

FIRST REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 15**  
98TH GENERAL ASSEMBLY

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Reported from the Committee on Ways and Means, January 29, 2015, 2015, with recommendation that the Senate Committee Substitute do pass.

0302S.04C

ADRIANE D. CROUSE, Secretary.

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**AN ACT**

To repeal sections 136.380 and 144.021, RSMo, and to enact in lieu thereof five new sections relating to taxation.

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

Section A. Sections 136.380 and 144.021, RSMo, are repealed and five new  
2 sections enacted in lieu thereof, to be known as sections 37.650, 136.375, 136.380,  
3 136.450, and 144.021, to read as follows:

**37.650. 1. There is hereby established within the office of  
2 administration the "Office of Taxpayer Advocate", for the purpose of  
3 providing independent assistance to taxpayers. The taxpayer advocate  
4 shall report directly to the commissioner of the office of  
5 administration.**

6 **2. The office shall be administered by the taxpayer advocate,  
7 who shall be appointed by the governor with the advice and consent of  
8 the senate. The taxpayer advocate shall hold office for a term of six  
9 years and shall continue to hold office until a successor has been duly  
10 appointed. The advocate shall act independently of the department of  
11 revenue in the performance of his or her duties. The office of  
12 administration shall provide administrative support and staff as  
13 deemed necessary.**

14 **3. The office shall have the authority:**

15 **(1) To communicate with any taxpayer regarding any tax issues  
16 that the taxpayer is experiencing;**

17 **(2) To communicate with any employees of the department of  
18 revenue regarding a taxpayer's tax issues; and**

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

19           **(3) To have access to any records held by any department or**  
20 **agency regarding a taxpayer's tax issues.**

21           **4. For any information obtained from a state agency or entity**  
22 **under this section, the office of taxpayer advocate shall be subject to**  
23 **the same disclosure restrictions and confidentiality requirements that**  
24 **apply to the state agency or entity providing such information to the**  
25 **office of taxpayer advocate. For information obtained directly by the**  
26 **office of taxpayer advocate under this section, the office of taxpayer**  
27 **advocate shall be subject to the same disclosure restrictions and**  
28 **confidentiality requirements that apply to the department of revenue.**

29           **5. The office shall annually submit to the governor and the**  
30 **general assembly a detailed report on the work of the office of the**  
31 **taxpayer advocate. Such report shall include, but not be limited to, the**  
32 **number of taxpayer cases handled by the office and the disposition of**  
33 **such cases. The report shall also include any recommendation for**  
34 **changes in tax laws or the operation of the department of revenue. The**  
35 **report filed by the office shall not be subject to review by any executive**  
36 **branch official.**

**136.375. Missouri taxpayers shall have the right to fair and**  
2 **consistent application of Missouri tax laws by the department of**  
3 **revenue.**

          136.380. [1. The director of revenue shall establish or designate within  
2 the department of revenue the "Office of Taxpayers' Ombudsman". Such office  
3 shall be available to answer taxpayer questions and help solve taxpayer  
4 grievances. The telephone number, facsimile number and address of the  
5 taxpayers' ombudsman shall be disseminated to the general public as required in  
6 subsection 2 of section 136.355. Such office shall be created from existing  
7 personnel or can be staffed from appropriations made for such purpose.

8           **2.] Any employee of the department of revenue which communicates with**  
9 **an individual taxpayer either in writing or by telephone shall provide the**  
10 **taxpayer with an identifying number associated with the employee. The director**  
11 **may develop the identifying procedure by policy.**

**136.450. 1. There is hereby established the "Study Commission**  
2 **on State Tax Policy" which shall be composed of the following members:**

3           **(1) The members of the joint committee on tax policy established**  
4 **in section 21.810;**

5           **(2) The state treasurer;**

6           **(3) The state budget director;**

7           **(4) The director of the department of revenue, but only if such**  
8 **person has been appointed by the governor with the advice and consent**  
9 **of the senate in accordance with article IV, section 51 of the**  
10 **Constitution of Missouri;**

11           **(5) Three individuals representing the needs and concerns of**  
12 **individual taxpayers in this state, one of whom shall be appointed by**  
13 **the lieutenant governor, one of whom shall be appointed by the**  
14 **minority floor leader of the house of representatives, and one of whom**  
15 **shall be appointed by the minority floor leader of the senate;**

16           **(6) A certified public accountant, who shall be appointed by the**  
17 **lieutenant governor in consultation with the Missouri Society of**  
18 **Certified Public Accountants;**

19           **(7) An individual with experience operating a business with a**  
20 **headquarters in this state and fewer than fifty employees, who shall be**  
21 **appointed by the speaker of the house of representatives;**

22           **(8) An individual with experience operating a business with a**  
23 **headquarters in this state and at least fifty employees, who shall be**  
24 **appointed by the president pro tempore of the senate;**

25           **(9) Two individuals with significant experience in state and local**  
26 **taxation, public or private budgeting and finance, or public services**  
27 **delivery, one of whom shall be appointed by the speaker of the house**  
28 **of representatives in consultation with the Missouri Association of**  
29 **Counties and the other appointed by the president pro tempore of the**  
30 **senate in consultation with Missouri Municipal League; and**

31           **(10) A member of the Missouri Bar with knowledge of the tax**  
32 **laws of this state, including tax administration and compliance, who**  
33 **shall be appointed by the board of governors of the Missouri Bar.**

34           **2. Any vacancy on the commission shall be filled in the same**  
35 **manner as the original appointment. Any appointed member of the**  
36 **commission shall serve at the pleasure of the appointing**  
37 **authority. Commission members shall serve without compensation but**  
38 **shall be entitled to reimbursement for actual and necessary expenses**  
39 **incurred in the performance of their official duties.**

40           **3. The commission shall meet in the capitol building within ten**  
41 **days after its creation and organize by selecting a chair and vice chair**  
42 **from its members. After its organization, the commission shall adopt**

43 an agenda establishing at least five hearing dates. The hearings shall  
44 be held in different geographic regions of the state and open to the  
45 public. Additional meetings may be scheduled and held as often as the  
46 chair deems advisable. A majority of the members shall constitute a  
47 quorum.

48 4. It shall be the duty of the commission:

49 (1) To make a complete, detailed review and study of the tax  
50 structure of the state and its political subdivisions, including tax  
51 sources, the impact of taxes, collection procedures, administrative  
52 regulations, and all other factors pertinent to the fiscal operation of the  
53 state;

54 (2) To identify the strengths and weaknesses of state tax laws,  
55 and develop a broad range of improvements that could be made to  
56 modernize the tax system, maximize economic development and growth,  
57 and maintain necessary government services at an appropriate level;

58 (3) To investigate measures and methods to simplify state tax  
59 law, improve tax compliance, and reduce administrative costs; and

60 (4) To examine and study any other aspects of state and local  
61 government which may be related to the tax structure of the state.

62 5. In order to carry out its duties and responsibilities under this  
63 section, the commission shall have the authority to:

64 (1) Consult with public and private universities and academies,  
65 public and private organizations, and private citizens in the  
66 performance of its duties;

67 (2) Within the limits of appropriations made for such purpose,  
68 employ consultants or others to assist the commission in its work, or  
69 contract with public and private entities for analysis and study of  
70 current or proposed changes to state and local tax policy; and

71 (3) Make reasonable requests for staff assistance from the  
72 research and appropriations staffs of the house of representatives and  
73 senate and the committee on legislative research, as well as the office  
74 of administration and the department of revenue.

75 6. All state agencies and political subdivisions of the state  
76 responsible for the administration of tax policies shall cooperate with  
77 and assist the commission in the performance of its duties and shall  
78 make available all books, records, and information requested, except  
79 such books, records, and information as are by law declared

80 **confidential in nature, including individually identifiable information**  
81 **regarding a specific taxpayer.**

82 **7. The commission may issue interim reports as it deems fit, but**  
83 **it shall provide the governor and the general assembly with reports of**  
84 **its findings and recommendations for legal and administrative changes,**  
85 **along with any proposed legislation the commission recommends for**  
86 **adoption by the general assembly. A preliminary report shall be due**  
87 **by December 31, 2016. A final report shall be due December 31, 2017.**

88 **8. The commission shall cease all activities by January 1,**  
89 **2018. This section shall expire August 28, 2018.**

144.021. 1. The purpose and intent of sections 144.010 to 144.510 is to  
2 impose a tax upon the privilege of engaging in the business, in this state, of  
3 selling tangible personal property and those services listed in section 144.020 and  
4 for the privilege of titling new and used motor vehicles, trailers, boats, and  
5 outboard motors purchased or acquired for use on the highways or waters of this  
6 state which are required to be registered under the laws of the state of  
7 Missouri. Except as otherwise provided, the primary tax burden is placed upon  
8 the seller making the taxable sales of property or service and is levied at the rate  
9 provided for in section 144.020. Excluding subdivision (9) of subsection 1 of  
10 section 144.020 and sections 144.070, 144.440 and 144.450, the extent to which  
11 a seller is required to collect the tax from the purchaser of the taxable property  
12 or service is governed by section 144.285 and in no way affects sections 144.080  
13 and 144.100, which require all sellers to report to the director of revenue their  
14 "gross receipts", defined herein to mean the aggregate amount of the sales price  
15 of all sales at retail, and remit tax at four percent of their gross receipts.

16 **2. If any item of tangible personal property or service**  
17 **determined to be taxable under sections 144.010 to 144.510 is modified**  
18 **by a decision of:**

19 **(1) The director of revenue;**

20 **(2) The administrative hearing commission; or**

21 **(3) A court of competent jurisdiction;**

22 **which changes which items of tangible personal property or services**  
23 **are taxable, such modification shall not take effect until the**  
24 **department of revenue has promulgated a rule effectuating such**  
25 **decision.**

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