

OKLAHOMA FREEPORT EXEMPTION DECLARATION

TAX YEAR

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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 Constitution. Please note that inventory costs must include raw material, work in progress, finished goods, consigned and floor planned merchandise.

COST OF GOODS SOLD

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, 3, and 4 - minus line 5).	\$	

AVERAGE INVENTORY

7	Monthly Inventory (Enter 0 for the months with no inventory)						
	January	February	March	April	May	June	
	July	August	September	October	November	December	
8	Total Inventory (Sum of the proceeding months)						\$
9	Average Inventory (line 8 divided by 12 months).						\$
10	Inventory turns per year (line 6 divided by line 9)						\$
11	Months required for turnover (12 months divided line 10)						\$
12	Note: If line 11 is more that 9.0, the exemption is not allowed.						

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 FROM 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 9)	\$	
22	Less: Amount exempt (lower of line 16 or 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 _____ Title _____ Date _____

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 the 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.