

FIRST REGULAR SESSION

[PERFECTED]

# HOUSE BILL NO. 554

## 101ST GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE EGGLESTON.

1018H.02P

DANA RADEMAN MILLER, Chief Clerk

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### AN ACT

To repeal sections 32.310, 67.2677, 67.2689, 143.011, 144.605, 144.757, 144.759, 144.1000, 144.1003, 144.1006, 144.1009, 144.1012, and 144.1015, RSMo, and to enact in lieu thereof eleven new sections relating to taxation, with a penalty provision.

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

Section A. Sections 32.310, 67.2677, 67.2689, 143.011, 144.605, 144.757, 144.759, 2 144.1000, 144.1003, 144.1006, 144.1009, 144.1012, and 144.1015, RSMo, are repealed and 3 eleven new sections enacted in lieu thereof, to be known as sections 32.310, 67.2677, 67.2680, 4 67.2689, 67.2720, 143.011, 144.605, 144.637, 144.752, 144.757, and 144.759, to read as 5 follows:

32.310. 1. The department of revenue shall create and maintain a mapping feature on 2 its official public website that displays sales **and use** tax information of political subdivisions 3 of this state that have taxing authority, including the current tax rate for each sales **and use** tax 4 imposed and collected. Such display shall have the option to showcase the borders and 5 jurisdiction of the following political subdivisions on a map of the state to the extent that such 6 political subdivisions collect sales **or use** tax:

- 7 (1) Ambulance districts;
- 8 (2) Community improvement districts;
- 9 (3) Fire protection districts;
- 10 (4) Levee districts;
- 11 (5) Library districts;

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.

- 12 (6) Neighborhood improvement districts;  
13 (7) Port authority districts;  
14 (8) Tax increment financing districts;  
15 (9) Transportation development districts;  
16 (10) School districts; or  
17 (11) Any other political subdivision that imposes a sales **or use** tax within its borders  
18 and jurisdiction.

19 2. The mapping feature shall also have the option to superimpose state house of  
20 representative districts and state senate districts over the political subdivisions.

21 3. A political subdivision collecting sales **or use** tax listed in subsection 1 of this section  
22 shall provide to the department of revenue mapping and geographic data pertaining to the  
23 political subdivision's borders and jurisdictions. The political subdivision shall certify the  
24 accuracy of the data by affidavit and shall provide the data in a format specified by the  
25 department of revenue. Such data shall be sent to the department of revenue by April 1, 2019,  
26 and shall be updated and sent to the department if a change in the political subdivision's borders  
27 or jurisdiction occurs thereafter.

28 4. The department of revenue may contract with another entity to build and maintain the  
29 mapping feature.

30 5. By July 1, 2019, the department shall implement the mapping feature using the data  
31 provided to it under subsection 3 of this section.

32 **6. By July 1, 2022, the department shall update the mapping feature to include the**  
33 **total sales tax rate for combined rates of overlapping sales taxes levied and the total use tax**  
34 **rate for combined rates of overlapping use taxes levied.**

67.2677. For purposes of sections 67.2675 to 67.2714, the following terms mean:

- 2 (1) "Cable operator", as defined in 47 U.S.C. Section 522(5);  
3 (2) "Cable system", as defined in 47 U.S.C. Section 522(7);  
4 (3) "Franchise", an initial authorization, or renewal of an authorization, issued by a  
5 franchising entity, regardless of whether the authorization is designated as a franchise, permit,  
6 license, resolution, contract, certificate, agreement, or otherwise, that authorizes the provision  
7 of video service and any affiliated or subsidiary agreements related to such authorization;  
8 (4) "Franchise area", the total geographic area authorized to be served by an incumbent  
9 cable operator in a political subdivision as of August 28, 2007, or, in the case of an incumbent  
10 local exchange carrier, as such term is defined in 47 U.S.C. Section 251(h), or affiliate thereof,  
11 the area within such political subdivision in which such carrier provides telephone exchange  
12 service;

13 (5) "Franchise entity", a political subdivision that was entitled to require franchises and  
14 impose fees on cable operators on the day before the effective date of sections 67.2675 to  
15 67.2714, provided that only one political subdivision may be a franchise entity with regard to a  
16 geographic area;

17 (6) (a) "Gross revenues", limited to amounts billed to video service subscribers ~~or~~  
18 ~~received from advertisers~~ for the following:

19 a. Recurring charges for video service; **and**

20 b. Event-based charges for video service, including but not limited to pay-per-view and  
21 video-on-demand charges;

22 ~~[c. Rental of set top boxes and other video service equipment;~~

23 ~~d. Service charges related to the provision of video service, including but not limited to~~  
24 ~~activation, installation, repair, and maintenance charges;~~

25 ~~e. Administrative charges related to the provision of video service, including but not~~  
26 ~~limited to service order and service termination charges; and~~

27 ~~f. A pro rata portion of all revenue derived, less refunds, rebates, or discounts, by a video~~  
28 ~~service provider for advertising over the video service network to subscribers within the~~  
29 ~~franchise area where the numerator is the number of subscribers within the franchise area, and~~  
30 ~~the denominator is the total number of subscribers reached by such advertising;]~~

31 (b) "Gross revenues" do not include:

32 a. Discounts, refunds, and other price adjustments that reduce the amount of  
33 compensation received by an entity holding a video service authorization;

34 b. Uncollectibles;

35 c. Late payment fees;

36 d. Amounts billed to video service subscribers to recover taxes, fees, or surcharges  
37 imposed on video service subscribers or video service providers in connection with the provision  
38 of video services, including the video service provider fee authorized by this section;

39 e. Fees or other contributions for PEG or I-Net support; ~~or~~

40 f. Charges for services other than video service that are aggregated or bundled with  
41 amounts billed to video service subscribers, if the entity holding a video service authorization  
42 reasonably can identify such charges on books and records kept in the regular course of business  
43 or by other reasonable means;

44 **g. Rental of set top boxes, modems, or other equipment used to provide or facilitate**  
45 **the provision of video service;**

46 **h. Service charges related to the provision of video service, including but not**  
47 **limited to activation, installation, repair, and maintenance charges;**

48 **i. Administrative charges related to the provision of video service, including but not**  
49 **limited to service order and service termination charges; or**

50 **j. A pro rata portion of all revenue derived from advertising, less refunds, rebates,**  
51 **or discounts;**

52 (c) Except with respect to the exclusion of the video service provider fee, gross revenues  
53 shall be computed in accordance with generally accepted accounting principles;

54 (7) "Household", an apartment, a house, a mobile home, or any other structure or part  
55 of a structure intended for residential occupancy as separate living quarters;

56 (8) "Incumbent cable operator", the cable service provider serving cable subscribers in  
57 a particular franchise area on September 1, 2007;

58 (9) "Low-income household", a household with an average annual household income of  
59 less than thirty-five thousand dollars;

60 (10) "Person", an individual, partnership, association, organization, corporation, trust,  
61 or government entity;

62 (11) "Political subdivision", a city, town, village, county;

63 (12) "Public right-of-way", the area of real property in which a political subdivision has  
64 a dedicated or acquired right-of-way interest in the real property, including the area on, below,  
65 or above the present and future streets, alleys, avenues, roads, highways, parkways, or boulevards  
66 dedicated or acquired as right-of-way and utility easements dedicated for compatible uses. The  
67 term does not include the airwaves above a right-of-way with regard to wireless  
68 telecommunications or other nonwire telecommunications or broadcast service;

69 (13) "Video programming", programming provided by, or generally considered  
70 comparable to programming provided by, a television broadcast station, as set forth in 47 U.S.C.  
71 Section 522(20);

72 (14) "Video service", the provision of video programming provided through wireline  
73 facilities located at least in part in the public right-of-way without regard to delivery technology,  
74 including internet protocol technology whether provided as part of a tier, on demand, or a per-  
75 channel basis. This definition includes cable service as defined by 47 U.S.C. Section 522(6), but  
76 does not include any video programming provided by a commercial mobile service provider  
77 defined in 47 U.S.C. Section 332(d), or any video programming provided solely as part of and  
78 via a service that enables users to access content, information, electronic mail, or other services  
79 offered over the public internet;

80 (15) "Video service authorization", the right of a video service provider or an incumbent  
81 cable operator that secures permission from the public service commission pursuant to sections  
82 67.2675 to 67.2714, to offer video service to subscribers in a political subdivision;

83 (16) "Video service network", wireline facilities, or any component thereof, located at  
84 least in part in the public right-of-way that deliver video service, without regard to delivery  
85 technology, including internet protocol technology or any successor technology. The term video  
86 service network shall include cable systems;

87 (17) "Video service provider", any person that distributes video service through a video  
88 service network pursuant to a video service authorization;

89 (18) "Video service provider fee", the fee imposed under section 67.2689.

**67.2680. The state or any other political subdivision shall not impose any new tax,  
2 license, or fee in addition to any tax, license, or fee already authorized on or before August  
3 28, 2021, upon the provision of satellite or streaming video service.**

67.2689. 1. A franchise entity may collect a video service provider fee equal to not more  
2 than five percent of the gross revenues ~~[from each]~~ **charged to each customer of a** video service  
3 provider **that is** providing video service in the geographic area of such franchise entity. The  
4 video service provider fee shall apply equally to all video service providers within the geographic  
5 area of a franchise entity.

6 **2. Beginning August 28, 2023, franchise entities are prohibited from collecting a**  
7 **video service provider fee in excess of four and one-half percent of such gross revenues.**  
8 **Beginning August 28, 2024, franchise entities are prohibited from collecting a video service**  
9 **provider fee in excess of four percent of such gross revenues. Beginning August 28, 2025,**  
10 **franchise entities are prohibited from collecting a video service provider fee in excess of**  
11 **three and one-half percent of such gross revenues. Beginning August 28, 2026, franchise**  
12 **entities are prohibited from collecting a video service provider fee in excess of three percent**  
13 **of such gross revenues. Beginning August 28, 2027, and continuing thereafter, franchise**  
14 **entities are prohibited from collecting a video service provider fee in excess of two and one-**  
15 **half percent of such gross revenues.**

16 **3.** Except as otherwise expressly provided in sections 67.2675 to 67.2714, neither a  
17 franchise entity nor any other political subdivision shall demand any additional fees, licenses,  
18 gross receipt taxes, or charges on the provision of video services by a video service provider and  
19 shall not demand the use of any other calculation method.

20 ~~[3. All video service providers providing service in the geographic area of a franchise~~  
21 ~~entity shall pay the video service provider fee at the same percent of gross revenues as had been~~  
22 ~~assessed on the incumbent cable operator by the franchise entity immediately prior to the date~~  
23 ~~of enactment of sections 67.2675 to 67.2714, and such percentage shall continue to apply until~~  
24 ~~the date that the incumbent cable operator's franchise existing at that time expires or would have~~  
25 ~~expired if it had not been terminated pursuant to sections 67.2675 to 67.2714. The franchise~~

26 ~~entity shall notify the applicant for a video service authorization of the applicable gross revenue~~  
 27 ~~fee percentage within thirty days of the date notice of the applicant is provided.]~~

28 4. Not more than once per calendar year after the date that the incumbent cable operator's  
 29 franchise existing on August 28, 2007, expires or would have expired if it had not been  
 30 terminated pursuant to sections 67.2675 to 67.2714, or in any political subdivision where no  
 31 franchise applied on the date of enactment of sections 67.2675 to 67.2714, no more than once  
 32 per calendar year after the video service provider fee was initially imposed, a franchise entity,  
 33 may, upon ninety days notice to all video service providers, elect to adjust the amount of the  
 34 video service provider fee subject to state and federal law, but in no event shall such fee exceed  
 35 ~~[five percent of a video service provider's gross revenue]~~ **the calculation defined in subsection**  
 36 **1 and 2 of this section.**

37 5. The video service provider fee shall be paid to each franchise entity requiring such fee  
 38 on or before the last day of the month following the end of each calendar quarter ~~[and shall be~~  
 39 ~~calculated as a percentage of gross revenues, as defined under section 67.2677].~~ Any payment  
 40 made pursuant to subsection 8 of section 67.2703 shall be made at the same time as the payment  
 41 of the video service provider fee.

42 6. Any video service provider ~~[may]~~ **shall** identify and collect the amount of the video  
 43 service provider fee and collect any support under subsection 8 of section 67.2703 as separate  
 44 line items on subscriber bills.

**67.2720. 1. There is hereby established the "Task Force on the Future of Right-Of-**  
 2 **Way Management and Taxation", which shall be composed of the following members:**

3 **(1) Two members of the senate to be appointed by the president pro tempore of the**  
 4 **senate;**

5 **(2) One member of the senate to be appointed by the minority floor leader of the**  
 6 **senate;**

7 **(3) Two members of the house of representatives to be appointed by the speaker of**  
 8 **the house of representatives;**

9 **(4) One member of the house of representatives to be appointed by the minority**  
 10 **floor leader of the house of representatives;**

11 **(5) Four members that are municipal officials or other political subdivision**  
 12 **officials, two to be appointed by the president pro tempore of the senate and two to be**  
 13 **appointed by the speaker of the house of representatives;**

14 **(6) Four experts in the telecommunications industry, two to be appointed by the**  
 15 **president pro tempore of the senate and two to be appointed by the speaker of the house**  
 16 **of representatives;**

17 (7) A member of the municipal league of metro St. Louis appointed by the speaker  
 18 of the house of representatives; and

19 (8) A member of the Missouri municipal league appointed by the president pro  
 20 tempore of the senate.

21 2. A majority of the members of the task force shall constitute a quorum, but the  
 22 concurrence of a majority of the members shall be required for the determination of any  
 23 matter within the task force's duties.

24 3. The task force shall meet within thirty days after its creation and organize by  
 25 selecting a chairperson and a vice chairperson, one of whom shall be a member of the  
 26 senate and the other a member of the house of representatives.

27 4. The task force shall study best methods for right-of-way management, taxation  
 28 of video services, and the future revenue needs of municipalities and political subdivisions  
 29 as such revenue relates to video services.

30 5. The task force shall compile a full report of its activities for submission to the  
 31 general assembly. The report shall be submitted not later than December 31, 2023, and  
 32 shall include any recommendations which the task force may have for legislative action.

33 6. The task force shall be staffed by legislative personnel as is deemed necessary to  
 34 assist the task force in the performance of its duties.

35 7. The members of the task force shall serve without compensation, but any actual  
 36 and necessary expenses incurred in the performance of the task force's official duties by  
 37 the task force, its members, and any staff assigned to the task force shall be paid from the  
 38 joint contingent fund.

39 8. This section shall expire on December 31, 2023.

143.011. 1. A tax is hereby imposed for every taxable year on the Missouri taxable  
 2 income of every resident. The tax shall be determined by applying the tax table or the rate  
 3 provided in section 143.021, which is based upon the following rates:

If the Missouri taxable income is:	The tax is:
Not over \$1,000.00	1 1/2% of the Missouri taxable income
Over \$1,000 but not over \$2,000	\$15 plus 2% of excess over \$1,000
Over \$2,000 but not over \$3,000	\$35 plus 2 1/2% of excess over \$2,000
Over \$3,000 but not over \$4,000	\$60 plus 3% of excess over \$3,000
Over \$4,000 but not over \$5,000	\$90 plus 3 1/2% of excess over \$4,000
Over \$5,000 but not over \$6,000	\$125 plus 4% of excess over \$5,000

11	Over \$6,000 but not over \$7,000	\$165 plus 4 1/2% of excess over \$6,000
12	Over \$7,000 but not over \$8,000	\$210 plus 5% of excess over \$7,000
13	Over \$8,000 but not over \$9,000	\$260 plus 5 1/2% of excess over \$8,000
14	Over \$9,000	\$315 plus 6% of excess over \$9,000

15

16           2. (1) Beginning with the 2017 calendar year, the top rate of tax under subsection 1 of  
 17 this section may be reduced over a period of years. Each reduction in the top rate of tax shall be  
 18 by one-tenth of a percent and no more than one reduction shall occur in a calendar year. No  
 19 more than ~~five~~ six reductions shall be made under this subsection. Reductions in the rate of  
 20 tax shall take effect on January first of a calendar year and such reduced rates shall continue in  
 21 effect until the next reduction occurs.

22           (2) A reduction in the rate of tax shall only occur if the amount of net general revenue  
 23 collected in the previous fiscal year exceeds the highest amount of net general revenue collected  
 24 in any of the three fiscal years prior to such fiscal year by at least one hundred fifty million  
 25 dollars.

26           (3) Any modification of tax rates under this subsection shall only apply to tax years that  
 27 begin on or after a modification takes effect.

28           (4) The director of the department of revenue shall, by rule, adjust the tax tables under  
 29 subsection 1 of this section to effectuate the provisions of this subsection. The bracket for  
 30 income subject to the top rate of tax shall be eliminated once the top rate of tax has been reduced  
 31 to five and one-half percent, and the top remaining rate of tax shall apply to all income in excess  
 32 of the income in the second highest remaining income bracket.

33           3. (1) In addition to the rate reductions under subsection 2 of this section, beginning  
 34 with the 2019 calendar year, the top rate of tax under subsection 1 of this section shall be reduced  
 35 by four-tenths of one percent. Such reduction in the rate of tax shall take effect on January first  
 36 of the 2019 calendar year.

37           (2) The modification of tax rates under this subsection shall only apply to tax years that  
 38 begin on or after the date the modification takes effect.

39           (3) The director of the department of revenue shall, by rule, adjust the tax tables under  
 40 subsection 1 of this section to effectuate the provisions of this subsection.

41           4. **(1) In addition to the rate reductions under subsections 2 and 3 of this section,**  
 42 **beginning the effective date of this act, the top rate of tax under subsection 1 of this section**  
 43 **shall be reduced by one-tenth of one percent.**

44           **(2) The modification of tax rates under this subsection shall apply only to tax years**  
 45 **that begin on or after the date the modification takes effect.**



46           **(3) The director of the department of revenue shall, by rule, adjust the tax tables**  
47 **under subsection 1 of this section to effectuate the provisions of this subsection.**

48           **5.** Beginning with the 2017 calendar year, the brackets of Missouri taxable income  
49 identified in subsection 1 of this section shall be adjusted annually by the percent increase in  
50 inflation. The director shall publish such brackets annually beginning on or after October 1,  
51 2016. Modifications to the brackets shall take effect on January first of each calendar year and  
52 shall apply to tax years beginning on or after the effective date of the new brackets.

53           ~~5.~~ **6.** As used in this section, the following terms mean:

54           (1) "CPI", the Consumer Price Index for All Urban Consumers for the United States as  
55 reported by the Bureau of Labor Statistics, or its successor index;

56           (2) "CPI for the preceding calendar year", the average of the CPI as of the close of the  
57 twelve month period ending on August thirty-first of such calendar year;

58           (3) "Net general revenue collected", all revenue deposited into the general revenue fund,  
59 less refunds and revenues originally deposited into the general revenue fund but designated by  
60 law for a specific distribution or transfer to another state fund;

61           (4) "Percent increase in inflation", the percentage, if any, by which the CPI for the  
62 preceding calendar year exceeds the CPI for the year beginning September 1, 2014, and ending  
63 August 31, 2015.

          144.605. The following words and phrases as used in sections 144.600 to 144.745 mean  
2 and include:

3           (1) "Calendar quarter", the period of three consecutive calendar months ending on March  
4 thirty-first, June thirtieth, September thirtieth or December thirty-first;

5           (2) "Engages in business activities within this state" includes:

6           (a) Maintaining or having a franchisee or licensee operating under the seller's trade name  
7 in this state if the franchisee or licensee is required to collect sales tax pursuant to sections  
8 144.010 to 144.525;

9           (b) Soliciting sales or taking orders by sales agents or traveling representatives;

10           (c) A vendor is presumed to engage in business activities within this state if any person,  
11 other than a common carrier acting in its capacity as such, that has substantial nexus with this  
12 state:

13           a. Sells a similar line of products as the vendor and does so under the same or a similar  
14 business name;

15           b. Maintains an office, distribution facility, warehouse, or storage place, or similar place  
16 of business in the state to facilitate the delivery of property or services sold by the vendor to the  
17 vendor's customers;

18 c. Delivers, installs, assembles, or performs maintenance services for the vendor's  
19 customers within the state;

20 d. Facilitates the vendor's delivery of property to customers in the state by allowing the  
21 vendor's customers to pick up property sold by the vendor at an office, distribution facility,  
22 warehouse, storage place, or similar place of business maintained by the person in the state; or

23 e. Conducts any other activities in the state that are significantly associated with the  
24 vendor's ability to establish and maintain a market in the state for the sales;

25 (d) The presumption in paragraph (c) **of this subdivision** may be rebutted by  
26 demonstrating that the person's activities in the state are not significantly associated with the  
27 vendor's ability to establish or maintain a market in this state for the vendor's sales;

28 (e) Notwithstanding paragraph (c) **of this subdivision**, a vendor shall be presumed to  
29 engage in business activities within this state if the vendor enters into an agreement with one or  
30 more residents of this state under which the resident, for a commission or other consideration,  
31 directly or indirectly refers potential customers, whether by a link on an internet website, an in-  
32 person oral presentation, telemarketing, or otherwise, to the vendor, if the cumulative gross  
33 receipts from sales by the vendor to customers in the state who are referred to the vendor by all  
34 residents with this type of an agreement with the vendor is in excess of ten thousand dollars  
35 during the preceding twelve months;

36 (f) The presumption in paragraph (e) **of this subdivision** may be rebutted by submitting  
37 proof that the residents with whom the vendor has an agreement did not engage in any activity  
38 within the state that was significantly associated with the vendor's ability to establish or maintain  
39 the vendor's market in the state during the preceding twelve months. Such proof may consist of  
40 sworn written statements from all of the residents with whom the vendor has an agreement  
41 stating that they did not engage in any solicitation in the state on behalf of the vendor during the  
42 preceding year provided that such statements were provided and obtained in good faith; **and**

43 **(g) a. Beginning January 1, 2022, a vendor also engages in business activities**  
44 **within this state if the cumulative gross receipts from the vendor's sales of tangible**  
45 **personal property to purchasers for the purpose of storage, use, or consumption in this**  
46 **state equal one hundred thousand dollars or more during any twelve-month period, as**  
47 **determined under subparagraph b. of this paragraph;**

48 **b. Following the close of each calendar quarter, a vendor shall determine whether**  
49 **the vendor met the requirements provided under subparagraph a. of this paragraph**  
50 **during the twelve-month period ending on the last day of the preceding calendar quarter.**  
51 **If the vendor met such requirements for any such twelve-month period, such vendor shall**  
52 **collect and remit applicable use tax in future transactions, in lieu of any obligations to**  
53 **collect or remit such use tax that would otherwise be attributed to any other party to a**

54 **transaction, as provided under section 144.635, for a period of no less than twelve months,**  
55 **beginning no more than three months following the close of the preceding calendar**  
56 **quarter, and such vendor shall continue to collect and remit the use tax for as long as the**  
57 **vendor is engaged in business activities in this state, as provided under this paragraph, or**  
58 **otherwise maintains a substantial nexus with this state;**

59 **c. The provisions of this paragraph shall apply only to vendors that do not have a**  
60 **physical presence within the state and if the associated sales of tangible personal property**  
61 **occurred with use of the internet;**

62 **d. Any department that has the constitutional authority to collect sales or use tax**  
63 **under Article IV of the Constitution of Missouri may remit any moneys collected under this**  
64 **paragraph to the department of revenue, and such moneys shall be deposited into the state**  
65 **general revenue fund established under section 33.543;**

66 **e. Any vendor that meets the provisions of subparagraph c. of this paragraph shall**  
67 **not be subject to local use tax imposed by a political subdivision in this state enacted prior**  
68 **to January 1, 2022, except in such political subdivisions in which a majority of voters have**  
69 **approved expanding a use tax that was enacted prior to January 1, 2022; and**

70 **f. Notwithstanding the provisions of this paragraph, political subdivisions that wish**  
71 **to enact a new local use tax, but do not wish to subject vendors that meet the provisions of**  
72 **subparagraph c. of this paragraph to such local use tax, may enact such local use tax**  
73 **according to the applicable provisions of sections 144.757 to 144.761, or any other**  
74 **applicable local use tax authorization provisions, and may exclude such vendors from such**  
75 **new tax;**

76 (3) "Maintains a place of business in this state" includes maintaining, occupying, or  
77 using, permanently or temporarily, directly or indirectly, by whatever name called, an office,  
78 place of distribution, sales or sample room or place, warehouse or storage place, or other place  
79 of business in this state, whether owned or operated by the vendor or by any other person other  
80 than a common carrier acting in its capacity as such;

81 (4) "Person", any individual, firm, copartnership, joint venture, association, corporation,  
82 municipal or private, and whether organized for profit or not, state, county, political subdivision,  
83 state department, commission, board, bureau or agency, except the state transportation  
84 department, estate, trust, business trust, receiver or trustee appointed by the state or federal court,  
85 syndicate, or any other group or combination acting as a unit, and the plural as well as the  
86 singular number;

87 (5) "Purchase", the acquisition of the ownership of, or title to, tangible personal property,  
88 through a sale, as defined herein, for the purpose of storage, use or consumption in this state;

89 (6) "Purchaser", any person who is the recipient for a valuable consideration of any sale  
90 of tangible personal property acquired for use, storage or consumption in this state;

91 (7) "Sale", any transfer, barter or exchange of the title or ownership of tangible personal  
92 property, or the right to use, store or consume the same, for a consideration paid or to be paid,  
93 and any transaction whether called leases, rentals, bailments, loans, conditional sales or  
94 otherwise, and notwithstanding that the title or possession of the property or both is retained for  
95 security. For the purpose of this law the place of delivery of the property to the purchaser, user,  
96 storer or consumer is deemed to be the place of sale, whether the delivery be by the vendor or  
97 by common carriers, private contractors, mails, express, agents, salesmen, solicitors, hawkers,  
98 representatives, consignors, peddlers, canvassers or otherwise;

99 (8) "Sales price", the consideration including the charges for services, except charges  
100 incident to the extension of credit, paid or given, or contracted to be paid or given, by the  
101 purchaser to the vendor for the tangible personal property, including any services that are a part  
102 of the sale, valued in money, whether paid in money or otherwise, and any amount for which  
103 credit is given to the purchaser by the vendor, without any deduction therefrom on account of the  
104 cost of the property sold, the cost of materials used, labor or service cost, losses or any other  
105 expenses whatsoever, except that cash discounts allowed and taken on sales shall not be included  
106 and "sales price" shall not include the amount charged for property returned by customers upon  
107 rescission of the contract of sales when the entire amount charged therefor is refunded either in  
108 cash or credit or the amount charged for labor or services rendered in installing or applying the  
109 property sold, the use, storage or consumption of which is taxable pursuant to sections 144.600  
110 to 144.745. The sales price shall not include usual and customary delivery charges that are  
111 separately stated. In determining the amount of tax due pursuant to sections 144.600 to 144.745,  
112 any charge incident to the extension of credit shall be specifically exempted;

113 (9) "Selling agent", every person acting as a representative of a principal, when such  
114 principal is not registered with the director of revenue of the state of Missouri for the collection  
115 of the taxes imposed pursuant to sections 144.010 to 144.525 or sections 144.600 to 144.745 and  
116 who receives compensation by reason of the sale of tangible personal property of the principal,  
117 if such property is to be stored, used, or consumed in this state;

118 (10) "Storage", any keeping or retention in this state of tangible personal property  
119 purchased from a vendor, except property for sale or property that is temporarily kept or retained  
120 in this state for subsequent use outside the state;

121 (11) "Tangible personal property", all items subject to the Missouri sales tax as provided  
122 in subdivisions (1) and (3) **of subsection 1** of section 144.020;

123 (12) "Taxpayer", any person remitting the tax or who should remit the tax levied by  
124 sections 144.600 to 144.745;

125 (13) "Use", the exercise of any right or power over tangible personal property incident  
126 to the ownership or control of that property, except that it does not include the temporary storage  
127 of property in this state for subsequent use outside the state, or the sale of the property in the  
128 regular course of business;

129 (14) "Vendor", every person engaged in making sales of tangible personal property by  
130 mail order, by advertising, by agent or peddling tangible personal property, soliciting or taking  
131 orders for sales of tangible personal property, for storage, use or consumption in this state, all  
132 salesmen, solicitors, hawkers, representatives, consignees, peddlers or canvassers, as agents of  
133 the dealers, distributors, consignors, supervisors, principals or employers under whom they  
134 operate or from whom they obtain the tangible personal property sold by them, and every person  
135 who maintains a place of business in this state, maintains a stock of goods in this state, or  
136 engages in business activities within this state and every person who engages in this state in the  
137 business of acting as a selling agent for persons not otherwise vendors as defined in this  
138 subdivision. Irrespective of whether they are making sales on their own behalf or on behalf of  
139 the dealers, distributors, consignors, supervisors, principals or employers, they must be regarded  
140 as vendors and the dealers, distributors, consignors, supervisors, principals or employers must  
141 be regarded as vendors for the purposes of sections 144.600 to 144.745.

**144.637. 1. The director of revenue shall provide and maintain a database that  
2 describes boundary changes for all taxing jurisdictions and the effective dates of such  
3 changes for the use of vendors collecting the tax imposed under sections 144.600 to 144.746.**

**4 2. For the identification of counties and cities, codes corresponding to the rates shall  
5 be provided according to Federal Information Processing Standards (FIPS) as developed  
6 by the National Institute of Standards and Technology. For the identification of all other  
7 jurisdictions, codes corresponding to the rates shall be in a format determined by the  
8 director.**

**9 3. The director shall provide and maintain address-based boundary database  
10 records for assigning taxing jurisdictions and associated rates. The database records shall  
11 meet the requirements developed under the federal Mobile Telecommunications Sourcing  
12 Act, 4 U.S.C. Section 119(a). If a vendor is unable to determine the applicable rate and  
13 jurisdiction using an address-based database record after exercising due diligence, the  
14 vendor may apply the nine-digit zip code designation applicable to a purchase. If a  
15 nine-digit zip code designation is not available for a street address or if a vendor is unable  
16 to determine the nine-digit zip code designation applicable to a purchase after exercising  
17 due diligence to determine the designation, the vendor may apply the rate for the five-digit  
18 zip code area. The lowest combined tax rate imposed in the zip code area shall apply if the  
19 area includes more than one tax rate in any level of taxing jurisdiction. For the purposes**

20 of this section, there shall be a rebuttable presumption that a vendor has exercised due  
21 diligence if the vendor has attempted to determine the tax rate and jurisdiction by utilizing  
22 software approved by the director and makes the assignment from the address and zip  
23 code information applicable to the purchase. The database records shall be in the same  
24 approved format as the database under this section and shall meet the requirements  
25 developed under the federal Mobile Telecommunications Sourcing Act, 4 U.S.C. Section  
26 119(a). If the director certifies an address-based database provided by a third party, a  
27 vendor may use such database in place of the database records provided for in this  
28 subsection.

29 4. The electronic databases provided for in subsections 1 and 3 of this section shall  
30 be in downloadable format as determined by the director. The databases may be directly  
31 provided by the director or provided by a third party as designated by the director. The  
32 databases shall be provided at no cost to the user of the database.

33 5. The provisions of subsection 3 of this section shall not apply if the purchased  
34 product is received by the purchaser at the business location of the vendor.

35 6. No vendor shall be liable for reliance upon erroneous data provided by the  
36 director on tax rates, boundaries, or taxing jurisdiction assignments.

144.752. 1. For the purposes of this section, the following terms shall mean:

2 (1) "Marketplace facilitator", a person who:

3 (a) Facilitates a retail sale by a marketplace seller by listing or advertising for sale  
4 by the marketplace seller in any forum tangible personal property or services that are  
5 subject to tax under this chapter; and

6 (b) Either directly or indirectly through agreements or arrangements with third  
7 parties collects payment from the purchaser and transmits such payment to the  
8 marketplace seller, regardless of whether the "marketplace facilitator" receives  
9 compensation or other consideration in exchange for its services.

10

11 A "marketplace facilitator" is a seller and shall comply with the provisions of this chapter.

12 A "marketplace facilitator" shall not include a person who provides internet advertising  
13 services or product listing and does not collect payment from the purchaser and transmit  
14 payment to the marketplace seller; is a third-party financial institution appointed by a  
15 marketplace seller or a marketplace facilitator to handle various forms of payment  
16 transactions, such as processing credit cards and debit cards, and whose sole activity with  
17 respect to marketplace sales is to facilitate the payment transactions between two parties;  
18 or is a provider of travel agency services and whose sole activity with respect to  
19 marketplace sales is to provide such services. For the purposes of this subdivision, "travel

20 agency services" means facilitating, for a commission, fee, or other consideration, vacation  
21 or travel packages; rental car or other travel reservations; tickets for domestic or foreign  
22 travel by air, rail, ship, bus, or other medium of transportation; or hotel or other lodging  
23 accommodations;

24 (2) "Marketplace seller", a seller that makes sales through any electronic  
25 marketplace operated by a marketplace facilitator;

26 (3) "Person", any individual, firm, copartnership, joint venture, association, or  
27 corporation, municipal or private, whether organized for profit or not; any state, county,  
28 political subdivision, state department, commission, board, bureau, or agency, except the  
29 department of transportation; any estate, trust, business trust, or receiver or trustee  
30 appointed by a state or federal court; or any syndicate or other group or combination  
31 acting as a unit;

32 (4) "Purchaser", any person who is the recipient for a valuable consideration of  
33 any sale of tangible personal property acquired for use, storage, or consumption in this  
34 state;

35 (5) "Retail sale", the same meaning as defined under sections 144.010 and 144.011,  
36 excluding motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats, and  
37 outboard motors required to be titled under the laws of the state and subject to tax under  
38 subdivision (9) of subsection 1 of section 144.020;

39 (6) "Seller", a person selling or furnishing tangible personal property or rendering  
40 services on the receipts from which a tax is imposed under section 144.020.

41 2. (1) By no later than January 1, 2022, marketplace facilitators that reach the  
42 threshold provided under paragraph (g) of subdivision (2) of section 144.605 shall register  
43 with the department to collect and remit sales and use tax, as applicable, on sales made  
44 through the marketplace facilitator's marketplace by or on behalf of a marketplace seller  
45 that are purchased in or delivered into the state, whether by the marketplace facilitator or  
46 another person, and regardless of whether the marketplace seller for whom sales are  
47 facilitated possesses a retail sales license or would have been required to collect sales or use  
48 tax had the sale not been facilitated by the marketplace facilitator. Such retail sales shall  
49 include those made directly by the marketplace facilitator and shall also include those  
50 retail sales made by marketplace sellers through the marketplace facilitator's marketplace.  
51 The collection and reporting requirements of this subsection shall not apply to retail sales  
52 other than those made through a marketplace facilitator's marketplace. Nothing in this  
53 section shall be construed to limit or prohibit the ability of a marketplace facilitator and  
54 a marketplace seller to enter into agreements regarding the fulfillment of the requirements  
55 of this chapter.

56           **(2) All taxable sales made through a marketplace facilitator's marketplace by or**  
57 **on behalf of a marketplace seller shall be deemed to be consummated at the location in this**  
58 **state to which the item is shipped or delivered, or at which possession is taken by the**  
59 **purchaser.**

60           **3. Marketplace facilitators that are required to collect sales and use tax under this**  
61 **section shall report and remit the tax separately from any sales and use tax collected by the**  
62 **marketplace facilitator, or by affiliates of the marketplace facilitator, which the**  
63 **marketplace facilitator would have been required to collect and remit under the provisions**  
64 **of this chapter prior to January 1, 2022. Such tax shall be reported and remitted on a**  
65 **marketplace facilitator return to be developed and published by the department.**  
66 **Marketplace facilitators shall maintain records of all sales delivered to a location in the**  
67 **state, including copies of invoices showing the purchaser, address, items purchased,**  
68 **purchase amount, and sales and use tax collected. Such records shall be made available**  
69 **for review and inspection upon request by the department.**

70           **4. Marketplace facilitators who properly collect and remit to the department in a**  
71 **timely manner sales and use tax on sales in accordance with the provisions of this section**  
72 **by or on behalf of marketplace sellers shall be eligible for any discount provided under this**  
73 **chapter.**

74           **5. A marketplace facilitator shall provide the purchaser with a statement or invoice**  
75 **showing the amount of the sales or use tax and that the sales or use tax was collected and**  
76 **shall be remitted on the purchaser's behalf.**

77           **6. Any purchaser, marketplace facilitator, or marketplace seller who remits sales**  
78 **or use tax under this section shall be entitled to refunds or credits to the same extent and**  
79 **in the same manner provided for in section 144.190 for taxes collected and remitted under**  
80 **this section. Nothing in this section shall relieve a purchaser of the obligation to remit sales**  
81 **or use tax for any retail sale taxable under this chapter for which a marketplace facilitator**  
82 **or marketplace seller does not collect and remit the sales or use tax.**

83           **7. (1) Except as provided under this subsection, marketplace facilitators shall be**  
84 **subject to the penalty provisions, procedures, and reporting requirements provided under**  
85 **this chapter.**

86           **(2) (a) The department shall not perform an audit under this chapter on a**  
87 **marketplace facilitator except on sales made by a marketplace seller and facilitated by the**  
88 **marketplace facilitator.**

89           **(b) The department shall not perform an audit under this chapter on a marketplace**  
90 **seller for sales facilitated by a marketplace facilitator except to the extent that the**



91 marketplace facilitator seeks relief from liability on the basis that insufficient or incorrect  
92 information was provided to the marketplace facilitator by the marketplace seller.

93 (3) A marketplace facilitator shall be relieved from liability under this section for  
94 the failure to collect and remit the correct amount of sales or use tax on retail sales  
95 facilitated for a marketplace seller if the marketplace facilitator demonstrates to the  
96 satisfaction of the department that the error was due to insufficient or incorrect  
97 information provided to the marketplace facilitator by the marketplace seller and not an  
98 error in sourcing the sale, unless the marketplace facilitator and the marketplace seller are  
99 the same entity or are otherwise affiliated.

100 (4) The relief from liability provided to a marketplace facilitator under subdivision  
101 (3) of this subsection shall not exceed the following percentage of the total sales and use tax  
102 due on retail sales facilitated by the marketplace facilitator for marketplace sellers and  
103 sourced to this state during a calendar year, excluding any retail sales made directly by the  
104 marketplace facilitator or its affiliates:

105 (a) For retail sales made or facilitated during the 2022 calendar year, four percent;

106 (b) For retail sales made or facilitated during the 2023 calendar year, two percent;

107 (c) For retail sales made or facilitated during the 2024 calendar year, one percent;

108 and

109 (d) For retail sales made or facilitated on or after January 1, 2025, zero percent.

110 (5) To the extent that a marketplace facilitator is relieved of liability for the  
111 collection of sales and use tax under this subsection, the marketplace seller for whom the  
112 marketplace facilitator has made or facilitated the sale shall also be relieved of liability  
113 under this subsection.

114 (6) The department shall determine the manner in which a marketplace facilitator  
115 or marketplace seller shall apply for and claim the relief from liability provided for under  
116 this subsection.

117 8. The department may grant a waiver from the requirements of this section if a  
118 marketplace facilitator demonstrates to the satisfaction of the department that all of its  
119 marketplace sellers are already registered under the provisions of this chapter to collect  
120 and remit sales and use tax. If such waiver is granted, the sales or use tax due shall be  
121 collected and remitted by the marketplace seller. The department shall develop guidelines  
122 by rule that establish the criteria for obtaining a waiver, the process and procedure for a  
123 marketplace facilitator or marketplace seller to apply for a waiver, and the process for  
124 providing notice to an affected marketplace facilitator and marketplace seller of a waiver  
125 obtained under the provisions of this subsection. Any rule or portion of a rule, as that term  
126 is defined in section 536.010, that is created under the authority delegated in this section

127 shall become effective only if it complies with and is subject to all of the provisions of  
 128 chapter 536 and, if applicable, section 536.028. This section and chapter 536 are  
 129 nonseverable, and if any of the powers vested with the general assembly pursuant to  
 130 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are  
 131 subsequently held unconstitutional, then the grant of rulemaking authority and any rule  
 132 proposed or adopted after August 28, 2021, shall be invalid and void.

144.757. 1. (1) Any county or municipality [~~except municipalities within a county~~  
 2 ~~having a charter form of government with a population in excess of nine hundred thousand,]~~  
 3 may, by a majority vote of its governing body, impose a local use tax if a local sales tax is  
 4 imposed as defined in section 32.085 at a rate equal to the rate of the local sales tax in effect in  
 5 such county or municipality; provided, however, that no ordinance or order enacted pursuant to  
 6 sections 144.757 to 144.761 shall be effective unless the governing body of the county or  
 7 municipality submits to the voters thereof at a municipal, county or state general, primary or  
 8 special election a proposal to authorize the governing body of the county or municipality to  
 9 impose a local use tax pursuant to sections 144.757 to 144.761.

(2) Municipalities within a county having a charter form of government with a  
 11 population in excess of nine hundred thousand [~~may, upon voter approval received pursuant to~~  
 12 ~~paragraph (b) of subdivision (2) of subsection 2 of this section, impose a local use tax at the~~  
 13 ~~same rate as the local municipal sales tax with the revenues from all such municipal use taxes~~  
 14 ~~to be distributed pursuant to subsection 4 of section 94.890. The municipality shall within thirty~~  
 15 ~~days of the approval of the use tax imposed pursuant to paragraph (b) of subdivision (2) of~~  
 16 ~~subsection 2 of this section select one of the distribution options permitted in]~~ shall, within  
 17 **thirty days of the approval of the use tax imposed under subdivision (1) of subsection 2 of**  
 18 **this section, select one of the distribution options permitted under** subsection 4 of section  
 19 94.890 for distribution of all municipal use taxes.

2. (1) The ballot of submission [~~except for counties and municipalities described in~~  
 21 ~~subdivisions (2) and (3) of this subsection,]~~ shall contain substantially the following language:

22 Shall the \_\_\_\_\_ (county or municipality's name) **be authorized to** impose a  
 23 local use tax at the same rate as the [total] local sales tax rate [~~currently \_\_\_\_\_~~  
 24 ~~(insert percent),]~~ **by a vote of the governing body**, provided that if **any local**  
 25 **sales tax is repealed**, [~~the local sales tax rate is~~] reduced, or raised by voter  
 26 approval, the **respective** local use tax [rate] shall also be **repealed**, reduced, or  
 27 raised by the same action? **Use taxes on out-of-state purchases made through**  
 28 **an internet website shall apply to all purchases and shall be calculated,**  
 29 **collected, and remitted by the website. Use taxes on out-of-state purchases**  
 30 **not made through an internet website shall require the purchaser to**

31 **calculate and remit use tax payment to the Missouri Department of Revenue**  
 32 **annually with a use tax return, but** a use tax return shall not be required to be  
 33 filed by persons whose purchases from out-of-state vendors do not in total exceed  
 34 two thousand dollars in any calendar year.

35  YES  NO

36

37 If you are in favor of the question, place an "X" in the box opposite "YES". If  
 38 you are opposed to the question, place an "X" in the box opposite "NO".

39

40 (2) ~~[(a) The ballot of submission in a county having a charter form of government with~~  
 41 ~~a population in excess of nine hundred thousand shall contain substantially the following~~  
 42 ~~language:~~

43 ~~For the purposes of enhancing county and municipal public safety, parks, and job~~  
 44 ~~creation and enhancing local government services, shall the county be authorized~~  
 45 ~~to collect a local use tax equal to the total of the existing county sales tax rate of~~  
 46 ~~(insert tax rate), provided that if the county sales tax is repealed, reduced or~~  
 47 ~~raised by voter approval, the local use tax rate shall also be repealed, reduced or~~  
 48 ~~raised by the same voter action? Fifty percent of the revenue shall be used by the~~  
 49 ~~county throughout the county for improving and enhancing public safety, park~~  
 50 ~~improvements, and job creation, and fifty percent shall be used for enhancing~~  
 51 ~~local government services. The county shall be required to make available to the~~  
 52 ~~public an audited comprehensive financial report detailing the management and~~  
 53 ~~use of the countywide portion of the funds each year.~~

54

55 ~~A use tax is the equivalent of a sales tax on purchases from out-of-state sellers~~  
 56 ~~by in-state buyers and on certain taxable business transactions. A use tax return~~  
 57 ~~shall not be required to be filed by persons whose purchases from out-of-state~~  
 58 ~~vendors do not in total exceed two thousand dollars in any calendar year.~~

59  ~~YES  NO~~

60

61 ~~If you are in favor of the question, place an "X" in the box opposite "YES". If you~~  
 62 ~~are opposed to the question, place an "X" in the box opposite "NO".~~

63

64 ~~(b) The ballot of submission in a municipality within a county having a charter form of~~  
 65 ~~government with a population in excess of nine hundred thousand shall contain substantially the~~  
 66 ~~following language:~~

67 ~~\_\_\_\_\_ Shall the municipality be authorized to impose a local use tax at the same rate as~~  
 68 ~~the local sales tax by a vote of the governing body, provided that if any local sales~~  
 69 ~~tax is repealed, reduced or raised by voter approval, the respective local use tax~~  
 70 ~~shall also be repealed, reduced or raised by the same action? A use tax return~~  
 71 ~~shall not be required to be filed by persons whose purchases from out-of-state~~  
 72 ~~vendors do not in total exceed two thousand dollars in any calendar year:~~

73 ~~\_\_\_\_\_  YES \_\_\_\_\_  NO~~

74

75 ~~\_\_\_\_\_ If you are in favor of the question, place an "X" in the box opposite "YES". If you~~  
 76 ~~are opposed to the question, place an "X" in the box opposite "NO".~~

77

78 ~~\_\_\_\_\_ (3) The ballot of submission in any city not within a county shall contain substantially~~  
 79 ~~the following language:~~

80 ~~\_\_\_\_\_ Shall the \_\_\_\_\_ (city name) impose a local use tax at the same rate as the local~~  
 81 ~~sales tax, currently at a rate of \_\_\_\_\_ (insert percent) which includes the capital~~  
 82 ~~improvements sales tax and the transportation tax, provided that if any local sales~~  
 83 ~~tax is repealed, reduced or raised by voter approval, the respective local use tax~~  
 84 ~~shall also be repealed, reduced or raised by the same action? A use tax return~~  
 85 ~~shall not be required to be filed by persons whose purchases from out-of-state~~  
 86 ~~vendors do not in total exceed two thousand dollars in any calendar year:~~

87 ~~\_\_\_\_\_  YES \_\_\_\_\_  NO~~

88

89 ~~\_\_\_\_\_ If you are in favor of the question, place an "X" in the box opposite "YES". If you~~  
 90 ~~are opposed to the question, place an "X" in the box opposite "NO".~~

91

92 ~~\_\_\_\_\_ (4) If [any of such ballots are submitted on August 6, 1996, and if a majority of the~~  
 93 ~~votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then~~  
 94 ~~the ordinance or order and any amendments thereto shall be in effect October 1, 1996, provided~~  
 95 ~~the director of revenue receives notice of adoption of the local use tax on or before August 16,~~  
 96 ~~1996. If any of such ballots are submitted after December 31, 1996, and if] a majority of the~~  
 97 ~~votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then~~  
 98 ~~the ordinance or order and any amendments thereto shall be in effect on the first day of the~~  
 99 ~~calendar quarter which begins at least forty-five days after the director of revenue receives notice~~  
 100 ~~of adoption of the local use tax. If a majority of the votes cast by the qualified voters voting are~~  
 101 ~~opposed to the proposal, then the governing body of the county or municipality shall have no~~  
 102 ~~power to impose the local use tax as herein authorized unless and until the governing body of the~~

103 county or municipality shall again have submitted another proposal to authorize the governing  
104 body of the county or municipality to impose the local use tax and such proposal is approved by  
105 a majority of the qualified voters voting thereon.

106 **(3) Any county or municipality with an existing local use tax enacted prior to**  
107 **January 1, 2022, shall be permitted to keep such existing local use tax at a rate not to**  
108 **exceed the rate enacted as of January 1, 2022. If any such county or municipality places**  
109 **the use tax measure of this section on the ballot and the measure fails to pass, the use tax**  
110 **enacted prior to January 1, 2022, shall remain in effect until it expires or is repealed,**  
111 **reduced, or raised by a future ballot measure. If any such county or municipality places**  
112 **the use tax measure of this section on the ballot and the measure passes, the use tax of this**  
113 **section shall replace the previously enacted use tax.**

114 3. The local use tax may be imposed at the same rate as the local sales tax then currently  
115 in effect in the county or municipality upon all transactions which are subject to the taxes  
116 imposed pursuant to sections 144.600 to 144.745 within the county or municipality adopting  
117 such tax; provided, however, that if any local sales tax is repealed or the rate thereof is reduced  
118 or raised by voter approval, the local use tax rate shall also be deemed to be repealed, reduced  
119 or raised by the same action repealing, reducing or raising the local sales tax.

120 4. For purposes of sections 144.757 to 144.761, the use tax may be referred to or  
121 described as the equivalent of a sales tax on purchases made from out-of-state sellers by in-state  
122 buyers and on certain intrabusiness transactions. Such a description shall not change the  
123 classification, form or subject of the use tax or the manner in which it is collected. **The use tax**  
124 **shall not be described as a new tax, described as not being a new tax, nor shall it be**  
125 **advertised or promoted in a manner in violation of section 115.646.**

144.759. 1. All local use taxes collected by the director of revenue pursuant to sections  
2 144.757 to 144.761 on behalf of any county or municipality, less one percent for cost of  
3 collection, which shall be deposited in the state's general revenue fund after payment of  
4 premiums for surety bonds as provided in section 32.087 shall be deposited with the state  
5 treasurer in a local use tax trust fund, which fund shall be separate and apart from the local sales  
6 tax trust funds. The moneys in such local use tax trust fund shall not be deemed to be state funds  
7 and shall not be commingled with any funds of the state. The director of revenue shall keep  
8 accurate records of the amount of money in the trust fund which was collected in each county  
9 or municipality imposing a local use tax, and the records shall be open to the inspection of  
10 officers of the county or municipality and to the public. No later than the tenth day of each  
11 month, the director of revenue shall distribute all moneys deposited in the trust fund during the  
12 preceding month, except as provided in subsection 2 of this section, to the county or municipality  
13 treasurer, or such other officer as may be designated by the county or municipality ordinance or

14 order, of each county or municipality imposing the tax authorized by sections 144.757 to  
15 144.761, the sum due the county or municipality as certified by the director of revenue.

16       **2. Subject to the provisions of subsection 1 of this section,** the director of revenue  
17 shall distribute all moneys which would be due any county having a charter form of government  
18 and having a population of nine hundred thousand or more to the county treasurer or such other  
19 officer as may be designated by county ordinance, who shall distribute ~~[such moneys as follows:~~  
20 ~~the] that~~ portion of the use ~~[tax] taxes~~ imposed by the county ~~[which equals one-half the rate of~~  
21 ~~sales tax in effect for such county shall be disbursed to the county treasurer for expenditure~~  
22 ~~throughout the county for public safety, parks, and job creation, subject to any qualifications and~~  
23 ~~regulations adopted by ordinance of the county. Such ordinance shall require an audited~~  
24 ~~comprehensive financial report detailing the management and use of such funds each year. Such~~  
25 ~~ordinance shall also require that the county and the municipal league of the county jointly~~  
26 ~~prepare a strategy to guide expenditures of funds and conduct an annual review of the strategy.~~  
27 ~~The treasurer or such other officer as may be designated by county ordinance shall distribute one-~~  
28 ~~third of the balance to the county and to each city, town and village in group B according to~~  
29 ~~section 66.620 as modified by this section, a portion of the two-thirds remainder of such balance~~  
30 ~~equal to the percentage ratio that the population of each such city, town or village bears to the~~  
31 ~~total population of all such group B cities, towns and villages. For the purposes of this~~  
32 ~~subsection, population shall be determined by the last federal decennial census or the latest~~  
33 ~~census that determines the total population of the county and all political subdivisions therein.~~  
34 ~~For the purposes of this subsection, each city, town or village in group A according to section~~  
35 ~~66.620 but whose per capita sales tax receipts during the preceding calendar year pursuant to~~  
36 ~~sections 66.600 to 66.630 were less than the per capita countywide average of all sales tax~~  
37 ~~receipts during the preceding calendar year, shall be treated as a group B city, town or village~~  
38 ~~until the per capita amount distributed to such city, town or village equals the difference between~~  
39 ~~the per capita sales tax receipts during the preceding calendar year and the per capita countywide~~  
40 ~~average of all sales tax receipts during the preceding calendar year] that is equal to the rate of~~  
41 **sales taxes imposed by the county pursuant to sections 66.600 and 67.547 to the cities,**  
42 **towns, and villages within such county and to the unincorporated area of the county on the**  
43 **ratio of the population that each such city, town, village, and the unincorporated areas of**  
44 **the county bears to the total population of the county; provided, however, the county**  
45 **treasurer or other officer shall distribute that portion of the use tax imposed by the county**  
46 **equal to the rate of sales tax imposed by the county pursuant to section 67.547 for the**  
47 **purpose of funding zoological activities and zoological facilities of the zoological park**  
48 **subdistrict of the metropolitan zoological park and museum district as created pursuant**  
49 **to section 184.350.**

50           3. The director of revenue may authorize the state treasurer to make refunds from the  
 51 amounts in the trust fund and credited to any county or municipality for erroneous payments and  
 52 overpayments made, and may redeem dishonored checks and drafts deposited to the credit of  
 53 such counties or municipalities. If any county or municipality abolishes the tax, the county or  
 54 municipality shall notify the director of revenue of the action at least ninety days prior to the  
 55 effective date of the repeal, and the director of revenue may order retention in the trust fund, for  
 56 a period of one year, of two percent of the amount collected after receipt of such notice to cover  
 57 possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited  
 58 to the credit of such accounts. After one year has elapsed after the effective date of abolition of  
 59 the tax in such county or municipality, the director of revenue shall authorize the state treasurer  
 60 to remit the balance in the account to the county or municipality and close the account of that  
 61 county or municipality. The director of revenue shall notify each county or municipality of each  
 62 instance of any amount refunded or any check redeemed from receipts due the county or  
 63 municipality.

64           4. Except as modified in sections 144.757 to 144.761, all provisions of sections 32.085  
 65 and 32.087 applicable to the local sales tax, except for subsection 12 of section 32.087, and all  
 66 provisions of sections 144.600 to 144.745 shall apply to the tax imposed pursuant to sections  
 67 144.757 to 144.761, and the director of revenue shall perform all functions incident to the  
 68 administration, collection, enforcement, and operation of the tax.

~~[144.1000. Sections 144.1000 to 144.1015 shall be known as and referred  
 2 to as the "Simplified Sales and Use Tax Administration Act".]~~

~~[144.1003. As used in sections 144.1000 to 144.1015, the following  
 2 terms shall mean:~~

- ~~(1) "Agreement", the streamlined sales and use tax agreement;~~
- ~~(2) "Certified automated system", software certified jointly by the states  
 5 that are signatories to the agreement to calculate the tax imposed by each  
 6 jurisdiction on a transaction, determine the amount of tax to remit to the  
 7 appropriate state and maintain a record of the transaction;~~
- ~~(3) "Certified service provider", an agent certified jointly by the states  
 9 that are signatories to the agreement to perform all of the seller's sales tax  
 10 functions;~~
- ~~(4) "Person", an individual, trust, estate, fiduciary, partnership, limited  
 12 liability company, limited liability partnership, corporation or any other legal  
 13 entity;~~
- ~~(5) "Sales tax", any sales tax levied pursuant to this chapter, section  
 15 32.085, or any other sales tax authorized by statute and levied by this state or its  
 16 political subdivisions;~~
- ~~(6) "Seller", any person making sales, leases or rentals of personal  
 18 property or services;~~

- 19 ~~\_\_\_\_\_ (7) "State", any state of the United States and the District of Columbia;~~
- 20 ~~\_\_\_\_\_ (8) "Use tax", the use tax levied pursuant to this chapter.]~~

21

~~[144.1006. For the purposes of reviewing and, if necessary, amending the agreement embodying the simplification recommendations contained in section 144.1015, the state may enter into multistate discussions. For purposes of such discussions, the state shall be represented by seven delegates, one of whom shall be appointed by the governor, two members appointed by the speaker of the house of representatives, one member appointed by the minority leader of the house of representatives, two members appointed by the president pro tempore of the senate and one member appointed by the minority leader of the senate. The delegates need not be members of the general assembly and at least one of the delegates appointed by the speaker of the house of representatives and one member appointed by the president pro tempore of the senate shall be from the private sector and represent the interests of Missouri businesses. The delegates shall recommend to the committees responsible for reviewing tax issues in the senate and the house of representatives each year any amendment of state statutes required to be substantially in compliance with the agreement. Such delegates shall make a written report by the fifteenth day of January each year regarding the status of the multistate discussions and upon final adoption of the terms of the sales and use tax agreement by the multistate body.]~~

19

~~[144.1009. No provision of the agreement authorized by sections 144.1000 to 144.1015 in whole or in part invalidates or amends any provision of the law of this state. Implementation of any condition of this agreement in this state, whether adopted before, at, or after membership of this state in the agreement, must be by action of the general assembly. Such report shall be delivered to the governor, the secretary of state, the president pro tempore of the senate and the speaker of the house of representatives and shall simultaneously be made publicly available by the secretary of state to any person requesting a copy.]~~

10

~~[144.1012. Unless five of the seven delegates agree, the delegates shall not enter into or vote for any streamlined sales and use tax agreement that:~~

- 3 ~~\_\_\_\_\_ (1) Requires adoption of a definition of any term that would cause any~~
- 4 ~~item or transaction that is now excluded or exempted from sales or use tax to~~
- 5 ~~become subject to sales or use tax;~~
- 6 ~~\_\_\_\_\_ (2) Requires the state of Missouri to fully exempt or fully apply sales~~
- 7 ~~taxes to the sale of food or any other item;~~
- 8 ~~\_\_\_\_\_ (3) Restricts the ability of local governments under statutes in effect on~~
- 9 ~~August 28, 2002, to enact one or more local taxes on one or more items without~~
- 10 ~~application of the tax to all sales within the taxing jurisdiction, however;~~



11 ~~restriction of any such taxes allowed by statutes effective after August 28, 2002,~~  
 12 ~~may be supported;~~

13 ~~————— (4) Provides for adoption of any uniform rate structure that would result~~  
 14 ~~in a tax increase for any Missouri taxpayer;~~

15 ~~————— (5) Affects the sourcing of sales tax transactions; or~~

16 ~~————— (6) Prohibits limitations or thresholds on the application of sales and use~~  
 17 ~~tax rates or prohibits any current sales or use tax exemption in the state of~~  
 18 ~~Missouri, including exemptions that are based on the value of the transaction or~~  
 19 ~~item.]~~

20

2 ~~[144.1015. In addition to the requirements of section 144.1012, the~~  
 3 ~~delegates should consider the following features when deciding whether or not~~  
 4 ~~to enter into any streamlined sales and use tax agreement:~~

5 ~~————— (1) The agreement should address the limitation of the number of state~~  
 6 ~~rates over time;~~

7 ~~————— (2) The agreement should establish uniform standards for administration~~  
 8 ~~of exempt sales and the form used for filing sales and use tax returns and~~  
 9 ~~remittances;~~

10 ~~————— (3) The agreement should require the state to provide a central, electronic~~  
 11 ~~registration system that allows a seller to register to collect and remit sales and~~  
 12 ~~use taxes for all signatory states;~~

13 ~~————— (4) The agreement should provide that registration with the central~~  
 14 ~~registration system and the collection of sales and use taxes in the signatory states~~  
 15 ~~will not be used as a factor in determining whether the seller has nexus with a~~  
 16 ~~state for any tax;~~

17 ~~————— (5) The agreement should provide for reduction of the burdens of~~  
 18 ~~complying with local sales and use taxes through the following so long as they~~  
 19 ~~do not conflict with the provisions of section 144.1012:~~

20 ~~————— (a) Restricting variances between the state and local tax bases;~~

21 ~~————— (b) Requiring states to administer any sales and use taxes levied by local~~  
 22 ~~jurisdictions within the state so that sellers collecting and remitting these taxes~~  
 23 ~~will not have to register or file returns with, remit funds to, or be subject to~~  
 24 ~~independent audits from local taxing jurisdictions;~~

25 ~~————— (c) Restricting the frequency of changes in the local sales and use tax~~  
 26 ~~rates and setting effective dates for the application of local jurisdictional~~  
 27 ~~boundary changes to local sales and use taxes; and~~

28 ~~————— (d) Providing notice of changes in local sales and use tax rates and of~~  
 29 ~~changes in the boundaries of local taxing jurisdictions;~~

30 ~~————— (6) The agreement should outline any monetary allowances that are to be~~  
 31 ~~provided by the states to sellers or certified service providers. The agreement~~  
 32 ~~must allow for a joint public and private sector study of the compliance cost on~~  
 33 ~~sellers and certified service providers to collect sales and use taxes for state and~~

33 ~~local governments under various levels of complexity to be completed by July 1,~~  
34 ~~2003;~~

35 ~~\_\_\_\_\_ (7) The agreement should require each state to certify compliance with~~  
36 ~~the terms of the agreement prior to joining and to maintain compliance, under the~~  
37 ~~laws of the member state, with all provisions of the agreement while a member,~~  
38 ~~only if the agreement and any amendment thereto complies with the provisions~~  
39 ~~of section 144.1012;~~

40 ~~\_\_\_\_\_ (8) The agreement should require each state to adopt a uniform policy for~~  
41 ~~certified service providers that protects the privacy of consumers and maintains~~  
42 ~~the confidentiality of tax information; and~~

43 ~~\_\_\_\_\_ (9) The agreement should provide for the appointment of an advisory~~  
44 ~~council of private sector representatives and an advisory council of nonmember~~  
45 ~~state representatives to consult with in the administration of the agreement.]~~  
46

Section B. Notwithstanding the provisions of section 1.140 to the contrary, the  
2 provisions of Section A of this act shall be nonseverable, and if any provision is for any reason  
3 held to be invalid, such decision shall invalidate all of the remaining provisions of this act.

✓