

FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 132

98TH GENERAL ASSEMBLY

0423H.02P

D. ADAM CRUMBLISS, Chief Clerk

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## AN ACT

To repeal sections 142.815 and 144.030, RSMo, and to enact in lieu thereof two new sections relating to motor fuel tax exemptions.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Sections 142.815 and 144.030, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 142.815 and 144.030, to read as follows:

142.815. 1. Motor fuel used for the following nonhighway purposes is exempt from the fuel tax imposed by this chapter, and a refund may be claimed by the consumer, except as provided for in subdivision (1) of this subsection, if the tax has been paid and no refund has been previously issued:

(1) Motor fuel used for nonhighway purposes including fuel for farm tractors or stationary engines owned or leased and operated by any person and used exclusively for agricultural purposes and including, beginning January 1, 2006, bulk sales of one hundred gallons or more of gasoline made to farmers and delivered by the ultimate vender to a farm location for agricultural purposes only. As used in this section, the term "farmer" shall mean any person engaged in farming in an authorized farm corporation, family farm, or family farm corporation as defined in section 350.010. At the discretion of the ultimate vender, the refund may be claimed by the ultimate vender on behalf of the consumer for sales made to farmers and to persons engaged in construction for agricultural purposes as defined in section 142.800. After December 31, 2000, the refund may be claimed only by the consumer and may not be claimed by the ultimate vender unless bulk sales of gasoline are made to a farmer after January 1, 2006, as provided in this subdivision and the farmer provides an exemption certificate to the ultimate

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 vender, in which case the ultimate vender may make a claim for refund under section 142.824  
18 but shall be liable for any erroneous refund;

19 (2) Kerosene sold for use as fuel to generate power in aircraft engines, whether in aircraft  
20 or for training, testing or research purposes of aircraft engines;

21 (3) Diesel fuel used as heating oil, or in railroad locomotives or any other motorized  
22 flanged-wheel rail equipment, or used for other nonhighway purposes other than as expressly  
23 exempted pursuant to another provision.

24 2. Subject to the procedural requirements and conditions set out in this chapter, the  
25 following uses are exempt from the tax imposed by section 142.803 on motor fuel, and a  
26 deduction or a refund may be claimed:

27 (1) Motor fuel for which proof of export is available in the form of a terminal-issued  
28 destination state shipping paper and which is either:

29 (a) Exported by a supplier who is licensed in the destination state or through the bulk  
30 transfer system;

31 (b) Removed by a licensed distributor for immediate export to a state for which all the  
32 applicable taxes and fees (however nominated in that state) of the destination state have been  
33 paid to the supplier, as a trustee, who is licensed to remit tax to the destination state; or which  
34 is destined for use within the destination state by the federal government for which an exemption  
35 has been made available by the destination state subject to procedural rules and regulations  
36 promulgated by the director; or

37 (c) Acquired by a licensed distributor and which the tax imposed by this chapter has  
38 previously been paid or accrued either as a result of being stored outside of the bulk transfer  
39 system immediately prior to loading or as a diversion across state boundaries properly reported  
40 in conformity with this chapter and was subsequently exported from this state on behalf of the  
41 distributor; The exemption pursuant to paragraph (a) of this subdivision shall be claimed by a  
42 deduction on the report of the supplier which is otherwise responsible for remitting the tax upon  
43 removal of the product from a terminal or refinery in this state. The exemption pursuant to  
44 paragraphs (b) and (c) of this subdivision shall be claimed by the distributor, upon a refund  
45 application made to the director within three years. A refund claim may be made monthly or  
46 whenever the claim exceeds one thousand dollars;

47 (2) Undyed K-1 kerosene sold at retail through dispensers which have been designed and  
48 constructed to prevent delivery directly from the dispenser into a vehicle fuel supply tank, and  
49 undyed K-1 kerosene sold at retail through nonbarricaded dispensers in quantities of not more  
50 than twenty-one gallons for use other than for highway purposes. Exempt use of undyed  
51 kerosene shall be governed by rules and regulations of the director. If no rules or regulations are  
52 promulgated by the director, then the exempt use of undyed kerosene shall be governed by rules

53 and regulations of the Internal Revenue Service. A distributor or supplier delivering to a retail  
54 facility shall obtain an exemption certificate from the owner or operator of such facility stating  
55 that its sales conform to the dispenser requirements of this subdivision. A licensed distributor,  
56 having obtained such certificate, may provide a copy to his or her supplier and obtain undyed  
57 kerosene without the tax levied by section 142.803. Having obtained such certificate in good  
58 faith, such supplier shall be relieved of any responsibility if the fuel is later used in a taxable  
59 manner. An ultimate vendor who obtained undyed kerosene upon which the tax levied by  
60 section 142.803 had been paid and makes sales qualifying pursuant to this subsection may apply  
61 for a refund of the tax pursuant to application, as provided in section 142.818, to the director  
62 provided the ultimate vendor did not charge such tax to the consumer;

63 (3) Motor fuel sold to the United States or any agency or instrumentality thereof. This  
64 exemption shall be claimed as provided in section 142.818;

65 (4) Motor fuel used solely and exclusively as fuel to propel motor vehicles on the public  
66 roads and highways of this state when leased or owned and when being operated by a federally  
67 recognized Indian tribe in the performance of essential governmental functions, such as  
68 providing police, fire, health or water services. The exemption for use pursuant to this  
69 subdivision shall be made available to the tribal government upon a refund application stating  
70 that the motor fuel was purchased for the exclusive use of the tribe in performing named  
71 essential governmental services;

72 (5) That portion of motor fuel used to operate equipment attached to a motor vehicle, if  
73 the motor fuel was placed into the fuel supply tank of a motor vehicle that has a common fuel  
74 reservoir for travel on a highway and for the operation of equipment, or if the motor fuel was  
75 placed in a separate fuel tank and used only for the operation of auxiliary equipment. The  
76 exemption for use pursuant to this subdivision shall be claimed by a refund claim filed by the  
77 consumer who shall provide evidence of an allocation of use satisfactory to the director;

78 (6) Motor fuel acquired by a consumer out-of-state and carried into this state, retained  
79 within and consumed from the same vehicle fuel supply tank within which it was imported,  
80 except interstate motor fuel users;

81 (7) Motor fuel which was purchased tax-paid and which was lost or destroyed as a direct  
82 result of a sudden and unexpected casualty or which had been accidentally contaminated so as  
83 to be unsalable as highway fuel as shown by proper documentation as required by the director.  
84 The exemption pursuant to this subdivision shall be refunded to the person or entity owning the  
85 motor fuel at the time of the contamination or loss. Such person shall notify the director in  
86 writing of such event and the amount of motor fuel lost or contaminated within ten days from  
87 the date of discovery of such loss or contamination, and within thirty days after such notice, shall  
88 file an affidavit sworn to by the person having immediate custody of such motor fuel at the time

89 of the loss or contamination, setting forth in full the circumstances and the amount of the loss  
90 or contamination and such other information with respect thereto as the director may require;

91 (8) Dyed diesel fuel or dyed kerosene used for an exempt purpose. This exemption shall  
92 be claimed as follows:

93 (a) A supplier or importer shall take a deduction against motor fuel tax owed on their  
94 monthly report for those gallons of dyed diesel fuel or dyed kerosene imported or removed from  
95 a terminal or refinery destined for delivery to a point in this state as shown on the shipping  
96 papers;

97 (b) This exemption shall be claimed by a deduction on the report of the supplier which  
98 is otherwise responsible for remitting the tax on removal of the product from a terminal or  
99 refinery in this state;

100 (c) This exemption shall be claimed by the distributor, upon a refund application made  
101 to the director within three years. A refund claim may be made monthly or whenever the claim  
102 exceeds one thousand dollars[.] ;

103 **(9) Motor fuel delivered to any marina within this state that sells such fuel solely**  
104 **for use in any watercraft, as such term is defined in section 306.010, and not accessible to**  
105 **other motor vehicles, is exempt from the fuel tax imposed by this chapter. Any motor fuel**  
106 **distributor that delivers motor fuel to any marina in this state for use solely in any**  
107 **watercraft, as such term is defined in section 306.010, may claim the exemption provided**  
108 **in this subsection. Any motor fuel customer who purchases motor fuel for use in any**  
109 **watercraft, as such term is defined in section 306.010, at a location other than a marina**  
110 **within this state may claim the exemption provided in this subsection by filing a claim for**  
111 **refund of the fuel tax.**

144.030. 1. There is hereby specifically exempted from the provisions of sections  
2 144.010 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to  
3 sections 144.010 to 144.525 such retail sales as may be made in commerce between this state and  
4 any other state of the United States, or between this state and any foreign country, and any retail  
5 sale which the state of Missouri is prohibited from taxing pursuant to the Constitution or laws  
6 of the United States of America, and such retail sales of tangible personal property which the  
7 general assembly of the state of Missouri is prohibited from taxing or further taxing by the  
8 constitution of this state.

9 2. There are also specifically exempted from the provisions of the local sales tax law as  
10 defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to  
11 144.761 and from the computation of the tax levied, assessed or payable pursuant to the local  
12 sales tax law as defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and  
13 144.600 to 144.745:

14 (1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of  
15 such excise tax is refunded pursuant to section 142.824; or upon the sale at retail of fuel to be  
16 consumed in manufacturing or creating gas, power, steam, electrical current or in furnishing  
17 water to be sold ultimately at retail; or feed for livestock or poultry; or grain to be converted into  
18 foodstuffs which are to be sold ultimately in processed form at retail; or seed, limestone or  
19 fertilizer which is to be used for seeding, liming or fertilizing crops which when harvested will  
20 be sold at retail or will be fed to livestock or poultry to be sold ultimately in processed form at  
21 retail; economic poisons registered pursuant to the provisions of the Missouri pesticide  
22 registration law (sections 281.220 to 281.310) which are to be used in connection with the  
23 growth or production of crops, fruit trees or orchards applied before, during, or after planting,  
24 the crop of which when harvested will be sold at retail or will be converted into foodstuffs which  
25 are to be sold ultimately in processed form at retail;

26 (2) Materials, manufactured goods, machinery and parts which when used in  
27 manufacturing, processing, compounding, mining, producing or fabricating become a component  
28 part or ingredient of the new personal property resulting from such manufacturing, processing,  
29 compounding, mining, producing or fabricating and which new personal property is intended to  
30 be sold ultimately for final use or consumption; and materials, including without limitation,  
31 gases and manufactured goods, including without limitation slagging materials and firebrick,  
32 which are ultimately consumed in the manufacturing process by blending, reacting or interacting  
33 with or by becoming, in whole or in part, component parts or ingredients of steel products  
34 intended to be sold ultimately for final use or consumption;

35 (3) Materials, replacement parts and equipment purchased for use directly upon, and for  
36 the repair and maintenance or manufacture of, motor vehicles, watercraft, railroad rolling stock  
37 or aircraft engaged as common carriers of persons or property;

38 (4) Motor vehicles registered in excess of fifty-four thousand pounds, and the trailers  
39 pulled by such motor vehicles, that are actually used in the normal course of business to haul  
40 property on the public highways of the state, and that are capable of hauling loads commensurate  
41 with the motor vehicle's registered weight; and the materials, replacement parts, and equipment  
42 purchased for use directly upon, and for the repair and maintenance or manufacture of such  
43 vehicles. For purposes of this subdivision, "motor vehicle" and "public highway" shall have the  
44 meaning as ascribed in section 390.020;

45 (5) Replacement machinery, equipment, and parts and the materials and supplies solely  
46 required for the installation or construction of such replacement machinery, equipment, and  
47 parts, used directly in manufacturing, mining, fabricating or producing a product which is  
48 intended to be sold ultimately for final use or consumption; and machinery and equipment, and  
49 the materials and supplies required solely for the operation, installation or construction of such

50 machinery and equipment, purchased and used to establish new, or to replace or expand existing,  
51 material recovery processing plants in this state. For the purposes of this subdivision, a "material  
52 recovery processing plant" means a facility that has as its primary purpose the recovery of  
53 materials into a usable product or a different form which is used in producing a new product and  
54 shall include a facility or equipment which are used exclusively for the collection of recovered  
55 materials for delivery to a material recovery processing plant but shall not include motor vehicles  
56 used on highways. For purposes of this section, the terms motor vehicle and highway shall have  
57 the same meaning pursuant to section 301.010. Material recovery is not the reuse of materials  
58 within a manufacturing process or the use of a product previously recovered. The material  
59 recovery processing plant shall qualify under the provisions of this section regardless of  
60 ownership of the material being recovered;

61 (6) Machinery and equipment, and parts and the materials and supplies solely required  
62 for the installation or construction of such machinery and equipment, purchased and used to  
63 establish new or to expand existing manufacturing, mining or fabricating plants in the state if  
64 such machinery and equipment is used directly in manufacturing, mining or fabricating a product  
65 which is intended to be sold ultimately for final use or consumption;

66 (7) Tangible personal property which is used exclusively in the manufacturing,  
67 processing, modification or assembling of products sold to the United States government or to  
68 any agency of the United States government;

69 (8) Animals or poultry used for breeding or feeding purposes, or captive wildlife;

70 (9) Newsprint, ink, computers, photosensitive paper and film, toner, printing plates and  
71 other machinery, equipment, replacement parts and supplies used in producing newspapers  
72 published for dissemination of news to the general public;

73 (10) The rentals of films, records or any type of sound or picture transcriptions for public  
74 commercial display;

75 (11) Pumping machinery and equipment used to propel products delivered by pipelines  
76 engaged as common carriers;

77 (12) Railroad rolling stock for use in transporting persons or property in interstate  
78 commerce and motor vehicles licensed for a gross weight of twenty-four thousand pounds or  
79 more or trailers used by common carriers, as defined in section 390.020, in the transportation of  
80 persons or property;

81 (13) Electrical energy used in the actual primary manufacture, processing, compounding,  
82 mining or producing of a product, or electrical energy used in the actual secondary processing  
83 or fabricating of the product, or a material recovery processing plant as defined in subdivision  
84 (5) of this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical  
85 energy so used exceeds ten percent of the total cost of production, either primary or secondary,

86 exclusive of the cost of electrical energy so used or if the raw materials used in such processing  
87 contain at least twenty-five percent recovered materials as defined in section 260.200. There  
88 shall be a rebuttable presumption that the raw materials used in the primary manufacture of  
89 automobiles contain at least twenty-five percent recovered materials. For purposes of this  
90 subdivision, "processing" means any mode of treatment, act or series of acts performed upon  
91 materials to transform and reduce them to a different state or thing, including treatment necessary  
92 to maintain or preserve such processing by the producer at the production facility;

93 (14) Anodes which are used or consumed in manufacturing, processing, compounding,  
94 mining, producing or fabricating and which have a useful life of less than one year;

95 (15) Machinery, equipment, appliances and devices purchased or leased and used solely  
96 for the purpose of preventing, abating or monitoring air pollution, and materials and supplies  
97 solely required for the installation, construction or reconstruction of such machinery, equipment,  
98 appliances and devices;

99 (16) Machinery, equipment, appliances and devices purchased or leased and used solely  
100 for the purpose of preventing, abating or monitoring water pollution, and materials and supplies  
101 solely required for the installation, construction or reconstruction of such machinery, equipment,  
102 appliances and devices;

103 (17) Tangible personal property purchased by a rural water district;

104 (18) All amounts paid or charged for admission or participation or other fees paid by or  
105 other charges to individuals in or for any place of amusement, entertainment or recreation, games  
106 or athletic events, including museums, fairs, zoos and planetariums, owned or operated by a  
107 municipality or other political subdivision where all the proceeds derived therefrom benefit the  
108 municipality or other political subdivision and do not inure to any private person, firm, or  
109 corporation, provided, however, that a municipality or other political subdivision may enter into  
110 revenue-sharing agreements with private persons, firms, or corporations providing goods or  
111 services, including management services, in or for the place of amusement, entertainment or  
112 recreation, games or athletic events, and provided further that nothing in this subdivision shall  
113 exempt from tax any amounts retained by any private person, firm, or corporation under such  
114 revenue-sharing agreement;

115 (19) All sales of insulin and prosthetic or orthopedic devices as defined on January 1,  
116 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of  
117 1965, including the items specified in Section 1862(a)(12) of that act, and also specifically  
118 including hearing aids and hearing aid supplies and all sales of drugs which may be legally  
119 dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to  
120 administer those items, including samples and materials used to manufacture samples which may  
121 be dispensed by a practitioner authorized to dispense such samples and all sales or rental of

122 medical oxygen, home respiratory equipment and accessories, hospital beds and accessories and  
123 ambulatory aids, all sales or rental of manual and powered wheelchairs, stairway lifts, Braille  
124 writers, electronic Braille equipment and, if purchased or rented by or on behalf of a person with  
125 one or more physical or mental disabilities to enable them to function more independently, all  
126 sales or rental of scooters, reading machines, electronic print enlargers and magnifiers, electronic  
127 alternative and augmentative communication devices, and items used solely to modify motor  
128 vehicles to permit the use of such motor vehicles by individuals with disabilities or sales of  
129 over-the-counter or nonprescription drugs to individuals with disabilities, and drugs required by  
130 the Food and Drug Administration to meet the over-the-counter drug product labeling  
131 requirements in 21 CFR 201.66, or its successor, as prescribed by a health care practitioner  
132 licensed to prescribe;

133 (20) All sales made by or to religious and charitable organizations and institutions in  
134 their religious, charitable or educational functions and activities and all sales made by or to all  
135 elementary and secondary schools operated at public expense in their educational functions and  
136 activities;

137 (21) All sales of aircraft to common carriers for storage or for use in interstate commerce  
138 and all sales made by or to not-for-profit civic, social, service or fraternal organizations,  
139 including fraternal organizations which have been declared tax-exempt organizations pursuant  
140 to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or  
141 charitable functions and activities and all sales made to eleemosynary and penal institutions and  
142 industries of the state, and all sales made to any private not-for-profit institution of higher  
143 education not otherwise excluded pursuant to subdivision (20) of this subsection or any  
144 institution of higher education supported by public funds, and all sales made to a state relief  
145 agency in the exercise of relief functions and activities;

146 (22) All ticket sales made by benevolent, scientific and educational associations which  
147 are formed to foster, encourage, and promote progress and improvement in the science of  
148 agriculture and in the raising and breeding of animals, and by nonprofit summer theater  
149 organizations if such organizations are exempt from federal tax pursuant to the provisions of the  
150 Internal Revenue Code and all admission charges and entry fees to the Missouri state fair or any  
151 fair conducted by a county agricultural and mechanical society organized and operated pursuant  
152 to sections 262.290 to 262.530;

153 (23) All sales made to any private not-for-profit elementary or secondary school, all sales  
154 of feed additives, medications or vaccines administered to livestock or poultry in the production  
155 of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for  
156 food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber,  
157 all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying



158 agricultural crops, natural gas used in the primary manufacture or processing of fuel ethanol as  
159 defined in section 142.028, natural gas, propane, and electricity used by an eligible new  
160 generation cooperative or an eligible new generation processing entity as defined in section  
161 348.432, and all sales of farm machinery and equipment, other than airplanes, motor vehicles and  
162 trailers, and any freight charges on any exempt item. As used in this subdivision, the term "feed  
163 additives" means tangible personal property which, when mixed with feed for livestock or  
164 poultry, is to be used in the feeding of livestock or poultry. As used in this subdivision, the term  
165 "pesticides" includes adjuvants such as crop oils, surfactants, wetting agents and other assorted  
166 pesticide carriers used to improve or enhance the effect of a pesticide and the foam used to mark  
167 the application of pesticides and herbicides for the production of crops, livestock or poultry. As  
168 used in this subdivision, the term "farm machinery and equipment" means new or used farm  
169 tractors and such other new or used farm machinery and equipment and repair or replacement  
170 parts thereon and any accessories for and upgrades to such farm machinery and equipment, rotary  
171 mowers used exclusively for agricultural purposes, and supplies and lubricants used exclusively,  
172 solely, and directly for producing crops, raising and feeding livestock, fish, poultry, pheasants,  
173 chukar, quail, or for producing milk for ultimate sale at retail, including field drain tile, and  
174 one-half of each purchaser's purchase of diesel fuel therefor which is:

- 175 (a) Used exclusively for agricultural purposes;  
176 (b) Used on land owned or leased for the purpose of producing farm products; and  
177 (c) Used directly in producing farm products to be sold ultimately in processed form or  
178 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold  
179 ultimately in processed form at retail;

180 (24) Except as otherwise provided in section 144.032, all sales of metered water service,  
181 electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil  
182 for domestic use and in any city not within a county, all sales of metered or unmetered water  
183 service for domestic use:

184 (a) "Domestic use" means that portion of metered water service, electricity, electrical  
185 current, natural, artificial or propane gas, wood, coal or home heating oil, and in any city not  
186 within a county, metered or unmetered water service, which an individual occupant of a  
187 residential premises uses for nonbusiness, noncommercial or nonindustrial purposes. Utility  
188 service through a single or master meter for residential apartments or condominiums, including  
189 service for common areas and facilities and vacant units, shall be deemed to be for domestic use.  
190 Each seller shall establish and maintain a system whereby individual purchases are determined  
191 as exempt or nonexempt;

192 (b) Regulated utility sellers shall determine whether individual purchases are exempt or  
193 nonexempt based upon the seller's utility service rate classifications as contained in tariffs on file

194 with and approved by the Missouri public service commission. Sales and purchases made  
195 pursuant to the rate classification "residential" and sales to and purchases made by or on behalf  
196 of the occupants of residential apartments or condominiums through a single or master meter,  
197 including service for common areas and facilities and vacant units, shall be considered as sales  
198 made for domestic use and such sales shall be exempt from sales tax. Sellers shall charge sales  
199 tax upon the entire amount of purchases classified as nondomestic use. The seller's utility  
200 service rate classification and the provision of service thereunder shall be conclusive as to  
201 whether or not the utility must charge sales tax;

202 (c) Each person making domestic use purchases of services or property and who uses any  
203 portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day  
204 of the fourth month following the year of purchase, and without assessment, notice or demand,  
205 file a return and pay sales tax on that portion of nondomestic purchases. Each person making  
206 nondomestic purchases of services or property and who uses any portion of the services or  
207 property so purchased for domestic use, and each person making domestic purchases on behalf  
208 of occupants of residential apartments or condominiums through a single or master meter,  
209 including service for common areas and facilities and vacant units, under a nonresidential utility  
210 service rate classification may, between the first day of the first month and the fifteenth day of  
211 the fourth month following the year of purchase, apply for credit or refund to the director of  
212 revenue and the director shall give credit or make refund for taxes paid on the domestic use  
213 portion of the purchase. The person making such purchases on behalf of occupants of residential  
214 apartments or condominiums shall have standing to apply to the director of revenue for such  
215 credit or refund;

216 (25) All sales of handicraft items made by the seller or the seller's spouse if the seller or  
217 the seller's spouse is at least sixty-five years of age, and if the total gross proceeds from such  
218 sales do not constitute a majority of the annual gross income of the seller;

219 (26) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071,  
220 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of  
221 revenue shall promulgate rules pursuant to chapter 536 to eliminate all state and local sales taxes  
222 on such excise taxes;

223 (27) Sales of fuel consumed or used in the operation of ships, barges, or waterborne  
224 vessels which are used primarily in or for the transportation of property or cargo, or the  
225 conveyance of persons for hire, on navigable rivers bordering on or located in part in this state,  
226 if such fuel is delivered by the seller to the purchaser's barge, ship, or waterborne vessel while  
227 it is afloat upon such river;

228 (28) All sales made to an interstate compact agency created pursuant to sections 70.370  
229 to 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities of such  
230 agency as provided pursuant to the compact;

231 (29) Computers, computer software and computer security systems purchased for use  
232 by architectural or engineering firms headquartered in this state. For the purposes of this  
233 subdivision, "headquartered in this state" means the office for the administrative management  
234 of at least four integrated facilities operated by the taxpayer is located in the state of Missouri;

235 (30) All livestock sales when either the seller is engaged in the growing, producing or  
236 feeding of such livestock, or the seller is engaged in the business of buying and selling, bartering  
237 or leasing of such livestock;

238 (31) All sales of barges which are to be used primarily in the transportation of property  
239 or cargo on interstate waterways;

240 (32) Electrical energy or gas, whether natural, artificial or propane, water, or other  
241 utilities which are ultimately consumed in connection with the manufacturing of cellular glass  
242 products or in any material recovery processing plant as defined in subdivision (5) of this  
243 subsection;

244 (33) Notwithstanding other provisions of law to the contrary, all sales of pesticides or  
245 herbicides used in the production of crops, aquaculture, livestock or poultry;

246 (34) Tangible personal property and utilities purchased for use or consumption directly  
247 or exclusively in the research and development of agricultural/biotechnology and plant genomics  
248 products and prescription pharmaceuticals consumed by humans or animals;

249 (35) All sales of grain bins for storage of grain for resale;

250 (36) All sales of feed which are developed for and used in the feeding of pets owned by  
251 a commercial breeder when such sales are made to a commercial breeder, as defined in section  
252 273.325, and licensed pursuant to sections 273.325 to 273.357;

253 (37) All purchases by a contractor on behalf of an entity located in another state,  
254 provided that the entity is authorized to issue a certificate of exemption for purchases to a  
255 contractor under the provisions of that state's laws. For purposes of this subdivision, the term  
256 "certificate of exemption" shall mean any document evidencing that the entity is exempt from  
257 sales and use taxes on purchases pursuant to the laws of the state in which the entity is located.  
258 Any contractor making purchases on behalf of such entity shall maintain a copy of the entity's  
259 exemption certificate as evidence of the exemption. If the exemption certificate issued by the  
260 exempt entity to the contractor is later determined by the director of revenue to be invalid for any  
261 reason and the contractor has accepted the certificate in good faith, neither the contractor or the  
262 exempt entity shall be liable for the payment of any taxes, interest and penalty due as the result  
263 of use of the invalid exemption certificate. Materials shall be exempt from all state and local

264 sales and use taxes when purchased by a contractor for the purpose of fabricating tangible  
265 personal property which is used in fulfilling a contract for the purpose of constructing, repairing  
266 or remodeling facilities for the following:

267 (a) An exempt entity located in this state, if the entity is one of those entities able to issue  
268 project exemption certificates in accordance with the provisions of section 144.062; or

269 (b) An exempt entity located outside the state if the exempt entity is authorized to issue  
270 an exemption certificate to contractors in accordance with the provisions of that state's law and  
271 the applicable provisions of this section;

272 (38) All sales or other transfers of tangible personal property to a lessor who leases the  
273 property under a lease of one year or longer executed or in effect at the time of the sale or other  
274 transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections  
275 238.010 to 238.100;

276 (39) Sales of tickets to any collegiate athletic championship event that is held in a facility  
277 owned or operated by a governmental authority or commission, a quasi-governmental agency,  
278 a state university or college or by the state or any political subdivision thereof, including a  
279 municipality, and that is played on a neutral site and may reasonably be played at a site located  
280 outside the state of Missouri. For purposes of this subdivision, "neutral site" means any site that  
281 is not located on the campus of a conference member institution participating in the event;

282 (40) All purchases by a sports complex authority created under section 64.920, and all  
283 sales of utilities by such authority at the authority's cost that are consumed in connection with  
284 the operation of a sports complex leased to a professional sports team;

285 (41) All materials, replacement parts, and equipment purchased for use directly upon,  
286 and for the modification, replacement, repair, and maintenance of aircraft, aircraft power plants,  
287 and aircraft accessories;

288 (42) Sales of sporting clays, wobble, skeet, and trap targets to any shooting range or  
289 similar places of business for use in the normal course of business and money received by a  
290 shooting range or similar places of business from patrons and held by a shooting range or similar  
291 place of business for redistribution to patrons at the conclusion of a shooting event;

292 **(43) All sales of motor fuel, as defined in section 142.800, used in any watercraft, as**  
293 **defined in section 306.010.**

294 3. Any ruling, agreement, or contract, whether written or oral, express or implied,  
295 between a person and this state's executive branch, or any other state agency or department,  
296 stating, agreeing, or ruling that such person is not required to collect sales and use tax in this  
297 state despite the presence of a warehouse, distribution center, or fulfillment center in this state  
298 that is owned or operated by the person or an affiliated person shall be null and void unless it is  
299 specifically approved by a majority vote of each of the houses of the general assembly. For

300 purposes of this subsection, an "affiliated person" means any person that is a member of the same  
301 controlled group of corporations as defined in Section 1563(a) of the Internal Revenue Code of  
302 1986, as amended, as the vendor or any other entity that, notwithstanding its form of  
303 organization, bears the same ownership relationship to the vendor as a corporation that is a  
304 member of the same controlled group of corporations as defined in Section 1563(a) of the  
305 Internal Revenue Code, as amended.

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