

1 ENGROSSED HOUSE AMENDMENT
TO
2 ENGROSSED SENATE BILL NO. 2063 By: Murdock of the Senate
3 and
4 Archer of the House
5

6 An Act relating to the Uniform Unclaimed Property
7 Act; amending 60 O.S. 2021, Section 651, as amended
8 by Section 1, Chapter 421, O.S.L. 2025 (60 O.S. Supp.
9 2025, Section 651), which relates to definitions;
10 modifying definition; amending 60 O.S. 2021, Section
11 668, as last amended by Section 3, Chapter 421,
12 O.S.L. 2025 (60 O.S. Supp. 2025, Section 668), which
13 relates to the Unclaimed Property Fund; modifying
14 required information to be filed with deposits;
15 requiring certain information to be made available on
16 a public website; permitting requests for certain
17 information; requiring the State Treasurer make
18 certain information available at the end of each
19 fiscal year; amending 60 O.S. 2021, Section 674, as
20 amended by Section 4, Chapter 421, O.S.L. 2025 (60
21 O.S. Supp. 2025, Section 674), which relates to
22 claims of abandoned property; authorizing the State
23 Treasurer to request additional information in
24 certain circumstances; authorizing claimants to
request a hearing in certain circumstances; requiring
the State Treasurer to respond to requests within
certain time period; modifying permissible documents
to be filed with a claim; updating statutory
language; updating statutory references; and
providing an effective date.

20 AUTHOR: Remove Representative Archer as principal House author and
21 substitute with Representative Maynard

22 AMENDMENT NO. 1. Strike the title, enacting clause, and entire bill
23 and insert:
24

1 "An Act relating to entrepreneurial experience;
2 enacting the Oklahoma Youth Entrepreneurs Promotion
3 and Development Act of 2026; amending 68 O.S. 2021,
4 Section 1357, as last amended by Section 1, Chapter
5 391, O.S.L. 2025 (68 O.S. Supp. 2025, Section 1357),
6 which relates to sales tax exemption; providing sales
7 tax exemption for sales of tangible personal property
8 and services by certain persons as sole proprietors;
9 providing exemption for income derived by business
10 activity conducted by certain persons; limiting
11 business assistance from adults; placing gross
12 revenue cap on the business; specifying where
13 business is conducted to receive exemption;
14 prohibiting exemption from applying if the business
15 is materially operated for the benefit of an adult;
16 amending 68 O.S. 2021, Section 2358, as last amended
17 by Section 1, Chapter 166, O.S.L. 2024 (68 O.S. Supp.
18 2025, Section 2358), which relates to Oklahoma
19 taxable income and adjusted gross income; providing
20 exemption for income derived by business activity
21 conducted by certain persons; limiting business
22 assistance from adults; placing gross revenue cap on
23 the business; specifying where business is conducted
24 to receive exemption; prohibiting exemption from
applying if the business is materially operated for
the benefit of an adult; exempting certain sole
proprietors from state or local business licensing
requirements; providing for noncodification;
providing for codification; and providing an
effective date.

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

SECTION 1. NEW LAW A new section of law not to be
codified in the Oklahoma Statutes reads as follows:

This act shall be known and may be cited as the "Oklahoma Youth
Entrepreneurs Promotion and Development Act of 2026".

1 SECTION 2. AMENDATORY 68 O.S. 2021, Section 1357, as
2 last amended by Section 1, Chapter 391, O.S.L. 2025 (68 O.S. Supp.
3 2025, Section 1357), is amended to read as follows:

4 Section 1357. Exemptions - General.

5 There are hereby specifically exempted from the tax levied by
6 the Oklahoma Sales Tax Code:

7 1. Transportation of school pupils to and from elementary
8 schools or high schools in motor or other vehicles;

9 2. Transportation of persons where the fare of each person does
10 not exceed One Dollar (\$1.00), or local transportation of persons
11 within the corporate limits of a municipality except by taxicabs;

12 3. Sales for resale to persons engaged in the business of
13 reselling the articles purchased, whether within or without the
14 state, provided that such sales to residents of this state are made
15 to persons to whom sales tax permits have been issued as provided in
16 the Oklahoma Sales Tax Code. This exemption shall not apply to the
17 sales of articles made to persons holding permits when such persons
18 purchase items for their use and which they are not regularly
19 engaged in the business of reselling; neither shall this exemption
20 apply to sales of tangible personal property to peddlers, solicitors
21 and other salespersons who do not have an established place of
22 business and a sales tax permit. The exemption provided by this
23 paragraph shall apply to sales of motor fuel or diesel fuel to a
24 Group Five vendor, but the use of such motor fuel or diesel fuel by

1 the Group Five vendor shall not be exempt from the tax levied by the
2 Oklahoma Sales Tax Code. The purchase of motor fuel or diesel fuel
3 is exempt from sales tax when the motor fuel is for shipment outside
4 this state and consumed by a common carrier by rail in the conduct
5 of its business. The sales tax shall apply to the purchase of motor
6 fuel or diesel fuel in Oklahoma by a common carrier by rail when
7 such motor fuel is purchased for fueling, within this state, of any
8 locomotive or other motorized flanged wheel equipment;

9 4. Sales of advertising space in newspapers and periodicals;

10 5. Sales of programs relating to sporting and entertainment
11 events, and sales of advertising on billboards (including signage,
12 posters, panels, marquees or on other similar surfaces, whether
13 indoors or outdoors) or in programs relating to sporting and
14 entertainment events, and sales of any advertising, to be displayed
15 at or in connection with a sporting event, via the Internet,
16 electronic display devices or through public address or broadcast
17 systems. The exemption authorized by this paragraph shall be
18 effective for all sales made on or after January 1, 2001;

19 6. Sales of any advertising, other than the advertising
20 described by paragraph 5 of this section, via the Internet,
21 electronic display devices or through the electronic media including
22 radio, public address or broadcast systems, television (whether
23 through closed circuit broadcasting systems or otherwise), and cable
24

1 and satellite television, and the servicing of any advertising
2 devices;

3 7. Eggs, feed, supplies, machinery, and equipment purchased by
4 persons regularly engaged in the business of raising worms, fish,
5 any insect, or any other form of terrestrial or aquatic animal life
6 and used for the purpose of raising same for marketing. This
7 exemption shall only be granted and extended to the purchaser when
8 the items are to be used and in fact are used in the raising of
9 animal life as set out above. Each purchaser shall certify, in
10 writing, on the invoice or sales ticket retained by the vendor that
11 the purchaser is regularly engaged in the business of raising such
12 animal life and that the items purchased will be used only in such
13 business. The vendor shall certify to the Oklahoma Tax Commission
14 that the price of the items has been reduced to grant the full
15 benefit of the exemption. Violation hereof by the purchaser or
16 vendor shall be a misdemeanor;

17 8. Sale of natural or artificial gas and electricity, and
18 associated delivery or transmission services, when sold exclusively
19 for residential use. Provided, this exemption shall not apply to
20 any sales tax levied by a city or town, or a county or any other
21 jurisdiction in this state;

22 9. In addition to the exemptions authorized by Section 1357.6
23 of this title, sales of drugs sold pursuant to a prescription
24 written for the treatment of human beings by a person licensed to

1 prescribe the drugs, and sales of insulin and medical oxygen.

2 Provided, this exemption shall not apply to over-the-counter drugs;

3 10. Transfers of title or possession of empty, partially
4 filled, or filled returnable oil and chemical drums to any person
5 who is not regularly engaged in the business of selling, reselling
6 or otherwise transferring empty, partially filled or filled
7 returnable oil drums;

8 11. Sales of one-way utensils, paper napkins, paper cups,
9 disposable hot containers, and other one-way carry out materials to
10 a vendor of meals or beverages;

11 12. Sales of food or food products for home consumption which
12 are purchased in whole or in part with coupons issued pursuant to
13 the federal food stamp program as authorized by Sections 2011
14 through 2036d of Title 7 of the United States Code, as to that
15 portion purchased with such coupons. The exemption provided for
16 such sales shall be inapplicable to such sales upon the effective
17 date of any federal law that removes the requirement of the
18 exemption as a condition for participation by the state in the
19 federal food stamp program;

20 13. Sales of food or food products, or any equipment or
21 supplies used in the preparation of the food or food products to or
22 by an organization which:

23 a. is exempt from taxation pursuant to the provisions of
24 Section 501(c)(3) of the Internal Revenue Code of

1 1986, as amended, 26 U.S.C., Section 501(c)(3), and
2 which provides and delivers prepared meals for home
3 consumption to elderly or homebound persons as part of
4 a program commonly known as "Meals on Wheels" or
5 "Mobile Meals", or

6 b. is exempt from taxation pursuant to the provisions of
7 Section 501(c)(3) of the Internal Revenue Code of
8 1986, as amended, 26 U.S.C., Section 501(c)(3), and
9 which receives federal funding pursuant to the Older
10 Americans Act of 1965, as amended, for the purpose of
11 providing nutrition programs for the care and benefit
12 of elderly persons;

13 14. a. Sales of tangible personal property or services to or
14 by organizations which are exempt from taxation
15 pursuant to the provisions of Section 501(c)(3) of the
16 Internal Revenue Code of 1986, as amended, 26 U.S.C.,
17 Section 501(c)(3), and:

18 (1) are primarily involved in the collection and
19 distribution of food and other household products
20 to other organizations that facilitate the
21 distribution of such products to the needy and
22 such distributee organizations are exempt from
23 taxation pursuant to the provisions of Section
24

1 501(c) (3) of the Internal Revenue Code of 1986,
2 as amended, 26 U.S.C., Section 501(c) (3), or
3 (2) facilitate the distribution of such products to
4 the needy.

5 b. Sales made in the course of business for profit or
6 savings, competing with other persons engaged in the
7 same or similar business shall not be exempt under
8 this paragraph;

9 15. Sales of tangible personal property or services to
10 children's homes which are located on church-owned property and are
11 operated by organizations exempt from taxation pursuant to the
12 provisions of the Internal Revenue Code of 1986, as amended, 26
13 U.S.C., Section 501(c) (3);

14 16. Sales of computers, data processing equipment, related
15 peripherals, and telephone, telegraph or telecommunications service
16 and equipment for use in a qualified aircraft maintenance or
17 manufacturing facility. For purposes of this paragraph, "qualified
18 aircraft maintenance or manufacturing facility" means a new or
19 expanding facility primarily engaged in aircraft repair, building or
20 rebuilding, whether or not on a factory basis, whose total cost of
21 construction exceeds the sum of Five Million Dollars (\$5,000,000.00)
22 and which employs at least two hundred fifty new full-time-
23 equivalent employees, as certified by the Oklahoma Employment
24 Security Commission, upon completion of the facility. In order to

1 qualify for the exemption provided for by this paragraph, the cost
2 of the items purchased by the qualified aircraft maintenance or
3 manufacturing facility shall equal or exceed the sum of Two Million
4 Dollars (\$2,000,000.00);

5 17. Sales of tangible personal property consumed or
6 incorporated in the construction or expansion of a qualified
7 aircraft maintenance or manufacturing facility as defined in
8 paragraph 16 of this section. For purposes of this paragraph, sales
9 made to a contractor or subcontractor that has previously entered
10 into a contractual relationship with a qualified aircraft
11 maintenance or manufacturing facility for construction or expansion
12 of such a facility shall be considered sales made to a qualified
13 aircraft maintenance or manufacturing facility;

14 18. Sales of the following telecommunications services:

- 15 a. interstate and international 800 service. "800
16 service" means a telecommunications service that
17 allows a caller to dial a toll-free number without
18 incurring a charge for the call. The service is
19 typically marketed under the name "800", "855", "866",
20 "877" and "888" toll-free calling, and any subsequent
21 numbers designated by the Federal Communications
22 Commission,
- 23 b. interstate and international 900 service. "900
24 service" means an inbound toll telecommunications

1 service purchased by a subscriber that allows the
2 subscriber's customers to call in to the subscriber's
3 prerecorded announcement or live service. 900 service
4 does not include the charge for: collection services
5 provided by the seller of the telecommunications
6 services to the subscriber, or service or product sold
7 by the subscriber to the subscriber's customer. The
8 service is typically marketed under the name "900"
9 service, and any subsequent numbers designated by the
10 Federal Communications Commission,

11 c. interstate and international private communications
12 service. "Private communications service" means a
13 telecommunications service that entitles the customer
14 to exclusive or priority use of a communications
15 channel or group of channels between or among
16 termination points, regardless of the manner in which
17 such channel or channels are connected, and includes
18 switching capacity, extension lines, stations and any
19 other associated services that are provided in
20 connection with the use of such channel or channels,

21 d. value-added nonvoice data service. "Value-added
22 nonvoice data service" means a service that otherwise
23 meets the definition of telecommunications services in
24 which computer processing applications are used to act

1 on the form, content, code or protocol of the
2 information or data primarily for a purpose other than
3 transmission, conveyance, or routing,

4 e. interstate and international telecommunications
5 service which is:

6 (1) rendered by a company for private use within its
7 organization, or

8 (2) used, allocated or distributed by a company to
9 its affiliated group,

10 f. regulatory assessments and charges including charges
11 to fund the Oklahoma Universal Service Fund, the
12 Oklahoma Lifeline Fund and the Oklahoma High Cost
13 Fund, and

14 g. telecommunications nonrecurring charges including but
15 not limited to the installation, connection, change,
16 or initiation of telecommunications services which are
17 not associated with a retail consumer sale;

18 19. Sales of railroad track spikes manufactured and sold for
19 use in this state in the construction or repair of railroad tracks,
20 switches, sidings, and turnouts;

21 20. Sales of aircraft and aircraft parts provided such sales
22 occur at a qualified aircraft maintenance facility. As used in this
23 paragraph, "qualified aircraft maintenance facility" means a
24 facility operated by an air common carrier including one or more

1 component overhaul support buildings or structures in an area owned,
2 leased, or controlled by the air common carrier, at which there were
3 employed at least two thousand full-time-equivalent employees in the
4 preceding year as certified by the Oklahoma Employment Security
5 Commission and which is primarily related to the fabrication,
6 repair, alteration, modification, refurbishing, maintenance,
7 building, or rebuilding of commercial aircraft or aircraft parts
8 used in air common carriage. For purposes of this paragraph, "air
9 common carrier" shall also include members of an affiliated group as
10 defined by Section 1504 of the Internal Revenue Code of 1986, as
11 amended, 26 U.S.C., Section 1504. Beginning July 1, 2012, the
12 exemption shall include sales of machinery, tools, supplies,
13 equipment, and related tangible personal property and services used
14 or consumed in the repair, remodeling, or maintenance of aircraft,
15 aircraft engines or aircraft component parts which occur at a
16 qualified aircraft maintenance facility;

17 21. Sales of machinery and equipment purchased and used by
18 persons and establishments primarily engaged in computer services
19 and data processing:

20 a. as defined under Industry Group Numbers 7372 and 7373
21 of the Standard Industrial Classification (SIC)
22 Manual, latest version, which derive at least fifty
23 percent (50%) of their annual gross revenues from the
24

1 sale of a product or service to an out-of-state buyer
2 or consumer, and

3 b. as defined under Industry Group Number 7374 of the SIC
4 Manual, latest version, which derive at least eighty
5 percent (80%) of their annual gross revenues from the
6 sale of a product or service to an out-of-state buyer
7 or consumer.

8 Eligibility for the exemption set out in this paragraph shall be
9 established, subject to review by the Tax Commission, by annually
10 filing an affidavit with the Tax Commission stating that the
11 facility so qualifies and such information as required by the Tax
12 Commission. For purposes of determining whether annual gross
13 revenues are derived from sales to out-of-state buyers or consumers,
14 all sales to the federal government shall be considered to be to an
15 out-of-state buyer or consumer;

16 22. Sales of prosthetic devices to an individual for use by
17 such individual. For purposes of this paragraph, "prosthetic
18 device" shall have the same meaning as provided in Section 1357.6 of
19 this title, but shall not include corrective eye glasses, contact
20 lenses, or hearing aids;

21 23. Sales of tangible personal property or services to a motion
22 picture or television production company to be used or consumed in
23 connection with an eligible production. For purposes of this
24 paragraph, "eligible production" means a documentary, special, music

1 video or a television commercial or television program that will
2 serve as a pilot for or be a segment of an ongoing dramatic or
3 situation comedy series filmed or taped for network or national or
4 regional syndication or a feature-length motion picture intended for
5 theatrical release or for network or national or regional
6 syndication or broadcast. The provisions of this paragraph shall
7 apply to sales occurring on or after July 1, 1996. In order to
8 qualify for the exemption, the motion picture or television
9 production company shall file any documentation and information
10 required to be submitted pursuant to rules promulgated by the Tax
11 Commission;

12 24. Sales of diesel fuel sold for consumption by commercial
13 vessels, barges and other commercial watercraft;

14 25. Sales of tangible personal property or services to tax-
15 exempt independent nonprofit biomedical research foundations that
16 provide educational programs for Oklahoma science students and
17 teachers and to tax-exempt independent nonprofit community blood
18 banks headquartered in this state;

19 26. Effective May 6, 1992, sales of wireless telecommunications
20 equipment to a vendor who subsequently transfers the equipment at no
21 charge or for a discounted charge to a consumer as part of a
22 promotional package or as an inducement to commence or continue a
23 contract for wireless telecommunications services;

24

1 27. Effective January 1, 1991, leases of rail transportation
2 cars to haul coal to coal-fired plants located in this state which
3 generate electric power;

4 28. Beginning July 1, 2005, sales of aircraft engine repairs,
5 modification, and replacement parts, sales of aircraft frame repairs
6 and modification, aircraft interior modification, and paint, and
7 sales of services employed in the repair, modification, and
8 replacement of parts of aircraft engines, aircraft frame and
9 interior repair and modification, and paint;

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

13 a. are loaded on the ship, motor vessel, or barge and
14 used in the maintenance and operation of the ship,
15 motor vessel, or barge, or

16 b. enter into and become component parts of the ship,
17 motor vessel, or barge;

18 30. Sales of tangible personal property made at estate sales at
19 which such property is offered for sale on the premises of the
20 former residence of the decedent by a person who is not required to
21 be licensed pursuant to the Transient Merchant Licensing Act, or who
22 is not otherwise required to obtain a sales tax permit for the sale
23 of such property pursuant to the provisions of Section 1364 of this
24 title; provided:

- 1 a. such sale or event may not be held for a period
2 exceeding three (3) consecutive days,
3 b. the sale must be conducted within six (6) months of
4 the date of death of the decedent, and
5 c. the exemption allowed by this paragraph shall not be
6 allowed for property that was not part of the
7 decedent's estate;

8 31. Beginning January 1, 2004, sales of electricity and
9 associated delivery and transmission services, when sold exclusively
10 for use by an oil and gas operator for reservoir dewatering projects
11 and associated operations commencing on or after July 1, 2003, in
12 which the initial water-to-oil ratio is greater than or equal to
13 five-to-one water-to-oil, and such oil and gas development projects
14 have been classified by the Corporation Commission as a reservoir
15 dewatering unit;

16 32. Sales of prewritten computer software that is delivered
17 electronically. For purposes of this paragraph, "delivered
18 electronically" means delivered to the purchaser by means other than
19 tangible storage media;

20 33. Sales of modular dwelling units when built at a production
21 facility and moved in whole or in parts, to be assembled on-site,
22 and permanently affixed to the real property and used for
23 residential or commercial purposes. The exemption provided by this
24 paragraph shall equal forty-five percent (45%) of the total sales

1 price of the modular dwelling unit. For purposes of this paragraph,
2 "modular dwelling unit" means a structure that is not subject to the
3 motor vehicle excise tax imposed pursuant to Section 2103 of this
4 title;

5 34. Sales of tangible personal property or services to:

6 a. persons who are residents of Oklahoma and have been
7 honorably discharged from active service in any branch
8 of the Armed Forces of the United States or Oklahoma
9 National Guard and who have been certified by the
10 United States Department of Veterans Affairs or its
11 successor to be in receipt of disability compensation
12 at the one-hundred-percent rate and the disability
13 shall be permanent and have been sustained through
14 military action or accident or resulting from disease
15 contracted while in such active service and registered
16 with the veterans registry created by the Oklahoma
17 Department of Veterans Affairs, or

18 b. the surviving spouse of the person in subparagraph a
19 of this paragraph if the person is deceased and the
20 spouse has not remarried and the surviving spouse of a
21 person who is determined by the United States
22 Department of Defense or any branch of the United
23 States military to have died while in the line of duty
24 if the spouse has not remarried. Sales for the

1 benefit of an eligible person to a spouse of the
2 eligible person or to a member of the household in
3 which the eligible person resides and who is
4 authorized to make purchases on the person's behalf,
5 when such eligible person is not present at the sale,
6 shall also be exempt for purposes of this paragraph.
7 The Oklahoma Tax Commission shall issue a separate
8 exemption card to a spouse of an eligible person or to
9 a member of the household in which the eligible person
10 resides who is authorized to make purchases on the
11 person's behalf, if requested by the eligible person.
12 Sales qualifying for the exemption authorized by this
13 paragraph shall not exceed Twenty-five Thousand
14 Dollars (\$25,000.00) per year per individual while the
15 disabled veteran is living. Sales qualifying for the
16 exemption authorized by this paragraph shall not
17 exceed One Thousand Dollars (\$1,000.00) per year for
18 an unremarried surviving spouse. Upon request of the
19 Tax Commission, a person asserting or claiming the
20 exemption authorized by this paragraph shall provide a
21 statement, executed under oath, that the total sales
22 amounts for which the exemption is applicable have not
23 exceeded Twenty-five Thousand Dollars (\$25,000.00) per
24 year per living disabled veteran or One Thousand

1 Dollars (\$1,000.00) per year for an unremarried
2 surviving spouse. If the amount of such exempt sales
3 exceeds such amount, the sales tax in excess of the
4 authorized amount shall be treated as a direct sales
5 tax liability and may be recovered by the Tax
6 Commission in the same manner provided by law for
7 other taxes including penalty and interest. The Tax
8 Commission shall promulgate any rules necessary to
9 implement the provisions of this paragraph, which
10 shall include rules providing for the disclosure of
11 information about persons eligible for the exemption
12 authorized in this paragraph to the Oklahoma
13 Department of Veterans Affairs, as authorized in
14 Section 205 of this title. For purposes of the
15 exemption authorized by this subparagraph, if the
16 disability determination that would have been made
17 while the disabled veteran was still living is not
18 made final until after the death of the disabled
19 veteran, the exemption authorized by this subparagraph
20 may still be claimed by the surviving spouse;

21 35. Sales of electricity to the operator, specifically
22 designated by the Corporation Commission, of a spacing unit or lease
23 from which oil is produced or attempted to be produced using
24 enhanced recovery methods including, but not limited to, increased

1 pressure in a producing formation through the use of water or
2 saltwater if the electrical usage is associated with and necessary
3 for the operation of equipment required to inject or circulate
4 fluids in a producing formation for the purpose of forcing oil or
5 petroleum into a wellbore for eventual recovery and production from
6 the wellhead. In order to be eligible for the sales tax exemption
7 authorized by this paragraph, the total content of oil recovered
8 after the use of enhanced recovery methods shall not exceed one
9 percent (1%) by volume. The exemption authorized by this paragraph
10 shall be applicable only to the state sales tax rate and shall not
11 be applicable to any county or municipal sales tax rate;

12 36. Sales of intrastate charter and tour bus transportation.
13 As used in this paragraph, "intrastate charter and tour bus
14 transportation" means the transportation of persons from one
15 location in this state to another location in this state in a motor
16 vehicle which has been constructed in such a manner that it may
17 lawfully carry more than eighteen persons, and which is ordinarily
18 used or rented to carry persons for compensation. Provided, this
19 exemption shall not apply to regularly scheduled bus transportation
20 for the general public;

21 37. Sales of vitamins, minerals, and dietary supplements by a
22 licensed chiropractor to a person who is the patient of such
23 chiropractor at the physical location where the chiropractor
24 provides chiropractic care or services to such patient. The

1 provisions of this paragraph shall not be applicable to any drug,
2 medicine, or substance for which a prescription by a licensed
3 physician is required;

4 38. Sales of goods, wares, merchandise, tangible personal
5 property, machinery, and equipment to a web search portal located in
6 this state which derives at least eighty percent (80%) of its annual
7 gross revenue from the sale of a product or service to an out-of-
8 state buyer or consumer. For purposes of this paragraph, "web
9 search portal" means an establishment classified under North
10 American Industry Classification System (NAICS) code 519130 which
11 operates websites that use a search engine to generate and maintain
12 extensive databases of Internet addresses and content in an easily
13 searchable format;

14 39. Sales of tangible personal property consumed or
15 incorporated in the construction or expansion of a facility for a
16 corporation organized under Section 437 et seq. of Title 18 of the
17 Oklahoma Statutes as a rural electric cooperative. For purposes of
18 this paragraph, sales made to a contractor or subcontractor that has
19 previously entered into a contractual relationship with a rural
20 electric cooperative for construction or expansion of a facility
21 shall be considered sales made to a rural electric cooperative;

22 40. Sales of tangible personal property or services to a
23 business primarily engaged in the repair of consumer electronic
24 goods including, but not limited to, cell phones, compact disc

1 players, personal computers, MP3 players, digital devices for the
2 storage and retrieval of information through hard-wired or wireless
3 computer or Internet connections, if the devices are sold to the
4 business by the original manufacturer of such devices and the
5 devices are repaired, refitted or refurbished for sale by the entity
6 qualifying for the exemption authorized by this paragraph directly
7 to retail consumers or if the devices are sold to another business
8 entity for sale to retail consumers;

9 41. On or after July 1, 2019, and prior to July 1, 2024, sales
10 or leases of rolling stock when sold or leased by the manufacturer,
11 regardless of whether the purchaser is a public services corporation
12 engaged in business as a common carrier of property or passengers by
13 railway, for use or consumption by a common carrier directly in the
14 rendition of public service. For purposes of this paragraph,
15 "rolling stock" means locomotives, autocars, and railroad cars and
16 "sales or leases" includes railroad car maintenance and retrofitting
17 of railroad cars for their further use only on the railways;

18 42. Sales of gold, silver, platinum, palladium or other bullion
19 items such as coins and bars and legal tender of any nation, which
20 legal tender is sold according to its value as precious metal or as
21 an investment. As used in the paragraph, "bullion" means any
22 precious metal including, but not limited to, gold, silver,
23 platinum, and palladium, that is in such a state or condition that
24 its value depends upon its precious metal content and not its form.

1 The exemption authorized by this paragraph shall not apply to
2 fabricated metals that have been processed or manufactured for
3 artistic use or as jewelry;

4 43. Recovery fees on the rental charge from any item of heavy
5 equipment property rental as provided for in Section 2807.11 of this
6 title; ~~and~~

7 44. Sales of firearm safety devices and gun safety devices. As
8 used in this paragraph:

9 a. "firearm safety device" means a gun safe, gun case,
10 gun lock box, trigger lock, barrel lock, or other
11 device that is designed to be used to store a firearm
12 and that is designed to be unlocked only by means of a
13 key, combination, or other similar means, and

14 b. "gun safety device" means any integral device to be
15 equipped or installed on a firearm that permits a user
16 to program the firearm to operate only for specified
17 persons designated by the user through computerized
18 locking devices or other means integral to and
19 permanently part of the firearm; and

20 45. Sales of tangible personal property or services made by a
21 business that is owned and operated primarily by one or more
22 individuals who have not attained eighteen (18) years of age,
23 conducting such business as a sole proprietorship and not through
24

1 any other legal entity, shall be exempt from the tax levied by the
2 Oklahoma Sales Tax Code, so long as:

3 a. the business receives only limited assistance from
4 adults in the form of supervision, transportation,
5 safety oversight, or other incidental support that
6 does not constitute material management or operation
7 of the business,

8 b. the business generates gross revenue of less than One
9 Thousand Dollars (\$1,000.00) during the calendar year,
10 and

11 c. the business operates only on private property with
12 the consent of the owner or lawful possessor of the
13 property, or as part of a community event that
14 separately registers youth vendors.

15 This exemption shall not apply if an adult exercises primary
16 control over the business decisions, management, or operations, or
17 if the business is materially operated for the benefit of any adult.

18 SECTION 3. AMENDATORY 68 O.S. 2021, Section 2358, as
19 last amended by Section 1, Chapter 166, O.S.L. 2024 (68 O.S. Supp.
20 2025, Section 2358), is amended to read as follows:

21 Section 2358. For all tax years beginning after December 31,
22 1981, taxable income and adjusted gross income shall be adjusted to
23 arrive at Oklahoma taxable income and Oklahoma adjusted gross income
24 as required by this section.

1 A. The taxable income of any taxpayer shall be adjusted to
2 arrive at Oklahoma taxable income for corporations and Oklahoma
3 adjusted gross income for individuals, as follows:

4 1. There shall be added interest income on obligations of any
5 state or political subdivision thereto which is not otherwise
6 exempted pursuant to other laws of this state, to the extent that
7 such interest is not included in taxable income and adjusted gross
8 income.

9 2. There shall be deducted amounts included in such income that
10 the state is prohibited from taxing because of the provisions of the
11 Federal Constitution, the State Constitution, federal laws or laws
12 of Oklahoma.

13 3. The amount of any federal net operating loss deduction shall
14 be adjusted as follows:

15 a. For carryovers and carrybacks to taxable years
16 beginning before January 1, 1981, the amount of any
17 net operating loss deduction allowed to a taxpayer for
18 federal income tax purposes shall be reduced to an
19 amount which is the same portion thereof as the loss
20 from sources within this state, as determined pursuant
21 to this section and Section 2362 of this title, for
22 the taxable year in which such loss is sustained is of
23 the total loss for such year;

24

1 b. For carryovers and carrybacks to taxable years
2 beginning after December 31, 1980, the amount of any
3 net operating loss deduction allowed for the taxable
4 year shall be an amount equal to the aggregate of the
5 Oklahoma net operating loss carryovers and carrybacks
6 to such year. Oklahoma net operating losses shall be
7 separately determined by reference to Section 172 of
8 the Internal Revenue Code, 26 U.S.C., Section 172, as
9 modified by the Oklahoma Income Tax Act, Section 2351
10 et seq. of this title, and shall be allowed without
11 regard to the existence of a federal net operating
12 loss. For tax years beginning after December 31,
13 2000, and ending before January 1, 2008, the years to
14 which such losses may be carried shall be determined
15 solely by reference to Section 172 of the Internal
16 Revenue Code, 26 U.S.C., Section 172, with the
17 exception that the terms "net operating loss" and
18 "taxable income" shall be replaced with "Oklahoma net
19 operating loss" and "Oklahoma taxable income". For
20 tax years beginning after December 31, 2007, and
21 ending before January 1, 2009, years to which such
22 losses may be carried back shall be limited to two (2)
23 years. For tax years beginning after December 31,
24 2008, the years to which such losses may be carried

1 back shall be determined solely by reference to
2 Section 172 of the Internal Revenue Code, 26 U.S.C.,
3 Section 172, with the exception that the terms "net
4 operating loss" and "taxable income" shall be replaced
5 with "Oklahoma net operating loss" and "Oklahoma
6 taxable income".

7 4. Items of the following nature shall be allocated as
8 indicated. Allowable deductions attributable to items separately
9 allocable in subparagraphs a, b and c of this paragraph, whether or
10 not such items of income were actually received, shall be allocated
11 on the same basis as those items:

12 a. Income from real and tangible personal property, such
13 as rents, oil and mining production or royalties, and
14 gains or losses from sales of such property, shall be
15 allocated in accordance with the situs of such
16 property;

17 b. Income from intangible personal property, such as
18 interest, dividends, patent or copyright royalties,
19 and gains or losses from sales of such property, shall
20 be allocated in accordance with the domiciliary situs
21 of the taxpayer, except that:

22 (1) where such property has acquired a nonunitary
23 business or commercial situs apart from the
24 domicile of the taxpayer such income shall be

1 allocated in accordance with such business or
2 commercial situs; interest income from
3 investments held to generate working capital for
4 a unitary business enterprise shall be included
5 in apportionable income; a resident trust or
6 resident estate shall be treated as having a
7 separate commercial or business situs insofar as
8 undistributed income is concerned, but shall not
9 be treated as having a separate commercial or
10 business situs insofar as distributed income is
11 concerned,

12 (2) for taxable years beginning after December 31,
13 2003, capital or ordinary gains or losses from
14 the sale of an ownership interest in a publicly
15 traded partnership, as defined by Section 7704(b)
16 of the Internal Revenue Code, shall be allocated
17 to this state in the ratio of the original cost
18 of such partnership's tangible property in this
19 state to the original cost of such partnership's
20 tangible property everywhere, as determined at
21 the time of the sale; if more than fifty percent
22 (50%) of the value of the partnership's assets
23 consists of intangible assets, capital or
24 ordinary gains or losses from the sale of an

1 ownership interest in the partnership shall be
2 allocated to this state in accordance with the
3 sales factor of the partnership for its first
4 full tax period immediately preceding its tax
5 period during which the ownership interest in the
6 partnership was sold; the provisions of this
7 division shall only apply if the capital or
8 ordinary gains or losses from the sale of an
9 ownership interest in a partnership do not
10 constitute qualifying gain receiving capital
11 treatment as defined in subparagraph a of
12 paragraph 2 of subsection F of this section,

13 (3) income from such property which is required to be
14 allocated pursuant to the provisions of paragraph
15 5 of this subsection shall be allocated as herein
16 provided;

17 c. Net income or loss from a business activity which is
18 not a part of business carried on within or without
19 the state of a unitary character shall be separately
20 allocated to the state in which such activity is
21 conducted;

22 d. In the case of a manufacturing or processing
23 enterprise the business of which in this state
24 consists solely of marketing its products by:

1 (1) sales having a situs without this state, shipped
2 directly to a point from without the state to a
3 purchaser within the state, commonly known as
4 interstate sales,

5 (2) sales of the product stored in public warehouses
6 within the state pursuant to "in transit"
7 tariffs, as prescribed and allowed by the
8 Interstate Commerce Commission, to a purchaser
9 within the state,

10 (3) sales of the product stored in public warehouses
11 within the state where the shipment to such
12 warehouses is not covered by "in transit"
13 tariffs, as prescribed and allowed by the
14 Interstate Commerce Commission, to a purchaser
15 within or without the state,

16 the Oklahoma net income shall, at the option of the
17 taxpayer, be that portion of the total net income of
18 the taxpayer for federal income tax purposes derived
19 from the manufacture and/or processing and sales
20 everywhere as determined by the ratio of the sales
21 defined in this section made to the purchaser within
22 the state to the total sales everywhere. The term
23 "public warehouse" as used in this subparagraph means
24

1 a licensed public warehouse, the principal business of
2 which is warehousing merchandise for the public;

3 e. In the case of insurance companies, Oklahoma taxable
4 income shall be taxable income of the taxpayer for
5 federal tax purposes, as adjusted for the adjustments
6 provided pursuant to the provisions of paragraphs 1
7 and 2 of this subsection, apportioned as follows:

8 (1) except as otherwise provided by division (2) of
9 this subparagraph, taxable income of an insurance
10 company for a taxable year shall be apportioned
11 to this state by multiplying such income by a
12 fraction, the numerator of which is the direct
13 premiums written for insurance on property or
14 risks in this state, and the denominator of which
15 is the direct premiums written for insurance on
16 property or risks everywhere. For purposes of
17 this subsection, the term "direct premiums
18 written" means the total amount of direct
19 premiums written, assessments and annuity
20 considerations as reported for the taxable year
21 on the annual statement filed by the company with
22 the Insurance Commissioner in the form approved
23 by the National Association of Insurance
24

1 Commissioners, or such other form as may be
2 prescribed in lieu thereof,

3 (2) if the principal source of premiums written by an
4 insurance company consists of premiums for
5 reinsurance accepted by it, the taxable income of
6 such company shall be apportioned to this state
7 by multiplying such income by a fraction, the
8 numerator of which is the sum of (a) direct
9 premiums written for insurance on property or
10 risks in this state, plus (b) premiums written
11 for reinsurance accepted in respect of property
12 or risks in this state, and the denominator of
13 which is the sum of (c) direct premiums written
14 for insurance on property or risks everywhere,
15 plus (d) premiums written for reinsurance
16 accepted in respect of property or risks
17 everywhere. For purposes of this paragraph,
18 premiums written for reinsurance accepted in
19 respect of property or risks in this state,
20 whether or not otherwise determinable, may at the
21 election of the company be determined on the
22 basis of the proportion which premiums written
23 for insurance accepted from companies
24 commercially domiciled in this state bears to

1 premiums written for reinsurance accepted from
2 all sources, or alternatively in the proportion
3 which the sum of the direct premiums written for
4 insurance on property or risks in this state by
5 each ceding company from which reinsurance is
6 accepted bears to the sum of the total direct
7 premiums written by each such ceding company for
8 the taxable year.

9 5. The net income or loss remaining after the separate
10 allocation in paragraph 4 of this subsection, being that which is
11 derived from a unitary business enterprise, shall be apportioned to
12 this state on the basis of the arithmetical average of three factors
13 consisting of property, payroll and sales or gross revenue
14 enumerated as subparagraphs a, b and c of this paragraph. Net
15 income or loss as used in this paragraph includes that derived from
16 patent or copyright royalties, purchase discounts, and interest on
17 accounts receivable relating to or arising from a business activity,
18 the income from which is apportioned pursuant to this subsection,
19 including the sale or other disposition of such property and any
20 other property used in the unitary enterprise. Deductions used in
21 computing such net income or loss shall not include taxes based on
22 or measured by income. Provided, for corporations whose property
23 for purposes of the tax imposed by Section 2355 of this title has an
24 initial investment cost equaling or exceeding Two Hundred Million

1 Dollars (\$200,000,000.00) and such investment is made on or after
2 July 1, 1997, or for corporations which expand their property or
3 facilities in this state and such expansion has an investment cost
4 equaling or exceeding Two Hundred Million Dollars (\$200,000,000.00)
5 over a period not to exceed three (3) years, and such expansion is
6 commenced on or after January 1, 2000, the three factors shall be
7 apportioned with property and payroll, each comprising twenty-five
8 percent (25%) of the apportionment factor and sales comprising fifty
9 percent (50%) of the apportionment factor. The apportionment
10 factors shall be computed as follows:

11 a. The property factor is a fraction, the numerator of
12 which is the average value of the taxpayer's real and
13 tangible personal property owned or rented and used in
14 this state during the tax period and the denominator
15 of which is the average value of all the taxpayer's
16 real and tangible personal property everywhere owned
17 or rented and used during the tax period.

18 (1) Property, the income from which is separately
19 allocated in paragraph 4 of this subsection,
20 shall not be included in determining this
21 fraction. The numerator of the fraction shall
22 include a portion of the investment in
23 transportation and other equipment having no
24 fixed situs, such as rolling stock, buses, trucks

1 and trailers, including machinery and equipment
2 carried thereon, airplanes, salespersons'
3 automobiles and other similar equipment, in the
4 proportion that miles traveled in this state by
5 such equipment bears to total miles traveled,

6 (2) Property owned by the taxpayer is valued at its
7 original cost. Property rented by the taxpayer
8 is valued at eight times the net annual rental
9 rate. Net annual rental rate is the annual
10 rental rate paid by the taxpayer, less any annual
11 rental rate received by the taxpayer from
12 subrentals,

13 (3) The average value of property shall be determined
14 by averaging the values at the beginning and
15 ending of the tax period but the Oklahoma Tax
16 Commission may require the averaging of monthly
17 values during the tax period if reasonably
18 required to reflect properly the average value of
19 the taxpayer's property;

20 b. The payroll factor is a fraction, the numerator of
21 which is the total compensation for services rendered
22 in the state during the tax period, and the
23 denominator of which is the total compensation for
24 services rendered everywhere during the tax period.

1 "Compensation", as used in this subsection, means
2 those paid-for services to the extent related to the
3 unitary business but does not include officers'
4 salaries, wages and other compensation.

5 (1) In the case of a transportation enterprise, the
6 numerator of the fraction shall include a portion
7 of such expenditure in connection with employees
8 operating equipment over a fixed route, such as
9 railroad employees, airline pilots, or bus
10 drivers, in this state only a part of the time,
11 in the proportion that mileage traveled in this
12 state bears to total mileage traveled by such
13 employees,

14 (2) In any case the numerator of the fraction shall
15 include a portion of such expenditures in
16 connection with itinerant employees, such as
17 traveling salespersons, in this state only a part
18 of the time, in the proportion that time spent in
19 this state bears to total time spent in
20 furtherance of the enterprise by such employees;

21 c. The sales factor is a fraction, the numerator of which
22 is the total sales or gross revenue of the taxpayer in
23 this state during the tax period, and the denominator
24 of which is the total sales or gross revenue of the

1 taxpayer everywhere during the tax period. "Sales",
2 as used in this subsection, does not include sales or
3 gross revenue which are separately allocated in
4 paragraph 4 of this subsection.

5 (1) Sales of tangible personal property have a situs
6 in this state if the property is delivered or
7 shipped to a purchaser other than the United
8 States government, within this state regardless
9 of the FOB point or other conditions of the sale;
10 or the property is shipped from an office, store,
11 warehouse, factory or other place of storage in
12 this state and (a) the purchaser is the United
13 States government or (b) the taxpayer is not
14 doing business in the state of the destination of
15 the shipment.

16 (2) In the case of a railroad or interurban railway
17 enterprise, the numerator of the fraction shall
18 not be less than the allocation of revenues to
19 this state as shown in its annual report to the
20 Corporation Commission.

21 (3) In the case of an airline, truck or bus
22 enterprise or freight car, tank car, refrigerator
23 car or other railroad equipment enterprise, the
24 numerator of the fraction shall include a portion

1 of revenue from interstate transportation in the
2 proportion that interstate mileage traveled in
3 this state bears to total interstate mileage
4 traveled.

5 (4) In the case of an oil, gasoline or gas pipeline
6 enterprise, the numerator of the fraction shall
7 be either the total of traffic units of the
8 enterprise within this state or the revenue
9 allocated to this state based upon miles moved,
10 at the option of the taxpayer, and the
11 denominator of which shall be the total of
12 traffic units of the enterprise or the revenue of
13 the enterprise everywhere as appropriate to the
14 numerator. A "traffic unit" is hereby defined as
15 the transportation for a distance of one (1) mile
16 of one (1) barrel of oil, one (1) gallon of
17 gasoline or one thousand (1,000) cubic feet of
18 natural or casinghead gas, as the case may be.

19 (5) In the case of a telephone or telegraph or other
20 communication enterprise, the numerator of the
21 fraction shall include that portion of the
22 interstate revenue as is allocated pursuant to
23 the accounting procedures prescribed by the
24 Federal Communications Commission; provided that

1 in respect to each corporation or business entity
2 required by the Federal Communications Commission
3 to keep its books and records in accordance with
4 a uniform system of accounts prescribed by such
5 Commission, the intrastate net income shall be
6 determined separately in the manner provided by
7 such uniform system of accounts and only the
8 interstate income shall be subject to allocation
9 pursuant to the provisions of this subsection.
10 Provided further, that the gross revenue factors
11 shall be those as are determined pursuant to the
12 accounting procedures prescribed by the Federal
13 Communications Commission.

14 In any case where the apportionment of the three factors
15 prescribed in this paragraph attributes to this state a portion of
16 net income of the enterprise out of all appropriate proportion to
17 the property owned and/or business transacted within this state,
18 because of the fact that one or more of the factors so prescribed
19 are not employed to any appreciable extent in furtherance of the
20 enterprise; or because one or more factors not so prescribed are
21 employed to a considerable extent in furtherance of the enterprise;
22 or because of other reasons, the Tax Commission is empowered to
23 permit, after a showing by taxpayer that an excessive portion of net
24 income has been attributed to this state, or require, when in its

1 judgment an insufficient portion of net income has been attributed
2 to this state, the elimination, substitution, or use of additional
3 factors, or reduction or increase in the weight of such prescribed
4 factors. Provided, however, that any such variance from such
5 prescribed factors which has the effect of increasing the portion of
6 net income attributable to this state must not be inherently
7 arbitrary, and application of the recomputed final apportionment to
8 the net income of the enterprise must attribute to this state only a
9 reasonable portion thereof.

10 6. For calendar years 1997 and 1998, the owner of a new or
11 expanded agricultural commodity processing facility in this state
12 may exclude from Oklahoma taxable income, or in the case of an
13 individual, the Oklahoma adjusted gross income, fifteen percent
14 (15%) of the investment by the owner in the new or expanded
15 agricultural commodity processing facility. For calendar year 1999,
16 and all subsequent years, the percentage, not to exceed fifteen
17 percent (15%), available to the owner of a new or expanded
18 agricultural commodity processing facility in this state claiming
19 the exemption shall be adjusted annually so that the total estimated
20 reduction in tax liability does not exceed One Million Dollars
21 (\$1,000,000.00) annually. The Tax Commission shall promulgate rules
22 for determining the percentage of the investment which each eligible
23 taxpayer may exclude. The exclusion provided by this paragraph
24 shall be taken in the taxable year when the investment is made. In

1 the event the total reduction in tax liability authorized by this
2 paragraph exceeds One Million Dollars (\$1,000,000.00) in any
3 calendar year, the Tax Commission shall permit any excess over One
4 Million Dollars (\$1,000,000.00) and shall factor such excess into
5 the percentage for subsequent years. Any amount of the exemption
6 permitted to be excluded pursuant to the provisions of this
7 paragraph but not used in any year may be carried forward as an
8 exemption from income pursuant to the provisions of this paragraph
9 for a period not exceeding six (6) years following the year in which
10 the investment was originally made.

11 For purposes of this paragraph:

- 12 a. "Agricultural commodity processing facility" means
13 buildings, structures, fixtures and improvements used
14 or operated primarily for the processing or production
15 of marketable products from agricultural commodities.
16 The term shall also mean a dairy operation that
17 requires a depreciable investment of at least Two
18 Hundred Fifty Thousand Dollars (\$250,000.00) and which
19 produces milk from dairy cows. The term does not
20 include a facility that provides only, and nothing
21 more than, storage, cleaning, drying or transportation
22 of agricultural commodities, and
- 23 b. "Facility" means each part of the facility which is
24 used in a process primarily for:

- 1 (1) the processing of agricultural commodities,
2 including receiving or storing agricultural
3 commodities, or the production of milk at a dairy
4 operation,
- 5 (2) transporting the agricultural commodities or
6 product before, during or after the processing,
7 or
- 8 (3) packaging or otherwise preparing the product for
9 sale or shipment.

10 7. Despite any provision to the contrary in paragraph 3 of this
11 subsection, for taxable years beginning after December 31, 1999, in
12 the case of a taxpayer which has a farming loss, such farming loss
13 shall be considered a net operating loss carryback in accordance
14 with and to the extent of the Internal Revenue Code, 26 U.S.C.,
15 Section 172(b)(G). However, the amount of the net operating loss
16 carryback shall not exceed the lesser of:

- 17 a. Sixty Thousand Dollars (\$60,000.00), or
- 18 b. the loss properly shown on Schedule F of the Internal
19 Revenue Service Form 1040 reduced by one-half (1/2) of
20 the income from all other sources other than reflected
21 on Schedule F.

22 8. In taxable years beginning after December 31, 1995, all
23 qualified wages equal to the federal income tax credit set forth in
24 26 U.S.C.A., Section 45A, shall be deducted from taxable income.

1 The deduction allowed pursuant to this paragraph shall only be
2 permitted for the tax years in which the federal tax credit pursuant
3 to 26 U.S.C.A., Section 45A, is allowed. For purposes of this
4 paragraph, "qualified wages" means those wages used to calculate the
5 federal credit pursuant to 26 U.S.C.A., Section 45A.

6 9. In taxable years beginning after December 31, 2005, an
7 employer that is eligible for and utilizes the Safety Pays OSHA
8 Consultation Service provided by the Oklahoma Department of Labor
9 shall receive an exemption from taxable income in the amount of One
10 Thousand Dollars (\$1,000.00) for the tax year that the service is
11 utilized.

12 10. For taxable years beginning on or after January 1, 2010,
13 there shall be added to Oklahoma taxable income an amount equal to
14 the amount of deferred income not included in such taxable income
15 pursuant to Section 108(i)(1) of the Internal Revenue Code of 1986
16 as amended by Section 1231 of the American Recovery and Reinvestment
17 Act of 2009 (P.L. No. 111-5). There shall be subtracted from
18 Oklahoma taxable income an amount equal to the amount of deferred
19 income included in such taxable income pursuant to Section 108(i)(1)
20 of the Internal Revenue Code by Section 1231 of the American
21 Recovery and Reinvestment Act of 2009 (P.L. No. 111-5).

22 11. For taxable years beginning on or after January 1, 2019,
23 there shall be subtracted from Oklahoma taxable income or adjusted
24 gross income any item of income or gain, and there shall be added to

1 Oklahoma taxable income or adjusted gross income any item of loss or
2 deduction that in the absence of an election pursuant to the
3 provisions of the Pass-Through Entity Tax Equity Act of 2019 would
4 be allocated to a member or to an indirect member of an electing
5 pass-through entity pursuant to Section 2351 et seq. of this title,
6 if (i) the electing pass-through entity has accounted for such item
7 in computing its Oklahoma net entity income or loss pursuant to the
8 provisions of the Pass-Through Entity Tax Equity Act of 2019, and
9 (ii) the total amount of tax attributable to any resulting Oklahoma
10 net entity income has been paid. The Oklahoma Tax Commission shall
11 promulgate rules for the reporting of such exclusion to direct and
12 indirect members of the electing pass-through entity. As used in
13 this paragraph, "electing pass-through entity", "indirect member",
14 and "member" shall be defined in the same manner as prescribed by
15 Section 2355.1P-2 of this title. Notwithstanding the application of
16 this paragraph, the adjusted tax basis of any ownership interest in
17 a pass-through entity for purposes of Section 2351 et seq. of this
18 title shall be equal to its adjusted tax basis for federal income
19 tax purposes.

20 12. For tax year 2025 and subsequent tax years, an employer
21 providing paid leave to an employee for the purpose of volunteering
22 as a poll worker with a county election board in this state shall
23 receive an exemption from taxable income in the amount of One
24 Hundred Dollars (\$100.00) for each day of leave provided in the tax

1 year. The employer shall provide documentation from the applicable
2 county election board showing the employee volunteered, upon request
3 of the Oklahoma Tax Commission.

4 B. 1. The taxable income of any corporation shall be further
5 adjusted to arrive at Oklahoma taxable income, except those
6 corporations electing treatment as provided in subchapter S of the
7 Internal Revenue Code, 26 U.S.C., Section 1361 et seq., and Section
8 2365 of this title, deductions pursuant to the provisions of the
9 Accelerated Cost Recovery System as defined and allowed in the
10 Economic Recovery Tax Act of 1981, Public Law 97-34, 26 U.S.C.,
11 Section 168, for depreciation of assets placed into service after
12 December 31, 1981, shall not be allowed in calculating Oklahoma
13 taxable income. Such corporations shall be allowed a deduction for
14 depreciation of assets placed into service after December 31, 1981,
15 in accordance with provisions of the Internal Revenue Code, 26
16 U.S.C., Section 1 et seq., in effect immediately prior to the
17 enactment of the Accelerated Cost Recovery System. The Oklahoma tax
18 basis for all such assets placed into service after December 31,
19 1981, calculated in this section shall be retained and utilized for
20 all Oklahoma income tax purposes through the final disposition of
21 such assets.

22 Notwithstanding any other provisions of the Oklahoma Income Tax
23 Act, Section 2351 et seq. of this title, or of the Internal Revenue
24 Code to the contrary, this subsection shall control calculation of

1 depreciation of assets placed into service after December 31, 1981,
2 and before January 1, 1983.

3 For assets placed in service and held by a corporation in which
4 the Accelerated Cost Recovery System was previously disallowed, an
5 adjustment to taxable income is required in the first taxable year
6 beginning after December 31, 1982, to reconcile the basis of such
7 assets to the basis allowed in the Internal Revenue Code. The
8 purpose of this adjustment is to equalize the basis and allowance
9 for depreciation accounts between that reported to the Internal
10 Revenue Service and that reported to this state.

11 2. For tax years beginning on or after January 1, 2009, and
12 ending on or before December 31, 2009, there shall be added to
13 Oklahoma taxable income any amount in excess of One Hundred Seventy-
14 five Thousand Dollars (\$175,000.00) which has been deducted as a
15 small business expense under Internal Revenue Code, Section 179 as
16 provided in the American Recovery and Reinvestment Act of 2009.

17 C. 1. For taxable years beginning after December 31, 1987, the
18 taxable income of any corporation shall be further adjusted to
19 arrive at Oklahoma taxable income for transfers of technology to
20 qualified small businesses located in this state. Such transferor
21 corporation shall be allowed an exemption from taxable income of an
22 amount equal to the amount of royalty payment received as a result
23 of such transfer; provided, however, such amount shall not exceed
24 ten percent (10%) of the amount of gross proceeds received by such

1 transferor corporation as a result of the technology transfer. Such
2 exemption shall be allowed for a period not to exceed ten (10) years
3 from the date of receipt of the first royalty payment accruing from
4 such transfer. No exemption may be claimed for transfers of
5 technology to qualified small businesses made prior to January 1,
6 1988.

7 2. For purposes of this subsection:

8 a. "Qualified small business" means an entity, whether
9 organized as a corporation, partnership, or
10 proprietorship, organized for profit with its
11 principal place of business located within this state
12 and which meets the following criteria:

13 (1) Capitalization of not more than Two Hundred Fifty
14 Thousand Dollars (\$250,000.00),

15 (2) Having at least fifty percent (50%) of its
16 employees and assets located in this state at the
17 time of the transfer, and

18 (3) Not a subsidiary or affiliate of the transferor
19 corporation;

20 b. "Technology" means a proprietary process, formula,
21 pattern, device or compilation of scientific or
22 technical information which is not in the public
23 domain;

24

1 c. "Transferor corporation" means a corporation which is
2 the exclusive and undisputed owner of the technology
3 at the time the transfer is made; and

4 d. "Gross proceeds" means the total amount of
5 consideration for the transfer of technology, whether
6 the consideration is in money or otherwise.

7 D. 1. For taxable years beginning after December 31, 2005, the
8 taxable income of any corporation, estate or trust, shall be further
9 adjusted for qualifying gains receiving capital treatment. Such
10 corporations, estates or trusts shall be allowed a deduction from
11 Oklahoma taxable income for the amount of qualifying gains receiving
12 capital treatment earned by the corporation, estate or trust during
13 the taxable year and included in the federal taxable income of such
14 corporation, estate or trust.

15 2. As used in this subsection:

16 a. "qualifying gains receiving capital treatment" means
17 the amount of net capital gains, as defined in Section
18 1222(11) of the Internal Revenue Code, included in the
19 federal income tax return of the corporation, estate
20 or trust that result from:

21 (1) the sale of real property or tangible personal
22 property located within this state that has been
23 directly or indirectly owned by the corporation,
24 estate or trust for a holding period of at least

1 five (5) years prior to the date of the
2 transaction from which such net capital gains
3 arise,

4 (2) the sale of stock or on the sale of an ownership
5 interest in an Oklahoma company, limited
6 liability company, or partnership where such
7 stock or ownership interest has been directly or
8 indirectly owned by the corporation, estate or
9 trust for a holding period of at least three (3)
10 years prior to the date of the transaction from
11 which the net capital gains arise, or

12 (3) the sale of real property, tangible personal
13 property or intangible personal property located
14 within this state as part of the sale of all or
15 substantially all of the assets of an Oklahoma
16 company, limited liability company, or
17 partnership where such property has been directly
18 or indirectly owned by such entity owned by the
19 owners of such entity, and used in or derived
20 from such entity for a period of at least three
21 (3) years prior to the date of the transaction
22 from which the net capital gains arise,

23 b. "holding period" means an uninterrupted period of
24 time. The holding period shall include any additional

1 period when the property was held by another
2 individual or entity, if such additional period is
3 included in the taxpayer's holding period for the
4 asset pursuant to the Internal Revenue Code,

5 c. "Oklahoma company", "limited liability company", or
6 "partnership" means an entity whose primary
7 headquarters have been located in this state for at
8 least three (3) uninterrupted years prior to the date
9 of the transaction from which the net capital gains
10 arise,

11 d. "direct" means the taxpayer directly owns the asset,
12 and

13 e. "indirect" means the taxpayer owns an interest in a
14 pass-through entity (or chain of pass-through
15 entities) that sells the asset that gives rise to the
16 qualifying gains receiving capital treatment.

17 (1) With respect to sales of real property or
18 tangible personal property located within this
19 state, the deduction described in this subsection
20 shall not apply unless the pass-through entity
21 that makes the sale has held the property for not
22 less than five (5) uninterrupted years prior to
23 the date of the transaction that created the
24 capital gain, and each pass-through entity

1 included in the chain of ownership has been a
2 member, partner, or shareholder of the pass-
3 through entity in the tier immediately below it
4 for an uninterrupted period of not less than five
5 (5) years.

6 (2) With respect to sales of stock or ownership
7 interest in or sales of all or substantially all
8 of the assets of an Oklahoma company, limited
9 liability company, or partnership, the deduction
10 described in this subsection shall not apply
11 unless the pass-through entity that makes the
12 sale has held the stock or ownership interest or
13 the assets for not less than three (3)
14 uninterrupted years prior to the date of the
15 transaction that created the capital gain, and
16 each pass-through entity included in the chain of
17 ownership has been a member, partner or
18 shareholder of the pass-through entity in the
19 tier immediately below it for an uninterrupted
20 period of not less than three (3) years.

21 E. The Oklahoma adjusted gross income of any individual
22 taxpayer shall be further adjusted as follows to arrive at Oklahoma
23 taxable income:
24

- 1 1. a. In the case of individuals, there shall be added or
2 deducted, as the case may be, the difference necessary
3 to allow personal exemptions of One Thousand Dollars
4 (\$1,000.00) in lieu of the personal exemptions allowed
5 by the Internal Revenue Code.
- 6 b. There shall be allowed an additional exemption of One
7 Thousand Dollars (\$1,000.00) for each taxpayer or
8 spouse who is blind at the close of the tax year. For
9 purposes of this subparagraph, an individual is blind
10 only if the central visual acuity of the individual
11 does not exceed 20/200 in the better eye with
12 correcting lenses, or if the visual acuity of the
13 individual is greater than 20/200, but is accompanied
14 by a limitation in the fields of vision such that the
15 widest diameter of the visual field subtends an angle
16 no greater than twenty (20) degrees.
- 17 c. There shall be allowed an additional exemption of One
18 Thousand Dollars (\$1,000.00) for each taxpayer or
19 spouse who is sixty-five (65) years of age or older at
20 the close of the tax year based upon the filing status
21 and federal adjusted gross income of the taxpayer.
22 Taxpayers with the following filing status may claim
23 this exemption if the federal adjusted gross income
24 does not exceed:

- 1 (1) Twenty-five Thousand Dollars (\$25,000.00) if
2 married and filing jointly;
- 3 (2) Twelve Thousand Five Hundred Dollars (\$12,500.00)
4 if married and filing separately;
- 5 (3) Fifteen Thousand Dollars (\$15,000.00) if single;
6 and
- 7 (4) Nineteen Thousand Dollars (\$19,000.00) if a
8 qualifying head of household.

9 Provided, for taxable years beginning after December
10 31, 1999, amounts included in the calculation of
11 federal adjusted gross income pursuant to the
12 conversion of a traditional individual retirement
13 account to a Roth individual retirement account shall
14 be excluded from federal adjusted gross income for
15 purposes of the income thresholds provided in this
16 subparagraph.

- 17 2. a. For taxable years beginning on or before December 31,
18 2005, in the case of individuals who use the standard
19 deduction in determining taxable income, there shall
20 be added or deducted, as the case may be, the
21 difference necessary to allow a standard deduction in
22 lieu of the standard deduction allowed by the Internal
23 Revenue Code, in an amount equal to the larger of
24 fifteen percent (15%) of the Oklahoma adjusted gross

1 income or One Thousand Dollars (\$1,000.00), but not to
2 exceed Two Thousand Dollars (\$2,000.00), except that
3 in the case of a married individual filing a separate
4 return such deduction shall be the larger of fifteen
5 percent (15%) of such Oklahoma adjusted gross income
6 or Five Hundred Dollars (\$500.00), but not to exceed
7 the maximum amount of One Thousand Dollars
8 (\$1,000.00).

9 b. For taxable years beginning on or after January 1,
10 2006, and before January 1, 2007, in the case of
11 individuals who use the standard deduction in
12 determining taxable income, there shall be added or
13 deducted, as the case may be, the difference necessary
14 to allow a standard deduction in lieu of the standard
15 deduction allowed by the Internal Revenue Code, in an
16 amount equal to:

17 (1) Three Thousand Dollars (\$3,000.00), if the filing
18 status is married filing joint, head of household
19 or qualifying widow; or

20 (2) Two Thousand Dollars (\$2,000.00), if the filing
21 status is single or married filing separate.

22 c. For the taxable year beginning on January 1, 2007, and
23 ending December 31, 2007, in the case of individuals
24 who use the standard deduction in determining taxable

1 income, there shall be added or deducted, as the case
2 may be, the difference necessary to allow a standard
3 deduction in lieu of the standard deduction allowed by
4 the Internal Revenue Code, in an amount equal to:

5 (1) Five Thousand Five Hundred Dollars (\$5,500.00),
6 if the filing status is married filing joint or
7 qualifying widow; or

8 (2) Four Thousand One Hundred Twenty-five Dollars
9 (\$4,125.00) for a head of household; or

10 (3) Two Thousand Seven Hundred Fifty Dollars
11 (\$2,750.00), if the filing status is single or
12 married filing separate.

13 d. For the taxable year beginning on January 1, 2008, and
14 ending December 31, 2008, in the case of individuals
15 who use the standard deduction in determining taxable
16 income, there shall be added or deducted, as the case
17 may be, the difference necessary to allow a standard
18 deduction in lieu of the standard deduction allowed by
19 the Internal Revenue Code, in an amount equal to:

20 (1) Six Thousand Five Hundred Dollars (\$6,500.00), if
21 the filing status is married filing joint or
22 qualifying widow, or

23 (2) Four Thousand Eight Hundred Seventy-five Dollars
24 (\$4,875.00) for a head of household, or

1 (3) Three Thousand Two Hundred Fifty Dollars
2 (\$3,250.00), if the filing status is single or
3 married filing separate.

4 e. For the taxable year beginning on January 1, 2009, and
5 ending December 31, 2009, in the case of individuals
6 who use the standard deduction in determining taxable
7 income, there shall be added or deducted, as the case
8 may be, the difference necessary to allow a standard
9 deduction in lieu of the standard deduction allowed by
10 the Internal Revenue Code, in an amount equal to:

11 (1) Eight Thousand Five Hundred Dollars (\$8,500.00),
12 if the filing status is married filing joint or
13 qualifying widow, or

14 (2) Six Thousand Three Hundred Seventy-five Dollars
15 (\$6,375.00) for a head of household, or

16 (3) Four Thousand Two Hundred Fifty Dollars
17 (\$4,250.00), if the filing status is single or
18 married filing separate.

19 Oklahoma adjusted gross income shall be increased by
20 any amounts paid for motor vehicle excise taxes which
21 were deducted as allowed by the Internal Revenue Code.

22 f. For taxable years beginning on or after January 1,
23 2010, and ending on December 31, 2016, in the case of
24 individuals who use the standard deduction in

1 determining taxable income, there shall be added or
2 deducted, as the case may be, the difference necessary
3 to allow a standard deduction equal to the standard
4 deduction allowed by the Internal Revenue Code, based
5 upon the amount and filing status prescribed by such
6 Code for purposes of filing federal individual income
7 tax returns.

8 g. For taxable years beginning on or after January 1,
9 2017, in the case of individuals who use the standard
10 deduction in determining taxable income, there shall
11 be added or deducted, as the case may be, the
12 difference necessary to allow a standard deduction in
13 lieu of the standard deduction allowed by the Internal
14 Revenue Code, as follows:

15 (1) Six Thousand Three Hundred Fifty Dollars
16 (\$6,350.00) for single or married filing
17 separately,

18 (2) Twelve Thousand Seven Hundred Dollars
19 (\$12,700.00) for married filing jointly or
20 qualifying widower with dependent child, and

21 (3) Nine Thousand Three Hundred Fifty Dollars
22 (\$9,350.00) for head of household.

23 3. a. In the case of resident and part-year resident
24 individuals having adjusted gross income from sources

1 both within and without the state, the itemized or
2 standard deductions and personal exemptions shall be
3 reduced to an amount which is the same portion of the
4 total thereof as Oklahoma adjusted gross income is of
5 adjusted gross income. To the extent itemized
6 deductions include allowable moving expense, proration
7 of moving expense shall not be required or permitted
8 but allowable moving expense shall be fully deductible
9 for those taxpayers moving within or into this state
10 and no part of moving expense shall be deductible for
11 those taxpayers moving without or out of this state.
12 All other itemized or standard deductions and personal
13 exemptions shall be subject to proration as provided
14 by law.

15 b. For taxable years beginning on or after January 1,
16 2018, the net amount of itemized deductions allowable
17 on an Oklahoma income tax return, subject to the
18 provisions of paragraph 24 of this subsection, shall
19 not exceed Seventeen Thousand Dollars (\$17,000.00).
20 For purposes of this subparagraph, charitable
21 contributions and medical expenses deductible for
22 federal income tax purposes shall be excluded from the
23 amount of Seventeen Thousand Dollars (\$17,000.00) as
24 specified by this subparagraph.

1 4. A resident individual with a physical disability
2 constituting a substantial handicap to employment may deduct from
3 Oklahoma adjusted gross income such expenditures to modify a motor
4 vehicle, home or workplace as are necessary to compensate for his or
5 her handicap. A veteran certified by the Department of Veterans
6 Affairs of the federal government as having a service-connected
7 disability shall be conclusively presumed to be an individual with a
8 physical disability constituting a substantial handicap to
9 employment. The Tax Commission shall promulgate rules containing a
10 list of combinations of common disabilities and modifications which
11 may be presumed to qualify for this deduction. The Tax Commission
12 shall prescribe necessary requirements for verification.

13 5. a. Before July 1, 2010, the first One Thousand Five
14 Hundred Dollars (\$1,500.00) received by any person
15 from the United States as salary or compensation in
16 any form, other than retirement benefits, as a member
17 of any component of the Armed Forces of the United
18 States shall be deducted from taxable income.

19 b. On or after July 1, 2010, one hundred percent (100%)
20 of the income received by any person from the United
21 States as salary or compensation in any form, other
22 than retirement benefits, as a member of any component
23 of the Armed Forces of the United States shall be
24 deducted from taxable income.

1 c. Whenever the filing of a timely income tax return by a
2 member of the Armed Forces of the United States is
3 made impracticable or impossible of accomplishment by
4 reason of:

5 (1) absence from the United States, which term
6 includes only the states and the District of
7 Columbia;

8 (2) absence from this state while on active duty; or

9 (3) confinement in a hospital within the United
10 States for treatment of wounds, injuries or
11 disease,

12 the time for filing a return and paying an income tax
13 shall be and is hereby extended without incurring
14 liability for interest or penalties, to the fifteenth
15 day of the third month following the month in which:

16 (a) Such individual shall return to the United
17 States if the extension is granted pursuant
18 to subparagraph a of this paragraph, return
19 to this state if the extension is granted
20 pursuant to subparagraph b of this paragraph
21 or be discharged from such hospital if the
22 extension is granted pursuant to
23 subparagraph c of this paragraph; or
24

1 (b) An executor, administrator, or conservator
2 of the estate of the taxpayer is appointed,
3 whichever event occurs the earliest.

4 Provided, that the Tax Commission may, in its discretion, grant
5 any member of the Armed Forces of the United States an extension of
6 time for filing of income tax returns and payment of income tax
7 without incurring liabilities for interest or penalties. Such
8 extension may be granted only when in the judgment of the Tax
9 Commission a good cause exists therefor and may be for a period in
10 excess of six (6) months. A record of every such extension granted,
11 and the reason therefor, shall be kept.

12 6. Before July 1, 2010, the salary or any other form of
13 compensation, received from the United States by a member of any
14 component of the Armed Forces of the United States, shall be
15 deducted from taxable income during the time in which the person is
16 detained by the enemy in a conflict, is a prisoner of war or is
17 missing in action and not deceased; provided, after July 1, 2010,
18 all such salary or compensation shall be subject to the deduction as
19 provided pursuant to paragraph 5 of this subsection.

20 7. a. An individual taxpayer, whether resident or
21 nonresident, may deduct an amount equal to the federal
22 income taxes paid by the taxpayer during the taxable
23 year.

1 b. Federal taxes as described in subparagraph a of this
2 paragraph shall be deductible by any individual
3 taxpayer, whether resident or nonresident, only to the
4 extent they relate to income subject to taxation
5 pursuant to the provisions of the Oklahoma Income Tax
6 Act. The maximum amount allowable in the preceding
7 paragraph shall be prorated on the ratio of the
8 Oklahoma adjusted gross income to federal adjusted
9 gross income.

10 c. For the purpose of this paragraph, "federal income
11 taxes paid" shall mean federal income taxes, surtaxes
12 imposed on incomes or excess profits taxes, as though
13 the taxpayer was on the accrual basis. In determining
14 the amount of deduction for federal income taxes for
15 tax year 2001, the amount of the deduction shall not
16 be adjusted by the amount of any accelerated ten
17 percent (10%) tax rate bracket credit or advanced
18 refund of the credit received during the tax year
19 provided pursuant to the federal Economic Growth and
20 Tax Relief Reconciliation Act of 2001, P.L. No. 107-
21 16, and the advanced refund of such credit shall not
22 be subject to taxation.

1 d. The provisions of this paragraph shall apply to all
2 taxable years ending after December 31, 1978, and
3 beginning before January 1, 2006.

4 8. Retirement benefits not to exceed Five Thousand Five Hundred
5 Dollars (\$5,500.00) for the 2004 tax year, Seven Thousand Five
6 Hundred Dollars (\$7,500.00) for the 2005 tax year and Ten Thousand
7 Dollars (\$10,000.00) for the 2006 tax year and all subsequent tax
8 years, which are received by an individual from the civil service of
9 the United States, the Oklahoma Public Employees Retirement System,
10 the Teachers' Retirement System of Oklahoma, the Oklahoma Law
11 Enforcement Retirement System, the Oklahoma Firefighters Pension and
12 Retirement System, the Oklahoma Police Pension and Retirement
13 System, the employee retirement systems created by counties pursuant
14 to Section 951 et seq. of Title 19 of the Oklahoma Statutes, the
15 Uniform Retirement System for Justices and Judges, the Oklahoma
16 Wildlife Conservation Department Retirement Fund, the Oklahoma
17 Employment Security Commission Retirement Plan, or the employee
18 retirement systems created by municipalities pursuant to Section 48-
19 101 et seq. of Title 11 of the Oklahoma Statutes shall be exempt
20 from taxable income.

21 9. In taxable years beginning after December 31, 1984, Social
22 Security benefits received by an individual shall be exempt from
23 taxable income, to the extent such benefits are included in the
24

1 federal adjusted gross income pursuant to the provisions of Section
2 86 of the Internal Revenue Code, 26 U.S.C., Section 86.

3 10. For taxable years beginning after December 31, 1994, lump-
4 sum distributions from employer plans of deferred compensation,
5 which are not qualified plans within the meaning of Section 401(a)
6 of the Internal Revenue Code, 26 U.S.C., Section 401(a), and which
7 are deposited in and accounted for within a separate bank account or
8 brokerage account in a financial institution within this state,
9 shall be excluded from taxable income in the same manner as a
10 qualifying rollover contribution to an individual retirement account
11 within the meaning of Section 408 of the Internal Revenue Code, 26
12 U.S.C., Section 408. Amounts withdrawn from such bank or brokerage
13 account, including any earnings thereon, shall be included in
14 taxable income when withdrawn in the same manner as withdrawals from
15 individual retirement accounts within the meaning of Section 408 of
16 the Internal Revenue Code.

17 11. In taxable years beginning after December 31, 1995,
18 contributions made to and interest received from a medical savings
19 account established pursuant to Sections 2621 through 2623 of Title
20 63 of the Oklahoma Statutes shall be exempt from taxable income.

21 12. For taxable years beginning after December 31, 1996, the
22 Oklahoma adjusted gross income of any individual taxpayer who is a
23 swine or poultry producer may be further adjusted for the deduction
24 for depreciation allowed for new construction or expansion costs

1 which may be computed using the same depreciation method elected for
2 federal income tax purposes except that the useful life shall be
3 seven (7) years for purposes of this paragraph. If depreciation is
4 allowed as a deduction in determining the adjusted gross income of
5 an individual, any depreciation calculated and claimed pursuant to
6 this section shall in no event be a duplication of any depreciation
7 allowed or permitted on the federal income tax return of the
8 individual.

9 13. a. In taxable years beginning after December 31, 2002,
10 nonrecurring adoption expenses paid by a resident
11 individual taxpayer in connection with:

12 (1) the adoption of a minor, or

13 (2) a proposed adoption of a minor which did not
14 result in a decreed adoption,

15 may be deducted from the Oklahoma adjusted gross
16 income.

17 b. The deductions for adoptions and proposed adoptions
18 authorized by this paragraph shall not exceed Twenty
19 Thousand Dollars (\$20,000.00) per calendar year.

20 c. The Tax Commission shall promulgate rules to implement
21 the provisions of this paragraph which shall contain a
22 specific list of nonrecurring adoption expenses which
23 may be presumed to qualify for the deduction. The Tax
24

1 Commission shall prescribe necessary requirements for
2 verification.

3 d. "Nonrecurring adoption expenses" means adoption fees,
4 court costs, medical expenses, attorney fees and
5 expenses which are directly related to the legal
6 process of adoption of a child including, but not
7 limited to, costs relating to the adoption study,
8 health and psychological examinations, transportation
9 and reasonable costs of lodging and food for the child
10 or adoptive parents which are incurred to complete the
11 adoption process and are not reimbursed by other
12 sources. The term nonrecurring adoption expenses
13 shall not include attorney fees incurred for the
14 purpose of litigating a contested adoption, from and
15 after the point of the initiation of the contest,
16 costs associated with physical remodeling, renovation
17 and alteration of the adoptive parents' home or
18 property, except for a special needs child as
19 authorized by the court.

20 14. a. In taxable years beginning before January 1, 2005,
21 retirement benefits not to exceed the amounts
22 specified in this paragraph, which are received by an
23 individual sixty-five (65) years of age or older and
24 whose Oklahoma adjusted gross income is Twenty-five

1 Thousand Dollars (\$25,000.00) or less if the filing
2 status is single, head of household, or married filing
3 separate, or Fifty Thousand Dollars (\$50,000.00) or
4 less if the filing status is married filing joint or
5 qualifying widow, shall be exempt from taxable income.
6 In taxable years beginning after December 31, 2004,
7 retirement benefits not to exceed the amounts
8 specified in this paragraph, which are received by an
9 individual whose Oklahoma adjusted gross income is
10 less than the qualifying amount specified in this
11 paragraph, shall be exempt from taxable income.

12 b. For purposes of this paragraph, the qualifying amount
13 shall be as follows:

- 14 (1) in taxable years beginning after December 31,
15 2004, and prior to January 1, 2007, the
16 qualifying amount shall be Thirty-seven Thousand
17 Five Hundred Dollars (\$37,500.00) or less if the
18 filing status is single, head of household, or
19 married filing separate, or Seventy-five Thousand
20 Dollars (\$75,000.00) or less if the filing status
21 is married filing jointly or qualifying widow,
22 (2) in the taxable year beginning January 1, 2007,
23 the qualifying amount shall be Fifty Thousand
24 Dollars (\$50,000.00) or less if the filing status

1 is single, head of household, or married filing
2 separate, or One Hundred Thousand Dollars
3 (\$100,000.00) or less if the filing status is
4 married filing jointly or qualifying widow,

5 (3) in the taxable year beginning January 1, 2008,
6 the qualifying amount shall be Sixty-two Thousand
7 Five Hundred Dollars (\$62,500.00) or less if the
8 filing status is single, head of household, or
9 married filing separate, or One Hundred Twenty-
10 five Thousand Dollars (\$125,000.00) or less if
11 the filing status is married filing jointly or
12 qualifying widow,

13 (4) in the taxable year beginning January 1, 2009,
14 the qualifying amount shall be One Hundred
15 Thousand Dollars (\$100,000.00) or less if the
16 filing status is single, head of household, or
17 married filing separate, or Two Hundred Thousand
18 Dollars (\$200,000.00) or less if the filing
19 status is married filing jointly or qualifying
20 widow, and

21 (5) in the taxable year beginning January 1, 2010,
22 and subsequent taxable years, there shall be no
23 limitation upon the qualifying amount.
24

1 c. For purposes of this paragraph, "retirement benefits"
2 means the total distributions or withdrawals from the
3 following:

4 (1) an employee pension benefit plan which satisfies
5 the requirements of Section 401 of the Internal
6 Revenue Code, 26 U.S.C., Section 401,

7 (2) an eligible deferred compensation plan that
8 satisfies the requirements of Section 457 of the
9 Internal Revenue Code, 26 U.S.C., Section 457,

10 (3) an individual retirement account, annuity or
11 trust or simplified employee pension that
12 satisfies the requirements of Section 408 of the
13 Internal Revenue Code, 26 U.S.C., Section 408,

14 (4) an employee annuity subject to the provisions of
15 Section 403(a) or (b) of the Internal Revenue
16 Code, 26 U.S.C., Section 403(a) or (b),

17 (5) United States Retirement Bonds which satisfy the
18 requirements of Section 86 of the Internal
19 Revenue Code, 26 U.S.C., Section 86, or

20 (6) lump-sum distributions from a retirement plan
21 which satisfies the requirements of Section
22 402(e) of the Internal Revenue Code, 26 U.S.C.,
23 Section 402(e).
24

1 d. The amount of the exemption provided by this paragraph
2 shall be limited to Five Thousand Five Hundred Dollars
3 (\$5,500.00) for the 2004 tax year, Seven Thousand Five
4 Hundred Dollars (\$7,500.00) for the 2005 tax year and
5 Ten Thousand Dollars (\$10,000.00) for the tax year
6 2006 and for all subsequent tax years. Any individual
7 who claims the exemption provided for in paragraph 8
8 of this subsection shall not be permitted to claim a
9 combined total exemption pursuant to this paragraph
10 and paragraph 8 of this subsection in an amount
11 exceeding Five Thousand Five Hundred Dollars
12 (\$5,500.00) for the 2004 tax year, Seven Thousand Five
13 Hundred Dollars (\$7,500.00) for the 2005 tax year and
14 Ten Thousand Dollars (\$10,000.00) for the 2006 tax
15 year and all subsequent tax years.

16 15. In taxable years beginning after December 31, 1999, for an
17 individual engaged in production agriculture who has filed a
18 Schedule F form with the taxpayer's federal income tax return for
19 such taxable year, there shall be excluded from taxable income any
20 amount which was included as federal taxable income or federal
21 adjusted gross income and which consists of the discharge of an
22 obligation by a creditor of the taxpayer incurred to finance the
23 production of agricultural products.

1 16. In taxable years beginning December 31, 2000, an amount
2 equal to one hundred percent (100%) of the amount of any scholarship
3 or stipend received from participation in the Oklahoma Police Corps
4 Program, as established in Section 2-140.3 of Title 47 of the
5 Oklahoma Statutes shall be exempt from taxable income.

6 17. a. In taxable years beginning after December 31, 2001,
7 and before January 1, 2005, there shall be allowed a
8 deduction in the amount of contributions to accounts
9 established pursuant to the Oklahoma College Savings
10 Plan Act. The deduction shall equal the amount of
11 contributions to accounts, but in no event shall the
12 deduction for each contributor exceed Two Thousand
13 Five Hundred Dollars (\$2,500.00) each taxable year for
14 each account.

15 b. In taxable years beginning after December 31, 2004,
16 each taxpayer shall be allowed a deduction for
17 contributions to accounts established pursuant to the
18 Oklahoma College Savings Plan Act. The maximum annual
19 deduction shall equal the amount of contributions to
20 all such accounts plus any contributions to such
21 accounts by the taxpayer for prior taxable years after
22 December 31, 2004, which were not deducted, but in no
23 event shall the deduction for each tax year exceed Ten
24 Thousand Dollars (\$10,000.00) for each individual

1 taxpayer or Twenty Thousand Dollars (\$20,000.00) for
2 taxpayers filing a joint return. Any amount of a
3 contribution that is not deducted by the taxpayer in
4 the year for which the contribution is made may be
5 carried forward as a deduction from income for the
6 succeeding five (5) years. For taxable years
7 beginning after December 31, 2005, deductions may be
8 taken for contributions and rollovers made during a
9 taxable year and up to April 15 of the succeeding
10 year, or the due date of a taxpayer's state income tax
11 return, excluding extensions, whichever is later.
12 Provided, a deduction for the same contribution may
13 not be taken for two (2) different taxable years.

14 c. In taxable years beginning after December 31, 2006,
15 deductions for contributions made pursuant to
16 subparagraph b of this paragraph shall be limited as
17 follows:

18 (1) for a taxpayer who qualified for the five-year
19 carryforward election and who takes a rollover or
20 nonqualified withdrawal during that period, the
21 tax deduction otherwise available pursuant to
22 subparagraph b of this paragraph shall be reduced
23 by the amount which is equal to the rollover or
24 nonqualified withdrawal, and

1 (2) for a taxpayer who elects to take a rollover or
2 nonqualified withdrawal within the same tax year
3 in which a contribution was made to the
4 taxpayer's account, the tax deduction otherwise
5 available pursuant to subparagraph b of this
6 paragraph shall be reduced by the amount of the
7 contribution which is equal to the rollover or
8 nonqualified withdrawal.

9 d. If a taxpayer elects to take a rollover on a
10 contribution for which a deduction has been taken
11 pursuant to subparagraph b of this paragraph within
12 one (1) year of the date of contribution, the amount
13 of such rollover shall be included in the adjusted
14 gross income of the taxpayer in the taxable year of
15 the rollover.

16 e. If a taxpayer makes a nonqualified withdrawal of
17 contributions for which a deduction was taken pursuant
18 to subparagraph b of this paragraph, such nonqualified
19 withdrawal and any earnings thereon shall be included
20 in the adjusted gross income of the taxpayer in the
21 taxable year of the nonqualified withdrawal.

22 f. As used in this paragraph:
23
24

1 (1) "non-qualified withdrawal" means a withdrawal
2 from an Oklahoma College Savings Plan account
3 other than one of the following:

4 (a) a qualified withdrawal,

5 (b) a withdrawal made as a result of the death
6 or disability of the designated beneficiary
7 of an account,

8 (c) a withdrawal that is made on the account of
9 a scholarship or the allowance or payment
10 described in Section 135(d)(1)(B) or (C) or
11 by the Internal Revenue Code, received by
12 the designated beneficiary to the extent the
13 amount of the refund does not exceed the
14 amount of the scholarship, allowance, or
15 payment, or

16 (d) a rollover or change of designated
17 beneficiary as permitted by subsection F of
18 Section 3970.7 of Title 70 of the Oklahoma
19 Statutes, and

20 (2) "rollover" means the transfer of funds from the
21 Oklahoma College Savings Plan to any other plan
22 under Section 529 of the Internal Revenue Code.

23 18. For tax years 2006 through 2021, retirement benefits
24 received by an individual from any component of the Armed Forces of

1 the United States in an amount not to exceed the greater of seventy-
2 five percent (75%) of such benefits or Ten Thousand Dollars
3 (\$10,000.00) shall be exempt from taxable income but in no case less
4 than the amount of the exemption provided by paragraph 14 of this
5 subsection. For tax year 2022 and subsequent tax years, retirement
6 benefits received by an individual from any component of the Armed
7 Forces of the United States shall be exempt from taxable income.

8 19. For taxable years beginning after December 31, 2006,
9 retirement benefits received by federal civil service retirees,
10 including survivor annuities, paid in lieu of Social Security
11 benefits shall be exempt from taxable income to the extent such
12 benefits are included in the federal adjusted gross income pursuant
13 to the provisions of Section 86 of the Internal Revenue Code, 26
14 U.S.C., Section 86, according to the following schedule:

- 15 a. in the taxable year beginning January 1, 2007, twenty
16 percent (20%) of such benefits shall be exempt,
- 17 b. in the taxable year beginning January 1, 2008, forty
18 percent (40%) of such benefits shall be exempt,
- 19 c. in the taxable year beginning January 1, 2009, sixty
20 percent (60%) of such benefits shall be exempt,
- 21 d. in the taxable year beginning January 1, 2010, eighty
22 percent (80%) of such benefits shall be exempt, and
23
24

1 e. in the taxable year beginning January 1, 2011, and
2 subsequent taxable years, one hundred percent (100%)
3 of such benefits shall be exempt.

4 20. a. For taxable years beginning after December 31, 2007, a
5 resident individual may deduct up to Ten Thousand
6 Dollars (\$10,000.00) from Oklahoma adjusted gross
7 income if the individual, or the dependent of the
8 individual, while living, donates one or more human
9 organs of the individual to another human being for
10 human organ transplantation. As used in this
11 paragraph, "human organ" means all or part of a liver,
12 pancreas, kidney, intestine, lung, or bone marrow. A
13 deduction that is claimed under this paragraph may be
14 claimed in the taxable year in which the human organ
15 transplantation occurs.

16 b. An individual may claim this deduction only once, and
17 the deduction may be claimed only for unreimbursed
18 expenses that are incurred by the individual and
19 related to the organ donation of the individual.

20 c. The Oklahoma Tax Commission shall promulgate rules to
21 implement the provisions of this paragraph which shall
22 contain a specific list of expenses which may be
23 presumed to qualify for the deduction. The Tax
24

1 Commission shall prescribe necessary requirements for
2 verification.

3 21. For taxable years beginning after December 31, 2009, there
4 shall be exempt from taxable income any amount received by the
5 beneficiary of the death benefit for an emergency medical technician
6 or a registered emergency medical responder provided by Section 1-
7 2505.1 of Title 63 of the Oklahoma Statutes.

8 22. For taxable years beginning after December 31, 2008,
9 taxable income shall be increased by any unemployment compensation
10 exempted under Section 85(c) of the Internal Revenue Code, 26
11 U.S.C., Section 85(c) (2009).

12 23. For taxable years beginning after December 31, 2008, there
13 shall be exempt from taxable income any payment in an amount less
14 than Six Hundred Dollars (\$600.00) received by a person as an award
15 for participation in a competitive livestock show event. For
16 purposes of this paragraph, the payment shall be treated as a
17 scholarship amount paid by the entity sponsoring the event and the
18 sponsoring entity shall cause the payment to be categorized as a
19 scholarship in its books and records.

20 24. For taxable years beginning on or after January 1, 2016,
21 taxable income shall be increased by any amount of state and local
22 sales or income taxes deducted under 26 U.S.C., Section 164 of the
23 Internal Revenue Code. If the amount of state and local taxes
24 deducted on the federal return is limited, taxable income on the

1 state return shall be increased only by the amount actually deducted
2 after any such limitations are applied.

3 25. For taxable years beginning after December 31, 2020, each
4 taxpayer shall be allowed a deduction for contributions to accounts
5 established pursuant to the Achieving a Better Life Experience
6 (ABLE) Program as established in Section 4001.1 et seq. of Title 56
7 of the Oklahoma Statutes. For any tax year, the deduction provided
8 for in this paragraph shall not exceed Ten Thousand Dollars
9 (\$10,000.00) for an individual taxpayer or Twenty Thousand Dollars
10 (\$20,000.00) for taxpayers filing a joint return. Any amount of
11 contribution not deducted by the taxpayer in the tax year for which
12 the contribution is made may be carried forward as a deduction from
13 income for up to five (5) tax years. Deductions may be taken for
14 contributions made during the tax year and through April 15 of the
15 succeeding tax year, or through the due date of a taxpayer's state
16 income tax return excluding extensions, whichever is later.
17 Provided, a deduction for the same contribution may not be taken in
18 more than one (1) tax year.

19 26. a. For taxable years beginning on or after January 1,
20 2027, there shall be exempt from Oklahoma adjusted
21 gross income One Thousand Dollars (\$1,000.00) derived
22 from any lawful business activity conducted by a
23 person less than eighteen (18) years of age,
24 conducting the business as a sole proprietor and not

1 through any other business entity or other legal
2 entity.

3 b. The exemption provided for in this paragraph shall
4 apply only to a business that is owned and operated
5 primarily by one or more individuals who have not
6 attained eighteen (18) years of age, who may receive
7 only limited assistance from adults in the nature of
8 supervision, transportation, safety oversight, or
9 other incidental support that does not constitute
10 material management or operation of the business. The
11 business shall not be eligible for the exemption if
12 any adult exercises primary control over business
13 decisions, management, or operations, or if the
14 business is materially operated for the benefit of an
15 adult.

16 c. To qualify for the exemption provided by this
17 paragraph, the business activity shall:

- 18 (1) generate gross revenue of less than One Thousand
19 Dollars (\$1,000.00) during the calendar year, and
20 (2) be operated only on private property with the
21 consent of the owner or lawful possessor of the
22 property, or as part of a community event that
23 separately registers youth vendors.

1 F. 1. For taxable years beginning after December 31, 2004, a
2 deduction from the Oklahoma adjusted gross income of any individual
3 taxpayer shall be allowed for qualifying gains receiving capital
4 treatment that are included in the federal adjusted gross income of
5 such individual taxpayer during the taxable year.

6 2. As used in this subsection:

7 a. "qualifying gains receiving capital treatment" means
8 the amount of net capital gains, as defined in Section
9 1222(11) of the Internal Revenue Code, included in an
10 individual taxpayer's federal income tax return that
11 result from:

12 (1) the sale of real property or tangible personal
13 property located within this state that has been
14 directly or indirectly owned by the individual
15 taxpayer for a holding period of at least five
16 (5) years prior to the date of the transaction
17 from which such net capital gains arise,

18 (2) the sale of stock or the sale of a direct or
19 indirect ownership interest in an Oklahoma
20 company, limited liability company, or
21 partnership where such stock or ownership
22 interest has been directly or indirectly owned by
23 the individual taxpayer for a holding period of
24 at least two (2) years prior to the date of the

1 transaction from which the net capital gains
2 arise, or

3 (3) the sale of real property, tangible personal
4 property or intangible personal property located
5 within this state as part of the sale of all or
6 substantially all of the assets of an Oklahoma
7 company, limited liability company, or
8 partnership or an Oklahoma proprietorship
9 business enterprise where such property has been
10 directly or indirectly owned by such entity or
11 business enterprise or owned by the owners of
12 such entity or business enterprise for a period
13 of at least two (2) years prior to the date of
14 the transaction from which the net capital gains
15 arise,

16 b. "holding period" means an uninterrupted period of
17 time. The holding period shall include any additional
18 period when the property was held by another
19 individual or entity, if such additional period is
20 included in the taxpayer's holding period for the
21 asset pursuant to the Internal Revenue Code,

22 c. "Oklahoma company," "limited liability company," or
23 "partnership" means an entity whose primary
24 headquarters have been located in this state for at

1 least three (3) uninterrupted years prior to the date
2 of the transaction from which the net capital gains
3 arise,

4 d. "direct" means the individual taxpayer directly owns
5 the asset,

6 e. "indirect" means the individual taxpayer owns an
7 interest in a pass-through entity (or chain of pass-
8 through entities) that sells the asset that gives rise
9 to the qualifying gains receiving capital treatment.

10 (1) With respect to sales of real property or
11 tangible personal property located within this
12 state, the deduction described in this subsection
13 shall not apply unless the pass-through entity
14 that makes the sale has held the property for not
15 less than five (5) uninterrupted years prior to
16 the date of the transaction that created the
17 capital gain, and each pass-through entity
18 included in the chain of ownership has been a
19 member, partner, or shareholder of the pass-
20 through entity in the tier immediately below it
21 for an uninterrupted period of not less than five
22 (5) years.

23 (2) With respect to sales of stock or ownership
24 interest in or sales of all or substantially all

1 of the assets of an Oklahoma company, limited
2 liability company, partnership or Oklahoma
3 proprietorship business enterprise, the deduction
4 described in this subsection shall not apply
5 unless the pass-through entity that makes the
6 sale has held the stock or ownership interest for
7 not less than two (2) uninterrupted years prior
8 to the date of the transaction that created the
9 capital gain, and each pass-through entity
10 included in the chain of ownership has been a
11 member, partner or shareholder of the pass-
12 through entity in the tier immediately below it
13 for an uninterrupted period of not less than two
14 (2) years. For purposes of this division,
15 uninterrupted ownership prior to July 1, 2007,
16 shall be included in the determination of the
17 required holding period prescribed by this
18 division, and

19 f. "Oklahoma proprietorship business enterprise" means a
20 business enterprise whose income and expenses have
21 been reported on Schedule C or F of an individual
22 taxpayer's federal income tax return, or any similar
23 successor schedule published by the Internal Revenue
24 Service and whose primary headquarters have been

1 located in this state for at least three (3)
2 uninterrupted years prior to the date of the
3 transaction from which the net capital gains arise.

4 G. 1. For purposes of computing its Oklahoma taxable income
5 under this section, the dividends-paid deduction otherwise allowed
6 by federal law in computing net income of a real estate investment
7 trust that is subject to federal income tax shall be added back in
8 computing the tax imposed by this state under this title if the real
9 estate investment trust is a captive real estate investment trust.

10 2. For purposes of computing its Oklahoma taxable income under
11 this section, a taxpayer shall add back otherwise deductible rents
12 and interest expenses paid to a captive real estate investment trust
13 that is not subject to the provisions of paragraph 1 of this
14 subsection. As used in this subsection:

- 15 a. the term "real estate investment trust" or "REIT"
16 means the meaning ascribed to such term in Section 856
17 of the Internal Revenue Code,
18 b. the term "captive real estate investment trust" means
19 a real estate investment trust, the shares or
20 beneficial interests of which are not regularly traded
21 on an established securities market and more than
22 fifty percent (50%) of the voting power or value of
23 the beneficial interests or shares of which are owned
24

1 or controlled, directly or indirectly, or
2 constructively, by a single entity that is:
3 (1) treated as an association taxable as a
4 corporation under the Internal Revenue Code, and
5 (2) not exempt from federal income tax pursuant to
6 the provisions of Section 501(a) of the Internal
7 Revenue Code.

8 The term shall not include a real estate investment
9 trust that is intended to be regularly traded on an
10 established securities market, and that satisfies the
11 requirements of Section 856(a) (5) and (6) of the U.S.
12 Internal Revenue Code by reason of Section 856(h) (2)
13 of the Internal Revenue Code,

14 c. the term "association taxable as a corporation" shall
15 not include the following entities:

- 16 (1) any real estate investment trust as defined in
17 paragraph a of this subsection other than a
18 captive real estate investment trust, or
19 (2) any qualified real estate investment trust
20 subsidiary under Section 856(i) of the Internal
21 Revenue Code, other than a qualified REIT
22 subsidiary of a captive real estate investment
23 trust, or
24

- 1 (3) any listed Australian property trust (meaning an
2 Australian unit trust registered as a "managed
3 investment scheme" under the Australian
4 Corporations Act 2001 in which the principal
5 class of units is listed on a recognized stock
6 exchange in Australia and is regularly traded on
7 an established securities market), or an entity
8 organized as a trust, provided that a listed
9 Australian property trust owns or controls,
10 directly or indirectly, seventy-five percent
11 (75%) or more of the voting power or value of the
12 beneficial interests or shares of such trust, or
- 13 (4) any qualified foreign entity, meaning a
14 corporation, trust, association or partnership
15 organized outside the laws of the United States
16 and which satisfies the following criteria:
- 17 (a) at least seventy-five percent (75%) of the
18 entity's total asset value at the close of
19 its taxable year is represented by real
20 estate assets, as defined in Section
21 856(c) (5) (B) of the Internal Revenue Code,
22 thereby including shares or certificates of
23 beneficial interest in any real estate
24

1 investment trust, cash and cash equivalents,
2 and U.S. Government securities,

3 (b) the entity receives a dividend-paid
4 deduction comparable to Section 561 of the
5 Internal Revenue Code, or is exempt from
6 entity level tax,

7 (c) the entity is required to distribute at
8 least eighty-five percent (85%) of its
9 taxable income, as computed in the
10 jurisdiction in which it is organized, to
11 the holders of its shares or certificates of
12 beneficial interest on an annual basis,

13 (d) not more than ten percent (10%) of the
14 voting power or value in such entity is held
15 directly or indirectly or constructively by
16 a single entity or individual, or the shares
17 or beneficial interests of such entity are
18 regularly traded on an established
19 securities market, and

20 (e) the entity is organized in a country which
21 has a tax treaty with the United States.

22 3. For purposes of this subsection, the constructive ownership
23 rules of Section 318(a) of the Internal Revenue Code, as modified by
24 Section 856(d) (5) of the Internal Revenue Code, shall apply in

1 determining the ownership of stock, assets, or net profits of any
2 person.

3 4. A real estate investment trust that does not become
4 regularly traded on an established securities market within one (1)
5 year of the date on which it first becomes a real estate investment
6 trust shall be deemed not to have been regularly traded on an
7 established securities market, retroactive to the date it first
8 became a real estate investment trust, and shall file an amended
9 return reflecting such retroactive designation for any tax year or
10 part year occurring during its initial year of status as a real
11 estate investment trust. For purposes of this subsection, a real
12 estate investment trust becomes a real estate investment trust on
13 the first day it has both met the requirements of Section 856 of the
14 Internal Revenue Code and has elected to be treated as a real estate
15 investment trust pursuant to Section 856(c)(1) of the Internal
16 Revenue Code.

17 SECTION 4. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 20001 of Title 74, unless there
19 is created a duplication in numbering, reads as follows:

20 No person conducting a business as a sole proprietor who is less
21 than eighteen (18) years of age shall be required to obtain a
22 business license from any state or local government entity, and the
23 person shall not be subject to any fine or penalty as a result of
24 conducting such business for a period not in excess of ninety (90)

1 days during a calendar year; provided such person performing work
2 regulated by Title 59 of the Oklahoma Statutes or any other
3 applicable law in the Oklahoma Statutes shall comply with all
4 Oklahoma licensing and registration laws, including holding a
5 current license or registration in good standing.

6 SECTION 5. This act shall become effective November 1, 2026."
7 Passed the House of Representatives the 7th day of May, 2026.

8

9

10

Presiding Officer of the House of
Representatives

11

12

Passed the Senate the ____ day of _____, 2026.

13

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Presiding Officer of the Senate

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1 ENGROSSED SENATE
2 BILL NO. 2063

By: Murdock of the Senate

3 and

4 Archer of the House

5
6 An Act relating to the Uniform Unclaimed Property
7 Act; amending 60 O.S. 2021, Section 651, as amended
8 by Section 1, Chapter 421, O.S.L. 2025 (60 O.S. Supp.
9 2025, Section 651), which relates to definitions;
10 modifying definition; amending 60 O.S. 2021, Section
11 668, as last amended by Section 3, Chapter 421,
12 O.S.L. 2025 (60 O.S. Supp. 2025, Section 668), which
13 relates to the Unclaimed Property Fund; modifying
14 required information to be filed with deposits;
15 requiring certain information to be made available on
16 a public website; permitting requests for certain
17 information; requiring the State Treasurer make
18 certain information available at the end of each
19 fiscal year; amending 60 O.S. 2021, Section 674, as
20 amended by Section 4, Chapter 421, O.S.L. 2025 (60
21 O.S. Supp. 2025, Section 674), which relates to
22 claims of abandoned property; authorizing the State
23 Treasurer to request additional information in
24 certain circumstances; authorizing claimants to
request a hearing in certain circumstances; requiring
the State Treasurer to respond to requests within
certain time period; modifying permissible documents
to be filed with a claim; updating statutory
language; updating statutory references; and
providing an effective date.

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

SECTION 6. AMENDATORY 60 O.S. 2021, Section 651, as
amended by Section 1, Chapter 421, O.S.L. 2025 (60 O.S. Supp. 2025,
Section 651), is amended to read as follows:

1 Section 651. As used in the Uniform Unclaimed Property Act,
2 unless the context otherwise requires:

3 1. "Apparent owner" means the person whose name appears on the
4 records of the holder as the person entitled to property held,
5 issued, or owing by the holder;

6 2. "Attorney General" means the chief legal officer of this
7 state;

8 3. "Banking organization" means any bank, trust company,
9 savings bank, safe deposit company, private banker, or any
10 organization defined by other law as a bank or banking organization;

11 4. "Business association" means a ~~non-public~~ nonpublic
12 corporation, joint-stock company, investment company, business
13 trust, partnership, or association for business purposes of two or
14 more individuals whether or not for profit, including a banking
15 organization, financial organization, insurance company, or utility;

16 5. "Claimant" means a person who claims an interest in
17 unclaimed property in the custody of the State Treasurer;

18 6. "Claimant's representative" means a person who has been
19 hired by a claimant to file an unclaimed property claim on behalf of
20 a claimant pursuant to a written agreement, ~~including a duly~~
21 ~~executed power of attorney;~~

22 7. "Domicile" means the state of incorporation of a corporation
23 and the state of the principal place of business of an
24 unincorporated person;

1 8. "Financial organization" means a savings and loan
2 association, building and loan association, or credit union;

3 9. "Holder" means a person, wherever organized or domiciled,
4 who is:

5 a. in possession of property belonging to another,

6 b. a trustee, or

7 c. indebted to another on an obligation;

8 10. "Insurance company" means an association, corporation,
9 fraternal or mutual benefit organization, whether or not for profit,
10 which is engaged in providing insurance coverage, including
11 accidental, burial, casualty, credit life, contract performance,
12 dental, fidelity, fire, health, hospitalization, illness, life
13 ~~(including including endowments and annuities)~~ annuities,
14 malpractice, marine, mortgage, surety, and wage protection
15 insurance;

16 11. "Intangible property" includes:

17 a. money, checks, drafts, deposits, interest, dividends,
18 and income,

19 b. credit balances, customer overpayments, security
20 deposits, refunds, credit memos, unpaid wages, unused
21 airline tickets, and unidentified remittances,

22 c. stocks and other intangible ownership interests in
23 business associations,
24

- d. monies deposited to redeem stocks, bonds, coupons, and other securities, or to make distributions,
- e. amounts due and payable under the terms of insurance policies, and
- f. amounts distributable from a trust or custodial fund established under a plan to provide health, welfare, pension, vacation, severance, retirement, death, stock purchase, profit sharing, employee savings, supplemental unemployment insurance, education or similar benefits;

12. "Last-known address" means a description of the location of the apparent owner sufficient for the purpose of the delivery of mail;

13. "Memorandum" shall include a mark, symbol or statement indicating knowledge of or interest in funds on deposit;

14. "Mineral proceeds" includes:

- a. all obligations to pay mineral proceeds resulting from the production and sale of minerals, including net revenue interest, royalties, overriding royalties, production payments, and payments under joint operating agreements, and
- b. all obligations for the acquisition and retention of a mineral lease, including bonuses, delay rentals, shut-in royalties, and minimum royalties;

1 15. "Museum" means an institution which is located in this
2 state and operated by a nonprofit corporation or a public agency
3 primarily for educational, scientific, historic preservation or
4 aesthetic purposes, and which owns, borrows, cares for, exhibits,
5 studies, archives, or catalogues property. ~~"Museum"~~ Museum
6 includes, but is not limited to, historical societies, historical
7 sites or landmarks, parks, monuments and libraries;

8 16. "Owner" means a depositor in the case of a deposit, a
9 beneficiary in case of a trust other than a deposit in trust, a
10 creditor, claimant, or payee in the case of other intangible
11 property, or a person having a legal or equitable interest in
12 property or the person's legal representative. Where more than one
13 person is an owner, the property shall not be presumed abandoned
14 unless it has remained unclaimed by all of its owners for the
15 periods hereinafter prescribed;

16 17. "Person" means an individual, business association, state
17 or other government, governmental subdivision or agency, public
18 corporation, public authority, estate, trust, two or more persons
19 having a joint or common interest, or any other legal or commercial
20 entity;

21 18. "State" means any state, district, commonwealth, territory,
22 insular possession, or other area subject to the legislative
23 authority of the United States;

24

1 19. "State Treasurer" or "Treasurer" means the duly elected and
2 acting State Treasurer of Oklahoma;

3 20. "Tax Commission" or "Commission" means the Oklahoma Tax
4 Commission;

5 21. "Utility" means a person who owns or operates for public
6 use any plant, equipment, property, franchise, or license for the
7 transmission of communications, or the production, storage,
8 transmission, sale, delivery, or furnishing of electricity, water,
9 steam, or gas; and

10 22. "Written agreement" means a legally binding document
11 between a claimant and the claimant's representative outlining the
12 terms and conditions of the agreement. It provides a clear record
13 of the agreement, specifying each party's rights, responsibilities,
14 and obligations, which authorizes the claimant's representative to
15 claim and recover unclaimed property in the custody of the State
16 Treasurer on behalf of the claimant. The agreement may include an
17 authorization that directs the State Treasurer to remit payment of
18 fees due to the claimant's representative subject to the provisions
19 of this title.

20 SECTION 7. AMENDATORY 60 O.S. 2021, Section 668, as last
21 amended by Section 3, Chapter 421, O.S.L. 2025 (60 O.S. Supp. 2025,
22 Section 668), is amended to read as follows:

23 Section 668. A. There is hereby created in the State Treasury
24 the "Unclaimed Property Fund", the principal of which shall

1 constitute a trust fund for persons claiming any interest in any
2 property delivered to the state under the Uniform Unclaimed Property
3 Act and may be invested as provided in the Uniform Unclaimed
4 Property Act and shall not be expended except as provided in the
5 Uniform Unclaimed Property Act. All funds received under the
6 Uniform Unclaimed Property Act, including the proceeds from the sale
7 of abandoned property under Section 667 of this title, shall
8 forthwith be deposited by the State Treasurer in the Unclaimed
9 Property Fund, except that the State Treasurer may before making any
10 deposit to the fund deduct:

11 1. All costs in connection with the sale of abandoned property;

12 2. All costs of mailing and publication in connection with any
13 abandoned property including the cost of custody services for
14 unclaimed securities;

15 3. Reasonable service charges not to exceed four percent (4%)
16 of the monies accruing to the state under the Uniform Unclaimed
17 Property Act, which may be used to defray the administrative costs,
18 including costs necessary to retain legal counsel to ensure
19 compliance with the Uniform Unclaimed Property Act, or to acquire
20 computer hardware and software to be used exclusively to help
21 administer the unclaimed property program;

22 4. An amount equal to fifteen percent (15%) of the funds
23 accruing to the state pursuant to a contract with the State
24 Treasurer providing information leading to the delivery of unclaimed

1 property held by a holder to the State Treasurer to be deposited in
2 the Unclaimed Property Clearinghouse Fund; and

3 5. An amount not to exceed twenty-five percent (25%) of the
4 value of the funds in an action to enforce the Uniform Unclaimed
5 Property Act, which is to be used solely to pay attorney fees to any
6 person who was authorized by the State Treasurer to bring the
7 action.

8 B. Before making a deposit to the Unclaimed Property Fund, the
9 State Treasurer shall record ~~the~~ for every deposit and for each
10 person appearing on the holders' reports to be entitled to the
11 abandoned property:

12 1. The name, last-known address ~~of each person appearing from~~
13 ~~the holders' reports,~~ property type, unclaimed property
14 identification code, relation code, date of last activity, reported
15 year, holder name, and amount, due;

16 2. For securities, the number of shares of securities, ~~and name~~
17 of the securities issuer or stock ticker symbol ~~to be entitled to~~
18 ~~the abandoned property and of the name and last-known address of~~
19 each; and

20 3. For insurance and annuities, the information described in
21 paragraph 1 of this subsection shall be recorded for the insured
22 person or annuitant, and the beneficiary, if known, and include,
23 with respect to each policy or contract listed in the report of a
24 life insurance corporation, its number, the name of the corporation,

1 and the amount due. ~~After a period of twelve (12) months has~~
2 ~~elapsed, the record~~

3 C. Records created pursuant to subsection B of this section
4 shall be available for public inspection during normal business
5 hours. All account information described in this section shall be
6 made available on the website described in subsection D of this
7 section immediately upon deposit.

8 D. In addition to the report required by subsection B of this
9 section, the following unclaimed property information shall be made
10 available on a public website hosted by the State Treasurer for all
11 reported accounts that have not yet been returned for each person on
12 the holders' reports appearing to have an interest in the abandoned
13 property:

14 1. The name of the apparent owner;

15 2. The complete last-known address of the apparent owner as
16 reported by the holder;

17 3. The relationship code, if any;

18 4. The type of property and the cash value of the property;

19 5. If the property is securities or mutual fund shares, the
20 number of shares and the stock ticker symbol or fund name, if
21 reported;

22 6. The year the property was reported to the State Treasurer;

23 7. The name and contact information of the holder;

24

1 8. If applicable, a general description of the safe deposit box
2 contents and the liquidation amount; and

3 9. The last date of contact with the apparent owner.

4 E. A copy of the information referenced in subsection D of this
5 section may be obtained in a searchable digital format from the
6 State Treasurer by written request or downloaded from the public
7 website. Requests for information and downloads may be made at any
8 time. The State Treasurer shall ensure that every searchable format
9 and every download from the public website contains all required
10 account information available at the time of the request. At no
11 time shall the information provided by the State Treasurer be more
12 than fourteen (14) days old.

13 F. At the end of each fiscal year, the State Treasurer shall
14 cause the total dollar amount of all property remitted to the State
15 Treasurer and the total dollar amount of all property returned to
16 owners to be posted to the public website described in subsection D
17 of this section.

18 G. Subsections B and F of this section shall apply on or after
19 the effective date of this act and subsection D of this section
20 shall apply retroactively.

21 SECTION 8. AMENDATORY 60 O.S. 2021, Section 674, as
22 amended by Section 4, Chapter 421, O.S.L. 2025 (60 O.S. Supp. 2025,
23 Section 674), is amended to read as follows:

1 Section 674. A. A person, excluding another state, but
2 including a claimant's representative, claiming an interest in any
3 property paid or delivered to the State Treasurer may file with the
4 State Treasurer a claim on a form prescribed by the State Treasurer
5 and verified by the claimant or the claimant's representative. The
6 date of filing of a claim shall be the date it is received by the
7 State Treasurer ~~with all supporting documentation~~ from the claimant
8 or the claimant's representative. Any information submitted by a
9 claimant which is required to be submitted to the State Treasurer to
10 establish a claim may be kept confidential by the State Treasurer if
11 it contains personal financial information of the claimant, personal
12 identifying information such as the address, date of birth,
13 telephone number or ~~email~~ electronic mail address of the claimant,
14 Social Security numbers, birth certificates or similar documents
15 related to the parentage of an individual, or any other document
16 which is confidential by statute if in the custody of another public
17 agency or person. Failure to use the claim form prescribed by the
18 State Treasurer shall void the claim. The claim form shall require
19 information the State Treasurer believes to be reasonably necessary
20 to administer the requirements of this section, including, but not
21 limited to:

- 22 1. A legible copy of the claimant's valid driver license;
- 23 2. If the claimant has not been issued a valid driver license
24 at the time the original claim form is filed, a legible copy of a

1 photographic identification card of the claimant issued by the
2 United States or a state or territory of the United States, a valid
3 passport or national identification card issued by a foreign nation,
4 or other evidence deemed acceptable by the State Treasurer; and

5 3. For claims submitted by a claimant's representative, a duly
6 executed copy of the written agreement between the claimant and the
7 claimant's representative, ~~including a duly executed power of~~
8 ~~attorney.~~

9 B. The State Treasurer may waive the requirements in subsection
10 A of this section and may pay or deliver property directly to a
11 person if:

12 1. The person receiving the payment or property is shown to be
13 the apparent owner included on a report filed under this title; and

14 2. The State Treasurer reasonably believes the person is
15 entitled to receive the payment or property and has validated the
16 identity and address of the person receiving the payment or
17 property.

18 C. The State Treasurer may request that the claimant or, if the
19 person is utilizing the services of a claimant's representative, the
20 claimant's representative provide additional information to support
21 a claim within ninety (90) days of receipt of a claim, or a claimant
22 or the claimant's representative response to the State Treasurer's
23 request for additional information, whichever is later. The State
24 Treasurer shall ~~consider~~ determine each claim ~~within ninety (90)~~

1 ~~days after it is filed~~ and give written notice of the claim
2 determination to the claimant and, if the person is utilizing the
3 service of a claimant's representative, to the claimant's
4 representative ~~if the claim is denied in whole or in part~~. The
5 notice may be given by ~~email~~ electronic mail notification or by
6 mailing it to the claimant's representative, if any, and to the
7 claimant's last-known address, if any, as stated in the claim as the
8 address to which notices are to be sent. If no address for notices
9 is stated in the claim, the notice may be mailed to the last-known
10 address, if any, of the claimant as stated in the claim. No notice
11 of denial need be given if the claim fails to state either the last-
12 known address to which notices are to be sent or the address of the
13 claimant. A claimant or claimant's representative may request a
14 hearing under the Administrative Procedures Act after a claim is
15 denied, ninety (90) days have passed after filing a claim if no
16 determination has been rendered, or a request for additional
17 information is received from the State Treasurer. The State
18 Treasurer shall respond to any request for a hearing within thirty
19 (30) days of receipt of the request with a notice of rights under
20 the Administrative Procedures Act.

21 D. If a claim submitted by the claimant is approved, the State
22 Treasurer shall pay over or deliver to the claimant the property or
23 the amount the State Treasurer actually received or the net proceeds
24 if it has been sold by the State Treasurer, together with any

1 additional amount required by Section 665 of this title, but no
2 person shall have any claim under this section against the state,
3 the holder, any transfer agent, registrar or other person acting for
4 or on behalf of the state or a holder, for any appreciation or
5 depreciation in the value of the property or any earnings that might
6 otherwise accrue, after sale of the property by the State Treasurer.

7 E. 1. If a claim submitted by a claimant's representative is
8 approved, the State Treasurer shall pay or deliver to the claimant
9 the balance remaining after deduction and payment of the amount due
10 to the claimant's representative by the State Treasurer; provided,
11 however, that any payments made directly to the claimant's
12 representative shall be made only pursuant to the terms of the
13 written agreement between the claimant and the claimant's
14 representative that was submitted with the claim.

15 2. The State Treasurer is authorized to make distribution of
16 the property or money in accordance with the terms of the agreement.

17 3. Payments of fees and costs to the claimant's representative
18 shall be made by paper check or other means approved by the State
19 Treasurer on such periodic schedule as the State Treasurer may
20 define; provided, however, payment for approved claims shall be made
21 to both the claimant and the claimant's representative within sixty
22 (60) days of approval.

23 F. The contents of safe deposit boxes shall be released
24 directly to the claimant, claimant's representative, or ~~to~~ a

1 commercial carrier as provided in the written agreement if
2 authorized in writing by the claimant. Any lien owed to the lessor
3 of the safe deposit box shall be satisfied before the contents of
4 the safe deposit box shall be released. At the claimant or
5 claimant's representative's option, any lien owed to the lessor of
6 the safe deposit box shall be deducted from the value of the
7 contents of the safe deposit box obtained at the next scheduled
8 auction with the remaining value to be distributed in accordance
9 with this section.

10 G. The State Treasurer shall maintain an electronic copy of all
11 records related to the property received by the State Treasurer.
12 Such records shall be retained pursuant to the State Treasurer's
13 retention schedules as provided by Title 67 of the Oklahoma
14 Statutes.

15 H. The State Treasurer shall consider any claim filed under
16 this ~~act~~ section and Sections 651, 657.3, 668, 674.1, and 674.2 of
17 this title and, in rendering a determination on the merits of any
18 such claim, shall rely on the applicable statutes, regulations, and
19 relevant court decisions and may hold a hearing and receive evidence
20 concerning the claim. If a hearing is held, the State Treasurer
21 shall prepare a finding and a decision in writing on each claim
22 filed, stating the substance of any evidence heard and the reasons
23 for the decision. The decision shall be a public record.

24

1 I. If the claim is approved, the State Treasurer shall make
2 payment pursuant to this section. The claim shall be paid without
3 deduction for costs of notice. If a claim is denied, the State
4 Treasurer may hold a hearing and receive evidence concerning any
5 unclaimed property claim filed under this ~~act~~ section and Sections
6 651, 657.3, 668, 674.1, and 674.2 of this title. If a hearing is
7 held, the State Treasurer, or his or her representative, shall
8 consider evidence that would be admissible in contested cases under
9 the Administrative Procedures Act. In any proceeding for
10 determination of a claim to property, the burden shall be upon the
11 claimant, or the claimant's representative, ~~including a claimant's~~
12 ~~representative,~~ to establish entitlement to the property by a
13 preponderance of evidence.

14 J. If a hearing is held, the State Treasurer, or his or her
15 representative, shall prepare a finding and a decision in writing on
16 each claim filed, stating the substance of any evidence heard by him
17 or her and the reasons for his or her decision. The decision shall
18 be a public record and deemed the final agency decision.

19 K. If the claim is approved, the State Treasurer shall make
20 payment pursuant to paragraph 2 of subsection E of this section.
21 Claims shall be paid without deduction for costs of notice.

22 SECTION 9. This act shall become effective November 1, 2026.
23
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