

(b) **Sales related to the construction of a facility for a rural electric cooperative.** *Sales of tangible personal property consumed or incorporated in the construction or expansion of a facility for a corporation organized under Section 437 et seq. of Title 18 of the Oklahoma Statutes as a rural electric cooperative are exempt from sales tax. For purposes of this paragraph, sales made to a contractor or subcontractor that has previously entered into a contractual relationship with a rural electric cooperative for construction or expansion of a facility shall be considered sales made to a rural electric cooperative are also exempt.*

(c) **Documentation required on sales to a contractor or subcontractor with a rural electric cooperative.** In the case of a sale to a contractor or subcontractor claiming exemption pursuant to subsection (b) of this Section, the vendor must obtain:

- (1) Documentation indicating the contractual relationship between the contractor or subcontractor and the rural electric cooperative; and
- (2) Certification, by the purchasing contractor or subcontractor, as the case may be, setting out the name of the rural electric cooperative, and stating that the purchases are being made pursuant to a contract with that rural electric cooperative and that they are necessary for construction or expansion of a facility owned by that rural electric cooperative.

[Source: Added at 24 Ok Reg 2397, eff 6-25-07]

PART 25. GOVERNMENTAL ENTITIES

710:65-13-130. Sales to and by the government; taxable and exempt transactions

(a) **Sales "to" governmental entities.** Sales of tangible personal property or services to this State, its institutions or political subdivisions, and to the United States, including its agencies and instrumentalities are exempt from sales tax. Sales to other states' governments, political subdivisions, institutions, or agencies are not exempt, unless the state is one which borders Oklahoma and grants a like exemption from taxes on similar sales of items to Oklahoma or its political subdivisions.

(1) **Records required.** The books and records of the vendor must show that the purchase was billed to and paid by the government agency.

(2) **Sales to government employees.** Sales to individuals who are employees of this State, its institutions and subdivisions, or of the United States government, are not exempt from tax unless the sale is billed directly to the appropriate government agency or the purchase is by means of properly completed government purchase order or credit card. Sales made on credit cards bearing an employee's name and the name of the government agency for which the employee works will qualify for exemption only if the card is issued to the Federal Government, rather than to the individual, and is paid directly by the Federal Government. The credit cards that currently meet these criteria are those issued through the GSA SmartPay card program:

(A) **Fleet cards.** All Federal Government **fleet cards** are centrally-billed. This means that all charges are billed directly to the Federal Government and paid directly by the Federal Government. Charges made using an authorized **fleet card** are therefore, exempt from the levy of Oklahoma sales tax. Authorized **fleet cards** must meet all the requirements set out in this paragraph:

- (i) The **fleet card** prefix (first 4 digits) must be 4486, 4614, 4716, 5565, 5568 or 8699;
- (ii) The **fleet card** platform must be Voyager, MasterCard, Wright Express, or Visa; and
- (iii) The Voyager **fleet card** must be issued by Citibank, or U.S. Bank; the MasterCard **fleet card** must be issued by Citibank, JP Morgan Chase or U.S. Bank; the Wright Express fleet card must be issued by Citibank.

(B) **Purchase cards.** All Federal Government **purchase cards** are centrally-billed. This means that all charges are billed directly to the Federal Government and paid directly by the Federal Government. Charges made using an authorized **purchase card** are therefore, exempt from the levy of Oklahoma sales tax. Authorized **purchase cards** must meet all the requirement set out in this paragraph:

- (i) The **purchase card** prefix (first 4 digits) must be 4486, 4614, 4716, 5565 or 5568;
- (ii) The **purchase card** platform must be Visa or MasterCard; and
- (iii) The Visa **purchase card** must be issued by Citibank, JP Morgan Chase or U.S. Bank; The MasterCard **purchase card** must be issued by Citibank, JP Morgan Chase, or U.S. Bank;

(C) **Travel cards.** Federal Government **travel cards** may be centrally-billed or individually billed. Individually-billed charges are billed to and paid by the federal **employee**, and then reimbursed by the Federal Government. Individually-billed charges made using a **travel card** are **subject to** the levy of Oklahoma sales tax. Only centrally-billed charges made using an authorized **travel card**, because they are billed directly to and paid directly by the Federal Government, are exempt from the levy of Oklahoma sales tax. Authorized **travel cards** must meet all the requirements set out in this paragraph:

- (i) The **travel card** prefix (1st four (4) digits) must by 4486, 4614, 5565 or 5568;
- (ii) The sixth (6th) digit of the account numbering structure will denote whether the travel card is centrally-billed or individually-billed:
 - (I) A sixth digit of 0, 6, 7, 8, or 9 denotes that the **travel card** is centrally-billed;
 - (II) A sixth digit of 1, 2, 3, or 4 indicates that the **travel card** is individually-billed;
- (iii) The **travel card** platform must be Visa or MasterCard; and
- (iv) The **travel card**, whether Visa or MasterCard, must be issued by Citibank, U.S.Bank, or JP Morgan Chase.

(D) **Integrated cards.** Federal Government **integrated cards** may include **fleet, travel, or purchase card** functionality and offer the Federal Government a single card for all purchases. All **fleet and purchase type transactions** made on an **integrated card** are centrally-billed, and therefore exempt from the levy of Oklahoma sales tax, regardless of the sixth digit on the card. **Travel card** type functionality may be centrally-billed or individually-billed. Authorized **integrated cards** must meet all the requirements set out in this paragraph:

- (i) The prefix (first four (4) digits) of an **integrated card** must be 4486, 4614, 4716, 5565 or 5568;
- (ii) For travel functionality **only**, the sixth digit of the **integrated card** will denote whether the card is centrally or individually billed:

(I) A sixth digit of 0, 6, 7, 8, or 9 denotes that the **integrated card** being used for travel functionality is centrally-billed;

(II) A sixth digit of 1, 2, 3, or 4 indicates that the **integrated card** being used for travel functionality is individually-billed;

(iii) The **integrated card** platform must be Visa or MasterCard; and

(iv) The **integrated card**, whether Visa or MasterCard, must be issued by Citibank, U.S. Bank or JP Morgan Chase.

(3) **Sale to contractors.** Sales to contractors in connection with the performance of any contract with the United States government are not exempt unless the ownership and possession of the property purchased by the contractor or agent transfers immediately to the United States government. [See: 68 O.S. §§1356(1), 1356(2)]

(b) **Sales by a lease or lease-purchase agreement with a municipality or county.** The sale of tangible personal property or services pursuant to a lease or lease-purchase agreement executed between a vendor and a school district is exempt from sales tax.

(c) **Sales "by" governmental entities.** Except as specifically exempt by statute, the State of Oklahoma, its agencies and instrumentalities, all counties, townships, and municipal corporations, their respective agencies and instrumentalities, and all other state governmental entities and subdivisions, including state colleges and universities, shall collect, report and remit sales tax on taxable sales of tangible personal property and services. For example, sales of city maps, sales of gifts and souvenirs, sales of food from city operated concessions at stadiums, ballparks, auditoriums, etc., are subject to tax.

(d) **Purchases by contractors.** Except where specifically authorized by statute, purchases of taxable personal property or services by a contractor, as defined by 68 O.S. § 1352, are taxable to the contractor. A contractor who performs improvements to real property for a governmental entity may **not** purchase the tangible personal property or services to perform the contract exempt from sales tax under the exemption provided by statute to a governmental entity.

[Source: Amended at 11 Ok Reg 3521, eff 6-26-94; Amended at 12 Ok Reg 2635, eff 6-26-95; Amended at 15 Ok Reg 2827, eff 6-25-98; Amended at 16 Ok Reg 2653, eff 6-25-99; Amended at 17 Ok Reg 2677, eff 6-25-00, Amended at 22 Ok Reg 1574, eff. 6-11-05; Amended at 27 Ok Reg 2308, eff 7-11-10]

710:65-13-131. Sales to U.S. government contractors; taxable and exempt transactions

Sales of tangible personal property to agents of the United States government are exempt from sales tax if ownership and possession of such property transfers immediately to the United States government. Sales to contractors who are improving real property for the United States government are not considered to be sales in which ownership transfers immediately to the United States government and are therefore taxable. [See: 68 O.S. §1356(1),(2),(3)]

[Source: Amended at 12 Ok Reg 2635, eff 6-26-95; Amended at 17 Ok Reg 2677, eff 6-25-00]

710:65-13-132. Sheriff's purchases; taxable and exempt transactions

Purchases by a county sheriff or county sheriff's office, as agent for the county, of food to be used in feeding prisoners are exempt from sales tax. Purchases made by a county sheriff personally or on behalf of a prisoner are subject to tax. [See: 68 O.S. §1356 (10)]

710:65-13-133. State parks