

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

Oklahoma offers a sales tax refund on the purchase of computers, data processing equipment, related peripherals, telegraph or telecommunications services, and equipment.

- Applies to NAICS Nos. **51121**, **336411**, **541512**, **518210** and **518111** (Computer services and data processing) and **541712**, **541720**, **541712** and **541380** (Research and Development).
- New or expanding businesses.
- Addition of 10 new full-time employees that have an average salary of \$35,000.
- These new employees must be employed for at least 36 months.
- 50% of annual gross revenues must result from sales to out-of-state buyers but may include the federal government.
- 75% of annual gross income results from computer services, data processing activities, or research and development activities.
- If the company is in SIC Code Industrial Group Number **518210**, it must also purchase \$100,000 worth of exempt items.

Note: This refund is not as favorable to computer services and data processing companies as the sales tax exemption found at 68 O.S. § 1357 (21).

2. Construction Materials

(68 O.S. § 1359 [7])

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Oklahoma refunds sales taxes paid on construction materials for certain new or expanding manufacturing facilities including:

- Facilities with construction costs exceeding \$5 million that create 100 new manufacturing jobs and are maintained for a minimum of 36 months. Construction costs include building and construction costs, and engineering and architectural fees, but not legal fees.
- Facilities with construction costs exceeding \$10 million, and with combined total costs of material, construction, and machinery exceeding \$50 million, which add 75 new employees who are retained for 36 months.
- Facilities with construction costs exceeding Three Hundred Million Dollars (\$300,000,000) which maintain an employment level of a least 1,750 full time equivalent employees.
- Qualified new or expanding aircraft maintenance and overhaul facilities that create 250 or more jobs, with construction costs totaling at least \$5 million. [68 O.S. 1357(17)].

These construction exemptions are unique not only because they are refunds, but also because they allow contractors or subcontractors that have previously entered into a written contractual relationship with the manufacturer, or a qualified aircraft maintenance facility operator, to make refundable purchases on behalf of manufacturers. The manufacturer may use invoices made out in the contractors' names for proof when applying for sales tax refunds. Generally, refundable purchases do not