

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 2637
101ST GENERAL ASSEMBLY

5346H.04C

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 144.030, RSMo, and to enact in lieu thereof one new section relating to a sales tax exemption for certain solar energy systems.

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

Section A. Section 144.030, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.030, to read as follows:

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

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

(1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of such excise tax is refunded pursuant to section 142.824; or upon the sale at retail of fuel to be consumed in manufacturing or creating gas, power, steam, electrical current or in furnishing water to be sold ultimately at retail; or feed for livestock or poultry; or grain to be converted into foodstuffs which are to be sold ultimately in processed form at retail; or seed, limestone

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.

19 or fertilizer which is to be used for seeding, liming or fertilizing crops which when harvested
20 will be sold at retail or will be fed to livestock or poultry to be sold ultimately in processed
21 form at retail; economic poisons registered pursuant to the provisions of the Missouri
22 pesticide registration law, sections 281.220 to 281.310, which are to be used in connection
23 with the growth or production of crops, fruit trees or orchards applied before, during, or after
24 planting, the crop of which when harvested will be sold at retail or will be converted into
25 foodstuffs which 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
28 component part or ingredient of the new personal property resulting from such
29 manufacturing, processing, compounding, mining, producing or fabricating and which new
30 personal property is intended to be sold ultimately for final use or consumption; and
31 materials, including without limitation, gases and manufactured goods, including without
32 limitation slagging materials and firebrick, which are ultimately consumed in the
33 manufacturing process by blending, reacting or interacting with or by becoming, in whole
34 or in part, component parts or ingredients of steel products intended to be sold ultimately for
35 final use or consumption;

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

39 (4) Replacement machinery, equipment, and parts and the materials and supplies
40 solely required for the installation or construction of such replacement machinery, equipment,
41 and parts, used directly in manufacturing, mining, fabricating or producing a product which is
42 intended to be sold ultimately for final use or consumption; and machinery and equipment,
43 and the materials and supplies required solely for the operation, installation or construction of
44 such machinery and equipment, purchased and used to establish new, or to replace or expand
45 existing, material recovery processing plants in this state. For the purposes of this
46 subdivision, a "material recovery processing plant" means a facility that has as its primary
47 purpose the recovery of materials into a usable product or a different form which is used in
48 producing a new product and shall include a facility or equipment which are used exclusively
49 for the collection of recovered materials for delivery to a material recovery processing plant
50 but shall not include motor vehicles used on highways. For purposes of this section, the terms
51 motor vehicle and highway shall have the same meaning pursuant to section 301.010. For the
52 purposes of this subdivision, subdivision (5) of this subsection, and section 144.054, as well
53 as the definition in subdivision (9) of subsection 1 of section 144.010, the term "product"
54 includes telecommunications services and the term "manufacturing" shall include the
55 production, or production and transmission, of telecommunications services. The preceding

56 sentence does not make a substantive change in the law and is intended to clarify that the term
57 "manufacturing" has included and continues to include the production and transmission of
58 "telecommunications services", as enacted in this subdivision and subdivision (5) of this
59 subsection, as well as the definition in subdivision (9) of subsection 1 of section 144.010.
60 The preceding two sentences reaffirm legislative intent consistent with the interpretation of
61 this subdivision and subdivision (5) of this subsection in *Southwestern Bell Tel. Co. v.*
62 *Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002) and *Southwestern Bell Tel. Co. v.*
63 *Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), and accordingly abrogates the
64 Missouri supreme court's interpretation of those exemptions in *IBM Corporation v. Director*
65 *of Revenue*, 491 S.W.3d 535 (Mo. banc 2016) to the extent inconsistent with this section and
66 *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002) and
67 *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005). The
68 construction and application of this subdivision as expressed by the Missouri supreme court
69 in *DST Systems, Inc. v. Director of Revenue*, 43 S.W.3d 799 (Mo. banc 2001); *Southwestern*
70 *Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and *Southwestern Bell*
71 *Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), is hereby affirmed.
72 Material recovery is not the reuse of materials within a manufacturing process or the use of a
73 product previously recovered. The material recovery processing plant shall qualify under the
74 provisions of this section regardless of ownership of the material being recovered;

75 (5) Machinery and equipment, and parts and the materials and supplies solely
76 required for the installation or construction of such machinery and equipment, purchased and
77 used to establish new or to expand existing manufacturing, mining or fabricating plants in the
78 state if such machinery and equipment is used directly in manufacturing, mining or
79 fabricating a product which is intended to be sold ultimately for final use or consumption.
80 The construction and application of this subdivision as expressed by the Missouri supreme
81 court in *DST Systems, Inc. v. Director of Revenue*, 43 S.W.3d 799 (Mo. banc 2001);
82 *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and
83 *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), is
84 hereby affirmed;

85 (6) Tangible personal property which is used exclusively in the manufacturing,
86 processing, modification or assembling of products sold to the United States government or to
87 any agency of the United States government;

88 (7) Animals or poultry used for breeding or feeding purposes, or captive wildlife;

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

92 (9) The rentals of films, records or any type of sound or picture transcriptions for
93 public commercial display;

94 (10) Pumping machinery and equipment used to propel products delivered by
95 pipelines engaged as common carriers;

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

100 (12) Electrical energy used in the actual primary manufacture, processing,
101 compounding, mining or producing of a product, or electrical energy used in the actual
102 secondary processing or fabricating of the product, or a material recovery processing plant as
103 defined in subdivision (4) of this subsection, in facilities owned or leased by the taxpayer, if
104 the total cost of electrical energy so used exceeds ten percent of the total cost of production,
105 either primary or secondary, exclusive of the cost of electrical energy so used or if the raw
106 materials used in such processing contain at least twenty-five percent recovered materials as
107 defined in section 260.200. There shall be a rebuttable presumption that the raw materials
108 used in the primary manufacture of automobiles contain at least twenty-five percent
109 recovered materials. For purposes of this subdivision, "processing" means any mode of
110 treatment, act or series of acts performed upon materials to transform and reduce them to a
111 different state or thing, including treatment necessary to maintain or preserve such processing
112 by the producer at the production facility;

113 (13) Anodes which are used or consumed in manufacturing, processing,
114 compounding, mining, producing or fabricating and which have a useful life of less than
115 one year;

116 (14) Machinery, equipment, appliances and devices purchased or leased and used
117 solely for the purpose of preventing, abating or monitoring air pollution, and materials and
118 supplies solely required for the installation, construction or reconstruction of such machinery,
119 equipment, appliances and devices;

120 (15) Machinery, equipment, appliances and devices purchased or leased and used
121 solely for the purpose of preventing, abating or monitoring water pollution, and materials and
122 supplies solely required for the installation, construction or reconstruction of such machinery,
123 equipment, appliances and devices;

124 (16) Tangible personal property purchased by a rural water district;

125 (17) All amounts paid or charged for admission or participation or other fees paid by
126 or other charges to individuals in or for any place of amusement, entertainment or recreation,
127 games or athletic events, including museums, fairs, zoos and planetariums, owned or operated
128 by a municipality or other political subdivision where all the proceeds derived therefrom

129 benefit the municipality or other political subdivision and do not inure to any private person,
130 firm, or corporation, provided, however, that a municipality or other political subdivision may
131 enter into revenue-sharing agreements with private persons, firms, or corporations providing
132 goods or services, including management services, in or for the place of amusement,
133 entertainment or recreation, games or athletic events, and provided further that nothing in this
134 subdivision shall exempt from tax any amounts retained by any private person, firm, or
135 corporation under such revenue-sharing agreement;

136 (18) All sales of insulin, and all sales, rentals, repairs, and parts of durable medical
137 equipment, prosthetic devices, and orthopedic devices as defined on January 1, 1980, by the
138 federal Medicare program pursuant to Title XVIII of the Social Security Act of 1965,
139 including the items specified in Section 1862(a)(12) of that act, and also specifically
140 including hearing aids and hearing aid supplies and all sales of drugs which may be legally
141 dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed
142 to administer those items, including samples and materials used to manufacture samples
143 which may be dispensed by a practitioner authorized to dispense such samples and all sales or
144 rental of medical oxygen, home respiratory equipment and accessories including parts, and
145 hospital beds and accessories and ambulatory aids including parts, and all sales or rental of
146 manual and powered wheelchairs including parts, and stairway lifts, Braille writers, electronic
147 Braille equipment and, if purchased or rented by or on behalf of a person with one or more
148 physical or mental disabilities to enable them to function more independently, all sales or
149 rental of scooters including parts, and reading machines, electronic print enlargers and
150 magnifiers, electronic alternative and augmentative communication devices, and items used
151 solely to modify motor vehicles to permit the use of such motor vehicles by individuals with
152 disabilities or sales of over-the-counter or nonprescription drugs to individuals with
153 disabilities, and drugs required by the Food and Drug Administration to meet the over-the-
154 counter drug product labeling requirements in 21 CFR 201.66, or its successor, as prescribed
155 by a health care practitioner licensed to prescribe;

156 (19) All sales made by or to religious and charitable organizations and institutions in
157 their religious, charitable or educational functions and activities and all sales made by or to all
158 elementary and secondary schools operated at public expense in their educational functions
159 and activities;

160 (20) All sales of aircraft to common carriers for storage or for use in interstate
161 commerce and all sales made by or to not-for-profit civic, social, service or fraternal
162 organizations, including fraternal organizations which have been declared tax-exempt
163 organizations pursuant to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as
164 amended, in their civic or charitable functions and activities and all sales made to
165 eleemosynary and penal institutions and industries of the state, and all sales made to any

166 private not-for-profit institution of higher education not otherwise excluded pursuant to
167 subdivision (19) of this subsection or any institution of higher education supported by public
168 funds, and all sales made to a state relief agency in the exercise of relief functions and
169 activities;

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

177 (22) All sales made to any private not-for-profit elementary or secondary school, all
178 sales of feed additives, medications or vaccines administered to livestock or poultry in the
179 production of food or fiber, all sales of pesticides used in the production of crops, livestock or
180 poultry for food or fiber, all sales of bedding used in the production of livestock or poultry for
181 food or fiber, all sales of propane or natural gas, electricity or diesel fuel used exclusively for
182 drying agricultural crops, natural gas used in the primary manufacture or processing of fuel
183 ethanol as defined in section 142.028, natural gas, propane, and electricity used by an eligible
184 new generation cooperative or an eligible new generation processing entity as defined in
185 section 348.432, and all sales of farm machinery and equipment, other than airplanes, motor
186 vehicles and trailers, and any freight charges on any exempt item. As used in this
187 subdivision, the term "feed additives" means tangible personal property which, when mixed
188 with feed for livestock or poultry, is to be used in the feeding of livestock or poultry. As used
189 in this subdivision, the term "pesticides" includes adjuvants such as crop oils, surfactants,
190 wetting agents and other assorted pesticide carriers used to improve or enhance the effect of a
191 pesticide and the foam used to mark the application of pesticides and herbicides for the
192 production of crops, livestock or poultry. As used in this subdivision, the term "farm
193 machinery and equipment" means new or used farm tractors and such other new or used farm
194 machinery and equipment and repair or replacement parts thereon and any accessories for and
195 upgrades to such farm machinery and equipment, rotary mowers used exclusively for
196 agricultural purposes, and supplies and lubricants used exclusively, solely, and directly for
197 producing crops, raising and feeding livestock, fish, poultry, pheasants, chukar, quail, or for
198 producing milk for ultimate sale at retail, including field drain tile, and one-half of each
199 purchaser's purchase of diesel fuel therefor which is:

200 (a) Used exclusively for agricultural purposes;

201 (b) Used on land owned or leased for the purpose of producing farm products; and

202 (c) Used directly in producing farm products to be sold ultimately in processed form
203 or otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold
204 ultimately in processed form at retail;

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

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

217 (b) Regulated utility sellers shall determine whether individual purchases are exempt
218 or nonexempt based upon the seller's utility service rate classifications as contained in tariffs
219 on file with and approved by the Missouri public service commission. Sales and purchases
220 made pursuant to the rate classification "residential" and sales to and purchases made by or on
221 behalf of the occupants of residential apartments or condominiums through a single or master
222 meter, including service for common areas and facilities and vacant units, shall be considered
223 as sales made for domestic use and such sales shall be exempt from sales tax. Sellers shall
224 charge sales tax upon the entire amount of purchases classified as nondomestic use. The
225 seller's utility service rate classification and the provision of service thereunder shall be
226 conclusive as to whether or not the utility must charge sales tax;

227 (c) Each person making domestic use purchases of services or property and who uses
228 any portion of the services or property so purchased for a nondomestic use shall, by the
229 fifteenth day of the fourth month following the year of purchase, and without assessment,
230 notice or demand, file a return and pay sales tax on that portion of nondomestic purchases.
231 Each person making nondomestic purchases of services or property and who uses any portion
232 of the services or property so purchased for domestic use, and each person making domestic
233 purchases on behalf of occupants of residential apartments or condominiums through a single
234 or master meter, including service for common areas and facilities and vacant units, under a
235 nonresidential utility service rate classification may, between the first day of the first month
236 and the fifteenth day of the fourth month following the year of purchase, apply for credit or
237 refund to the director of revenue and the director shall give credit or make refund for taxes
238 paid on the domestic use portion of the purchase. The person making such purchases on

239 behalf of occupants of residential apartments or condominiums shall have standing to apply to
240 the director of revenue for such credit or refund;

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

244 (25) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4071, 4081,
245 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of
246 revenue shall promulgate rules pursuant to chapter 536 to eliminate all state and local sales
247 taxes on such excise taxes;

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

253 (27) All sales made to an interstate compact agency created pursuant to sections
254 70.370 to 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities
255 of such agency as provided pursuant to the compact;

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

260 (29) All livestock sales when either the seller is engaged in the growing, producing or
261 feeding of such livestock, or the seller is engaged in the business of buying and selling,
262 bartering or leasing of such livestock;

263 (30) All sales of barges which are to be used primarily in the transportation of
264 property or cargo on interstate waterways;

265 (31) Electrical energy or gas, whether natural, artificial or propane, water, or other
266 utilities which are ultimately consumed in connection with the manufacturing of cellular glass
267 products or in any material recovery processing plant as defined in subdivision (4) of this
268 subsection;

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

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

274 (34) All sales of grain bins for storage of grain for resale;

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

278 (36) All purchases by a contractor on behalf of an entity located in another state,
279 provided that the entity is authorized to issue a certificate of exemption for purchases to a
280 contractor under the provisions of that state's laws. For purposes of this subdivision, the term
281 "certificate of exemption" shall mean any document evidencing that the entity is exempt from
282 sales and use taxes on purchases pursuant to the laws of the state in which the entity is
283 located. Any contractor making purchases on behalf of such entity shall maintain a copy of
284 the entity's exemption certificate as evidence of the exemption. If the exemption certificate
285 issued by the exempt entity to the contractor is later determined by the director of revenue to
286 be invalid for any reason and the contractor has accepted the certificate in good faith, neither
287 the contractor or the exempt entity shall be liable for the payment of any taxes, interest and
288 penalty due as the result of use of the invalid exemption certificate. Materials shall be exempt
289 from all state and local sales and use taxes when purchased by a contractor for the purpose of
290 fabricating tangible personal property which is used in fulfilling a contract for the purpose of
291 constructing, repairing or remodeling facilities for the following:

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

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

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

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

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

311 (40) All materials, replacement parts, and equipment purchased for use directly upon,
312 and for the modification, replacement, repair, and maintenance of aircraft, aircraft power
313 plants, and aircraft accessories;

314 (41) Sales of sporting clays, wobble, skeet, and trap targets to any shooting range or
315 similar places of business for use in the normal course of business and money received by a
316 shooting range or similar places of business from patrons and held by a shooting range or
317 similar place of business for redistribution to patrons at the conclusion of a shooting event;

318 (42) All sales of motor fuel, as defined in section 142.800, used in any watercraft, as
319 defined in section 306.010;

320 (43) Any new or used aircraft sold or delivered in this state to a person who is not a
321 resident of this state or a corporation that is not incorporated in this state, and such aircraft is
322 not to be based in this state and shall not remain in this state more than ten business days
323 subsequent to the last to occur of:

324 (a) The transfer of title to the aircraft to a person who is not a resident of this state or a
325 corporation that is not incorporated in this state; or

326 (b) The date of the return to service of the aircraft in accordance with 14 CFR 91.407
327 for any maintenance, preventive maintenance, rebuilding, alterations, repairs, or installations
328 that are completed contemporaneously with the transfer of title to the aircraft to a person who
329 is not a resident of this state or a corporation that is not incorporated in this state;

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

337 (45) All internet access or the use of internet access regardless of whether the tax is
338 imposed on a provider of internet access or a buyer of internet access. For purposes of this
339 subdivision, the following terms shall mean:

340 (a) "Direct costs", costs incurred by a governmental authority solely because of an
341 internet service provider's use of the public right-of-way. The term shall not include costs that
342 the governmental authority would have incurred if the internet service provider did not make
343 such use of the public right-of-way. Direct costs shall be determined in a manner consistent
344 with generally accepted accounting principles;

345 (b) "Internet", computer and telecommunications facilities, including equipment and
346 operating software, that comprises the interconnected worldwide network that employ the

347 transmission control protocol or internet protocol, or any predecessor or successor protocols
348 to that protocol, to communicate information of all kinds by wire or radio;

349 (c) "Internet access", a service that enables users to connect to the internet to access
350 content, information, or other services without regard to whether the service is referred to as
351 telecommunications, communications, transmission, or similar services, and without regard to
352 whether a provider of the service is subject to regulation by the Federal Communications
353 Commission as a common carrier under 47 U.S.C. Section 201, et seq. For purposes of this
354 subdivision, internet access also includes: the purchase, use, or sale of communications
355 services, including telecommunications services as defined in section 144.010, to the extent
356 the communications services are purchased, used, or sold to provide the service described in
357 this subdivision or to otherwise enable users to access content, information, or other services
358 offered over the internet; services that are incidental to the provision of a service described in
359 this subdivision, when furnished to users as part of such service, including a home page,
360 electronic mail, and instant messaging, including voice-capable and video-capable electronic
361 mail and instant messaging, video clips, and personal electronic storage capacity; a home
362 page electronic mail and instant messaging, including voice-capable and video-capable
363 electronic mail and instant messaging, video clips, and personal electronic storage capacity
364 that are provided independently or that are not packed with internet access. As used in this
365 subdivision, internet access does not include voice, audio, and video programming or other
366 products and services, except services described in this paragraph or this subdivision, that use
367 internet protocol or any successor protocol and for which there is a charge, regardless of
368 whether the charge is separately stated or aggregated with the charge for services described in
369 this paragraph or this subdivision;

370 (d) "Tax", any charge imposed by the state or a political subdivision of the state for
371 the purpose of generating revenues for governmental purposes and that is not a fee imposed
372 for a specific privilege, service, or benefit conferred, except as described as otherwise under
373 this subdivision, or any obligation imposed on a seller to collect and to remit to the state or a
374 political subdivision of the state any gross retail tax, sales tax, or use tax imposed on a buyer
375 by such a governmental entity. The term tax shall not include any franchise fee or similar fee
376 imposed or authorized under section 67.1830 or 67.2689; Section 622 or 653 of the
377 Communications Act of 1934, 47 U.S.C. Section 542 and 47 U.S.C. Section 573; or any other
378 fee related to obligations of telecommunications carriers under the Communications Act of
379 1934, 47 U.S.C. Section 151, et seq., except to the extent that:

380 a. The fee is not imposed for the purpose of recovering direct costs incurred by the
381 franchising or other governmental authority from providing the specific privilege, service, or
382 benefit conferred to the payer of the fee; or

383 b. The fee is imposed for the use of a public right-of-way based on a percentage of the
384 service revenue, and the fee exceeds the incremental direct costs incurred by the
385 governmental authority associated with the provision of that right-of-way to the provider
386 of internet access service.

387

388 Nothing in this subdivision shall be interpreted as an exemption from taxes due on goods or
389 services that were subject to tax on January 1, 2016;

390 **(46) All purchases by a company of solar photovoltaic energy used to construct a**
391 **solar photovoltaic energy system and all purchases of materials and supplies used**
392 **directly to construct or make improvements to such systems, provided that such**
393 **systems:**

394 **(a) Allow for energy storage;**

395 **(b) Include advanced or smart meter inverter capacity; or**

396 **(c) Allow for utility scale projects greater than twenty megawatts.**

397 3. Any ruling, agreement, or contract, whether written or oral, express or implied,
398 between a person and this state's executive branch, or any other state agency or department,
399 stating, agreeing, or ruling that such person is not required to collect sales and use tax in this
400 state despite the presence of a warehouse, distribution center, or fulfillment center in this state
401 that is owned or operated by the person or an affiliated person shall be null and void unless it
402 is specifically approved by a majority vote of each of the houses of the general assembly. For
403 purposes of this subsection, an "affiliated person" means any person that is a member of the
404 same controlled group of corporations as defined in Section 1563(a) of the Internal Revenue
405 Code of 1986, as amended, as the vendor or any other entity that, notwithstanding its form of
406 organization, bears the same ownership relationship to the vendor as a corporation that is a
407 member of the same controlled group of corporations as defined in Section 1563(a) of the
408 Internal Revenue Code, as amended.

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