

# An Act

ENROLLED HOUSE  
BILL NO. 1060

By: Boles, Davis, Hill and  
Moore of the House

and

Paxton of the Senate

An Act relating to sales tax; amending 68 O.S. 2011, Section 1360, which relates to exemptions for corporations and partnerships; providing exemption for specified transfers of tangible personal property; and providing an effective date.

SUBJECT: Sales tax

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

SECTION 1. AMENDATORY 68 O.S. 2011, Section 1360, is amended to read as follows:

Section 1360. Exemptions - Corporations - Partnerships.

There are hereby specifically exempted from the tax levied in ~~this article~~ Section 1350 et seq. of this title:

1. The transfer of tangible personal property, as follows:
  - a. from one corporation to another corporation pursuant to a reorganization. As used in this subparagraph the term "reorganization" means a statutory merger or consolidation or the acquisition by a corporation of substantially all of the properties of another corporation when the consideration is solely all or a part of the voting stock of the acquiring corporation, or of its parent or subsidiary corporation,

- b. between wholly owned subsidiaries of a parent company and between a parent company and its wholly owned subsidiary,
- c. in connection with the winding up, dissolution or liquidation of a corporation only when there is a distribution in kind to the shareholders of the property of such corporation,
- ~~e.~~ d. to a corporation for the purpose of organization of such corporation where the former owners of the property transferred are immediately after the transfer in control of the corporation, and the value of the stock or securities received by each is substantially in proportion to the value of such person's interest in the property transferred by all the former owners,
- ~~d.~~ e. to a partnership in the organization of such partnership if the former owners of the property transferred are, immediately after the transfer, members of such partnership and the value of the interest in the partnership, received by each, is substantially in proportion to the value of such person's interest in the property transferred by all former owners,
- ~~e.~~ f. from a partnership to the members thereof when made in kind in the dissolution of such partnership,
- ~~f.~~ g. to a limited liability company in the organization of the limited liability company if the former owners of the property transferred are, immediately after the transfer, members of the limited liability company and the value of the interest in the limited liability company received by each is substantially in proportion to the value of the interest in the property transferred by all the former owners, and
- ~~g.~~ h. from a limited liability company to the members thereof when made in kind in the dissolution of the limited liability company; and

2. Sale of an interest in tangible personal property to a partner or other person who after such sale owns a joint interest in

such tangible personal property where the Oklahoma Sales or Use Tax has previously been paid on such tangible personal property.

SECTION 2. This act shall become effective November 1, 2021.

Passed the House of Representatives the 27th day of April, 2021.

\_\_\_\_\_  
Presiding Officer of the House  
of Representatives

Passed the Senate the 12th day of April, 2021.

\_\_\_\_\_  
Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_

Approved by the Governor of the State of Oklahoma this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_