

SECOND REGULAR SESSION

HOUSE BILL NO. 2168

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE GRAY.

3556H.02I

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 144.025, RSMo, and to enact in lieu thereof one new section relating to sales tax on trade-in purchases.

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

Section A. Section 144.025, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.025, to read as follows:

144.025. 1. Notwithstanding any other provisions of law to the contrary, in any retail sale other than retail sales governed by subsections 4 and 5 of this section, where any article on which sales or use tax has been paid, credited, or otherwise satisfied or which was exempted or excluded from sales or use tax is taken in trade as a credit or part payment on the purchase price of the article being sold, the tax imposed by sections 144.020 and 144.440 shall be computed only on that portion of the purchase price which exceeds the actual allowance made for the article or articles traded in or exchanged, if there is a bill of sale or other record showing the actual allowance made for the article or articles traded in or exchanged. Where the purchaser of a motor vehicle, trailer, boat or outboard motor receives a rebate from the seller or manufacturer, the tax imposed by sections 144.020 and 144.440 shall be computed only on that portion of the purchase price which exceeds the amount of the rebate, if there is a bill of sale or other record showing the actual rebate given by the seller or manufacturer. Where the trade-in or exchange allowance plus any applicable rebate exceeds the purchase price of the purchased article there shall be no sales or use tax owed. This section shall also apply to motor vehicles, trailers, boats, and outboard motors sold by the owner or holder of the properly assigned certificate of ownership if the seller purchases or contracts to purchase a subsequent motor vehicle, trailer, boat, or outboard motor within one hundred eighty days, **or if the person**

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.

18 **receiving the allowance under this section is sixty-five years of age or older, if the seller**
19 **purchases or contracts to purchase a subsequent motor vehicle, trailer, boat, or outboard**
20 **motor within one year, preceding or following** [~~before or after~~] the date of the sale of one or
21 more previously-owned motor vehicles, trailers, boats, or outboard motors, or any combination
22 thereof, and all related bills of sale showing the paid sale price are presented to the department
23 of revenue at the time of licensing. A copy of all such bills of sale shall be left with the licensing
24 office. Where the subsequent motor vehicle, trailer, boat, or outboard motor is titled more than
25 one hundred eighty days, **or if the person receiving the allowance under this section is sixty-**
26 **five years of age or older, more than one year following** [~~after~~] the sale of one or more motor
27 vehicles, trailers, boats, or outboard motors, or any combination thereof, the allowance pursuant
28 to this section shall be made if the person titling such article establishes that the purchase or
29 contract to purchase was finalized prior to the expiration of the one hundred eighty-day **or one-**
30 **year** period and presents to the department of revenue a copy of all such bills of sale.

31 2. As used in this section, the term "boat" includes all motorboats and vessels, as the
32 terms "motorboat" and "vessel" are defined in section 306.010.

33 3. As used in this section, the term "motor vehicle" includes motor vehicles as defined
34 in section 301.010, recreational vehicles as defined in section 700.010, or a combination of a
35 truck as defined in section 301.010, and a trailer as defined in section 301.010.

36 4. The provisions of subsection 1 of this section shall not apply to retail sales of
37 manufactured homes in which the purchaser receives a document known as the "Manufacturer's
38 Statement of Origin" for purposes of obtaining a title to the manufactured home from the
39 department of revenue of this state or from the appropriate agency or officer of any other state.

40 5. Any purchaser of a motor vehicle or trailer used for agricultural use by the purchaser
41 shall be allowed to use as an allowance to offset the sales and use tax liability towards the
42 purchase of the motor vehicle or trailer any grain or livestock produced or raised by the
43 purchaser. The director of revenue may prescribe forms for compliance with this subsection.

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