

FIRST REGULAR SESSION

# HOUSE BILL NO. 648

100TH GENERAL ASSEMBLY

---

INTRODUCED BY REPRESENTATIVE MURPHY.

1494H.011

DANA RADEMAN MILLER, Chief Clerk

---

## AN ACT

To repeal section 144.020, RSMo, and to enact in lieu thereof one new section relating to sales tax.

---

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

Section A. Section 144.020, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.020, to read as follows:

144.020. 1. A tax is hereby levied and imposed for the privilege of titling new and used motor vehicles, trailers, boats, and outboard motors purchased or acquired for use on the highways or waters of this state which are required to be titled under the laws of the state of Missouri and, except as provided in subdivision (9) of this subsection, upon all sellers for the privilege of engaging in the business of selling tangible personal property or rendering taxable service at retail in this state. The rate of tax shall be as follows:

(1) Upon every retail sale in this state of tangible personal property, excluding motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats and outboard motors required to be titled under the laws of the state of Missouri and subject to tax under subdivision (9) of this subsection, a tax equivalent to four percent of the purchase price paid or charged, or in case such sale involves the exchange of property, a tax equivalent to four percent of the consideration paid or charged, including the fair market value of the property exchanged at the time and place of the exchange, except as otherwise provided in section 144.025;

(2) A tax equivalent to four percent of the amount paid for admission and seating accommodations, or fees paid to, or in any place of amusement, entertainment or recreation, games and athletic events, except amounts paid for any instructional class;

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

17 (3) A tax equivalent to four percent of the basic rate paid or charged on all sales of  
18 electricity or electrical current, water and gas, natural or artificial, to domestic, commercial or  
19 industrial consumers;

20 (4) A tax equivalent to four percent on the basic rate paid or charged on all sales of local  
21 and long distance telecommunications service to telecommunications subscribers and to others  
22 through equipment of telecommunications subscribers for the transmission of messages and  
23 conversations, **upon ancillary services**, and upon the sale, rental, or leasing of all equipment or  
24 services pertaining or incidental thereto; except that, the payment made by telecommunications  
25 subscribers or others, ~~pursuant to~~ **under** section 144.060, and any amounts paid for access to  
26 the internet or interactive computer services shall not be considered as amounts paid for  
27 telecommunications services;

28 (5) A tax equivalent to four percent of the basic rate paid or charged for all sales of  
29 services for transmission of messages of telegraph companies;

30 (6) A tax equivalent to four percent on the amount of sales or charges for all rooms,  
31 meals and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore,  
32 dining car, tourist cabin, tourist camp or other place in which rooms, meals or drinks are  
33 regularly served to the public. The tax imposed under this subdivision shall not apply to any  
34 automatic mandatory gratuity for a large group imposed by a restaurant when such gratuity is  
35 reported as employee tip income and the restaurant withholds income tax under section 143.191  
36 on such gratuity;

37 (7) A tax equivalent to four percent of the amount paid or charged for intrastate tickets  
38 by every person operating a railroad, sleeping car, dining car, express car, boat, airplane and such  
39 buses and trucks as are licensed by the division of motor carrier and railroad safety of the  
40 department of economic development of Missouri, engaged in the transportation of persons for  
41 hire;

42 (8) A tax equivalent to four percent of the amount paid or charged for rental or lease of  
43 tangible personal property, provided that if the lessor or renter of any tangible personal property  
44 had previously purchased the property under the conditions of sale at retail or leased or rented  
45 the property and the tax was paid at the time of purchase, lease or rental, the lessor, sublessor,  
46 renter or subrenter shall not apply or collect the tax on the subsequent lease, sublease, rental or  
47 subrental receipts from that property. The purchase, rental or lease of motor vehicles, trailers,  
48 motorcycles, mopeds, motortricycles, boats, and outboard motors shall be taxed and the tax paid  
49 as provided in this section and section 144.070. In no event shall the rental or lease of boats and  
50 outboard motors be considered a sale, charge, or fee to, for or in places of amusement,  
51 entertainment or recreation nor shall any such rental or lease be subject to any tax imposed to,  
52 for, or in such places of amusement, entertainment or recreation. Rental and leased boats or

53 outboard motors shall be taxed under the provisions of the sales tax laws as provided under such  
54 laws for motor vehicles and trailers. Tangible personal property which is exempt from the sales  
55 or use tax under section 144.030 upon a sale thereof is likewise exempt from the sales or use tax  
56 upon the lease or rental thereof;

57 (9) A tax equivalent to four percent of the purchase price, as defined in section 144.070,  
58 of new and used motor vehicles, trailers, boats, and outboard motors purchased or acquired for  
59 use on the highways or waters of this state which are required to be registered under the laws of  
60 the state of Missouri. This tax is imposed on the person titling such property, and shall be paid  
61 according to the procedures in section 144.440.

62 2. All tickets sold which are sold under the provisions of ~~[sections 144.010 to 144.525]~~  
63 **this chapter** which are subject to the sales tax shall have printed, stamped or otherwise endorsed  
64 thereon, the words "This ticket is subject to a sales tax."

65 **3. All tax levied and imposed under this chapter is hereby expressly made**  
66 **applicable to all sales made through the internet to purchasers in this state regardless of**  
67 **whether the seller has a physical presence in this state. All sellers subject to sales tax under**  
68 **this subsection are hereby expressly required to use a payment processor to collect and**  
69 **remit such sales tax. In collecting and remitting such sales tax, the payment processor shall**  
70 **comply with all applicable procedures and requirements found in section 144.021 and**  
71 **chapter 144. For purposes of this subsection, the term "payment processor" shall mean**  
72 **the credit card company or other financial institution that the purchaser uses or interacts**  
73 **with most directly to facilitate payment to the seller. For purposes of this section, a seller**  
74 **who directly extends credit to a purchaser or who directly receives payment from a**  
75 **purchaser, without facilitation from a third-party, shall be considered the payment**  
76 **processor. Notwithstanding any provision of law to the contrary, all sales subject to sales**  
77 **tax under this subsection shall be sourced to the billing address of the purchaser.**

✓