

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

COMMITTEE SUBSTITUTE
FOR

SENATE BILL 652

By: Paxton

COMMITTEE SUBSTITUTE

An Act relating to sales tax; amending 68 O.S. 2011, Section 1360, which relates to exemptions; updating statutory reference; exempting transfers of personal property between certain subsidiaries and between a parent company and its subsidiary; and providing an effective date.

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

1 corporation when the consideration is solely all or a
2 part of the voting stock of the acquiring corporation,
3 or of its parent or subsidiary corporation,

4 b. between wholly owned subsidiaries of a parent company
5 and between a parent company and its wholly owned
6 subsidiary,

7 c. in connection with the winding up, dissolution or
8 liquidation of a corporation only when there is a
9 distribution in kind to the shareholders of the
10 property of such corporation,

11 ~~e.~~

12 d. to a corporation for the purpose of organization of
13 such corporation where the former owners of the
14 property transferred are immediately after the
15 transfer in control of the corporation, and the value
16 of the stock or securities received by each is
17 substantially in proportion to the value of such
18 person's interest in the property transferred by all
19 the former owners,

20 ~~d.~~

21 e. to a partnership in the organization of such
22 partnership if the former owners of the property
23 transferred are, immediately after the transfer,
24 members of such partnership and the value of the

1 interest in the partnership, received by each, is
2 substantially in proportion to the value of such
3 person's interest in the property transferred by all
4 former owners,

5 ~~e.~~

6 f. from a partnership to the members thereof when made in
7 kind in the dissolution of such partnership,

8 ~~f.~~

9 g. to a limited liability company in the organization of
10 the limited liability company if the former owners of
11 the property transferred are, immediately after the
12 transfer, members of the limited liability company and
13 the value of the interest in the limited liability
14 company received by each is substantially in
15 proportion to the value of the interest in the
16 property transferred by all the former owners, and

17 ~~g.~~

18 h. from a limited liability company to the members
19 thereof when made in kind in the dissolution of the
20 limited liability company; and

21 2. Sale of an interest in tangible personal property to a
22 partner or other person who after such sale owns a joint interest in
23 such tangible personal property where the Oklahoma Sales or Use Tax
24 has previously been paid on such tangible personal property.

SECTION 2. This act shall become effective November 1, 2020.

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