

FIRST REGULAR SESSION

SENATE COMMITTEE SUBSTITUTE FOR

# SENATE BILL NO. 184

102ND GENERAL ASSEMBLY

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KRISTINA MARTIN, Secretary

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## AN ACT

To repeal section 144.030, RSMo, and to enact in lieu thereof four new sections relating to tax relief for child-related expenses.

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

Section A. Section 144.030, RSMo, is repealed and four  
2 new sections enacted in lieu thereof, to be known as sections  
3 135.1310, 135.1325, 135.1350, and 144.030, to read as follows:

135.1310. 1. This section shall be known and may be  
2 cited as the "Child Care Contribution Tax Credit Act".

3 2. For purposes of this section, the following terms  
4 shall mean:

5 (1) "Child care", the same as defined in section  
6 210.201;

7 (2) "Child care desert", a census tract that has a  
8 poverty rate of at least twenty percent or a median family  
9 income of less than eighty percent of the statewide average  
10 and where at least five hundred people or thirty-three  
11 percent of the population are located at least one-half mile  
12 away from a child care provider in urbanized areas or at  
13 least ten miles away in rural areas;

14 (3) "Child care provider", a child care provider as  
15 defined in section 210.201 that is licensed pursuant to  
16 section 210.221, or that is unlicensed and that is

**EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

17 registered with the department of elementary and secondary  
18 education;

19 (4) "Contribution", an eligible donation of cash,  
20 stock, bonds or other marketable securities, or real  
21 property;

22 (5) "Department", the Missouri department of economic  
23 development;

24 (6) "Person related to the taxpayer", an individual  
25 connected with the taxpayer by blood, adoption, or marriage,  
26 or an individual, corporation, partnership, limited  
27 liability company, trust, or association controlled by, or  
28 under the control of, the taxpayer directly, or through an  
29 individual, corporation, limited liability company,  
30 partnership, trust, or association under the control of the  
31 taxpayer;

32 (7) "Rural area", a town or community within the state  
33 that is not within a metropolitan statistical area and has a  
34 population of six thousand or fewer inhabitants as  
35 determined by the last preceding federal decennial census or  
36 any unincorporated area not within a metropolitan  
37 statistical area;

38 (8) "State tax liability", in the case of a business  
39 taxpayer, any liability incurred by such taxpayer pursuant  
40 to chapter 143 and chapter 148, exclusive of the provisions  
41 relating to the withholding of tax as provided for in  
42 sections 143.191 to 143.265 and related provisions, and in  
43 the case of an individual taxpayer, any liability incurred  
44 by such taxpayer pursuant to chapter 143;

45 (9) "Tax credit", a credit against the taxpayer's  
46 state tax liability;

47 (10) "Taxpayer", a corporation as defined in section  
48 143.441 or 143.471, any charitable organization that is

49 exempt from federal income tax and whose Missouri unrelated  
50 business taxable income, if any, would be subject to the  
51 state income tax imposed under chapter 143, or individuals  
52 or partnerships subject to the state income tax imposed by  
53 the provisions of chapter 143.

54 3. For all tax years beginning on or after January 1,  
55 2023, a taxpayer may claim the tax credit authorized in this  
56 section against the taxpayer's state tax liability for the  
57 tax year in which a verified contribution was made in an  
58 amount equal to up to seventy-five percent of the verified  
59 contribution to a child care provider. The minimum amount  
60 of any tax credit issued shall not be less than one hundred  
61 dollars and shall not exceed two hundred thousand dollars  
62 per tax year.

63 (1) The child care provider receiving a contribution  
64 shall, within sixty days of the date it received the  
65 contribution, issue the taxpayer a contribution verification  
66 and file a copy of the contribution verification with the  
67 department. The contribution verification shall be in the  
68 form established by the department and shall include the  
69 taxpayer's name, taxpayer's state or federal tax  
70 identification number or last four digits of the taxpayer's  
71 Social Security number, amount of tax credit, amount of  
72 contribution, legal name and address of the child care  
73 provider receiving the tax credit, the child care provider's  
74 federal employer identification number, the child care  
75 provider's departmental vendor number or license number, and  
76 the date the child care provider received the contribution  
77 from the taxpayer. The contribution verification shall  
78 include a signed attestation stating the child care provider  
79 will use the contribution solely to promote child care.

80           (2) The failure of the child care provider to timely  
81 issue the contribution verification to the taxpayer or file  
82 it with the department shall entitle the taxpayer to a  
83 refund of the contribution from the child care provider.

84           4. A donation is eligible when:

85           (1) The donation is used directly by a child care  
86 provider to promote child care for children twelve years of  
87 age or younger, including by acquiring or improving child  
88 care facilities, equipment, or services, or improving staff  
89 salaries, staff training, or the quality of child care;

90           (2) The donation is made to a child care provider in  
91 which the taxpayer or a person related to the taxpayer does  
92 not have a direct financial interest; and

93           (3) The donation is not made in exchange for care of a  
94 child or children in the case of an individual taxpayer that  
95 is not an employer making a contribution on behalf of its  
96 employees.

97           5. A child care provider that uses the contribution  
98 for an ineligible purpose shall repay to the department the  
99 value of the tax credit for the contribution amount used for  
100 an ineligible purpose.

101           6. The tax credits authorized by this section shall  
102 not be refundable and shall not be transferred, sold, or  
103 otherwise conveyed. Any amount of approved tax credits that  
104 a taxpayer is prohibited by this subsection from using for  
105 the tax year in which the credit is first claimed may be  
106 carried back to the taxpayer's immediately prior tax year  
107 and carried forward to the taxpayer's subsequent tax year  
108 for up to five succeeding tax years.

109           7. Notwithstanding any provision of subsection 6 of  
110 this section to the contrary, a taxpayer that is exempt,  
111 under 26 U.S.C. Section 501(c)(3), and any amendments

112 thereto, from all or part of the federal income tax shall be  
113 eligible for a refund of its tax credit issued under this  
114 section, without regard to whether it has incurred any state  
115 tax liability. Such exempt taxpayer may claim a refund of  
116 the tax credit on its tax return required to be filed under  
117 the provisions of chapter 143, exclusive of the return for  
118 the withholding of tax under sections 143.191 to 143.265.  
119 If such exempt taxpayer is not required to file a tax return  
120 under the provisions of chapter 143, the exempt taxpayer may  
121 claim a refund of the tax credit on a refund claim form  
122 prescribed by the department of revenue. The department of  
123 revenue shall prescribe such forms, instructions, and rules  
124 as it deems appropriate to carry out the provisions of this  
125 subsection.

126       8. (1) The cumulative amount of tax credits  
127 authorized pursuant to this section shall not exceed twenty  
128 million dollars for each calendar year. The department  
129 shall approve tax credit applications on a first-come, first-  
130 served basis until the cumulative tax credit authorization  
131 limit is reached for the calendar year. A taxpayer shall  
132 apply to the department for the child care contribution tax  
133 credit by submitting a copy of the contribution verification  
134 provided by a child care provider to such taxpayer. Upon  
135 receipt of the contribution verification, the department  
136 shall issue a tax credit certificate to the applicant.

137       (2) If the maximum amount of tax credits allowed in  
138 any calendar year as provided pursuant to subdivision (1) of  
139 this subsection is authorized, the maximum amount of tax  
140 credits allowed pursuant to subdivision (1) of this  
141 subsection shall be increased by fifteen percent, provided  
142 that all such increases in the allowable amount of tax  
143 credits shall be reserved for contributions made to child

144 care providers located in a child care desert. The director  
145 of the department shall publish such adjusted amount.

146 9. The tax credits allowed under this section shall be  
147 considered a domestic and social tax credit under  
148 subdivision (5) of subsection 2 of section 135.800.

149 10. All action and communication undertaken or  
150 required under this section shall be exempt from section  
151 105.1500.

152 11. The department may promulgate rules to implement  
153 and administer the provisions of this section. Any rule or  
154 portion of a rule, as that term is defined in section  
155 536.010, that is created pursuant to the authority delegated  
156 in this section shall become effective only if it complies  
157 with and is subject to all of the provisions of chapter 536  
158 and, if applicable, section 536.028. This section and  
159 chapter 536 are nonseverable and if any of the powers vested  
160 with the general assembly pursuant to chapter 536 to review,  
161 to delay the effective date, or to disapprove and annul a  
162 rule are subsequently held unconstitutional, then the grant  
163 of rulemaking authority and any rule proposed or adopted  
164 after August 28, 2023, shall be invalid and void.

165 12. Pursuant to section 23.253 of the Missouri sunset  
166 act:

167 (1) The program authorized under this section shall  
168 expire on December 31, 2029, unless reauthorized by the  
169 general assembly;

170 (2) The act shall terminate on September first of the  
171 calendar year immediately following the calendar year in  
172 which the program authorized under this section is sunset;

173 (3) If such program is reauthorized, the program  
174 authorized under this act shall automatically sunset six

175 years after the effective date of the reauthorization of  
176 this section; and

177 (4) The provisions of this subsection shall not be  
178 construed to limit or in any way impair the department of  
179 revenue's ability to redeem tax credits authorized on or  
180 before the date the program authorized pursuant to this  
181 section expires or a taxpayer's ability to redeem such tax  
182 credits.

135.1325. 1. This section shall be known and may be  
2 cited as the "Employer Provided Child Care Assistance Tax  
3 Credit Act".

4 2. For purposes of this section, the following terms  
5 shall mean:

6 (1) "Child care desert", a census tract that has a  
7 poverty rate of at least twenty percent or a median family  
8 income of less than eighty percent of the statewide average  
9 and where at least five hundred people or thirty-three  
10 percent of the population are located at least one-half mile  
11 away from a child care provider in urbanized areas or at  
12 least ten miles away in rural areas;

13 (2) "Child care facility", a child care facility as  
14 defined in section 210.201 that is licensed pursuant to  
15 section 210.221, or that is unlicensed and that is  
16 registered with the department of elementary and secondary  
17 education;

18 (3) "Department", the Missouri department of economic  
19 development;

20 (4) "Employer matching contribution", a contribution  
21 made by the taxpayer to a cafeteria plan, as that term is  
22 used in 26 U.S.C. Section 125, of an employee of the  
23 taxpayer, which matches a dollar amount or percentage of the  
24 employee's contribution to the cafeteria plan. "Employer

25 matching contribution" shall not include the amount of any  
26 salary reduction or other compensation foregone by the  
27 employee in connection with the cafeteria plan;

28 (5) "Qualified child care expenditure", an amount paid  
29 of reasonable costs incurred that meet any of the following:

30 (a) To acquire, construct, rehabilitate, or expand  
31 property that will be, or is, used as part of a child care  
32 facility that is either operated by the taxpayer or  
33 contracted with by the taxpayer and which does not  
34 constitute part of the principal residence of the taxpayer  
35 or any employee of the taxpayer;

36 (b) For the operating costs of a child care facility  
37 of the taxpayer, including costs relating to the training of  
38 employees, scholarship programs, and for compensation to  
39 employees;

40 (c) Under a contract with a child care facility to  
41 provide child care services to employees of the taxpayer; or

42 (d) As an employer matching contribution, but only to  
43 the extent such employer matching contribution is restricted  
44 by the taxpayer solely for the taxpayer's employee to obtain  
45 child care services at a child care facility and is used for  
46 that purpose during the tax year;

47 (6) "Rural area", a town or community within the state  
48 that is not within a metropolitan statistical area and has a  
49 population of six thousand or fewer inhabitants as  
50 determined by the last preceding federal decennial census or  
51 any unincorporated area not within a metropolitan  
52 statistical area;

53 (7) "State tax liability", in the case of a business  
54 taxpayer, any liability incurred by such taxpayer pursuant  
55 to the provisions of chapter 143 and chapter 148, exclusive  
56 of the provisions relating to the withholding of tax as



57 provided for in sections 143.191 to 143.265 and related  
58 provisions, and in the case of an individual taxpayer, any  
59 liability incurred by such taxpayer pursuant to the  
60 provisions of chapter 143;

61 (8) "Tax credit", a credit against the taxpayer's  
62 state tax liability;

63 (9) "Taxpayer", a corporation as defined in section  
64 143.441 or 143.471, any charitable organization that is  
65 exempt from federal income tax and whose Missouri unrelated  
66 business taxable income, if any, would be subject to the  
67 state income tax imposed under chapter 143, or individuals  
68 or partnerships subject to the state income tax imposed by  
69 the provisions of chapter 143.

70 3. For all tax years beginning on or after January 1,  
71 2023, a taxpayer may claim a tax credit authorized in this  
72 section in an amount equal to thirty percent of the  
73 qualified child care expenditures paid or incurred with  
74 respect to a child care facility. The maximum amount of any  
75 tax credit issued under this section shall not exceed two  
76 hundred thousand dollars per taxpayer per tax year.

77 4. A facility shall not be treated as a child care  
78 facility with respect to a taxpayer unless the following  
79 conditions have been met:

80 (1) Enrollment in the facility is open to employees of  
81 the taxpayer during the tax year; and

82 (2) If the facility is the principal business of the  
83 taxpayer, at least thirty percent of the enrollees of such  
84 facility are dependents of employees of the taxpayer.

85 5. The tax credits authorized by this section shall  
86 not be refundable or transferable. The tax credits shall  
87 not be sold, assigned, or otherwise conveyed. Any amount of  
88 approved tax credits that a taxpayer is prohibited by this

89 subsection from using for the tax year in which the credit  
90 is first claimed may be carried back to the taxpayer's  
91 immediately prior tax year and carried forward to the  
92 taxpayer's subsequent tax year for up to five succeeding tax  
93 years.

94 6. Notwithstanding any provision of subsection 5 of  
95 this section to the contrary, a taxpayer that is exempt,  
96 under 26 U.S.C. Section 501(c)(3), and any amendments  
97 thereto, from all or part of the federal income tax shall be  
98 eligible for a refund of its tax credit issued under this  
99 section, without regard to whether it has incurred any state  
100 tax liability. Such exempt taxpayer may claim a refund of  
101 the tax credit on its tax return required to be filed under  
102 the provisions of chapter 143, exclusive of the return for  
103 the withholding of tax under sections 143.191 to 143.265.  
104 If such exempt taxpayer is not required to file a tax return  
105 under the provisions of chapter 143, the exempt taxpayer may  
106 claim a refund of the tax credit on a refund claim form  
107 prescribed by the department of revenue. The department of  
108 revenue shall prescribe such forms, instructions, and rules  
109 as it deems appropriate to carry out the provisions of this  
110 subsection.

111 7. (1) The cumulative amount of tax credits  
112 authorized pursuant to this section shall not exceed twenty  
113 million dollars for each calendar year. The department  
114 shall approve tax credit applications on a first-come, first-  
115 served basis until the cumulative tax credit authorization  
116 limit is reached for the calendar year.

117 (2) If the maximum amount of tax credits allowed in  
118 any calendar year as provided pursuant to subdivision (1) of  
119 this subsection is authorized, the maximum amount of tax  
120 credits allowed pursuant to subdivision (1) of this

121 subsection shall be increased by fifteen percent, provided  
122 that all such increases in the allowable amount of tax  
123 credits shall be reserved for qualified child care  
124 expenditures for child care facilities located in a child  
125 care desert. The director of the department shall publish  
126 such adjusted amount.

127 8. A taxpayer who has claimed a tax credit under this  
128 section shall notify the department within sixty days of any  
129 cessation of operation, change in ownership, or agreement to  
130 assume recapture liability as such terms are defined by 26  
131 U.S.C. Section 45F, in the form and manner prescribed by  
132 department rule or instruction. If there is a cessation of  
133 operation or change in ownership relating to a child care  
134 facility, the taxpayer shall repay the department the  
135 applicable recapture percentage of the credit allowed under  
136 this section, but this recapture amount shall be limited to  
137 the tax credit allowed under this section. The recapture  
138 amount shall be considered a tax liability arising on the  
139 tax payment due date for the tax year in which the cessation  
140 of operation, change in ownership, or agreement to assume  
141 recapture liability occurred and shall be assessed and  
142 collected under the same provisions that apply to a tax  
143 liability under chapter 143 or chapter 148.

144 9. The tax credit allowed pursuant to this section  
145 shall be considered a domestic and social tax credit under  
146 subdivision (5) of subsection 2 of section 135.800.

147 10. All action and communication undertaken or  
148 required under this section shall be exempt from section  
149 105.1500.

150 11. The department may promulgate rules to implement  
151 and administer the provisions of this section. Any rule or  
152 portion of a rule, as that term is defined in section

153 536.010, that is created pursuant to the authority delegated  
154 in this section shall become effective only if it complies  
155 with and is subject to all of the provisions of chapter 536  
156 and, if applicable, section 536.028. This section and  
157 chapter 536 are nonseverable and if any of the powers vested  
158 with the general assembly pursuant to chapter 536 to review,  
159 to delay the effective date, or to disapprove and annul a  
160 rule are subsequently held unconstitutional, then the grant  
161 of rulemaking authority and any rule proposed or adopted  
162 after August 28, 2023, shall be invalid and void.

163 12. Pursuant to section 23.253 of the Missouri sunset  
164 act:

165 (1) The program authorized under this act shall expire  
166 on December 31, 2029, unless reauthorized by the general  
167 assembly;

168 (2) The act shall terminate on September first of the  
169 calendar year immediately following the calendar year in  
170 which the program authorized under the act is sunset;

171 (3) If such program is reauthorized, the program  
172 authorized under this act shall automatically sunset six  
173 years after the effective date of the reauthorization of the  
174 act; and

175 (4) The provisions of this subsection shall not be  
176 construed to limit or in any way impair the department of  
177 revenue's ability to redeem tax credits authorized on or  
178 before the date the program authorized pursuant to this  
179 section expires or a taxpayer's ability to redeem such tax  
180 credits.

135.1350. 1. This section shall be known and may be  
2 cited as the "Child Care Providers Tax Credit Act".

3 2. For purposes of this section, the following terms  
4 shall mean:

5           (1) "Capital expenditures", expenses incurred by a  
6 child care provider, during the tax year for which a tax  
7 credit is claimed pursuant to this section, for the  
8 construction, renovation, or rehabilitation of a child care  
9 facility to the extent necessary to operate a child care  
10 facility and comply with applicable child care facility  
11 regulations promulgated by the department of elementary and  
12 secondary education;

13           (2) "Child care desert", a census tract that has a  
14 poverty rate of at least twenty percent or a median family  
15 income of less than eighty percent of the statewide average  
16 and where at least five hundred people or thirty-three  
17 percent of the population are located at least one-half mile  
18 away from a child care provider in urbanized areas or at  
19 least ten miles away in rural areas;

20           (3) "Child care facility", the same as defined in  
21 section 210.201;

22           (4) "Child care provider", a child care provider as  
23 defined in section 210.201 that is licensed pursuant to  
24 section 210.221, or that is unlicensed and that is  
25 registered with the department of elementary and secondary  
26 education;

27           (5) "Department", the department of elementary and  
28 secondary education;

29           (6) "Employee", an employee, as that term is used in  
30 subsection 2 of section 143.191, of a child care provider  
31 who worked for the child care provider for an average of at  
32 least ten hours per week for at least a three-month period  
33 during the tax year for which a tax credit is claimed  
34 pursuant to this section and who is not an immediate family  
35 member of the child care provider;

36           (7) "Eligible employer withholding tax", the total  
37 amount of tax that the child care provider was required,  
38 under section 143.191, to deduct and withhold from the wages  
39 it paid to employees during the tax year for which the child  
40 care provider is claiming a tax credit pursuant to this  
41 section, to the extent actually paid;

42           (8) "Rural area", a town or community within the state  
43 that is not within a metropolitan statistical area and has a  
44 population of six thousand or fewer inhabitants as  
45 determined by the last preceding federal decennial census or  
46 any unincorporated area not within a metropolitan  
47 statistical area;

48           (9) "State tax liability", any liability incurred by  
49 the taxpayer pursuant to the provisions of chapter 143,  
50 exclusive of the provisions relating to the withholding of  
51 tax as provided for in sections 143.191 to 143.265 and  
52 related provisions;

53           (10) "Tax credit", a credit against the taxpayer's  
54 state tax liability;

55           (11) "Taxpayer", a corporation as defined in section  
56 143.441 or 143.471, any charitable organization that is  
57 exempt from federal income tax and whose Missouri unrelated  
58 business taxable income, if any, would be subject to the  
59 state income tax imposed under chapter 143, or an individual  
60 or partnership subject to the state income tax imposed by  
61 the provisions of chapter 143.

62           3. For all tax years beginning on or after January 1,  
63 2024, a child care provider with three or more employees may  
64 claim a tax credit authorized in this section in an amount  
65 equal to the child care provider's eligible employer  
66 withholding tax, and may also claim a tax credit in an  
67 amount up to thirty percent of the child care provider's

68 capital expenditures. No tax credit for capital  
69 expenditures shall be allowed if the capital expenditures  
70 are less than one thousand dollars. The amount of any tax  
71 credit issued under this section shall not exceed two  
72 hundred thousand dollars per child care provider per tax  
73 year.

74 4. To claim a tax credit authorized pursuant to this  
75 section, a child care provider shall submit to the  
76 department, for preliminary approval, an application for the  
77 tax credit on a form provided by the department and at such  
78 times as the department may require. If the child care  
79 provider is applying for a tax credit for capital  
80 expenditures, the child care provider shall present proof  
81 acceptable to the department that the child care provider's  
82 capital expenditures satisfy the requirements of subdivision  
83 (1) of subsection 2 of this section. Upon final approval of  
84 an application, the department shall issue the child care  
85 provider a certificate of tax credit.

86 5. The tax credits authorized by this section shall  
87 not be refundable and shall not be transferred, sold,  
88 assigned, or otherwise conveyed. Any amount of credit that  
89 exceeds the child care provider's state tax liability for  
90 the tax year for which the tax credit is issued may be  
91 carried back to the child care provider's immediately prior  
92 tax year or carried forward to the child care provider's  
93 subsequent tax year for up to five succeeding tax years.

94 6. Notwithstanding any provision of subsection 5 of  
95 this section to the contrary, a child care provider that is  
96 exempt, under 26 U.S.C. Section 501(c)(3), and any  
97 amendments thereto, from all or part of the federal income  
98 tax shall be eligible for a refund of its tax credit issued  
99 under this section, without regard to whether it has

100 incurred any state tax liability. Such exempt child care  
101 provider may claim a refund of the tax credit on its tax  
102 return required to be filed under the provisions of chapter  
103 143, exclusive of the return for the withholding of tax  
104 under sections 143.191 to 143.265. If such exempt child  
105 care provider is not required to file a tax return under the  
106 provisions of chapter 143, the exempt child care provider  
107 may claim a refund of the tax credit on a refund claim form  
108 prescribed by the department of revenue. The department of  
109 revenue shall prescribe such forms, instructions, and rules  
110 as it deems appropriate to carry out the provisions of this  
111 subsection.

112       7. (1) The cumulative amount of tax credits  
113 authorized pursuant to this section shall not exceed twenty  
114 million dollars for each calendar year. The department  
115 shall approve tax credit applications on a first-come, first-  
116 served basis until the cumulative tax credit authorization  
117 limit is reached for the calendar year.

118       (2) If the maximum amount of tax credits allowed in  
119 any calendar year as provided pursuant to subdivision (1) of  
120 this subsection is authorized, the maximum amount of tax  
121 credits allowed pursuant to subdivision (1) of this  
122 subsection shall be increased by fifteen percent, provided  
123 that all such increases in the allowable amount of tax  
124 credits shall be reserved for child care providers located  
125 in a child care desert. The director of the department  
126 shall publish such adjusted amount.

127       8. The tax credit authorized by this section shall be  
128 considered a domestic and social tax credit under  
129 subdivision (5) of subsection 2 of section 135.800.

130       9. All action and communication undertaken or required  
131 with respect to this section shall be exempt from section



132 105.1500. Notwithstanding section 32.057 or any other tax  
133 confidentiality law to the contrary, the department of  
134 revenue may disclose tax information to the department for  
135 the purpose of the verification of a child care provider's  
136 eligible employer withholding tax under this section.

137 10. The department may promulgate rules and adopt  
138 statements of policy, procedures, forms and guidelines to  
139 implement and administer the provisions of this section.  
140 Any rule or portion of a rule, as that term is defined in  
141 section 536.010, that is created pursuant to the authority  
142 delegated in this section shall become effective only if it  
143 complies with and is subject to all of the provisions of  
144 chapter 536 and, if applicable, section 536.028. This  
145 section and chapter 536 are nonseverable and if any of the  
146 powers vested with the general assembly pursuant to chapter  
147 536 to review, to delay the effective date, or to disapprove  
148 and annul a rule are subsequently held unconstitutional,  
149 then the grant of rulemaking authority and any rule proposed  
150 or adopted after August 28, 2023, shall be invalid and void.

151 11. Pursuant to section 23.253 of the Missouri sunset  
152 act:

153 (1) The program authorized under this section shall  
154 expire on December 31, 2029, unless reauthorized by the  
155 general assembly;

156 (2) The act shall terminate on September first of the  
157 calendar year immediately following the calendar year in  
158 which the program authorized under this section is sunset;

159 (3) If such program is reauthorized, the program  
160 authorized under this section shall automatically sunset six  
161 years after the effective date of the reauthorization of  
162 this section; and

163           **(4) The provisions of this subsection shall not be**  
164 **construed to limit or in any way impair the department of**  
165 **revenue's ability to redeem tax credits authorized on or**  
166 **before the date the program authorized pursuant to this**  
167 **section expires or a taxpayer's ability to redeem such tax**  
168 **credits.**

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

13           2. There are also specifically exempted from the  
14 provisions of the local sales tax law as defined in section  
15 32.085, section 238.235, and sections 144.010 to 144.525 and  
16 144.600 to 144.761 and from the computation of the tax  
17 levied, assessed or payable pursuant to the local sales tax  
18 law as defined in section 32.085, section 238.235, and  
19 sections 144.010 to 144.525 and 144.600 to 144.745:

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

27 to be sold ultimately in processed form at retail; or seed,  
28 limestone or fertilizer which is to be used for seeding,  
29 liming or fertilizing crops which when harvested will be  
30 sold at retail or will be fed to livestock or poultry to be  
31 sold ultimately in processed form at retail; economic  
32 poisons registered pursuant to the provisions of the  
33 Missouri pesticide registration [law] act, sections  
34 [281.220] 281.210 to 281.310, which are to be used in  
35 connection with the growth or production of crops, fruit  
36 trees or orchards applied before, during, or after planting,  
37 the crop of which when harvested will be sold at retail or  
38 will be converted into foodstuffs which are to be sold  
39 ultimately in processed form at retail;

40 (2) Materials, manufactured goods, machinery and parts  
41 which when used in manufacturing, processing, compounding,  
42 mining, producing or fabricating become a component part or  
43 ingredient of the new personal property resulting from such  
44 manufacturing, processing, compounding, mining, producing or  
45 fabricating and which new personal property is intended to  
46 be sold ultimately for final use or consumption; and  
47 materials, including without limitation, gases and  
48 manufactured goods, including without limitation slagging  
49 materials and firebrick, which are ultimately consumed in  
50 the manufacturing process by blending, reacting or  
51 interacting with or by becoming, in whole or in part,  
52 component parts or ingredients of steel products intended to  
53 be sold ultimately for final use or consumption;

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

59           (4) Replacement machinery, equipment, and parts and  
60 the materials and supplies solely required for the  
61 installation or construction of such replacement machinery,  
62 equipment, and parts, used directly in manufacturing,  
63 mining, fabricating or producing a product which is intended  
64 to be sold ultimately for final use or consumption; and  
65 machinery and equipment, and the materials and supplies  
66 required solely for the operation, installation or  
67 construction of such machinery and equipment, purchased and  
68 used to establish new, or to replace or expand existing,  
69 material recovery processing plants in this state. For the  
70 purposes of this subdivision, a "material recovery  
71 processing plant" means a facility that has as its primary  
72 purpose the recovery of materials into a usable product or a  
73 different form which is used in producing a new product and  
74 shall include a facility or equipment which are used  
75 exclusively for the collection of recovered materials for  
76 delivery to a material recovery processing plant but shall  
77 not include motor vehicles used on highways. For purposes  
78 of this section, the terms motor vehicle and highway shall  
79 have the same meaning pursuant to section 301.010. For the  
80 purposes of this subdivision, subdivision (5) of this  
81 subsection, and section 144.054, as well as the definition  
82 in subdivision (9) of subsection 1 of section 144.010, the  
83 term "product" includes telecommunications services and the  
84 term "manufacturing" shall include the production, or  
85 production and transmission, of telecommunications  
86 services. The preceding sentence does not make a  
87 substantive change in the law and is intended to clarify  
88 that the term "manufacturing" has included and continues to  
89 include the production and transmission of  
90 "telecommunications services", as enacted in this

91 subdivision and subdivision (5) of this subsection, as well  
92 as the definition in subdivision (9) of subsection 1 of  
93 section 144.010. The preceding two sentences reaffirm  
94 legislative intent consistent with the interpretation of  
95 this subdivision and subdivision (5) of this subsection in  
96 *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d  
97 763 (Mo. banc 2002) and *Southwestern Bell Tel. Co. v.*  
98 *Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), and  
99 accordingly abrogates the Missouri supreme court's  
100 interpretation of those exemptions in *IBM Corporation v.*  
101 *Director of Revenue*, 491 S.W.3d 535 (Mo. banc 2016) to the  
102 extent inconsistent with this section and *Southwestern Bell*  
103 *Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc  
104 2002) and *Southwestern Bell Tel. Co. v. Director of Revenue*,  
105 182 S.W.3d 226 (Mo. banc 2005). The construction and  
106 application of this subdivision as expressed by the Missouri  
107 supreme court in *DST Systems, Inc. v. Director of Revenue*,  
108 43 S.W.3d 799 (Mo. banc 2001); *Southwestern Bell Tel. Co. v.*  
109 *Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and  
110 *Southwestern Bell Tel. Co. v. Director of Revenue*, 182  
111 S.W.3d 226 (Mo. banc 2005), is hereby affirmed. Material  
112 recovery is not the reuse of materials within a  
113 manufacturing process or the use of a product previously  
114 recovered. The material recovery processing plant shall  
115 qualify under the provisions of this section regardless of  
116 ownership of the material being recovered;

117 (5) Machinery and equipment, and parts and the  
118 materials and supplies solely required for the installation  
119 or construction of such machinery and equipment, purchased  
120 and used to establish new or to expand existing  
121 manufacturing, mining or fabricating plants in the state if  
122 such machinery and equipment is used directly in

123 manufacturing, mining or fabricating a product which is  
124 intended to be sold ultimately for final use or  
125 consumption. The construction and application of this  
126 subdivision as expressed by the Missouri supreme court in  
127 *DST Systems, Inc. v. Director of Revenue*, 43 S.W.3d 799 (Mo.  
128 banc 2001); *Southwestern Bell Tel. Co. v. Director of*  
129 *Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and *Southwestern*  
130 *Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo.  
131 banc 2005), is hereby affirmed;

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

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

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

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

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

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

153 (12) Electrical energy used in the actual primary  
154 manufacture, processing, compounding, mining or producing of

155 a product, or electrical energy used in the actual secondary  
156 processing or fabricating of the product, or a material  
157 recovery processing plant as defined in subdivision (4) of  
158 this subsection, in facilities owned or leased by the  
159 taxpayer, if the total cost of electrical energy so used  
160 exceeds ten percent of the total cost of production, either  
161 primary or secondary, exclusive of the cost of electrical  
162 energy so used or if the raw materials used in such  
163 processing contain at least twenty-five percent recovered  
164 materials as defined in section 260.200. There shall be a  
165 rebuttable presumption that the raw materials used in the  
166 primary manufacture of automobiles contain at least twenty-  
167 five percent recovered materials. For purposes of this  
168 subdivision, "processing" means any mode of treatment, act  
169 or series of acts performed upon materials to transform and  
170 reduce them to a different state or thing, including  
171 treatment necessary to maintain or preserve such processing  
172 by the producer at the production facility;

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

177 (14) Machinery, equipment, appliances and devices  
178 purchased or leased and used solely for the purpose of  
179 preventing, abating or monitoring air pollution, and  
180 materials and supplies solely required for the installation,  
181 construction or reconstruction of such machinery, equipment,  
182 appliances and devices;

183 (15) Machinery, equipment, appliances and devices  
184 purchased or leased and used solely for the purpose of  
185 preventing, abating or monitoring water pollution, and  
186 materials and supplies solely required for the installation,

187 construction or reconstruction of such machinery, equipment,  
188 appliances and devices;

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

191 (17) All amounts paid or charged for admission or  
192 participation or other fees paid by or other charges to  
193 individuals in or for any place of amusement, entertainment  
194 or recreation, games or athletic events, including museums,  
195 fairs, zoos and planetariums, owned or operated by a  
196 municipality or other political subdivision where all the  
197 proceeds derived therefrom benefit the municipality or other  
198 political subdivision and do not inure to any private  
199 person, firm, or corporation, provided, however, that a  
200 municipality or other political subdivision may enter into  
201 revenue-sharing agreements with private persons, firms, or  
202 corporations providing goods or services, including  
203 management services, in or for the place of amusement,  
204 entertainment or recreation, games or athletic events, and  
205 provided further that nothing in this subdivision shall  
206 exempt from tax any amounts retained by any private person,  
207 firm, or corporation under such revenue-sharing agreement;

208 (18) All sales of insulin, and all sales, rentals,  
209 repairs, and parts of durable medical equipment, prosthetic  
210 devices, and orthopedic devices as defined on January 1,  
211 1980, by the federal Medicare program pursuant to Title  
212 XVIII of the Social Security Act of 1965, including the  
213 items specified in Section 1862(a)(12) of that act **(42**  
214 **U.S.C. Section 1395y, as amended)**, and also specifically  
215 including hearing aids and hearing aid supplies and all  
216 sales of drugs which may be legally dispensed by a licensed  
217 pharmacist only upon a lawful prescription of a practitioner  
218 licensed to administer those items, including samples and



219 materials used to manufacture samples which may be dispensed  
220 by a practitioner authorized to dispense such samples and  
221 all sales or rental of medical oxygen, home respiratory  
222 equipment and accessories including parts, and hospital beds  
223 and accessories and ambulatory aids including parts, and all  
224 sales or rental of manual and powered wheelchairs including  
225 parts, and stairway lifts, Braille writers, electronic  
226 Braille equipment and, if purchased or rented by or on  
227 behalf of a person with one or more physical or mental  
228 disabilities to enable them to function more independently,  
229 all sales or rental of scooters including parts, and reading  
230 machines, electronic print enlargers and magnifiers,  
231 electronic alternative and augmentative communication  
232 devices, and items used solely to modify motor vehicles to  
233 permit the use of such motor vehicles by individuals with  
234 disabilities or sales of over-the-counter or nonprescription  
235 drugs to individuals with disabilities, and drugs required  
236 by the Food and Drug Administration to meet the over-the-  
237 counter drug product labeling requirements in 21 CFR 201.66,  
238 or its successor, as prescribed by a health care  
239 practitioner licensed to prescribe;

240 (19) All sales made by or to religious and charitable  
241 organizations and institutions in their religious,  
242 charitable or educational functions and activities and all  
243 sales made by or to all elementary and secondary schools  
244 operated at public expense in their educational functions  
245 and activities;

246 (20) All sales of aircraft to common carriers for  
247 storage or for use in interstate commerce and all sales made  
248 by or to not-for-profit civic, social, service or fraternal  
249 organizations, including fraternal organizations which have  
250 been declared tax-exempt organizations pursuant to Section

251 501(c) (8) or (10) of the 1986 Internal Revenue Code, as  
252 amended, in their civic or charitable functions and  
253 activities and all sales made to eleemosynary and penal  
254 institutions and industries of the state, and all sales made  
255 to any private not-for-profit institution of higher  
256 education not otherwise excluded pursuant to subdivision  
257 (19) of this subsection or any institution of higher  
258 education supported by public funds, and all sales made to a  
259 state relief agency in the exercise of relief functions and  
260 activities;

261 (21) All ticket sales made by benevolent, scientific  
262 and educational associations which are formed to foster,  
263 encourage, and promote progress and improvement in the  
264 science of agriculture and in the raising and breeding of  
265 animals, and by nonprofit summer theater organizations if  
266 such organizations are exempt from federal tax pursuant to  
267 the provisions of the Internal Revenue Code and all  
268 admission charges and entry fees to the Missouri state fair  
269 or any fair conducted by a county agricultural and  
270 mechanical society organized and operated pursuant to  
271 sections 262.290 to 262.530;

272 (22) All sales made to any private not-for-profit  
273 elementary or secondary school, all sales of feed additives,  
274 medications or vaccines administered to livestock or poultry  
275 in the production of food or fiber, all sales of pesticides  
276 used in the production of crops, livestock or poultry for  
277 food or fiber, all sales of bedding used in the production  
278 of livestock or poultry for food or fiber, all sales of  
279 propane or natural gas, electricity or diesel fuel used  
280 exclusively for drying agricultural crops, natural gas used  
281 in the primary manufacture or processing of fuel ethanol as  
282 defined in section 142.028, natural gas, propane, and

283 electricity used by an eligible new generation cooperative  
284 or an eligible new generation processing entity as defined  
285 in section 348.432, and all sales of farm machinery and  
286 equipment, other than airplanes, motor vehicles and  
287 trailers, and any freight charges on any exempt item. As  
288 used in this subdivision, the term "feed additives" means  
289 tangible personal property which, when mixed with feed for  
290 livestock or poultry, is to be used in the feeding of  
291 livestock or poultry. As used in this subdivision, the term  
292 "pesticides" includes adjuvants such as crop oils,  
293 surfactants, wetting agents and other assorted pesticide  
294 carriers used to improve or enhance the effect of a  
295 pesticide and the foam used to mark the application of  
296 pesticides and herbicides for the production of crops,  
297 livestock or poultry. As used in this subdivision, the term  
298 "farm machinery and equipment" shall mean:

299 (a) New or used farm tractors and such other new or  
300 used farm machinery and equipment, including utility  
301 vehicles used for any agricultural use, and repair or  
302 replacement parts thereon and any accessories for and  
303 upgrades to such farm machinery and equipment and rotary  
304 mowers used for any agricultural purposes. For the purposes  
305 of this subdivision, "utility vehicle" shall mean any  
306 motorized vehicle manufactured and used exclusively for off-  
307 highway use which is more than fifty inches but no more than  
308 eighty inches in width, measured from outside of tire rim to  
309 outside of tire rim, with an unladen dry weight of three  
310 thousand five hundred pounds or less, traveling on four or  
311 six wheels;

312 (b) Supplies and lubricants used exclusively, solely,  
313 and directly for producing crops, raising and feeding  
314 livestock, fish, poultry, pheasants, chukar, quail, or for

315 producing milk for ultimate sale at retail, including field  
316 drain tile; and

317 (c) One-half of each purchaser's purchase of diesel  
318 fuel therefor which is:

319 a. Used exclusively for agricultural purposes;

320 b. Used on land owned or leased for the purpose of  
321 producing farm products; and

322 c. Used directly in producing farm products to be sold  
323 ultimately in processed form or otherwise at retail or in  
324 producing farm products to be fed to livestock or poultry to  
325 be sold ultimately in processed form at retail;

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

332 (a) "Domestic use" means that portion of metered water  
333 service, electricity, electrical current, natural,  
334 artificial or propane gas, wood, coal or home heating oil,  
335 and in any city not within a county, metered or unmetered  
336 water service, which an individual occupant of a residential  
337 premises uses for nonbusiness, noncommercial or  
338 nonindustrial purposes. Utility service through a single or  
339 master meter for residential apartments or condominiums,  
340 including service for common areas and facilities and vacant  
341 units, shall be deemed to be for domestic use. Each seller  
342 shall establish and maintain a system whereby individual  
343 purchases are determined as exempt or nonexempt;

344 (b) Regulated utility sellers shall determine whether  
345 individual purchases are exempt or nonexempt based upon the  
346 seller's utility service rate classifications as contained

347 in tariffs on file with and approved by the Missouri public  
348 service commission. Sales and purchases made pursuant to  
349 the rate classification "residential" and sales to and  
350 purchases made by or on behalf of the occupants of  
351 residential apartments or condominiums through a single or  
352 master meter, including service for common areas and  
353 facilities and vacant units, shall be considered as sales  
354 made for domestic use and such sales shall be exempt from  
355 sales tax. Sellers shall charge sales tax upon the entire  
356 amount of purchases classified as nondomestic use. The  
357 seller's utility service rate classification and the  
358 provision of service thereunder shall be conclusive as to  
359 whether or not the utility must charge sales tax;

360 (c) Each person making domestic use purchases of  
361 services or property and who uses any portion of the  
362 services or property so purchased for a nondomestic use  
363 shall, by the fifteenth day of the fourth month following  
364 the year of purchase, and without assessment, notice or  
365 demand, file a return and pay sales tax on that portion of  
366 nondomestic purchases. Each person making nondomestic  
367 purchases of services or property and who uses any portion  
368 of the services or property so purchased for domestic use,  
369 and each person making domestic purchases on behalf of  
370 occupants of residential apartments or condominiums through  
371 a single or master meter, including service for common areas  
372 and facilities and vacant units, under a nonresidential  
373 utility service rate classification may, between the first  
374 day of the first month and the fifteenth day of the fourth  
375 month following the year of purchase, apply for credit or  
376 refund to the director of revenue and the director shall  
377 give credit or make refund for taxes paid on the domestic  
378 use portion of the purchase. The person making such

379 purchases on behalf of occupants of residential apartments  
380 or condominiums shall have standing to apply to the director  
381 of revenue for such credit or refund;

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

387 (25) Excise taxes, collected on sales at retail,  
388 imposed by Sections 4041, 4071, 4081, [4091,] 4161, 4181,  
389 4251, 4261 and 4271 of Title 26, United States Code. The  
390 director of revenue shall promulgate rules pursuant to  
391 chapter 536 to eliminate all state and local sales taxes on  
392 such excise taxes;

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

400 (27) All sales made to an interstate compact agency  
401 created pursuant to sections 70.370 to 70.441 or sections  
402 238.010 to 238.100 in the exercise of the functions and  
403 activities of such agency as provided pursuant to the  
404 compact;

405 (28) Computers, computer software and computer  
406 security systems purchased for use by architectural or  
407 engineering firms headquartered in this state. For the  
408 purposes of this subdivision, "headquartered in this state"  
409 means the office for the administrative management of at

410 least four integrated facilities operated by the taxpayer is  
411 located in the state of Missouri;

412 (29) All livestock sales when either the seller is  
413 engaged in the growing, producing or feeding of such  
414 livestock, or the seller is engaged in the business of  
415 buying and selling, bartering or leasing of such livestock;

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

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

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

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

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

435 (35) All sales of feed which are developed for and  
436 used in the feeding of pets owned by a commercial breeder  
437 when such sales are made to a commercial breeder, as defined  
438 in section 273.325, and licensed pursuant to sections  
439 273.325 to 273.357;

440 (36) All purchases by a contractor on behalf of an  
441 entity located in another state, provided that the entity is

442 authorized to issue a certificate of exemption for purchases  
443 to a contractor under the provisions of that state's laws.  
444 For purposes of this subdivision, the term "certificate of  
445 exemption" shall mean any document evidencing that the  
446 entity is exempt from sales and use taxes on purchases  
447 pursuant to the laws of the state in which the entity is  
448 located. Any contractor making purchases on behalf of such  
449 entity shall maintain a copy of the entity's exemption  
450 certificate as evidence of the exemption. If the exemption  
451 certificate issued by the exempt entity to the contractor is  
452 later determined by the director of revenue to be invalid  
453 for any reason and the contractor has accepted the  
454 certificate in good faith, neither the contractor or the  
455 exempt entity shall be liable for the payment of any taxes,  
456 interest and penalty due as the result of use of the invalid  
457 exemption certificate. Materials shall be exempt from all  
458 state and local sales and use taxes when purchased by a  
459 contractor for the purpose of fabricating tangible personal  
460 property which is used in fulfilling a contract for the  
461 purpose of constructing, repairing or remodeling facilities  
462 for the following:

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

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

472 (37) All sales or other transfers of tangible personal  
473 property to a lessor who leases the property under a lease



474 of one year or longer executed or in effect at the time of  
475 the sale or other transfer to an interstate compact agency  
476 created pursuant to sections 70.370 to 70.441 or sections  
477 238.010 to 238.100;

478 (38) Sales of tickets to any collegiate athletic  
479 championship event that is held in a facility owned or  
480 operated by a governmental authority or commission, a quasi-  
481 governmental agency, a state university or college or by the  
482 state or any political subdivision thereof, including a  
483 municipality, and that is played on a neutral site and may  
484 reasonably be played at a site located outside the state of  
485 Missouri. For purposes of this subdivision, "neutral site"  
486 means any site that is not located on the campus of a  
487 conference member institution participating in the event;

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

493 (40) All materials, replacement parts, and equipment  
494 purchased for use directly upon, and for the modification,  
495 replacement, repair, and maintenance of aircraft, aircraft  
496 power plants, and aircraft accessories;

497 (41) Sales of sporting clays, wobble, skeet, and trap  
498 targets to any shooting range or similar places of business  
499 for use in the normal course of business and money received  
500 by a shooting range or similar places of business from  
501 patrons and held by a shooting range or similar place of  
502 business for redistribution to patrons at the conclusion of  
503 a shooting event;

504 (42) All sales of motor fuel, as defined in section  
505 142.800, used in any watercraft, as defined in section  
506 306.010;

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

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

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

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

534 (45) All internet access or the use of internet access  
535 regardless of whether the tax is imposed on a provider of

536 internet access or a buyer of internet access. For purposes  
537 of this subdivision, the following terms shall mean:

538 (a) "Direct costs", costs incurred by a governmental  
539 authority solely because of an internet service provider's  
540 use of the public right-of-way. The term shall not include  
541 costs that the governmental authority would have incurred if  
542 the internet service provider did not make such use of the  
543 public right-of-way. Direct costs shall be determined in a  
544 manner consistent with generally accepted accounting  
545 principles;

546 (b) "Internet", computer and telecommunications  
547 facilities, including equipment and operating software, that  
548 comprises the interconnected worldwide network that employ  
549 the transmission control protocol or internet protocol, or  
550 any predecessor or successor protocols to that protocol, to  
551 communicate information of all kinds by wire or radio;

552 (c) "Internet access", a service that enables users to  
553 connect to the internet to access content, information, or  
554 other services without regard to whether the service is  
555 referred to as telecommunications, communications,  
556 transmission, or similar services, and without regard to  
557 whether a provider of the service is subject to regulation  
558 by the Federal Communications Commission as a common carrier  
559 under 47 U.S.C. Section 201, et seq. For purposes of this  
560 subdivision, internet access also includes: the purchase,  
561 use, or sale of communications services, including  
562 telecommunications services as defined in section 144.010,  
563 to the extent the communications services are purchased,  
564 used, or sold to provide the service described in this  
565 subdivision or to otherwise enable users to access content,  
566 information, or other services offered over the internet;  
567 services that are incidental to the provision of a service

568 described in this subdivision, when furnished to users as  
569 part of such service, including a home page, electronic  
570 mail, and instant messaging, including voice-capable and  
571 video-capable electronic mail and instant messaging, video  
572 clips, and personal electronic storage capacity; a home page  
573 electronic mail and instant messaging, including voice-  
574 capable and video-capable electronic mail and instant  
575 messaging, video clips, and personal electronic storage  
576 capacity that are provided independently or that are not  
577 packed with internet access. As used in this subdivision,  
578 internet access does not include voice, audio, and video  
579 programming or other products and services, except services  
580 described in this paragraph or this subdivision, that use  
581 internet protocol or any successor protocol and for which  
582 there is a charge, regardless of whether the charge is  
583 separately stated or aggregated with the charge for services  
584 described in this paragraph or this subdivision;

585 (d) "Tax", any charge imposed by the state or a  
586 political subdivision of the state for the purpose of  
587 generating revenues for governmental purposes and that is  
588 not a fee imposed for a specific privilege, service, or  
589 benefit conferred, except as described as otherwise under  
590 this subdivision, or any obligation imposed on a seller to  
591 collect and to remit to the state or a political subdivision  
592 of the state any gross retail tax, sales tax, or use tax  
593 imposed on a buyer by such a governmental entity. The term  
594 tax shall not include any franchise fee or similar fee  
595 imposed or authorized under sections 67.1830 to 67.1846 or  
596 section 67.2689; Section 622 or 653 of the Communications  
597 Act of 1934, 47 U.S.C. Section 542 and 47 U.S.C. Section  
598 573; or any other fee related to obligations of  
599 telecommunications carriers under the Communications Act of

600 1934, 47 U.S.C. Section 151, et seq., except to the extent  
601 that:

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

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

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

615 (46) All purchases by a company of solar photovoltaic  
616 energy systems, components used to construct a solar  
617 photovoltaic energy system, and all purchases of materials  
618 and supplies used directly to construct or make improvements  
619 to such systems, provided that such systems:

620 (a) Are sold or leased to an end user; or

621 (b) Are used to produce, collect and transmit  
622 electricity for resale or retail;

623 **(47) All sales of diapers. For the purposes of this**  
624 **subdivision, "diapers" means absorbent garments worn by**  
625 **infants or toddlers who are not toilet-trained.**

626 3. Any ruling, agreement, or contract, whether written  
627 or oral, express or implied, between a person and this  
628 state's executive branch, or any other state agency or  
629 department, stating, agreeing, or ruling that such person is  
630 not required to collect sales and use tax in this state

631 despite the presence of a warehouse, distribution center, or  
632 fulfillment center in this state that is owned or operated  
633 by the person or an affiliated person shall be null and void  
634 unless it is specifically approved by a majority vote of  
635 each of the houses of the general assembly. For purposes of  
636 this subsection, an "affiliated person" means any person  
637 that is a member of the same controlled group of  
638 corporations as defined in Section 1563(a) of the Internal  
639 Revenue Code of 1986, as amended, as the vendor or any other  
640 entity that, notwithstanding its form of organization, bears  
641 the same ownership relationship to the vendor as a  
642 corporation that is a member of the same controlled group of  
643 corporations as defined in Section 1563(a) of the Internal  
644 Revenue Code, as amended.

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