CHAPTER 65. SALES AND USE TAX

SUBCHAPTER 7. DUTIES AND LIABILITIES

710:65-7-17.1. Vendors' fine for refusal to accept sales tax exemption claims of 100% disabled veterans or surviving spouses of qualifying deceased disabled veterans

A vendor who willfully or intentionally refuses to honor the sales tax exemption afforded ~~a~~an Oklahoma resident 100% disabled veteran's or the unremarried surviving spouse of a deceased qualifying Oklahoma resident disabled veteran is subject to punishment by an administrative fine for the first offense. A second or subsequent violation constitutes a misdemeanor punishable by a fine not to exceed ~~Five Hundred Dollars ($500.00)~~$500.00 per offense.

SUBCHAPTER 11. CREDITS AND REFUNDS

710:65-11-1. Sales tax credits and refunds

(a) ~~Credits, other than for bad debts discussed below, may not be taken on the sales tax reporting form until or unless a valid letter of credit has been received from the Commission.~~ The burden of establishing the right to, and the validity of, a credit or refund is on the vendor or purchaser claiming the credit or refund.

(b) Except for refund requests for state sales tax paid on the purchase of food and food ingredients, credit/refund requests submitted by a vendor shall include the information set out in paragraphs (1) though (8) of this subsection (if applicable). The application for credit may be obtained from the Oklahoma Tax Commission, 300 N. Broadway Ave, Oklahoma City, OK 73102, or online at www.tax.ok.gov.

(1) A written detailed explanation of why the credit/refund is due. (Include exemption numbers and/or an explanation on exempt customers.)

(2) Amended reports detailing the correct figures that should have been reported. (A worksheet may be used in lieu of an amended report for each month involving an extended period.)

(3) Copies or a list of the sales tax reports on which the sales were originally reported.

(4) Copies of cancelled checks used to remit the tax paid.

(5) Copies of the original invoices on which the tax was originally charged. If the number of invoices exceeds twenty-five (25), the invoices must be accompanied by an electronic spreadsheet of the invoices associated with the refund claim that relates

back to the tax amount requested on the application for credit. The required fields should accurately list the customer name, invoice date, invoice number, description of the items, the taxable amount, the sales/use tax requested, period the tax was remitted, permit number the tax was remitted under, and the jurisdiction(s) for which the tax was paid.

(6) Copies of the credit invoices or checks showing the tax collected or charged in error has been refunded to your customer.

(7) A recap of the credit/refunds by tax type, tax period, and taxing jurisdiction.

(8) Other documentation which may be pertinent to the requested credit/refund.

(c) Credit/refund requests submitted by a purchaser shall include the information set out in paragraphs (1) though (5) of this subsection (if applicable). The application for credit may be obtained from the Oklahoma Tax Commission, 300 N. Broadway Ave, Oklahoma City, OK 73102, or online at www.tax.ok.gov.

(1) The name, address, telephone number of the contact person along with the name, address, telephone number and at least the last four digits of the purchaser's identification number.

(2) A written detailed explanation of why the credit/refund is due. Such explanation must contain sufficient factual information about the transaction and reason why the transaction is not subject to tax. (Include exemption number, if applicable)

(3) Copies of the original invoices included in the refund request, in chronological order, from the oldest to the most current. If the number of invoices exceeds twenty-five (25), the invoices must be accompanied by an electronic spreadsheet of the invoices associated with the refund claim that relates back to the tax amount requested on the application for credit. The required fields should accurately list the vendor name, invoice date, invoice number, description of the items, the taxable amount, the sales/use tax requested, period the tax was remitted, permit number the tax was remitted under, and the jurisdiction(s) for which the tax was paid.

(4) Additional documents which support the refund claim, for example: executed contracts, shipping documents or bills of lading, or documentation reflecting usage of tangible personal property, if not evident from the invoice description.

(5) If the amount of the credit/refund request exceeds $10,000.00, the purchaser must also provide the following:

(A) A statement from each vendor to whom the purchaser paid the tax setting forth each invoice included in the claim,
(B) The amount of state, city and/or county tax collected from the purchaser and reported by the vendor and the local jurisdiction(s) for which the tax was paid,
(C) The date on which the tax was remitted to the Tax Commission, and
(D) A statement that the vendor has not, and will not, refund the tax to the purchaser.

(d) Requests for a refund of state sales tax paid on the purchase of food and food ingredients shall be submitted pursuant to the provisions of Section 710:65-13-575.

SUBCHAPTER 13. SALES AND USE TAX EXEMPTIONS

PART 42. DISABLED VETERANS IN RECEIPT OF COMPENSATION AT THE ONE HUNDRED PERCENT RATE

710:65-13-275. Exemption for disabled veterans in receipt of compensation at the 100% rate, unremarried surviving spouses thereof, and unremarried surviving spouses of persons who died while in the line of duty and unremarried surviving spouse of persons whose disability determination was made after their death

(a) **General provisions for exemption afforded certain veterans.** Sales of tangible personal property or services are exempt from sales tax when made to persons who have been honorably discharged from active service in any branch of the Armed Forces of the United States or Oklahoma National Guard, and who have been certified by the United States Department of Veterans Affairs, or its successor, to be in receipt of compensation at the 100% rate for a permanent disability sustained through military action or accident or resulting from a disease contracted while in such service and are registered with the veterans registry created by the Oklahoma Department of Veterans Affairs (ODVA). The exemption includes sales to the spouse of such veteran or to a household member where the veteran resides and who is authorized to make purchases on behalf of the veteran in the veteran's absence, so long as the purchase is for the benefit of the qualified veteran.

(b) **General provisions for exemption afforded an unremarried surviving spouse of a veteran qualifying under subsection (a) of this Section or a person who died in the line of duty or a person who disability determination was made after their death**. Sales of tangible personal property or services are exempt from sales tax when made to an

unremarried surviving spouse of a deceased veteran qualifying for the exemption set out in subsection (a) of this Section or to an unremarried surviving spouse of a person determined by the United States Department of Defense or any branch of the United States military to have died while in the line of duty or to an unremarried surviving spouse under circumstances where the disability determination that would have been made while the disabled veteran was still living is not made final until after the death of the disabled veteran. The exemption includes sales to a household member where the qualifying surviving spouse resides who is authorized to make purchases on behalf of the spouse in his or her absence, so long as the purchase is for the benefit of the spouse.

(c) **Qualification to receive an exemption card.** To qualify for exemption under this Section and receive an exemption card a veteran or surviving spouse of a qualifying veteran must be an Oklahoma "resident" as defined in 68 O.S. §2353 and submit to the Business Tax Services Division, Oklahoma Tax Commission, Oklahoma City,OK 73194 the following information:

(1) **Qualifying veteran.** ~~A letter~~ Verification from the United States Department of Veterans Affairs or the Oklahoma Department of Veterans Affairs certifying that the veteran is receiving disability compensation at the 100% rate and proof of registration with the veterans registry established in accordance with 72 O.S. § 421.

(2) **Unremarried surviving spouse of veterans qualifying for exemption under subsection (a) of this Section.** ~~A letter~~ Verification from the United States Department of Veterans Affairs, Muskogee, OK certifying that the applicant is the unremarried spouse of the qualifying veteran.

(3) **Unremarried surviving spouse of a person who died in the line of duty.** An original or certified copy of the Department of Defense Form DD-1300 which certifies that the applicant is the surviving spouse of a person who died in the line of duty.

(4) **Unremarried surviving spouse of a person whose disability determination was made after their death.** ~~A letter~~ Verification from the United States Department of Veterans Affairs, Muskogee, OK certifying that the applicant is the unremarried spouse of a deceased veteran which also provides for the veteran’s qualifying service and disability determination made by the Department subsequent to their death.

(d) **Exemption limitations.** The authorized exemption in this Section is subject to the following limitations:

(1) **Disabled veterans in receipt of compensation at the 100% rate.** The authorized exemption for a

qualified veteran is limited to ~~Twenty-five Thousand Dollars ($25,000.00)~~ $25,000 per year of qualifying purchases made by the qualified veteran, spouse or household member authorized to make purchases on behalf of the qualified veteran in the veteran's absence. The Tax Commission may request persons asserting or claiming exemption under this Section to provide a statement executed under oath, that the total sales amounts for which the exemption is applicable have not exceeded the yearly limitation of ~~Twenty-five Thousand Dollars ($25,000.00)~~$25,000. If an exempt sale exceeds the exemption limitation, the sales tax in excess of the limitation shall be treated as a direct sales tax liability and the Tax Commission may recover the tax including penalty and interest by the use of any method authorized by law.

(2) **Unremarried surviving spouse.** The exemptions authorized in subsection (b) of this Section for an unremarried surviving spouse are limited to ~~One Thousand Dollars ($1,000.00)~~ $1,000 per year of qualifying purchases made by the qualified surviving spouse. The Tax Commission may request persons asserting or claiming exemption under this Section to provide a statement executed under oath, that the total sales amount for which the exemption is applicable has not exceeded the yearly limitation of ~~One Thousand Dollars ($1,000.00)~~ $1,000. If an exempt sale exceeds the exemption limitation, the sales tax in excess of the limitation shall be treated as a direct sales tax liability and the Tax Commission may recover the tax including penalty and interest by the use of any method authorized by law.

(e) **Qualifying sales.** Sales are exempt if the qualified veteran or surviving spouse has an interest in the funds presented and the purchase is made on his or her behalf, and the qualified person's spouse or household member or the surviving spouse's household member authorized to make purchases on behalf of the veteran or surviving spouse in their absence has presented the exemption card issued by the Oklahoma Tax Commission.

~~(f) **Previously qualified veterans.** Veterans which were granted the sales tax exemption outlined in this Section prior to November 1, 2020, must register with the ODVA veterans registry to remain qualified.~~

~~(g)~~(f) **Perfection of exemption.** The sales tax exemption afforded 100% disabled veterans must be perfected by presenting the sales tax exemption card, issued to the qualifying veteran by the Tax Commission, at the time of sale so that the vendor does not charge and collect sales tax on the purchase.

~~(h)~~(g) **Denial of exemption by vendor.** All vendors shall honor the proof of eligibility for the sales tax exemption to both the qualified veteran, qualified unremarried surviving spouse and persons making purchases for the benefit of the disabled veteran or surviving spouse. Qualifying 100% disabled veterans and qualifying unremarried surviving spouses who have had claims for sales tax exemption denied by vendors may notify the Tax Commission of such denial by submitting to the Audit Services Division a signed and completed OTC Form 13-37, which is available online at www.tax.ok.gov.

~~(i)~~(h) **Refund request.** A refund of sales taxes erroneously paid may be claimed only under circumstances where a vendor refused to honor the proof of exemption eligibility issued by the Tax Commission and the person eligible for the exemption submits to the Tax Commission a completed and signed OTC Form 13-37 *Disabled American Veterans Notification of Denial of Exemption.*

~~(j)~~(i) **Purchases by contractors.** Purchases of tangible personal property or services by a contractor, as defined by 68 O.S. Section 1352 are taxable to the contractor. A contractor who performs improvements to real property for a disabled veteran in receipt of compensation at the 100% rate or an unremarried surviving spouse of the qualifying veteran who qualifies for the exemption from sales tax on their purchases described in this Section may **not** purchase tangible personal property or services to perform the contract exempt from sales tax under the exemption provided by statute to disabled veterans in receipt of compensation at the 100% rate.

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

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

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

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

(1) A letter from the Internal Revenue Service (IRS) recognizing the organization as exempt from federal income taxation pursuant to 26 U.S.C. § 501(c)(3); and,
(2) Documentation which shows the applicant meets the criteria set out in subsection (a) above as evidenced by copies of:
(A) Articles of incorporation;
(B) By-laws;
(C) Brochure; or,
(D) Notarized letter from the President or Chairman of the organization.

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

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

SUBCHAPTER 19. SPECIFIC APPLICATIONS AND EXAMPLES

PART 11. "F"

710:65-19-117. Firearm and gun safety devices

(a) **General provisions.** Effective November 1, 2025, sales of firearm safety devices and gun safety devices are exempt from sales tax.

(b) **Definitions.** The following words and terms, when used in this Section shall have the following meaning, unless the context clearly indicates otherwise:

(1) "**Firearm safety device"** means *a gun safe, gun case, gun lock box, trigger lock, barrel lock, or other device that is designed to be used to store a firearm and that is designed to be unlocked only by means of a key, combination, or other similar means.* [68 O.S. § 1357]

(2) "**Gun safety device**" means *any integral device to be equipped or installed on a firearm that permits a user to program the firearm to operate only for specified persons designated by the user through computerized locking devices or other means integral to and permanently part of the firearm.*[68 O.S. § 1357]

(c) **Examples of firearm safety devices and gun safety devices.** The following list of examples of items that qualify for this exemption is not intended to be an exhaustive list:

(1) Biometric gun safes with fingerprint scanners
(2) Combination or digital keypad gun safes
(3) Hard-shell pistol cases with key locks
(4) Rifle cases with combination locks
(5) Portable gun cases or lock boxes with biometric locks or digital keypads
(6) Cable trigger locks that thread through the trigger guard
(7) Clamshell trigger locks that cover the trigger area
(8) Combination trigger locks
(9) Keyed trigger locks
(10) Cable locks that run through the barrel and action
(11) Barrel plugs or inserts that block the barrel
(12) Chamber locks that prevent cartridge insertion
(13) Computerized safety systems that recognize authorized users through fingerprints or other biometric data
(14) Action locks that prevent the firearm from cycling
(15) Breech locks for break-action firearms
(16) Magazine locks that secure the ammunition feeding system

(d) **Exclusions.** The following list of examples of items that do not qualify for exemptions outlined in Subsection (a) is not intended to be an exhaustive list:

(1) Furniture with locking mechanisms
(2) Foot locker
(3) Tool chest, hope chest or other locked chests
(4) Tackle box
(5) Holsters
(6) Keepsake box, trinket box, or jewelry box
(7) Coin safe
(8) Trophy case
(9) Wardrobe or armoire
(10) Gun case, rack, or pouches that do not have internal/integral locking mechanisms
(11) Curio cabinet or display case

(12) Padlocks or other locks not designed to secure firearms

PART 25. "M"

710:65-19-215. Vehicle sales tax

(a) **Applicability.** Vehicle sales occurring on or after July 1, 2017 which are subject to vehicle excise tax pursuant to Chapter 21 of Title 68 will also be subject to state sales/use tax at a rate of 1.25%. The referenced vehicle sales are not subject to the imposition of sales/use tax imposed by local taxing jurisdictions.

(b) **Exceptions to general applicability.** Sales tax is not collected at the time of initial titling or registration of purchased manufactured homes, boats, outboard motors, special mobilized machinery, low-speed/medium speed electrical vehicles.

(c) **Date due; penalty.** The sales/use tax and must be paid within thirty (30) days from the transfer of vehicle ownership in the same manner and at the same time as vehicle excise tax. After the thirtieth (30th) day, interest is to be collected in addition to the tax due, accruing until paid. After the forty-fifth (45th) day following purchase, a penalty amount is assessed. Sales tax, interest and penalty levy amounts are established by statute.

(d) **Taxable value.** ~~Sales tax assessment is based upon the purchase price of the vehicle before any credit or discount is allowed for a vehicle trade-in.~~ Sales tax on the purchase of a motor vehicle shall be based on the actual consideration paid for the vehicle. If the transaction includes a trade-in, the taxable gross receipts shall be calculated on the difference between the actual sales price of the purchased vehicle and the value of the trade-in vehicle.