

PART 7

FINANCE AND TAXATION

CHAPTER 1

FINANCES GENERALLY

Section 7-101	Investments.
Section 7-102	Depositories designated, deposit of funds.
Section 7-103	Funds secured by unit collateral system.
Section 7-104	Purchasing procedure.
Section 7-105	When bidding not required.
Section 7-106	Disposition of surplus, obsolete materials, bidding.

CHAPTER 2

SALES TAX

Section 7-201	Citation of chapter.
Section 7-202	Definitions.
Section 7-203	Classification of taxpayers.
Section 7-204	Subsisting state permits.
Section 7-205	Purpose of revenues; disposition of proceeds.
Section 7-206	Tax rate; sales subject to tax.
Section 7-207	Exemptions; sales subject to other tax.
Section 7-208	Exemptions; governmental and nonprofit entities.
Section 7-209	Exemptions; general.
Section 7-210	Exemptions; agriculture.
Section 7-211	Exemptions; manufacturers.
Section 7-212	Exemptions; corporations and partnerships.
Section 7-213	Tax due and payable.
Section 7-214	Payment of tax; brackets.
Section 7-215	Tax constitutes prior claim.
Section 7-216	Vendor's duty to collect tax.
Section 7-217	Returns and remittances; discounts.
Section 7-218	Interest and penalties; delinquency; discount forfeiture.
Section 7-219	Waiver of interest and penalties.
Section 7-220	Erroneous payments; claim for refund.
Section 7-221	Failure to file; fraudulent returns; penalties.
Section 7-222	Tax records confidential.
Section 7-223	Provisions cumulative.
Section 7-224	Amendments to chapter.

CHAPTER 3

TELEPHONE EXCHANGE FEE

Section 7-301	Inspection fee and service charge.
Section 7-302	Charge in lieu of other license tax.

hereunder.

D. The notice required in this section shall state the time and place for filing the bids, shall contain an ample description of the supplies, materials and equipment to be purchased or sold, the time and place the bids will be opened, and that all bids may be rejected. The bids shall be in writing and sealed and filed with the town clerk prior to the time they are to be opened. The bids may be rejected or the town may readvertise for bids, or after due consideration thereof, may award a contract to purchase such supplies, material or equipment from the lowest and best responsible bidder. However, the town purchasing authority may, at his option, purchase any such materials, supplies and equipment through central purchasing of the state.

State Law Reference: Public competitive bidding \$7,500, 61 O.S. Secs. 101 et seq.

SECTION 7-105 WHEN BIDDING NOT REQUIRED.

A. The following may be purchased without giving an opportunity for competitive bidding:

1. Supplies, materials, equipment or contractual services where cost does not exceed Seven Thousand Five Hundred Dollars (\$7,500.00) in a single transaction;

2. Supplies, materials, equipment or contractual services which can be furnished only by a single dealer or a sole source vendor, or which have a uniform price wherever bought;

3. Supplies, materials, equipment or contractual services purchased from another unit of government at a price deemed below that obtainable from private dealers, including war surplus, or purchased at auction at a price deemed below that obtainable elsewhere;

4. Contractual services (gas, electricity, telephone service, and the like) purchased from a public utility at a price or rate determined by the state corporation commission or other government authority;

5. Supplies, materials, equipment or contractual services when purchased at a price not exceeding a price set therefor by the state purchasing agency or any other state agency authorized to regulate prices for things purchased by the state (whether such price is determined by a contract negotiated with a vendor or otherwise);

6. Contractual services of a professional nature, such as engineering, architectural, medical and legal services; or

7. When an emergency is declared to exist.

B. The term "contractual services", for the purpose of this chapter, means services performed for the town by persons not in the employment of the town, and may include the use of equipment or the furnishing of commodities in connection with such services under express or implied contract. Contractual services includes travel; freight; express; parcel post; postage; telephone; telegraph; utilities; rents; repairs, alterations, and maintenance of buildings, equipment, streets, and bridges, and other physical facilities of the town; and other services performed for the town by persons not in the employment of the town.

SECTION 7-106

DISPOSITION OF SURPLUS, OBSOLETE MATERIALS, BIDDING.

A. No surplus or obsolete supplies, materials or equipment of a value of more than One Thousand Dollars (\$1,000.00) may be sold until the procedures outlined in this section have been followed.

B. The town purchasing authority may sell the following without giving an opportunity for competitive bidding:

1. Surplus or obsolete supplies, materials or equipment whose total value does not exceed One Thousand Dollars (\$ 1,000.00) in a single transaction; or

2. Supplies, materials or equipment when sold at a price at least as great as that paid by the town for the same; or

3. Where the board of trustees has authorized the sale of surplus property at public auction under such terms, conditions and notice as the board of trustees may prescribe or as the town purchasing authority deems appropriate.

Finance and Taxation

CHAPTER 2

SALES TAX

Section 7-201	Citation of chapter.
Section 7-202	Definitions.
Section 7-203	Classification of taxpayers.
Section 7-204	Subsisting state permits.
Section 7-205	Purpose of revenues; disposition of proceeds.
Section 7-206	Tax rate; sales subject to tax.
Section 7-207	Exemptions; sales subject to other tax.
Section 7-208	Exemptions; governmental and nonprofit entities.
Section 7-209	Exemptions; general.
Section 7-210	Exemptions; agriculture.
Section 7-211	Exemptions; manufacturers.
Section 7-212	Exemptions; corporations and partnerships.
Section 7-213	Tax due and payable.
Section 7-214	Payment of tax; brackets.
Section 7-215	Tax constitutes prior claim.
Section 7-216	Vendor's duty to collect tax.
Section 7-217	Returns and remittances; discounts.
Section 7-218	Interest and penalties; delinquency; discount forfeiture.
Section 7-219	Waiver of interest and penalties.
Section 7-220	Erroneous payments; claim for refund.
Section 7-221	Failure to file; fraudulent returns; penalties.
Section 7-222	Tax records confidential.
Section 7-223	Provisions cumulative.
Section 7-224	Amendments to chapter.

SECTION 7-201 CITATION OF CHAPTER.

This chapter shall be known and may be cited as the Town of Disney Sales Tax Ordinance.

State Law Reference: State sales tax provisions, 68 O.S. Secs. 1350, et seq.; Town powers, procedures to levy, 68 O.S. Secs. 2701 et seq.

Editor's Note: Ord. Nos. 67-7, 76-1, 82-1 each levied a one cent sales tax. Disney's sales tax went to to 3.875% on June 1, 1992 where it currently is now.

SECTION 7-202 DEFINITIONS.

A. The definitions of words, terms and phrases contained in the Oklahoma Sales Tax Code, 68 O.S. Section 1352, and Sections 596 and 793 of Title 37 of the Oklahoma Statutes, are hereby adopted by reference and made a part of this chapter.

B. The term "tax collector," as used herein, shall mean the department of the town or the official agency of the state duly designated according to law or contract authorized by law to administer the collection of the tax herein levied.

Finance and Taxation

Ed. Note: Sections 596 and 793 of Title 37 define sales to include sales of ice or beverages for mixing with alcoholic beverages for consumption on premises.

SECTION 7-203 CLASSIFICATION OF TAXPAYERS.

For the purpose of this chapter, the classification of taxpayers hereunder shall be as prescribed by state law for purposes of the Oklahoma Sales Tax Code.

SECTION 7-204. SUBSISTING STATE PERMITS.

All valid and subsisting permits to do business issued by the Oklahoma Tax Commission pursuant to the Oklahoma Sales Tax Code are, for the purpose of this chapter, hereby ratified, confirmed and adopted in lieu of any requirement for an additional town permit for the same purpose.

SECTION 7-205 PURPOSE OF REVENUES; DISPOSITION OF PROCEEDS.

It is hereby declared to be the purpose of the revenues generated by the first and second cent sales taxes levied herein to provide revenues for the support of the functions of the municipal government of the town.

SECTION 7-206 TAX RATE; SALES SUBJECT TO TAX.

There is hereby levied an excise tax of three and 7/8 percent (3.875%) upon the gross proceeds or gross receipts derived from all sales taxable under the Oklahoma Sales Tax Code including but not exclusive of the following:

1. Tangible personal property;
2. Natural or artificial gas, electricity, ice, steam, or any other utility or public service except water and those specifically exempt by this chapter;
3. Transportation for hire of persons by common carriers, including railroads, both steam and electric, motor transportation companies, taxicab companies, pullman car companies, airlines and all other means of transportation for hire;
4. Service by telephone and telegraph companies to subscribers or users, including transmission of messages, whether local or long distance. This shall include all services and rental charges having any connection with transmission of any message;
5. Printing or printed matter of all types, kinds, and characters and the service of printing or over-printing, including the copying of information by mimeograph or multigraph or by otherwise duplicating written or printed matter in any manner, or the production of microfiche containing information on magnetic tapes furnished by customers;
6. Service of furnishing rooms by hotel, apartment hotel, public rooming house, motel, public lodging house or tourist camps;
7. Service of furnishing storage or parking privileges by auto hotels and parking lots;
8. Selling, renting or otherwise furnishing computer hardware or software or coding sheets, cards or magnetic tapes on which prewritten programs have been coded, punched or

otherwise recorded;

9. Food, confections and all drinks sold or dispensed by hotels, restaurants, or other dispensers, and sold for immediate consumption upon the premises or delivered or carried away from the premises for consumption elsewhere;

10. Advertising of all kinds, types and character, including any and all devices used for advertising purposes and the servicing of any advertising devices, except those specifically exempt by this chapter;

11. Dues or fees to clubs including free or complimentary dues or fees which shall have the value equivalent to the charge that would have otherwise been made, including any fees paid for the use of facilities or services rendered at a health spa or club or any similar facility or business;

12. Sales of tickets, fees or other charges made for admission to or voluntary contributions made to places of amusement, sports entertainment, exhibition, display or other recreational events or activities, including free or complimentary admissions which shall have the value equivalent to the charge that would have otherwise been made;

13. Charges made for the privilege of entering or engaging in any kind of activity, when no admission is charged spectators, such as tennis, racket ball or hand ball courts;

14. Charges made for the privilege of using items for amusement, sports, entertainment or recreational activity such as trampolines or golf carts;

15. The rental of equipment for amusement, sports, entertainment or other recreational activities, such as bowling shoes, skates, golf carts, or other sports and athletic equipment;

16. The gross receipts from sales through any vending machine, without any deduction for rental to locate the vending machine on the premises of a person who is not the owner or any other deductions therefrom;

17. Gross receipts or gross proceeds from the rental or lease of tangible personal property, including rental or lease of personal property when the rental or lease agreement requires the vendor to launder, clean, repair or otherwise service the rented or leased property on a regular basis, without any deduction for the cost of the service rendered. Provided if the rental or lease charge is based on the retail value of the property at the time of making the rental or lease agreement and the expected life of the property, and the rental or lease charge is separately stated from the service cost in the statement, bill or invoice delivered to the consumer, the cost of services rendered shall be deducted from the gross receipts or gross proceeds;

18. Any licensing agreement, rental, lease or other device or instrument whereby rights to possess or exhibit motion pictures or filmed performances or rights to receive images, pictures or performances for telecast by any method are transferred. Provided, persons regularly engaged in the business of exhibiting motion pictures for which the sale of tickets or admissions is taxed under this chapter shall not be deemed to be consumers or users in respect to the licensing or exhibiting of copyrighted motion picture features, shorts, cartoons and scenes from copyrighted features and the sale or licensing of such films shall not be considered a sale within the purview of this chapter;

19. Flowers, plants, shrubs, trees and other floral items, whether or not same was

Finance and Taxation

produced by the vendor, sold by persons engaged in florist or nursery business in this state, including all orders taken by an Oklahoma business for delivery in another state. Provided, all orders taken outside this state for delivery within this state shall not be subject to the tax levied by this chapter;

20. Tangible personal property sold to persons, peddlers, solicitors or other salesmen, for resale where there is likelihood that this state will lose tax revenue due to the difficulty of enforcing this chapter because of:

- a. The operation of the business;
- b. The nature of the business;
- c. The turnover of independent contractors;
- d. The lack of place of business in which to display a permit or keep records;
- e. Lack of adequate records;
- f. The persons are minors or transients;
- g. The persons are engaged in service businesses; or
- h. Any other reasonable reason;

21. Any taxable services and tangible personal property including materials, supplies and equipment sold to contractors for the purpose of developing and improving real estate even though such real estate is intended for resale as real property are hereby declared to be sales to consumers or users and taxable; and

22. Any taxable services and tangible personal property sold to persons who are primarily engaged in selling their services, such as repairmen, are hereby declared to be sales to consumers or users and taxable.

SECTION 7-207 EXEMPTIONS; SALES SUBJECT TO OTHER TAX.

There is hereby specifically exempted from the tax levied by this chapter the gross receipts or gross proceeds exempted from the Oklahoma Sales Tax Code inclusive, but not exclusive of, and derived from the:

1. Sale of gasoline or motor fuel on which the motor fuel tax, gasoline excise tax or special fuels tax levied by state law has been paid;
2. Sale of motor vehicles or any optional equipment or accessories attached to motor vehicles on which the Oklahoma Motor Vehicle Excise Tax levied by state law has been paid;
3. Sale of crude petroleum or natural or casinghead gas and other products subject to gross production tax under state law. This exemption shall not apply when such products are sold to consumer or user for consumption or use, except when used for injection into the earth for the purpose of promoting or facilitating the production of oil or gas. This paragraph shall not operate to increase or repeal the gross production tax levied by the laws of this state; and

4. Sale of aircraft on which the tax levied pursuant to Sections 6001 through 6004 of Title 68 of the Oklahoma Statutes has been paid.

SECTION 7-208 EXEMPTIONS; GOVERNMENTAL AND NONPROFIT ENTITIES.

There are hereby specifically exempted from the tax levied by this chapter:

1. Sale of tangible personal property or services to the United States government or to the State of Oklahoma, any political subdivision of this state or any agency of a political subdivision of the state; provided, all sales to contractors in connection with the performance of any contract with the United States Government, State of Oklahoma or any of its political subdivisions shall not be exempted from the tax levied by this chapter, except as hereinafter provided;

2. Sales of property to agents appointed or contracted with by agencies or instrumentalities of the United States Government if ownership and possession of such property transfers immediately to the United States Government;

3. Sales made directly by county, district or state fair authorities of this state, upon the premises of the fair authority, for the sole benefit of the fair authority;

4. Sale of food in cafeterias or lunch rooms of elementary schools, high schools, colleges or universities which are operated primarily for teachers and pupils and are not operated primarily for the public or for profit;

5. Dues paid to fraternal, religious, civic, charitable or educational societies or organizations by regular members thereof, provided, such societies or organizations operate under what is commonly termed the lodge plan or system, and provided such societies or organizations do not operate for a profit which inures to the benefit of any individual member or members thereof to the exclusion of other members;

6. Sale of tangible personal property or services to or by churches, except sales made in the course of business for profit or savings, competing with other persons engaged in the same or similar business;

7. The amount of proceeds received from the sale of admission tickets which is separately stated on the ticket of admission for the repayment of money borrowed by any accredited state-supported college or university for the purpose of constructing or enlarging any facility to be used for the staging of an athletic event, a theatrical production, or any other form of entertainment, edification or cultural cultivation to which entry is gained with a paid admission ticket. Such facilities include, but are not limited to, athletic fields, athletic stadiums, field houses, amphitheaters and theaters. To be eligible for this sales tax exemption, the amount separately stated on the admission ticket shall be a surcharge which is imposed, collected and used for the sole purpose of servicing or aiding in the servicing of debt incurred by the college or university to effect the capital improvements hereinbefore described;

8. Sales of tangible personal property or services to the board of trustees organizations or similar state supervisory organizations of the Boy Scouts of America, Girl Scouts of U.S.A. and the Campfire Girls shall be exempt from sales tax;

9. Sale of tangible personal property or services to any county, municipality, public school district, the institutions of the Oklahoma system of higher education and the Grand River

Finance and Taxation

Dam Authority, or to any person with whom any of the above named subdivisions or agencies of this state has duly entered into a public contract pursuant to law, necessary for carrying out such public contract or to any subcontractor to such a public contract. Any person making purchases on behalf of such subdivision or agency of this state shall certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor that the purchases are made for and on behalf of such subdivision or agency of this state and set out the name of such public subdivision or agency. Any person who wrongfully or erroneously certifies that purchases are for any of the above named subdivision or agencies of this state or who otherwise violates this section shall be guilty of a misdemeanor and upon conviction thereof shall be fined an amount equal to double the amount of the sales tax involved or incarcerated for not more than sixty (60) days or both;

10. Sales of tangible personal property or services to private institutions of higher education and private elementary and secondary institutions of education accredited by the State Department of Education or registered by the State Board of Education for purposes of participating in federal programs or accredited as defined by the Oklahoma State Regents for Higher Education which are exempt from taxation pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code, including materials, supplies, and equipment used in the construction and improvement of buildings and other structures owned by the institutions and operated for educational purposes. Any person, firm, agency or entity making purchases on behalf of any institution, agency or subdivision in this state, shall certify in writing, on the copy of the invoice or sales ticket the nature of the purchases, and violation of this act shall be a misdemeanor as set forth in Paragraph (9) of this section;

11. Tuition and educational fees paid to private institutions of higher education and private elementary and secondary institutions of education accredited by the State Department of Education or registered by the State Board of Education for purposes of participating in federal programs or accredited as defined by the Oklahoma State Regents for Higher Education which are exempt from taxation pursuant to the provisions of the Section 501(c)(3) of the Internal Revenue Code; and

12. Sales of tangible personal property made by public or private school for grade levels kindergarten through twelfth grade, a public school district, public school board, public school student group or organization or public school district personnel for purposes of raising funds for the benefit of such school, school district, school board, student group or organization. For purposes of this paragraph, "public or private school" shall mean any public or private institution of education accredited by the State Department of Education or registered by the State Board of Education for purposes of participating in federal programs. Sale of tangible personal property in this paragraph shall not include sale of admission tickets or concessions at athletic events.

SECTION 7-209 EXEMPTIONS; GENERAL.

There are hereby specifically exempted from the tax levied by this chapter:

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

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

3. Carrier sales of newspapers and periodicals made directly to consumers. Other sales of newspapers and periodicals where any individual transaction does not exceed seventy-five cents

(\$0.75). A carrier is a person who regularly delivers newspapers or periodicals to subscribers on an assigned route;

4. Sales for resale to persons engaged in the business of reselling the articles purchased, whether within or without the state, provided that such sales to residents of this state are made to persons to whom sales tax permits have been issued as provided in this chapter. This exemption shall not apply to the sales of articles made to persons holding permits when such persons purchase items for their use and which they are not regularly engaged in the business of reselling; neither shall this exemption apply to sales of tangible personal property to peddlers, solicitors and other salesmen who do not have an established place of business and a sales tax permit;

5. Sales of advertising space in newspapers and periodicals and billboard advertising service, and any advertising through the electronic media, including radio, television and cable television;

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

7. Sales of medicine or drugs prescribed for the treatment of human beings by a person licensed to prescribe the medicine or drugs. This exemption shall not apply to proprietary or patent medicines as defined by Section 353.1 of Title 59 of the Oklahoma Statutes;

8. Transfers of title or possession of empty, partially filled, or filled returnable oil drums to any person who is not regularly engaged in the business of selling, reselling or otherwise transferring empty, partially filled, or filled returnable oil drums;

9. Sales of food or food products for home consumption which are purchased in whole or in part with coupons issued pursuant to the federal food stamp program as authorized by Sections 2011 through 2029 of Title 7 of the United States Code, as to that portion purchased with such coupons. The exemption provided for such sales shall be inapplicable to such sales upon the effective date of any federal law that removes the requirement of the exemption as a condition for participation by the State of Oklahoma in the federal food stamp program; and

10. Nothing herein shall be construed as limiting or prohibiting the town from levying and collecting taxes on the sale of natural or artificial gas and electricity, whether sold for residential or commercial purposes. Any sales tax levied by the town on natural or artificial gas and electricity shall be in effect regardless of ordinance or contractual provisions referring to previously imposed state sales tax on such items.

SECTION 7-210 EXEMPTIONS; AGRICULTURE.

There are hereby specifically exempted from the tax levied by this chapter:

1. Sales of agricultural products produced in this state by the producer thereof directly

Finance and Taxation

- a. Sales of agricultural fertilizer to any person regularly engaged, for profit, in the business of farming or ranching. Each such purchaser shall certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor, that he is so engaged in farming or ranching and that the material purchased will be used only in such business;
- b. Sales of agricultural fertilizer to any person engaged in the business of applying such materials on a contract or custom basis to land owned or leased and operated by persons regularly engaged, for profit, in the business of farming or ranching. Each such purchaser shall certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor that he is engaged in the business of applying such materials to lands owned or leased and operated by persons regularly engaged, for profit, in the business of farming or ranching, and shall show in the certificate the name or names of such owner or lessee and operator, the location of the lands on which the materials are to be applied to each such land, and he shall further certify that his contract price has been reduced so as to give the farmer or rancher the full benefit of this exemption;
- c. Sales of agricultural fertilizer, pharmaceuticals and biologicals to persons engaged in the business of applying such materials on a contract or custom basis shall not be considered to be sales to contractors under this chapter, and the sales shall not be considered to be taxable sales within the meaning of the Oklahoma Sales Tax Code. As used in this section, "agricultural fertilizer" "pharmaceuticals" and "biologicals" mean any substance sold and used for soil enrichment or soil corrective purposes or for promoting the growth and productivity of plants or animals;
- d. Sales of agricultural seed or plants to any person regularly engaged, for profit, in the business of farming or ranching. This section shall not be construed as exempting from sales tax, seed which is packaged and sold for use in noncommercial flower and vegetable gardens;
- e. Sales of agricultural chemical pesticides to any person regularly engaged, for profit, in the business of farming or ranching. For the purposes of this act, agricultural chemical pesticides shall include any substance or mixture of substances intended for preventing, destroying, repelling or mitigating any insect, snail, slug, rodent, bird, nematode, fungus, weed or any other form of terrestrial or aquatic plant or animal life or virus, bacteria or other microorganism, except viruses, bacterial or other microorganisms on or in living man, or any substance or mixture of substances intended for use as a plant regulator, defoliant or desiccant; and
- f. This exemption shall only be granted and extended to the purchaser where the items are to be used and in fact are used in the production of agricultural products. Each purchaser shall certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor, that the material purchased will only be used in his farming occupation. The vendor shall certify to the Oklahoma Tax Commission that the contract price of the items has been reduced to grant the full benefit of the exemption. Violation hereof by the purchaser or vendor shall be a misdemeanor, and, upon

Finance and Taxation

to the consumer or user when such articles are sold at or from a farm and not from some other place of business, as follows:

- a. Farm, orchard or garden products;
 - b. Dairy products sold by a dairyman or farmer who owns all the cows from which the dairy products offered for sale are produced;
 - c. Livestock sold by the producer at a special livestock sale; and
 - d. The provisions of this paragraph shall not be construed as exempting sales by florists, nurserymen or chicken hatcheries, or sales of dairy products by any other business except as set out herein;
2. Livestock, including cattle, horses, mules, or other domestic or draft animals, sold by the producer by private treaty or at a special livestock sale;
3. Sale of baby chicks, turkey poults and starter pullets used in the commercial production of chickens, turkeys and eggs, provided that the purchaser certifies, in writing, on the copy of the invoice or sales ticket to be retained by the vendor that the pullets will be used primarily for egg production;
4. Sale of salt, grains, tankage, oyster shells, mineral supplements, limestone and other generally recognized animal feeds for the following purposes and subject to the following limitations:
- a. Feed which is fed to poultry and livestock, including breeding stock and wool-bearing stock, for the purpose of producing eggs, poultry, milk or meat for human consumption;
 - b. Feed purchased in Oklahoma for the purpose of being fed to and which is fed by the purchaser to horses, mules or other domestic or draft animals used directly in the producing and marketing of agricultural products;
 - c. Any stock tonics, water purifying products, stock sprays, disinfectants or other such agricultural supplies;
 - d. Poultry shall not be construed to include any fowl other than domestic fowl kept and raised for the market or production of eggs;
 - e. Livestock shall not be construed to include any pet animals such as dogs, cats, birds or such other fur-bearing animals; and
 - f. This exemption shall only be granted and extended where the purchaser of feed that is to be used and in fact is used for a purpose that would bring about an exemption hereunder executes an invoice or sales ticket in duplicate on a form to be prescribed by the Tax Commission. The purchaser may demand and receive a copy of the invoice or sales ticket and the vendor shall retain a copy;
5. Sales of items to be and in fact used in the production of agricultural products. Sale of the following items shall be subject to the following limitations:

Finance and Taxation

violation and conviction for a second offense the Oklahoma Tax Commission shall revoke the vendor's sales tax permit; and

6. Sale of farm machinery, repair parts thereto or fuel, oil, lubricants and other substances used for operation and maintenance of the farm machinery to be used directly on a farm or ranch in the production, cultivation, planting, sowing, harvesting, processing, spraying, preservation or irrigation of any livestock, poultry, agricultural or dairy products produced from such lands. Each purchaser of farm machinery, repair parts thereto or fuel must certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor, that he is engaged in farming or ranching and that the farm machinery, repair parts thereto or fuel will be used only in farming or ranching. The exemption provided for herein shall not apply to motor vehicles. Each purchaser shall certify, in writing, on the copy of the invoice or sales ticket to be retained by the vendor, that the material purchased will only be used in his farming occupation. The vendor shall certify to the Oklahoma Tax Commission that the price of the items has been reduced to grant the full benefit of the exemption. Violation hereof by the purchaser or vendor shall be a misdemeanor, and, upon violation and conviction for a second offense the Oklahoma Tax Commission shall revoke the vendor's sales tax permit.

SECTION 7-211 EXEMPTIONS; MANUFACTURERS.

There are hereby specifically exempted from the tax levied by this chapter:

1. Goods, wares, merchandise and property purchased for the purpose of being used or consumed in the process of manufacturing, compounding, processing, assembling or preparing for sale a finished article and such goods, wares, merchandise or property become integral parts of the manufactured, compounded, processed, assembled or prepared products or are consumed in the process of manufacturing, compounding, processing, assembling or preparing products for resale. The term "manufacturing plants" shall mean those establishments primarily engaged in manufacturing or processing operations, and generally recognized as such;

2. Ethyl alcohol when sold and used for the purpose of blending same with motor fuel on which motor fuel tax is levied by state law;

3. Sale of machinery and equipment purchased and used by persons establishing new manufacturing plants in Oklahoma, and machinery and equipment purchased and used by persons in the operation of manufacturing plants already established in Oklahoma. This exemption shall not apply unless such machinery and equipment is incorporated into, and is directly used in, the process of manufacturing property subject to taxation under this chapter. The term "manufacturing plants" shall mean those establishments primarily engaged in manufacturing or processing operations, and generally recognized as such;

4. Sales of containers when sold to a person regularly engaged in the business of reselling empty or filled containers or when purchased for the purpose of packaging raw products of farm, garden or orchard for resale to the consumer or processor. This exemption shall not apply to the sale of any containers used more than once and which are ordinarily known as returnable containers, except returnable soft drink bottles. Each and every transfer of title or possession of such returnable containers in this state to any person who is not regularly engaged in the business of selling, reselling or otherwise transferring empty or filled containers shall be taxable under this code. And, this exemption shall not apply to the sale of labels or other materials delivered along with items sold but which are not necessary or absolutely essential to the sale of the sold merchandise;

5. Sale of tangible personal property manufactured in Oklahoma when sold by the manufacturer to a person who transports it to another state for immediate and exclusive use in some other state; or

6. Machinery, equipment, fuels and chemicals incorporated into and directly used or consumed in the process of treatment to substantially reduce the volume or harmful properties of controlled industrial waste at treatment facilities specifically permitted pursuant to the Controlled Industrial Waste Disposal Act and operated at the place of waste generation, or facilities approved by the State Department of Health for the cleanup of a site of contamination. The term controlled industrial waste may include low-level radioactive waste for the purpose of this subsection.

SECTION 7-212 EXEMPTIONS; CORPORATIONS AND PARTNERSHIPS.

There are hereby specifically exempted from the tax levied in this chapter:

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. 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;
- c. 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 stock or securities received by each is substantially in proportion to his interest in the property prior to the transfer;
- d. 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 interest in the partnership, received by each, is substantially in proportion to his interest in the property prior to the transfer; or
- e. From a partnership to the members thereof when made in kind in the dissolution of such partnership; 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 state sales or use tax has previously been paid on such tangible personal property.

SECTION 7-213 TAX DUE AND PAYABLE.

The tax levied under this chapter shall be due and payable at the time and in the manner and form prescribed for payment of the state sales tax under the sales tax law of the state.

SECTION 7-214 PAYMENT OF TAX; BRACKETS.

A. The tax herein levied shall be paid to the tax collector at the time in form and manner provided for payment of state sales tax under the sales tax law of the state.

B. The bracket system for the collection of the town sales tax by the tax collector shall be as the same is hereafter adopted by the agreement of the town and the tax collector, in the collection of both the town sales tax and the state sales tax.

SECTION 7-215 TAX CONSTITUTES PRIOR CLAIM.

Taxes, penalty and interest due hereunder shall at all times constitute a prior, superior and paramount claim as against the claims of unsecured creditors and may be collected by suit as any other debt.

SECTION 7-216 VENDOR'S DUTY TO COLLECT TAX.

A. The tax levied hereunder shall be paid by the consumer or user to the vendor; and each and every vendor shall collect from the consumer or user the full amount of the tax levied, or an amount equal as nearly as possible or practicable to the average equivalent thereof.

B. Vendors shall add the tax imposed hereunder, or the average equivalent thereof, to the sales price or charge; and, when added, such tax shall constitute a part of such price or charge, shall be a debt from the consumer or user to the vendor until paid, and shall be recoverable at law in the same manner as other debts.

C. No vendor shall willfully or intentionally fail, neglect or refuse to collect the full amount of the tax levied; or willfully or intentionally fail, neglect or refuse to comply with the provisions of this chapter; or remit or rebate to a consumer or user, either directly or indirectly, and by whatsoever means, all or any part of the tax herein levied; or make in any form of advertising, verbally or otherwise, any statement which infers that he is absorbing the tax, or paying the tax for the consumer or user by an adjustment of prices or at a price including the tax, or in any manner whatsoever.

State Law Reference: Vendor's duty to collect tax, 68 O.S. Sec. 1310.

SECTION 7-217 RETURNS AND REMITTANCES; DISCOUNTS.

Returns and remittances of the tax herein levied and collected shall be made to the tax collector at the time and in the manner, form and amount as prescribed for returns and remittances required by the state sales tax code; and remittances of tax collected hereunder shall be subject to the same discount as may be allowed by the code for collection of state sales taxes.

SECTION 7-218 INTEREST AND PENALTIES; DELINQUENCY; DISCOUNT FORFEITURE.

A. Section 217 of Title 68 of the Oklahoma Statutes is adopted and made a part of this chapter.

B. Interest and penalties at the rates and in amounts specified in the state statute cited in Subsection A herein are hereby levied and shall be applicable in cases of delinquency in

reporting and paying the tax levied by this chapter.

C. The failure or refusal of any taxpayer to make and transmit the reports and remittances of tax in the time and manner required by this chapter shall cause such tax to be delinquent.

D. If such delinquency continues for a period of five (5) days, the taxpayer shall forfeit his claim to any discount allowed under this chapter.

SECTION 7-219 WAIVER OF INTEREST AND PENALTIES.

A. The interest or penalty or any portion thereof accruing by reason of a taxpayer's failure to pay the town tax herein levied may be waived or remitted in the same manner as provided for the waiver or remittance as applied in administration of the state sales tax provided in Section 220 of Title 68 of the Oklahoma Statutes.

B. To accomplish the purposes of this section, the applicable provisions of Section 220 of Title 68 of the Oklahoma Statutes are adopted by reference and made a part of this chapter.

SECTION 7-220 ERRONEOUS PAYMENTS; CLAIM FOR REFUND.

A. Refund or erroneous payment of the town sales tax herein levied may be made to any taxpayer making such erroneous payment in the same manner and procedure, and under the same limitations of time, as provided for administration of the state sales tax as set forth in Section 227 of Title 68 of the Oklahoma Statutes.

B. To accomplish the purposes of this section, the applicable provisions of Section 227 of Title 68 of the Oklahoma Statutes are adopted by reference and made a part of this chapter.

SECTION 7-221 FAILURE TO FILE; FRAUDULENT RETURNS; PENALTIES.

A. No person shall:

1. Intentionally fail or refuse to make tax reports and remittances as required under this chapter; or

2. Intentionally make false and fraudulent tax reports for the purpose of avoiding or escaping payment of any tax or portion thereof due under this chapter.

B. Any person required to collect and remit sales tax pursuant to the state sales tax code or the town code, and engaging in any of the callings, trades, avocations, professions, businesses or occupations for which a license is required by the town, and applying for such license, must submit proof as a condition precedent to issuing such license of a valid sales tax permit number issued by the State of Oklahoma.

C. Any license issued by the town to any person engaging in any of the callings, trades, avocations, businesses, professions or occupations for which a license is required by the town code may be suspended or revoked for failure to maintain a lawful sales tax license or collect and remit sales tax if and as required by the state sales tax code or the town code.

D. In addition to all civil penalties provided by this chapter, any violation of this section shall subject the offending taxpayer to the penalty set forth in Section 1-108 of this code. Each

day of such violation shall be considered a separate offense and charged separately.

SECTION 7-222 TAX RECORDS CONFIDENTIAL.

The confidential and privileged nature of the records and files concerning the administration of the town sales tax is legislatively recognized and declared; and to protect the same the provisions of Section 205 of Title 68 of the Oklahoma Statutes of the state sales tax code, and all subsections thereof, are hereby adopted by reference and made fully effective and applicable to administration of the town sales tax as if here set forth in full.

SECTION 7-223 PROVISIONS CUMULATIVE.

The provisions of this chapter shall be cumulative and in addition to any and all other taxing provisions of town ordinances.

SECTION 7-224 AMENDMENTS TO CHAPTER.

The board of trustees, by ordinance duly enacted, is authorized to make such administrative and technical changes or additions in the method and manner of administration and enforcing this chapter as may be necessary or proper for efficiency and fairness except that the rate of the tax herein provided shall not be changed without approval of the qualified electors of the town as provided by law.

CHAPTER 3

TELEPHONE EXCHANGE FEE

Section 7-301 Inspection fee and service charge.
Section 7-302 Charge in lieu of other license tax.

SECTION 7-301 INSPECTION FEE AND SERVICE CHARGE.

A. There is hereby levied an annual inspection fee and service charge upon each and every person operating a telephone exchange in the town to compensate the town for the expenses incurred and services rendered incident to the exercise of its police power, supervision, police regulation and police control of the construction of lines and equipment of the telephone company in the town.

B. The amount of the inspection fee and service charge shall be an amount equal to two percent (2%) of the gross revenues for each current year for exchange telephone transmission service rendered wholly within the limits of the town.

C. The inspection fee and charge shall be due and payable to the town on or before the first day of January of each year and shall be paid into and appropriated and expended from the general revenue fund of the town. Payment shall be accompanied by a report showing the gross sales by service classification (residential, commercial, industrial).

State Law Reference: Town powers to levy tax on utilities, 68 O.S. Secs. 2601 et seq.

SECTION 7-302 CHARGE IN LIEU OF OTHER LICENSE TAX.

During continued substantial compliance with the terms of this chapter by the owner of any telephone exchange, the charge levied by this chapter shall be and continue to be in lieu of all concessions, charges, excise, franchise, license, privilege, and permit fees or taxes or assessments except ad valorem taxes. This section is not intended to extinguish or abrogate any existing arrangement whereby the town is permitted to use the underground conduit, duct space or pole contracts of the company for the fire alarm and police call systems of the town, or either of them.

CHAPTER 4

UTILITY FEE

Section 7-401	Utility fee levied.
Section 7-402	Fee to be in-lieu of franchise.
Section 7-403	Tax payable.
Section 7-404	Tax constitutes lien.
Section 7-405	Ouster for failure to pay.

SECTION 7-401 UTILITY FEE LEVIED.

There is hereby levied and assessed an annual tax of two percent (2%) upon the gross receipts from commercial sales of power, light, heat, gas, electricity or water in the town, which tax shall be in lieu of any other franchise, license, occupation or excise tax levied by the town, all as provided by Sections 2601 et seq. of Title 68 of the Oklahoma Statutes.

SECTION 7-402 FEE TO BE IN-LIEU OF FRANCHISE.

The tax levied under this chapter shall, when levied, apply to all persons, firms, associations or corporations engaged in the business of furnishing power, light, heat, gas, electricity or water within the corporate limits of the town, except it shall not apply to any person, firm, association or corporation operating under a valid franchise from the town.

SECTION 7-403 TAX PAYABLE.

The tax levied under this chapter shall remain in effect until repealed and shall be payable quarterly. The tax shall be placed in the general revenue fund of the town. Amounts not paid when due shall bear interest at the rate of ten percent (10%) per annum until paid.

SECTION 7-404 TAX CONSTITUTES LIEN.

The tax so imposed in this chapter shall constitute a first a prior lien on all the assets located within the town of any person, firm or corporation engaged in the business of selling power, light, heat, gas, electricity or water within the town limits of the town.

SECTION 7-405 OUSTER FOR FAILURE TO PAY.

Any person, firm or corporation failing or refusing to pay such tax when levied shall be regarded as a trespasser and may be ousted from the town. In addition, thereto, an action may be maintained against such person, firm or corporation for the amount of the tax, and all expenses of collecting same, including reasonable attorney's fees.