source: Estimate based on Tax Commission Records

Reliability: 2

Description: Sales of motor vehicles upon which the applicable excise tax pursuant to 68 O.S. § 2103 has been or will be paid.

6. Boats & Motors

Statute: 68 O.S. § 1355

Estimate: \$9,482,000

Data Source: Estimate based on Service Oklahoma Records

Reliability: 2

Description: Sales of boats and motors on which the applicable excise tax pursuant to 63 O.S. § 4103 has been or will be paid.

7. Aircraft

Statute: 68 O.S. § 1355

Estimate: \$8,832,000

Data Source: Estimate based on Tax Commission Records

Reliability: 2

Description: Sales of aircraft subject to the Oklahoma aircraft excise tax pursuant to 68 O.S. §§ 6001 through 6007 or specifically exempt from that tax pursuant to 68 O.S. § 6003.

8. Coin-Operated Devices

Statute: 68 O.S. § 1355

Estimate: \$3,098,000

Data Source: Estimate based on Tax Commission Records

Reliability: 2

Description: Sales from coin-operated devices upon which the Oklahoma coin-operated device fee pursuant to 68 O.S. § 1503 has been paid.

9. Electric Vehicle Charging Station Electricity

Statute: 68 O.S. § 1355

Estimate: \$68,000

Data Source: Estimate based on Tax Commission Records

Reliability: 2

Description: Sales of electricity from electric vehicle charging stations when the Oklahoma electric vehicle charging tax is collected and remitted pursuant to 68 O.S. § 6504.

10. Charity Game Equipment

Statute: 68 O.S. § 1355

Estimate: Minimal

Data Source: Estimate based on Tax Commission Records

Reliability: 2

Description: Sales of charity game equipment subject to the Oklahoma Charity Games Act tax pursuant to 3A O.S. § 401 or sold to qualifying exempt organizations.

11. Gross Production Products

Statute: 68 O.S. § 1355

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x "Other legal sales tax exemptions".

Description: Sales of crude oil, natural gas, and other products subject to Oklahoma gross production tax pursuant to 68 O.S. §§ 1001 & 1101.

12. Rural Electric Cooperative Corporations

Statute: 68 O.S. § 1803

Estimate: Information Unavailable; Reporting is commingled on the Sales Tax Return, Line 3x "Other legal sales tax exemptions".

Description: A 2% tax on rural electric cooperatives' gross receipts from the sale and distribution of electricity, paid monthly in lieu of other state and local taxes.

IV. MOTOR FUEL TAX

Motor fuel tax, which includes gasoline excise tax and diesel fuel tax, is levied upon the sale of these products in Oklahoma. Gasoline and diesel fuel sold to or consumed by certain entities may be exempt from tax or eligible for credits as set forth by statute.

1. Fuel for Exportation

Statute: 68 O.S. § 500.10

Estimate: Information Unavailable

Description: Sale of gasoline or diesel to be exported out of Oklahoma by a licensed supplier or exporter.

2. Diverted Fuel

Statute: 68 O.S. § 500.10

Estimate: Information Unavailable

Description: Credit for gasoline or diesel taxes previously paid on motor fuel that was approved for diversion over state boundaries.

3. Fuel Exported by Tank Wagon

Statute: 68 O.S. § 500.10

Estimate: Information Unavailable

Description: Gasoline or diesel exported out of a bulk plant in Oklahoma in a tank wagon.

4. K-1 Kerosene

Statute: 68 O.S. § 500.10

Estimate: Information Unavailable

Description: K-1 kerosene sold at retail for use other than for highway use.

5. Sales to Federal Government

Statute: 68 O.S. § 500.10

Estimate: \$0¹⁹

Description: Sales of gasoline or diesel fuel to the United States of America.

6. Fuel Used for the Transportation of School Children

Statute: 68 O.S. § 500.10

Estimate: Information Unavailable

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

Statute: 68 O.S. § 500.10

Estimate: Information Unavailable

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.

8. Fuel Used for Agricultural Purposes

Statute: 68 O.S. § 500.10

Estimate: \$91,000

Data Source: Tax Commission Records

Reliability: 1

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

¹⁹ All expenditures involving the United States are given an estimate of \$0. This estimate is provided since the State cannot levy a tax upon the federal government under the decision of the U.S. Supreme Court.

9. Fuel Sold within Indian Country

Statute: 68 O.S. § 500.10

Estimate: \$0

Data Source: Tax Commission Records

Reliability: 1

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.

10. Diesel Fuel Used to Run Equipment

Statute: 68 O.S. § 500.10

Estimate: \$574,000

Data Source: Tax Commission Records

Reliability: 1

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

11. Fuel Purchased Out of State

Statute: 68 O.S. § 500.10

Estimate: Information Unavailable

Description: Gasoline or diesel acquired in a motor vehicle, outside of Oklahoma, and consumed by the same vehicle in Oklahoma.

12. Diesel Fuel Used for Certain Purposes

Statute: 68 O.S. § 500.10

Estimate: \$91,000

Data Source: Tax Commission Records

Reliability: 1

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

13. Lost or Destroyed Fuel

Statute: 68 O.S. § 500.10

Estimate: Information Unavailable

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

14. Contaminated Diesel

Statute: 68 O.S. § 500.10

Estimate: \$1,500

Data Source: Tax Commission Records

Reliability: 1

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

15. Diesel Fuel That Has Been Dyed Under Federal Regulations for Off-Road Use

Statute: 68 O.S. § 500.10

Estimate: \$187,105,000

Data Source: Tax Commission Records

Reliability: 1

Description: Dyed diesel fuel.

16. Aircraft Fuel

Statute: 68 O.S. § 500.10

Estimate: \$71,000

Data Source: Tax Commission Records

Reliability: 1

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

17. Oklahoma Space Industry Development Authority

Statute: 68 O.S. § 500.10

Estimate: Information Unavailable

Description: Motor fuel sold to the Oklahoma Space Industry Development Authority or any spaceport user.

18. Biofuels

Statute: 68 O.S. § 500.10

Estimate: Information Unavailable

Description: Biofuels or biodiesel produced by an individual with crops grown on property owned by that person for use in his or her vehicle on the public roads and highways.

19. Fuels Used to Benefit Ambulance Districts

Statute: 68 O.S. § 500.10

Estimate: Information Unavailable

Description: Fuels used solely to propel motor vehicles operated for the sole benefit of ambulance service districts established under Okla. Const. Art. X, Sec. 9C.

V. GROSS PRODUCTION & PETROLEUM EXCISE TAX

Gross production and petroleum excise taxes apply to the production and sale of oil, natural gas, and other petroleum products. The provisions in this section represent exemptions and other tax expenditures that impact the amount of revenue collected under these taxes.

1. New Well Incentive (Reduced Rate @5%)

Statute: 68 O.S. § 1001
Estimate: \$173,154,000 (Gross Production)
Data Source: Gross Production Tax Reports
Reliability: 1
Description: Oil and gas production is taxed at a reduced rate of 5% for the first 36 months of production.

2. Orphan Well Recovery Projects

Statute: 68 O.S. § 1001
Estimate: \$0 (Gross Production & Petroleum Excise)
Data Source: Gross Production Tax Reports
Reliability: 1
Description: Oil and gas production from a qualified orphan well is taxed at a rate of 2.5% for 36 months.

3. Secondary and Tertiary Recovery Projects

Statute: 68 O.S. § 1001
Estimate: \$0 (Gross Production & Petroleum Excise)
Data Source: Gross Production Tax Reports
Reliability: 1
Description: Exemption for oil and gas production from secondary and tertiary recovery projects.

4. Wells Drilled with the Use of Recycled Water

Statute: 68 O.S. § 1001
Estimate: \$0 (Gross Production & Petroleum Excise)
Data Source: Gross Production Tax Reports
Reliability: 1
Description: Exemption for oil and gas production from wells completed using recycled water.

5. Gas Marketing Deduction

Statute: 68 O.S. §§ 1001.4, 1101 & 1102
Estimate: \$217,945,000 (Gross Production & Petroleum Excise)
Data Source: Gross Production Tax Reports
Reliability: 1
Description: Deduction for certain non-production costs from natural gas marketing and transportation.

6. Lease Interest Exemptions

Statute: 68 O.S. §§ 1008 & 1106
Estimate: \$228,564,000 (Gross Production & Petroleum Excise)
Data Source: Gross Production Tax Reports
Reliability: 1
Description: Exemption for royalty interests from government-owned minerals.

7. Economically At-Risk Oil or Gas Lease

Statute: 68 O.S. § 1011.3a
Estimate: \$0 (Gross Production & Petroleum Excise)
Data Source: Gross Production Tax Reports
Reliability: 1
Description: Exemption for production from economically at-risk oil or gas leases.

VI. MISCELLANEOUS TAX PROVISIONS

A. USED TIRE RECYCLING FEES

A used tire recycling fee is assessed on sales of motor vehicle tires and tires associated with the first registration of motor vehicles and trailers and semitrailers first titled in the state. Exemptions from the imposition of the used tire recycling fee exist for used or retread tires upon which the used tire fee was previously paid and all-terrain and off-road motorcycles. Exemptions are reported in the aggregate, and therefore, estimates are unavailable.

1. Recycling Fee Previously Paid

Statute: 27A O.S. § 2-11-401.2

Description: Purchases of used or retreaded tires provided the recycling fee has been previously paid.

2. All-Terrain Vehicles and Off-Road Motorcycles

Statute: 27A O.S. § 2-11-401.2

Description: All-terrain vehicles and off-road motorcycles registered pursuant to 47 O.S. § 1132.

B. ALCOHOLIC BEVERAGE TAX

An excise tax is imposed upon all alcoholic beverages imported or manufactured, for sale, use or distribution, or used or possessed in this state, except as provided below.

1. Beer Manufactured for Export

Statute: 37A O.S. § 5-101

Estimate: Information Unavailable

Description: Excise tax exemption for beer manufactured in this state for export.

2. Industrial Use Alcohol

Statute: 37A O.S. § 5-103

Estimate: Information Unavailable

Description: Excise tax exemption for alcohol used exclusively for industrial purposes by the holder of an industrial license.

3. U.S. Tax-Free Permit

Statute: 37A O.S. § 5-103

Estimate: Information Unavailable

Description: Excise tax exemption for alcohol lawfully withdrawn and used free of tax under a tax-free permit issued by the United States.

4. Licensed Physicians and Dentists

Statute: 37A O.S. § 5-103

Estimate: Information Unavailable

Description: Excise tax exemption for alcohol used exclusively by licensed physicians, dentists, and pharmacists in the practice of their professions.

5. Beer, Cider and Wine Made for Personal Use

Statute: 37A O.S. § 5-103

Estimate: Information Unavailable

Description: Excise tax exemption for beer, cider and wine made for personal use by a person licensed by the ABLE Commission.

6. Sacramental Wine

Statute: 37A O.S. § 5-103

Estimate: \$0

Data Source: Tax Commission Records

Reliability: 1

Description: Excise tax exemption for wine used exclusively for sacramental purposes in bona fide religious ceremonies.

7. Imported Alcoholic Beverages

Statute: 37A O.S. § 5-103

Estimate: Information Unavailable

Description: Excise tax exemption for alcoholic beverages, not exceeding one liter, imported into Oklahoma by the possessor for his or her personal use.

8. Charitable Events Licensed and Approved by the ABLE Commission

Statute: 37A O.S. § 5-103

Estimate: Information Unavailable

Description: Excise tax exemption for alcoholic beverages provided to attendees, free of charge, at charitable events licensed and approved by the ABLE Commission.

9. Licensed Caterer

Statute: 37A O.S. § 5-103

Estimate: Information Unavailable

Description: Excise tax exemption for mixed beverage and public event licensees which utilize the services of a licensed caterer.

C. CIGARETTE STAMP TAX

1. Veterans' Hospitals

Statute: 68 O.S. § 321

Estimate: \$5,000

Data Source: Cigarette Wholesaler Tax Reports

Reliability: 1

Description: Stamp excise tax exemption for cigarettes sold to veterans' hospitals and state-operated domiciliary homes for veterans.

D. TOBACCO PRODUCTS TAX

1. Veterans' Hospitals

Statute: 68 O.S. § 419

Estimate: \$0

Data Source: Tax Commission Records

Reliability: 1

Description: Tobacco tax exemption for tobacco products sold to veterans' hospitals and state-operated homes for veterans.

E. SPECIAL FUEL USE TAX

The special fuel use tax is levied upon fuel in a liquid or gaseous state that is delivered into the fuel supply tanks of motor vehicles in Oklahoma or imported into the state in the fuel supply tanks of vehicles used for commercial purposes on Oklahoma highways. Special fuels used in certain vehicles or by certain entities may be exempt or eligible for credits as provided by statute. Aggregate data is unavailable to estimate the tax expenditures.

1. United States of America

Statute: 68 O.S. § 708

Description: Exemption for special fuel delivered into the supply tanks of, or used by, motor vehicles owned by the United States.

2. Agricultural Use

Statute: 68 O.S. § 708

Description: Exemption for special fuel delivered into the supply tanks of farm tractors and stationary engines used for agricultural purposes.

3. Passenger Automobiles

Statute: 68 O.S. § 708

Description: Exemption for special fuel imported into Oklahoma in the fuel supply tanks of passenger automobiles.

4. Motor Vehicles with Supply Tanks of 25 Gallons or Less

Statute: 68 O.S. § 708

Description: Exemption for special fuel imported into Oklahoma in storage tanks with a capacity of 25 gallons or less and not used for commercial purposes.

5. Agricultural Vehicles

Statute: 68 O.S. § 708

Description: Exemption for special fuel imported by persons transporting livestock and farm products to or from the market.

6. Road Machinery and Equipment

Statute: 68 O.S. § 708

Description: Exemption for 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

Statute: 68 O.S. § 708

Description: Exemption for special fuel used in passenger motor buses or coaches, having a seating capacity of 10 or more persons used in public transit systems.

8. County, City or Town Vehicles

Statute: 68 O.S. § 708

Description: Exemption for 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

Statute: 68 O.S. § 708

Description: Exemption for special fuel purchased by an Oklahoma school district for use in vehicles for the sole benefit of the school district.

10. Oklahoma Department of Transportation (ODOT)

Statute: 68 O.S. § 708

Description: Exemption for special fuel purchased by ODOT for use in vehicles for the sole benefit of ODOT.

11. Credit for Special Fuel Consumed Outside Oklahoma

Statute: 68 O.S. § 722

Description: Exemption for special fuel upon which has been paid and is used outside Oklahoma.

12. Fee in Lieu of Tax

Statute: 68 O.S. § 723

Description: Flat fee of \$50 on liquefied petroleum gas (LPG) or natural gas used to propel automobiles, vans and pickup trucks not exceeding one ton capacity; \$100 per year for those not exceeding one ton capacity using methanol or “M-85”; and \$150 for those exceeding one ton capacity using LPG, methanol or “M-85”. These fees are in lieu of the special fuel tax.

F. COIN-OPERATED MUSIC AND AMUSEMENT DEVICE FEES

The coin-operated device fee under 68 O.S. § 1503 applies vending, music, amusement, and bulk-vending devices in lieu of sales tax, with an annual decal required for each device. No reporting requirement exists for coin-op devices exempted by statute and therefore data is not available to develop tax expenditure estimates.

1. Vending Devices Owned by Schools, Churches, or Governments

Statute: 68 O.S. § 1503.1

Description: Coin-operated vending devices owned by, and located in, a public or private school, church, or a governmental entity.

2. Newspaper Vending Devices

Statute: 68 O.S. § 1503.1

Description: Coin-operated vending devices that only dispense newspapers or periodicals.

3. Postage Stamp Vending Devices

Statute: 68 O.S. § 1503.1

Description: Coin-operated vending devices that only dispense postage stamps.

4. Vending Devices Installed on Federal Military Bases

Statute: 68 O.S. § 1503.1

Description: Coin-operated devices installed on federal military bases.

G. MOTOR VEHICLE RENTAL TAX

A 6 % rental tax applies to the gross receipts from motor vehicle rental agreements of 90 days or less when the vehicle is rented by a business engaged in the rental of motor vehicles with a driver in Oklahoma, regardless of the state in which the vehicle is registered, except as described below.

1. Lease Vehicles

Statute: 68 O.S. § 2110

Estimate: Information Unavailable

Description: Vehicles subject to any lease agreements.

2. Prorate Vehicles

Statute: 68 O.S. § 2110

Estimate: Information Unavailable

Description: Trucks or truck-tractors having a combined laden weight of 8,000 pounds or more and registered pursuant to the International Registration Plan.

3. Trailers or Semitrailers

Statute: 68 O.S. § 2110

Estimate: Information Unavailable

Description: Trailers or semi-trailers are registered pursuant to 47 O.S. § 1133.

4. State Government

Statute: 68 O.S. § 2110
Estimate: \$314,000
Data Source: Tax Commission Records
Reliability: 1
Description: Vehicle rentals to state government entities.

5. Bad Debt Deduction

Statute: 68 O.S. § 2110
Estimate: \$0
Data Source: Tax Commission Records
Reliability: 1
Description: Vehicle rental tax deduction from gross receipts for bad debts.

H. DOCUMENTARY STAMP TAX

All property transferred by deed that is not specifically exempted by statute is subject to the documentary stamp tax imposed under 68 O.S. § 3202. Estimates are unavailable because no centralized database is available to capture information associated with exempt property transfers.

1. Deeds Which Secure a Debt

Statute: 68 O.S. § 3202
Description: Deeds which secure a debt or other obligation.

2. Supplemental Deeds

Statute: 68 O.S. § 3202
Description: Deeds which, without additional consideration, supplement a deed previously recorded.

3. Deeds Between Family Members

Statute: 68 O.S. § 3202
Description: Deeds, without consideration, between husband and wife, parent and child, those related within the second degree of consanguinity, or a person and their express revocable trust.

4. Tax Deeds

Statute: 68 O.S. § 3202
Description: Tax deeds.

5. Deeds of Release of Property

Statute: 68 O.S. § 3202
Description: Deeds of release of property that is security for a debt or other obligation.

6. Deeds Executed by Indian Tribal Members

Statute: 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

Statute: 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

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

9. Deeds to a Parent Corporation

Statute: 68 O.S. § 3202
Description: Deeds made by a subsidiary corporation to its parent corporation for no consideration.

10. State of Oklahoma

Statute: 68 O.S. § 3202

Description: Deeds or instruments to which Oklahoma or any of its instrumentalities, agencies or subdivisions is a party.

11. United States of America

Statute: 68 O.S. § 3202

Estimate: \$0²³

Description: Deeds or instruments to which the U.S. or any of its agencies or departments is a party.

12. Foreclosure Deeds

Statute: 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 (OSIDA) Deeds

Statute: 68 O.S. § 3202

Description: Deeds or instruments to which the OSIDA, or a spaceport user, is a party.

I. CHARITY GAMES TAX

1. Veterans' Organizations

Statute: 3A O.S. § 421

Estimate: Information Unavailable

Description: Sales of bingo faces, U-PIK-EM bingo game sets, breakopen ticket games, and other charity game equipment to certain § 501(c)(3) veterans' organizations.

2. Group Home for Mentally Disabled Individuals

Statute: 3A O.S. § 421

Estimate: Information Unavailable

Description: Sales of bingo faces, U-PIK-EM bingo game sets, breakopen ticket games, and other charity games equipment to a § 501(c)(3) group home for mentally disabled individuals.

3. Charitable Healthcare Organization

Statute: 3A O.S. § 421

Estimate: Information Unavailable

Description: Sales of bingo faces, U-PIK-EM bingo game sets, breakopen ticket games, and other charity games equipment to a § 501(c)(3) charitable healthcare organization.

4. Bad Debt Credit

Statute: 3A O.S. § 422

Estimate: \$0

Data Source: Tax Commission Records

Reliability: 1

Description: Credit for taxes paid by the distributor that become uncollectible from an organization.

5. Damaged Equipment

Statute: 3A O.S. § 422

Estimate: \$0

Data Source: Tax Commission Records

Reliability: 1

Description: Credit for tax paid on damaged bingo faces, U-PIK-EM bingo game sets, breakopen ticket games, or charity game equipment.

²³ All expenditures involving the United States are given an estimate of \$0. This is provided since the State cannot levy a tax upon the federal government under the decision of the U.S. Supreme Court.

VII. APPENDIX

A. HISTORIC SALES TAX ESTIMATE COMPARISONS

The expenditures below compare estimates from the previous report (2023–24) with 2025–26 estimates calculated using a methodology comparable to that used in the previous report. These estimates are provided for reference purposes only.

#	Expenditure Name	2023-24 Report Estimates – prior method	2025-26 Report Estimates – if prior method continued
1	Rural Electric Cooperatives	\$9,612,000	\$10,128,000
6	Oklahoma Housing Authority	\$43,000	\$45,300
8	Water, Sewage and Refuse Services	\$19,637,000	\$20,692,000
9	Tourism Broker Transportation Services	\$739,000	\$779,000
10	Funeral Home Transportation Services	\$439,000	\$463,000
15	State of Oklahoma	\$138,982,000	\$146,446,000
18	School Cafeterias	\$9,090,000	\$9,578,000
19	Fraternal, Religious, Civic, Charitable or Educational Societies	\$5,387,000	\$6,676,000
21	Churches	\$8,218,000	\$8,659,000
25	Subdivisions or Agencies of the State	\$172,887,000	\$182,171,000
26	Private Education Institutions	\$4,563,000	\$4,808,000
28	Sales by Schools	\$9,935,000	\$10,469,000
33	Complimentary Admission Tickets	Minimal	Minimal
34	Fire Departments	\$712,000	\$750,000
36	Court-Adjudicated Juvenile Facility	Minimal	Minimal
98	Transportation of School Pupils	\$0	\$0
101	Sales of Certain Types of Advertising	\$62,772,000	\$66,143,000
102	Terrestrial or Aquatic Animal Life Supplies	Minimal	Minimal
103	Utilities for Residential Use	\$177,614,000	\$187,152,000
110	Children's Homes	\$114,000	\$120,000
122	Aircraft Repair and Modification	\$3,248,000	\$3,422,000
141	Drugs and Medical Devices	\$16,102,000	\$16,967,000
142	Horses	\$1,767,000	\$1,862,000
147	Sales to Manufacturers	Sales Tax: \$2,638,668,000 Use Tax: \$8,447,000	Sales Tax: \$2,780,370,000 Use Tax: \$8,901,000
154	Livestock Purchased Outside the State	\$86,527,000	\$91,174,000
158	Irrigation Districts	\$65,000	\$68,000

B. EXEMPTIONS AS REPORTED ON THE SALES & USE TAX RETURNS

Not all exemption items correspond to a single Sales or Use Tax Return line. Accordingly, these estimates should not be summed in order to estimate a total sales tax expenditure amount.

Return Name	Line #	Exemption Name	Est. Sales Tax (Reported Sales * 4.5%)
Sales Tax	3a	Sales to those holding sales tax permits	\$8,575,444,000
Sales Tax	3b	Gasoline sales with state gasoline tax paid	\$460,516,000
Sales Tax	3c	Motor vehicle sales on which excise tax has been paid	\$572,742,000
Sales Tax	3d	Agricultural sales	\$140,312,000
Sales Tax	3e	Sales subject to federal food stamp exemption	\$62,589,000
Sales Tax	3f	Returned merchandise	\$1,113,000
Sales Tax	3h	Direct pay permit	\$42,105,000
Sales Tax	3i	Sales – Out-of-state	\$580,109,000
Sales Tax	3k	Churches, schools, governments	\$118,115,000
Sales Tax	3l	Cigarettes/tobacco	\$38,960,000
Sales Tax	3m	Bad debt	\$280,000
Sales Tax	3n	Coin operated device	\$3,098,000
Sales Tax	3o	Export	\$5,821,000
Sales Tax	3p	Medicare/Medicaid	\$7,861,000
Sales Tax	3q	Newspaper/periodicals	\$1,523,000
Sales Tax	3r	Qualifying exempt organization	\$47,773,000
Sales Tax	3t	Gift certificate/gift card (Sales of)	\$508,000
Sales Tax	3u	Trust Authorities	\$482,000
Sales Tax	3v	Nontaxable services	\$462,090,000
Sales Tax	3x	Other legal sales tax exemptions	\$2,980,892,000
Consumer Use	5	Sales and/or Use Tax previously paid to another state	\$1,641,000
Vendor Use	2a	Sales for Resale	\$3,449,272,000