

OKLAHOMA FREEPORT EXEMPTION DECLARATION

TAX

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NAME AND ADDRESS

Firm Name _____

Property Address _____

Mailing Address _____

This is a statement of goods, wares, and merchandise exempt from taxation under Article X, Section 6A of the Oklahoma Statutes. Please note that inventory costs must include raw material, work in progress, finished goods, consigned and floor planned merchandise.

COST OF GOODS

1	Beginning inventory in Oklahoma	\$
2	Add: Total purchases for Oklahoma inventory	\$
3	Add: Incoming freight charges related to line 2.....	\$
4	Add: Other cost (work in process, labor, and/or other related overhead)	\$
5	Less: Ending inventory in Oklahoma	\$
6	Cost of goods sold (Sum of lines 1, 2, 4, and 4 - minus line 5).....	\$

INVENTORY

7	Beginning inventory (from line 1)	\$
8	Ending inventory (from line 5)	\$
9	Total beginning and ending inventory (Sum of lines 7 and 8)	\$
10	Average inventory (line 9 divided by 2)	\$
11	Inventory turns per year (line 6 divided by line 10).....	\$
12	Months required for turnover (12 months divided by line 11)	\$

Note: If line 12 is more than 9.0, the exemption is not allowable.

PURCHASES FOR OKLAHOMA INVENTORY

13	Total purchases for Oklahoma inventory (from line 2).....	\$
14	Less: Inventory purchases from Oklahoma vendors	\$
15	Inventory purchased from out-of-state vendors	\$
16	Percent of out-of-state purchases (line 15 divided by line 13)	\$

SALES FOR OKLAHOMA INVENTORY

17	Total sales from Oklahoma inventory	\$
18	Less: Sales within Oklahoma	\$
19	Sold and shipped out-of-state	\$
20	Percent of out-of-state sales (line 19 divided by line 17)	\$

FREEPORT EXEMPTION

21	Average inventory (from Line 10)	\$
22	Less: Amount exempt (line 16 x line 20 x line 21)	\$
23	Inventory amount not exempt	\$

All the above described property is located in _____ County, Oklahoma.

I, the undersigned officer of the above named company, corporation, or business concern do hereby declare under oath as provided by Oklahoma Statutes that the above schedule and statements have been examined by me and to the best of my knowledge and belief is a true and complete return, made in good faith, for the taxable year stated.

Signature _____ Date _____ Title _____

Freeport Exemption

Article X, Section 6A, Oklahoma Constitution

Tangible Personal Property Moving through the State

All property consigned to a consignee in this State from outside this State to be forwarded to a point outside this State, which is entitled under the tariffs, rules, and regulations approved by the Interstate Commerce Commission to be forwarded at through rates from the point of origin to the point of destination, if not detained within this State for a period of more than ninety (90) days, shall be deemed to be property moving in interstate commerce, and no such property shall be subject to taxation in this State; provided, that goods, wares and merchandise whether or not moving on through rates, shall be deemed to move in interstate commerce, and not subject to taxation in this State if not detained more than nine (9) months were such goods, wares and merchandise are so held for assembly, storage, manufacturing, processing or fabricating purposes; provided, further, that personal property consigned for sale within this State must be assessed as any other personal property.

Added by State Question No. 443, adopted at election held Sept. 17, 1968.

68 O.S. 2000 Supp § 2902.2

Any person, firm, or corporation claiming the exemption provided in Section 6A of Article X of the Oklahoma Constitution shall file an application with the county assessor for each year for which the exemption is claimed. The application shall be on a form prescribed by the Oklahoma Tax Commission and shall be filed on or before March 15 of the year in which the person, firm, or corporation desired to take the exemption. Applications must be filed in the year in which the exemption is requested. Claims filed for previous years shall be declared null and void. Eligibility for the exemption shall be established, subject to review by the Tax Commission, by annually filing an affidavit with the county assessor stating that the property qualifies for exemption pursuant to the provisions of Section 6A of Article X of the Oklahoma Constitution and such other information as may be required by the Tax Commission or the county assessor.

SB 521, adopted March 29, 2000, with emergency.

Amended by Laws 2000, c. 314, § 24, effective July 1, 2000.