

III. Sales Tax Exemptions and Refunds

A. Exemptions

1. Manufacturers

(68 O.S. §§ 1359, 1359.2 and 1364)

For more information and certification, contact the Oklahoma Tax Commission at (405) 521-3133 or otcmaster@tax.ok.gov. For forms, visit www.oktax.state.ok.us.

Oklahoma has a comprehensive sales tax exemption for manufacturers who obtain a Manufacturer's Sales Tax Exemption Permit from the Oklahoma Tax Commission. The permit must be renewed every three years. This permit must be presented to the vendor, and a claim for exemption made at or before the time of purchase, to relieve the vendor of the liability for collecting sales tax. The exemptions cover purchases of machinery and equipment, energy, and tangible personal property used in design, development, and manufacturing.

Sales to a manufacturer of exempt property must be used in the manufacturing operation at a manufacturing site. The exemption is not extended to purchases for administration, sales, distribution, transportation, site construction or site maintenance.

2. Computer Services and Data Processing

(68 O.S. § 1357 [21])

For more information about filing the required affidavit and certification, contact the Oklahoma Tax Commission at (405) 521-3133 or otcmaster@tax.ok.gov. For forms, visit www.oktax.state.ok.us.

Oklahoma recognizes the importance of companies engaged in computer services or data processing activities by offering exemptions from sales tax on certain items as follows:

3. Sales at Aircraft Maintenance Facilities

(68 O.S. § 1357 [20])

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Sales of aircraft and aircraft parts provided the sales occur at aircraft maintenance facilities operated by an air common carrier that employs at least 2,000 full-time employees are exempt from sales tax. The aircraft maintenance facility activity must be primarily related to the fabrication, repair, alteration, modification, refurbishing, maintenance, and building or rebuilding of commercial aircraft or aircraft parts used in air common carriage.

4. Aircraft Repairs and Modifications

(68 O.S. § 1357 [28])