SECOND REGULAR SESSION

SENATE BILL NO. 611

99TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR KOENIG.

Pre-filed December 1, 2017, and ordered printed.

ADRIANE D. CROUSE, Secretary.

4405S.08I

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AN ACT

To repeal sections 32.087, 66.601, 66.620, 67.395, 67.525, 67.571, 67.576, 67.578, 67.581, 67.582, 67.583, 67.584, 67.712, 67.713, 67.729, 67.737, 67.738, 67.745, 67.782, 67.799, 67.997, 67.1300, 67.1303, 67.1305, 67.1545, 67.1712, 67.1713, 67.1775, 67.1959, 67.1971, 67.2000, 67.2030, 67.2525, 67.2530, 94.578, 94.605, 94.660, 94.705, 100.730, 135.110, 135.352, 135.805, 135.825, 142.803, 143.011, 143.071, 143.111, 143.171, 143.261, 144.010, 144.014, 144.020, 144.030, 144.032, 144.043, 144.049, 144.054, 144.060, 144.069, 144.080, 144.083, 144.100, 144.140, 144.190, 144.210, 144.285, 144.517, 144.526, 144.600, 144.605, 144.655, 144.710, 144.759, 144.761, 144.1000, 144.1003, 144.1006, 144.1009, 144.1012, 144.1015, 184.845, 208.1050, 221.407, 238.235, 238.410, 253.550, 253.559, 620.2010, and 644.032, RSMo, and to enact in lieu thereof ninety-seven new sections relating to taxation, with penalty provisions.

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

Section A. Sections 32.087, 66.601, 66.620, 67.395, 67.525, 67.571, 67.576, 67.578, 67.581, 67.582, 67.583, 67.584, 67.712, 67.713, 67.729, 67.737, 67.738, 67.745, 67.782, 67.799, 67.997, 67.1300, 67.1303, 67.1305, 67.1545, 67.1712, 67.1713, 67.1775, 67.1959, 67.1971, 67.2000, 67.2030, 67.2525, 67.2530, 94.578, 94.605, 94.660, 94.705, 100.730, 135.110, 135.352, 135.805, 135.825, 142.803, 143.011, 143.071, 143.111, 143.171, 143.261, 144.010, 144.014, 144.020, 144.030, 144.032, 144.043, 144.049, 144.054, 144.060, 144.069, 144.080, 144.083, 144.100, 144.140, 144.190, 144.210, 144.285, 144.517, 144.526, 144.600, 144.605, 144.655, 144.710, 144.759, 144.761, 144.1000, 144.1003, 144.1006, 144.1009, 144.1012, 144.1015, 184.845, 208.1050, 221.407, 238.235, 238.410, 253.550, 253.559, 620.2010, and 644.032, RSMo, are repealed and ninety-seven new sections

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

enacted in lieu thereof, to be known as sections 32.070, 32.086, 32.087, 66.620, 67.395, 67.525, 67.571, 67.576, 67.578, 67.581, 67.582, 67.583, 67.584, 67.712, 67.713, 67.729, 67.737, 67.738, 67.745, 67.782, 67.799, 67.997, 67.1300, 67.1303, 67.1305, 67.1545, 67.1712, 67.1775, 67.1959, 67.2000, 67.2030, 67.2525, 67.2530, 94.578, 94.605, 94.660, 94.705, 100.730, 135.110, 135.352, 135.760, 135.805, 135.825, 142.803, 143.011, 143.071, 143.111, 143.171, 144.010, 144.014, 144.020, 144.022, 144.030, 144.032, 144.049, 144.054, 144.060, 144.079, 144.080, 144.082, 144.083, 144.084, 144.100, 144.105, 144.109, 144.110, 144.111, 144.112, 144.113, 144.114, 144.123, 144.124, 144.125, 144.140, 144.190, 144.210, 144.212, 144.285, 144.517, 144.526, 144.600, 144.612, 144.655, 144.710, 144.759, 144.761, 184.845, 208.1050, 221.407, 238.235, 238.410, 253.550, 253.559, 620.2010, 620.3200, 620.3210, and 644.032, to read as follows:

32.070. 1. The director of the department of revenue shall enter into the streamlined sales and use tax agreement with one or more states to simplify and modernize sales and use tax administration in order to substantially reduce the burden of tax compliance for all sellers and for all types of commerce. In furtherance of the streamlined sales and use tax agreement, the director of the department of revenue may act jointly with other states that are members of the streamlined sales and use tax agreement to establish standards for certification of a certified service provider and certified automated system and establish performance standards for multistate sellers.

2. The director of the department of revenue may take other action reasonably required to implement the provisions set forth in the streamlined sales and use tax agreement, including, but not limited to, the promulgation of rules and the joint procurement, with other member states, of goods and services in furtherance of the streamlined sales and use tax agreement.

3. For the purposes of representing the state as a member of the agreement and, if necessary, amending the agreement, the state shall be represented by four delegates, one of whom shall be appointed by the governor, one shall be a member of the general assembly appointed by the president pro tempore of the senate, one shall be a member of the general assembly appointed by the speaker of the house of representatives, with the director of the department of revenue or the director's designee as the fourth delegate. 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 agreement.

4. The department of revenue shall promulgate rules necessary to implement the provisions of the streamlined sales and use tax agreement. Any rule or portion of a rule, as that term is defined in section 536.010 that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2018, shall be invalid and void.

32.086. Notwithstanding any other provision of law, for all local sales and use taxes collected by the department and remitted to a political jurisdiction or taxing district, the department shall remit one percent of the amount collected to the general revenue fund to offset the cost of collection, unless a greater amount is specified in the local sales and use tax law. The department shall not commingle the remaining amounts collected with general revenues and shall remit the remaining amounts collected to the political jurisdiction or taxing district less any credits for erroneous payments, overpayments, and dishonored checks.

32.087. 1. Within ten days after the adoption of any ordinance or order in favor of adoption of any local sales tax authorized under the local sales tax law by the voters of a taxing entity, the governing body or official of such taxing entity shall forward to the director of revenue by United States registered mail or certified mail a certified copy of the ordinance or order. **[**The ordinance or order shall reflect the effective date thereof.**]**

2. Any local sales tax so adopted shall become effective **[**on the first day of the second calendar quarter after the director of revenue receives notice of adoption of the local sales tax, except**]** as provided in subsection **[**18**]** **19** of this section, and shall be imposed on all transactions on which the Missouri state sales tax is imposed.

3. **(1)** Every retailer within the jurisdiction of one or more taxing entities which has imposed one or more local sales taxes under the local sales tax law shall add all taxes so imposed along with the tax imposed by the sales tax law of the state of Missouri to the sale price and, when added, the combined tax shall constitute a part of the price, and shall be a debt of the purchaser to the retailer until paid, and shall be recoverable at law in the same manner as the purchase price. The combined rate of the state sales tax and all local sales taxes shall be the sum of the rates, multiplying the combined rate times the amount of the sale.

(2) For all tax years beginning on or after January 1, 2019, the total combined rate of sales taxes under the local sales tax law for any given taxing jurisdiction shall not exceed seven and two hundred seventy-five thousandths percent.

4. **[**The brackets required to be established by the director of revenue under the provisions of section 144.285 shall be based upon the sum of the combined rate of the state sales tax and all local sales taxes imposed under the provisions of the local sales tax law.

5.**]** (1) The ordinance or order imposing a local sales tax under the local sales tax law shall impose a tax upon all transactions upon which the Missouri state sales tax is imposed to the extent and in the manner provided in **[**sections 144.010 to 144.525**]** **chapter 144**, and the rules and regulations of the director of revenue issued pursuant thereto**[**; except that the rate of the tax shall be the sum of the combined rate of the state sales tax or state highway use tax and all local sales taxes imposed under the provisions of the local sales tax law**]**.

(2) Notwithstanding any other provision of law to the contrary, local taxing jurisdictions, except those in which voters have approved a local use tax under section 144.757, shall have placed on the ballot on or after the general election in November 2014, but no later than the general election in November 2018, whether to repeal application of the local sales tax to the titling of motor vehicles, trailers, boats, and outboard motors that are subject to state sales tax under section 144.020 and purchased from a source other than a licensed Missouri dealer. The ballot question presented to the local voters shall contain substantially the following language:

Shall the _____ (local jurisdiction's name) discontinue applying and collecting the local sales tax on the titling of motor vehicles, trailers, boats, and outboard motors that were purchased from a source other than a licensed Missouri dealer?

Approval of this measure will result in a reduction of local revenue to provide for vital services for _____ (local jurisdiction's name) and it will place Missouri dealers of motor vehicles, outboard motors, boats, and trailers at a competitive disadvantage to non-Missouri dealers of motor vehicles, outboard motors, boats, and trailers.

☐ YES ☐ NO

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

(3) If the ballot question set forth in subdivision (2) of this subsection receives a majority of the votes cast in favor of the proposal, or if the local taxing jurisdiction fails to place the ballot question before the voters on or before the general election in November 2018, the local taxing jurisdiction shall cease applying the local sales tax to the titling of motor vehicles, trailers, boats, and outboard motors that were purchased from a source other than a licensed Missouri dealer.

(4) In addition to the requirement that the ballot question set forth in subdivision (2) of this subsection be placed before the voters, the governing body of any local taxing jurisdiction that had previously imposed a local use tax on the use of motor vehicles, trailers, boats, and outboard motors may, at any time, place a proposal on the ballot at any election to repeal application of the local sales tax to the titling of motor vehicles, trailers, boats, and outboard motors purchased from a source other than a licensed Missouri dealer. If a majority of the votes cast by the registered voters voting thereon are in favor of the proposal to repeal application of the local sales tax to such titling, then the local sales tax shall no longer be applied to the titling of motor vehicles, trailers, boats, and outboard motors purchased from a source other than a licensed Missouri dealer. If a majority of the votes cast by the registered voters voting thereon are opposed to the proposal to repeal application of the local sales tax to such titling, such application shall remain in effect.

(5) In addition to the requirement that the ballot question set forth in subdivision (2) of this subsection be placed before the voters on or after the general election in November 2014, and on or before the general election in November 2018, whenever the governing body of any local taxing jurisdiction imposing a local sales tax on the sale of motor vehicles, trailers, boats, and outboard motors receives a petition, signed by fifteen percent of the registered voters of such jurisdiction voting in the last gubernatorial election, and calling

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for a proposal to be placed on the ballot at any election to repeal application of the local sales tax to the titling of motor vehicles, trailers, boats, and outboard motors purchased from a source other than a licensed Missouri dealer, the governing body shall submit to the voters of such jurisdiction a proposal to repeal application of the local sales tax to such titling. If a majority of the votes cast by the registered voters voting thereon are in favor of the proposal to repeal application of the local sales tax to such titling, then the local sales tax shall no longer be applied to the titling of motor vehicles, trailers, boats, and outboard motors purchased from a source other than a licensed Missouri dealer. If a majority of the votes cast by the registered voters voting thereon are opposed to the proposal to repeal application of the local sales tax to such titling, such application shall remain in effect.

(6) Nothing in this subsection shall be construed to authorize the voters of any jurisdiction to repeal application of any state sales or use tax.

(7) If any local sales tax on the titling of motor vehicles, trailers, boats, and outboard motors purchased from a source other than a licensed Missouri dealer is repealed, such repeal shall take effect **[**on the first day of the second calendar quarter after the election**] as provided in subsection 19 of this section**. If any local sales tax on the titling of motor vehicles, trailers, boats, and outboard motors purchased from a source other than a licensed Missouri dealer is required to cease to be applied or collected due to failure of a local taxing jurisdiction to hold an election pursuant to subdivision (2) of this subsection, such cessation shall take effect on March 1, 2019.

(8) Notwithstanding any provision of law to the contrary, if any local sales tax on the titling of motor vehicles, trailers, boats, and outboard motors purchased from a source other than a licensed Missouri dealer is repealed after the general election in November 2014, or if the taxing jurisdiction failed to present the ballot to the voters at a general election on or before November 2018, then the governing body of such taxing jurisdiction may, at any election subsequent to the repeal or after the general election in November 2018, if the jurisdiction failed to present the ballot to the voters, place before the voters the issue of imposing a sales tax on the titling of motor vehicles, trailers, boats, and outboard motors that are subject to state sales tax under section 144.020 that were purchased from a source other than a licensed Missouri dealer. The ballot question presented to the local voters shall contain substantially the following language:

Shall the _____ (local jurisdiction's name) apply and collect the local sales tax on the titling of motor vehicles, trailers, boats, and outboard motors that are subject to state sales tax under section 144.020 and purchased from a source other than a licensed Missouri dealer?

Approval of this measure will result in an increase of local revenue to provide for vital services for _____ (local jurisdiction's name), and it will remove a competitive advantage that non-Missouri dealers of motor vehicles, outboard motors, boats, and trailers have over Missouri dealers of motor vehicles, outboard motors, boats, and trailers.

☐ YES ☐ NO

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

(9) If any local sales tax on the titling of motor vehicles, trailers, boats, and outboard motors purchased from a source other than a licensed Missouri dealer is adopted, such tax shall take effect and be imposed **[**on the first day of the second calendar quarter after the election**] as provided in subsection 19 of this section**.

[6.**]** **5.** On and after the effective date of any local sales tax imposed under the provisions of the local sales tax law, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax, and the director of revenue shall collect in addition to the sales tax for the state of Missouri all additional local sales taxes authorized under the authority of the local sales tax law. All local sales taxes imposed under the local sales tax law together with all taxes imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue.

[7.**]** **6.** All applicable provisions contained in sections 144.010 to 144.525 governing the state sales tax and section 32.057, the uniform confidentiality provision, shall apply to the collection of any local sales tax imposed under the local sales tax law except as modified by the local sales tax law.

[8.**]** **7.** All exemptions granted to agencies of government, organizations, persons and to the sale of certain articles and items of tangible personal property and taxable services under the provisions of sections 144.010 to 144.525, as these sections now read and as they may hereafter be amended, it being the intent of this general assembly to ensure that the same sales tax exemptions granted from

the state sales tax law also be granted under the local sales tax law, are hereby made applicable to the imposition and collection of all local sales taxes imposed under the local sales tax law.

[9.**]** **8.** The same sales tax permit, exemption certificate and retail certificate required by sections 144.010 to 144.525 for the administration and collection of the state sales tax shall satisfy the requirements of the local sales tax law, and no additional permit or exemption certificate or retail certificate shall be required; except that the director of revenue may prescribe a form of exemption certificate for an exemption from any local sales tax imposed by the local sales tax law.

[10.**]** **9.** All discounts allowed the retailer under the provisions of the state sales tax law for the collection of and for payment of taxes under the provisions of the state sales tax law are hereby allowed and made applicable to any local sales tax collected under the provisions of the local sales tax law.

[11.**]** **10.** The penalties provided in section 32.057 and sections 144.010 to 144.525 for a violation of the provisions of those sections are hereby made applicable to violations of the provisions of the local sales tax law.

[12. (1)**]** **11.** For the purposes of any local sales tax imposed by an ordinance or order under the local sales tax law, all sales**[**, except the sale of motor vehicles, trailers, boats, and outboard motors required to be titled under the laws of the state of Missouri, shall be deemed to be consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination. In the event a retailer has more than one place of business in this state which participates in the sale, the sale shall be deemed to be consummated at the place of business of the retailer where the initial order for the tangible personal property is taken, even though the order must be forwarded elsewhere for acceptance, approval of credit, shipment or billing. A sale by a retailer's agent or employee shall be deemed to be consummated at the place of business from which he works.

(2) For the purposes of any local sales tax imposed by an ordinance or order under the local sales tax law, the sales tax upon the titling of all motor vehicles, trailers, boats, and outboard motors shall be imposed at the rate in effect at the location of the residence of the purchaser, and remitted to that local taxing entity, and not at the place of business of the retailer, or the place of business from which the retailer's agent or employee works.

(3) For the purposes of any local tax imposed by an ordinance or under the

local sales tax law on charges for mobile telecommunications services, all taxes of mobile telecommunications service shall be imposed as provided in the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sections 116 through 124, as amended**] shall be sourced as provided by sections 144.111 to 144.114**.

[13.**]** **12.** Local sales taxes shall not be imposed on the seller of motor vehicles, trailers, boats, and outboard motors required to be titled under the laws of the state of Missouri, but shall be collected from the purchaser by the director of revenue at the time application is made for a certificate of title, if the address of the applicant is within a taxing entity imposing a local sales tax under the local sales tax law.

[14.**]** **13.** The director of revenue and any of his deputies, assistants and employees who have any duties or responsibilities in connection with the collection, deposit, transfer, transmittal, disbursement, safekeeping, accounting, or recording of funds which come into the hands of the director of revenue under the provisions of the local sales tax law shall enter a surety bond or bonds payable to any and all taxing entities in whose behalf such funds have been collected under the local sales tax law in the amount of one hundred thousand dollars for each such tax; but the director of revenue may enter into a blanket bond covering himself and all such deputies, assistants and employees. The cost of any premium for such bonds shall be paid by the director of revenue from the share of the collections under the sales tax law retained by the director of revenue for the benefit of the state.

[15.**]** **14.** The director of revenue shall annually report on his management of each trust fund which is created under the local sales tax law and administration of each local sales tax imposed under the local sales tax law. He shall provide each taxing entity imposing one or more local sales taxes authorized by the local sales tax law with a detailed accounting of the source of all funds received by him for the taxing entity. Notwithstanding any other provisions of law, the state auditor shall annually audit each trust fund. A copy of the director's report and annual audit shall be forwarded to each taxing entity imposing one or more local sales taxes.

[16.**]** **15.** Within the boundaries of any taxing entity where one or more local sales taxes have been imposed, if any person is delinquent in the payment of the amount required to be paid by him under the local sales tax law or in the event a determination has been made against him for taxes and penalty under the local sales tax law, the limitation for bringing suit for the collection of the

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delinquent tax and penalty shall be the same as that provided in sections 144.010 to 144.525. Where the director of revenue has determined that suit must be filed against any person for the collection of delinquent taxes due the state under the state sales tax law, and where such person is also delinquent in payment of taxes under the local sales tax law, the director of revenue shall notify the taxing entity in the event any person fails or refuses to pay the amount of any local sales tax due so that appropriate action may be taken by the taxing entity.

[17.**]** **16.** Where property is seized by the director of revenue under the provisions of any law authorizing seizure of the property of a taxpayer who is delinquent in payment of the tax imposed by the state sales tax law, and where such taxpayer is also delinquent in payment of any tax imposed by the local sales tax law, the director of revenue shall permit the taxing entity to join in any sale of property to pay the delinquent taxes and penalties due the state and to the taxing entity under the local sales tax law. The proceeds from such sale shall first be applied to all sums due the state, and the remainder, if any, shall be applied to all sums due such taxing entity.

[18.**]** **17.** If a local sales tax has been in effect for at least one year under the provisions of the local sales tax law and voters approve reimposition of the same local sales tax at the same rate at an election as provided for in the local sales tax law prior to the date such tax is due to expire, the tax **[**so**]** reimposed shall become effective **[**the first day of the first calendar quarter after the director receives a certified copy of the ordinance, order or resolution accompanied by a map clearly showing the boundaries thereof and the results of such election, provided that such ordinance, order or resolution and all necessary accompanying materials are received by the director at least thirty days prior to the expiration of such tax. Any administrative cost or expense incurred by the state as a result of the provisions of this subsection shall be paid by the city or county reimposing such tax**] as provided by subsection 19 of this section**.

18. If the boundaries of a city in which a sales tax has been imposed shall thereafter be changed or altered, the city clerk shall forward to the director of revenue by United States registered mail or certified mail a certified copy of the ordinance adding or detaching territory from the city within ten days of adoption of the ordinance. The ordinance shall reflect the effective date of the ordinance and shall be accompanied by a map of the city clearly showing the territory added or detached from the city

boundaries. Upon receipt of the ordinance and map, the tax imposed under the local sales tax law shall be effective in the added territory or abolished in the detached territory on the first day of a calendar quarter after one hundred twenty days' notice to sellers.

19. (1) The effective date for the imposition, repeal, or rate change of each local sales and use tax is the first day of the calendar quarter after a minimum of one hundred twenty days' notice to sellers. In all cases where notice is required to be made to the director of revenue by a local taxing jurisdiction, such notice shall be made at least one hundred twenty days prior to the effective date for the imposition, repeal, or rate change of a local sales and use tax.

(2) The effective date for any local jurisdiction boundary change for sales and use tax purposes is the first day of the calendar quarter after a minimum of one hundred twenty days' notice to sellers.

66.620. 1. All county sales taxes collected by the director of revenue under sections 66.600 to 66.630 on behalf of any county**[**, less one percent for cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087,**]** shall be deposited in a special trust fund, which is hereby created, to be known as the "County Sales Tax Trust Fund". **[**The moneys in the county sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state.**]** The director of revenue shall keep accurate records of the amount of money in the trust fund which was collected in each county imposing a county sales tax, and the records shall be open to the inspection of officers of the county and the public. Not later than the tenth day of each month, the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the county which levied the tax; such funds shall be deposited with the treasurer of the county and all expenditures of funds arising from the county sales tax trust fund shall be by an appropriation act to be enacted by the legislative council of the county, and to the cities, towns and villages located wholly or partly within the county which levied the tax in the manner as set forth in sections 66.600 to 66.630.

2. In any county not adopting an additional sales tax and alternate distribution system as provided in section 67.581, for the purposes of distributing the county sales tax, the county shall be divided into two groups, "Group A" and "Group B". Group A shall consist of all cities, towns and villages which are

located wholly or partly within the county which levied the tax and which had a city sales tax in effect under the provisions of sections 94.500 to 94.550 on the day prior to the adoption of the county sales tax ordinance, except that beginning January 1, 1980, group A shall consist of all cities, towns and villages which are located wholly or partly within the county which levied the tax and which had a city sales tax approved by the voters of such city under the provisions of sections 94.500 to 94.550 on the day prior to the effective date of the county sales tax. For the purposes of determining the location of consummation of sales for distribution of funds to cities, towns and villages in group A, the boundaries of any such city, town or village shall be the boundary of that city, town or village as it existed on March 19, 1984. Group B shall consist of all cities, towns and villages which are located wholly or partly within the county which levied the tax and which did not have a city sales tax in effect under the provisions of sections 94.500 to 94.550 on the day prior to the adoption of the county sales tax ordinance, and shall also include all unincorporated areas of the county which levied the tax; except that, beginning January 1, 1980, group B shall consist of all cities, towns and villages which are located wholly or partly within the county which levied the tax and which did not have a city sales tax approved by the voters of such city under the provisions of sections 94.500 to 94.550 on the day prior to the effective date of the county sales tax and shall also include all unincorporated areas of the county which levied the tax.

3. Until January 1, 1994, the director of revenue shall distribute to the cities, towns and villages in group A the taxes based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087. Except for distribution governed by section 66.630, after deducting the distribution to the cities, towns and villages in group A, the director of revenue shall distribute the remaining funds in the county sales tax trust fund to the cities, towns and villages and the county in group B as follows: to the county which levied the tax, a percentage of the distributable revenue equal to the percentage ratio that the population of the unincorporated areas of the county bears to the total population of group B; and to each city, town or village in group B located wholly within the taxing county, a percentage of the distributable revenue equal to the percentage ratio that the population of such city, town or village bears to the total population of group B; and to each city, town or village located partly within the taxing county, a percentage of the distributable revenue equal to the percentage ratio that the population of that

part of the city, town or village located within the taxing county bears to the total population of group B.

4. From January 1, 1994, until December 31, 2016, the director of revenue shall distribute to the cities, towns and villages in group A a portion of the taxes based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087 in accordance with the formula described in this subsection and in subsection 6. After deducting the distribution to the cities, towns and villages in group A, the director of revenue shall distribute funds in the county sales tax trust fund to the cities, towns and villages and the county in group B as follows: to the county which levied the tax, ten percent multiplied by the percentage of the population of unincorporated county which has been annexed or incorporated since April 1, 1993, multiplied by the total of all sales tax revenues countywide, and a percentage of the remaining distributable revenue equal to the percentage ratio that the population of unincorporated areas of the county bears to the total population of group B; and to each city, town or village in group B located wholly within the taxing county, a percentage of the remaining distributable revenue equal to the percentage ratio that the population of such city, town or village bears to the total population of group B; and to each city, town or village located partly within the taxing county, a percentage of the remaining distributable revenue equal to the percentage ratio that the population of that part of the city, town or village located within the taxing county bears to the total population of group B.

5. (1) From and after January 1, 2017, in each year in which the total revenues from the county sales tax collected under sections 66.600 to 66.630 in the previous calendar year are less than or equal to the amount of such revenues which were collected in the calendar year 2014, the director of revenue shall distribute to the cities, towns, and villages in group A and the cities, towns, and villages, and the county in group B, the amounts required to be distributed under the formula described in subsection 4 and in subsection 6 of this section. From and after January 1, 2017, in each year in which the total revenues from the county sales tax collected under sections 66.600 to 66.630 in the previous calendar year is greater than the amount of such revenues which were collected in the calendar year 2014, the director of revenue shall distribute to the cities, towns, and villages in group A a portion of the taxes based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087, in accordance with the formula described in this subsection

and in subsection 6. After deducting the distribution to the cities, towns, and villages in group A, the director of revenue shall, subject to the limitation described in subdivision (2) of this subsection, distribute funds in the county sales tax trust fund to the cities, towns, and villages, and the county in group B as follows: to the county which levied the tax, ten percent multiplied by the percentage of the population of unincorporated county which has been annexed or incorporated since April 1, 1993, multiplied by the total of all sales tax revenues countywide, and a percentage of the remaining distributable revenue equal to the percentage ratio that the population of unincorporated areas of the county bears to the total population of group B as adjusted such that no city, town, or village in group B shall receive a distribution that is less than fifty percent of the amount of taxes generated within such city, town, or village based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087; and to each city, town, or village in group B located wholly within the taxing county, a percentage of the remaining distributable revenue equal to the percentage ratio that the population of such city, town, or village bears to the total population of group B, as adjusted such that no city, town, or village in group B shall receive a distribution that is less than fifty percent of the amount of taxes generated within such city, town, or village based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087; and to each city, town, or village located partly within the taxing county, a percentage of the remaining distributable revenue equal to the percentage ratio that the population of that part of the city, town, or village located within the taxing county bears to the total population of group B, as adjusted such that no city, town, or village in group B shall receive a distribution that is less than fifty percent of the amount of taxes generated within such city, town, or village based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087.

(2) For purposes of making any adjustment required by this subsection, the director of revenue shall, prior to any distribution to the county or to each city, town, or village in group B located wholly or partly within the taxing county, identify each city, town, or village in group B located wholly or partly within the taxing county that would receive a distribution that is less than fifty percent of the amount of taxes generated within such city, town, or village based on the location in which the sales were deemed consummated under section 66.630 and

subsection 12 of section 32.087 if no adjustments were made and calculate the difference between the amount that the distribution to each such city, town, or village would have been without any adjustment and the amount that equals fifty percent of the amount of taxes generated within such city, town, or village based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087. Thereafter, the director of revenue shall determine the amount of any adjustment under this subsection as follows:

(a) If the aggregate amount of the difference calculated in accordance with this subsection is less than or equal to the aggregate increase in the remaining distributable revenue for the applicable period in the current calendar year over the remaining distributable revenue for the corresponding period in the calendar year 2014, the director of revenue shall deduct the amount of such difference from the remaining distributable revenue and distribute an allocable portion of the amount of such difference to each city, town, or village that would otherwise have received a distribution that is less than fifty percent of the amount of taxes generated within such city, town, or village based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087 if no adjustment were made, such that each such city, town, or village receives a distribution that is equal to fifty percent of the amount of taxes generated within such city, town, or village based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087;

(b) If, however, the aggregate amount of the difference calculated in accordance with this subsection is greater that the aggregate increase in the remaining distributable revenue for the applicable period in the current calendar year over the remaining distributable revenue for the corresponding period in the calendar year 2014, the director of revenue shall deduct from the remaining distributable revenue an amount equal to the difference between the remaining distributable revenue for the applicable period in the current calendar year and the remaining distributable revenue for the corresponding period in the calendar year 2014 and distribute an allocable portion of the amount of such difference to each city, town, or village that would otherwise have received a distribution that is less than fifty percent of the amount of taxes generated within such city, town, or village based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087 if no adjustment were made, such that each such city, town, or village receives a distribution that

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includes an adjustment that is proportionate to the amount of the adjustment that would otherwise have been made if such adjustment were calculated in accordance with paragraph (a) of this subdivision;

(c) After determining the amount of the adjustment and making the allocation in accordance with paragraph (a) or (b) of this subdivision, as applicable, the director of revenue shall thereafter distribute the remaining distributable revenue, as adjusted, to the county and to each city, town, or village in group B located wholly or partly within the taxing county in the manner provided in this subsection.

(3) For purposes of this subsection, if a city, town, or village is partly in group A and partly in group B, the director of revenue shall calculate fifty percent of the amount of taxes generated within such city, town, or village based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087 by multiplying fifty percent by the amount of all county sales taxes collected by the director of revenue under sections 66.600 to 66.630, less one percent for cost of collection, that are generated within such city, town, or village based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087, regardless of whether such taxes are deemed consummated in group A or group B.

6. (1) For purposes of administering the distribution formula of subsections 4 and 5 of this section, the revenues arising each year from sales occurring within each group A city, town or village shall be distributed as follows: until such revenues reach the adjusted county average, as hereinafter defined, there shall be distributed to the city, town or village all of such revenues reduced by the percentage which is equal to ten percent multiplied by the percentage of the population of unincorporated county which has been annexed or incorporated after April 1, 1993; and once revenues exceed the adjusted county average, total revenues shall be shared in accordance with the redistribution formula as defined in this subsection.

(2) For purposes of this subsection, the "adjusted county average" is the per capita countywide average of all sales tax distributions during the prior calendar year reduced by the percentage which is equal to ten percent multiplied by the percentage of the population of unincorporated county which has been annexed or incorporated after April 1, 1993; the redistribution formula is as follows: during 1994, each group A city, town and village shall receive that

portion of the revenues arising from sales occurring within the municipality that remains after deducting therefrom an amount equal to the cumulative sales tax revenues arising from sales within the municipality multiplied by the percentage which is the sum of ten percent multiplied by the percentage of the population of unincorporated county which has been annexed or incorporated after April 1, 1993, and the percentage, if greater than zero, equal to the product of 8.5 multiplied by the logarithm (to base 10) of the product of 0.035 multiplied by the total of cumulative per capita sales taxes arising from sales within the municipality less the adjusted county average. During 1995, each group A city, town and village shall receive that portion of the revenues arising from sales occurring within the municipality that remains after deducting therefrom an amount equal to the cumulative sales tax revenues arising from sales within the municipality multiplied by the percentage which is the sum of ten percent multiplied by the percentage of the population of unincorporated county which has been annexed or incorporated after April 1, 1993, and the percentage, if greater than zero, equal to the product of seventeen multiplied by the logarithm (to base 10) of the product of 0.035 multiplied by the total of cumulative per capita sales taxes arising from sales within the municipality less the adjusted county average. From January 1, 1996, until January 1, 2000, each group A city, town and village shall receive that portion of the revenues arising from sales occurring within the municipality that remains after deducting therefrom an amount equal to the cumulative sales tax revenues arising from sales within the municipality multiplied by the percentage which is the sum of ten percent multiplied by the percentage of the population of unincorporated county which has been annexed or incorporated after April 1, 1993, and the percentage, if greater than zero, equal to the product of 25.5 multiplied by the logarithm (to base 10) of the product of 0.035 multiplied by the total of cumulative per capita sales taxes arising from sales within the municipality less the adjusted county average. From and after January 1, 2000, the distribution formula covering the period from January 1, 1996, until January 1, 2000, shall continue to apply, except that the percentage computed for sales arising within the municipalities shall be not less than 7.5 percent for municipalities within which sales tax revenues exceed the adjusted county average, nor less than 12.5 percent for municipalities within which sales tax revenues exceed the adjusted county average by at least twenty-five percent.

(3) For purposes of applying the redistribution formula to a municipality

which is partly within the county levying the tax, the distribution shall be calculated alternately for the municipality as a whole, except that the factor for annexed portion of the county shall not be applied to the portion of the municipality which is not within the county levying the tax, and for the portion of the municipality within the county levying the tax. Whichever calculation results in the larger distribution to the municipality shall be used.

(4) Notwithstanding any other provision of this section, the fifty percent of additional sales taxes as described in section 99.845 arising from economic activities within the area of a redevelopment project established after July 12, 1990, pursuant to sections 99.800 to 99.865, while tax increment financing remains in effect shall be deducted from all calculations of countywide sales taxes, shall be distributed directly to the municipality involved, and shall be disregarded in calculating the amounts distributed or distributable to the municipality. Further, any agreement, contract or covenant entered into prior to July 12, 1990, between a municipality and any other political subdivision which provides for an appropriation of incremental sales tax revenues to the special allocation fund of a tax increment financing project while tax increment financing remains in effect shall continue to be in full force and effect and the sales taxes so appropriated shall be deducted from all calculations of countywide sales taxes, shall be distributed directly to the municipality involved, and shall be disregarded in calculating the amounts distributed or distributable to the municipality. In addition, and notwithstanding any other provision of this chapter to the contrary, economic development funds shall be distributed in full to the municipality in which the sales producing them were deemed consummated. Additionally, economic development funds shall be deducted from all calculations of countywide sales taxes and shall be disregarded in calculating the amounts distributed or distributable to the municipality. As used in this subdivision, the term "economic development funds" means the amount of sales tax revenue generated in any fiscal year by projects authorized pursuant to chapter 99 or chapter 100 in connection with which such sales tax revenue was pledged as security for, or was guaranteed by a developer to be sufficient to pay, outstanding obligations under any agreement authorized by chapter 100, entered into or adopted prior to September 1, 1993, between a municipality and another public body. The cumulative amount of economic development funds allowed under this provision shall not exceed the total amount necessary to amortize the obligations involved.

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7. If the qualified voters of any city, town or village vote to change or alter its boundaries by annexing any unincorporated territory included in group B or if the qualified voters of one or more city, town or village in group A and the qualified voters of one or more city, town or village in group B vote to consolidate, the area annexed or the area consolidated which had been a part of group B shall remain a part of group B after annexation or consolidation. After the effective date of the annexation or consolidation, the annexing or consolidated city, town or village shall receive a percentage of the group B distributable revenue equal to the percentage ratio that the population of the annexed or consolidated area bears to the total population of group B and such annexed area shall not be classified as unincorporated area for determination of the percentage allocable to the county. If the qualified voters of any two or more cities, towns or villages in group A each vote to consolidate such cities, towns or villages, then such consolidated cities, towns or villages shall remain a part of group A. For the purpose of sections 66.600 to 66.630, population shall be as determined by the last federal decennial census or the latest census that determines the total population of the county and all political subdivisions therein. For the purpose of calculating the adjustment based on the percentage of unincorporated county population which is annexed after April 1, 1993, the accumulated percentage immediately before each census shall be used as the new percentage base after such census. After any annexation, incorporation or other municipal boundary change affecting the unincorporated area of the county, the chief elected official of the county shall certify the new population of the unincorporated area of the county and the percentage of the population which has been annexed or incorporated since April 1, 1993, to the director of revenue. After the adoption of the county sales tax ordinance, any city, town or village in group A may by adoption of an ordinance by its governing body cease to be a part of group A and become a part of group B. Within ten days after the adoption of the ordinance transferring the city, town or village from one group to the other, the clerk of the transferring city, town or village shall forward to the director of revenue, by registered mail, a certified copy of the ordinance. Distribution to such city as a part of its former group shall cease and as a part of its new group shall begin on the first day of January of the year following notification to the director of revenue, provided such notification is received by the director of revenue on or before the first day of July of the year in which the transferring ordinance is adopted. If such notification is received by the director of revenue after the first

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day of July of the year in which the transferring ordinance is adopted, then distribution to such city as a part of its former group shall cease and as a part of its new group shall begin the first day of July of the year following such notification to the director of revenue. Once a group A city, town or village becomes a part of group B, such city may not transfer back to group A.

8. If any city, town or village shall hereafter change or alter its boundaries, the city clerk of the municipality shall forward to the director of revenue, by registered mail, a certified copy of the ordinance adding or detaching territory from the municipality. The ordinance shall reflect the effective date thereof, and shall be accompanied by a map of the municipality clearly showing the territory added thereto or detached therefrom. Upon receipt of the ordinance and map, the tax imposed by sections 66.600 to 66.630 shall be redistributed and allocated in accordance with the provisions of this section on the effective date of the change of the municipal boundary so that the proper percentage of group B distributable revenue is allocated to the municipality in proportion to any annexed territory. If any area of the unincorporated county elects to incorporate subsequent to the effective date of the county sales tax as set forth in sections 66.600 to 66.630, the newly incorporated municipality shall remain a part of group B. The city clerk of such newly incorporated municipality shall forward to the director of revenue, by registered mail, a certified copy of the incorporation election returns and a map of the municipality clearly showing the boundaries thereof. The certified copy of the incorporation election returns shall reflect the effective date of the incorporation. Upon receipt of the incorporation election returns and map, the tax imposed by sections 66.600 to 66.630 shall be distributed and allocated in accordance with the provisions of this section on the effective date of the incorporation.

9. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any county for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such counties. If any county abolishes the tax, the county shall notify the director of revenue of the action **[**at least ninety days prior to the effective date of the repeal**]** and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of

abolition of the tax in such county, the director of revenue shall remit the balance in the account to the county and close the account of that county. The director of revenue shall notify each county of each instance of any amount refunded or any check redeemed from receipts due the county.

10. Except as modified in sections 66.600 to 66.630, all provisions of sections 32.085 **[**and**]** **to** 32.087 shall apply to the tax imposed under sections 66.600 to 66.630.

67.395. 1. All sales taxes collected by the director of revenue under sections 67.391 to 67.395 on behalf of any county**[**, less one percent for cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087**]** shall be deposited with the state treasurer in a special trust fund, which is hereby created, to be known as the "County Anti-Drug Sales Tax Trust Fund". **[**The moneys in the county anti-drug sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state.**]** The director of revenue shall keep accurate records of the amount of money in the trust fund which was collected in each county imposing a sales tax under sections 67.391 to 67.395, and the records shall be open to the inspection of officers of the county and the public. Not later than the tenth day of each month, the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the county which levied the tax. Such funds shall be deposited with the county treasurer of each such county, and all expenditures of funds arising from the county anti-drug sales tax trust fund shall be by an appropriation act to be enacted by the governing body of each such county.

2. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any county for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such counties. If any county abolishes the tax, the county shall notify the director of revenue of the action **[**at least ninety days prior to the effective date of the repeal**]** and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such county, the director of revenue shall authorize the state treasurer to remit the balance in the account to the county and close the

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account of that county. The director of revenue shall notify each county of each instance of any amount refunded or any check redeemed from receipts due the county.

3. Except as modified in sections 67.391 to 67.395, all provisions of sections 32.085 **[**and**]** **to** 32.087 shall apply to the tax imposed under sections 67.391 to 67.395.

67.525. 1. All county sales taxes collected by the director of revenue under sections 67.500 to 67.545 on behalf of any county**[**, less one percent for cost of collection, which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087,**]** shall be deposited with the state treasurer in a county sales tax trust fund, which fund shall be separate and apart from the county sales tax trust fund established by section 66.620. **[**The moneys in such county sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state.**]** The director of revenue shall keep accurate records of the amount of money in the trust fund which was collected in each county imposing a county sales tax, and the records shall be open to the inspection of officers of the county and to the public. Not later than the tenth day of each month the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month by distributing to the county treasurer, or such other officer as may be designated by the county ordinance or order, of each county imposing the tax authorized by sections 67.500 to 67.545, the sum due the county as certified by the director of revenue.

2. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any county for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such counties. If any county abolishes the tax, the county shall notify the director of revenue of the action **[**at least ninety days prior to the effective date of the repeal,**]** and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such county, the director of revenue shall authorize the state treasurer to remit the balance in the account to the county and close the account of that county. The director of revenue shall notify each county of each

instance of any amount refunded or any check redeemed from receipts due the county.

3. Except as modified in sections 67.500 to 67.545, all provisions of sections 32.085 **[**and**]** **to** 32.087 shall apply to the tax imposed under sections 67.500 to 67.545.

67.571. 1. The governing body of any county of the first classification with a population of more than eighty-two thousand inhabitants and less than ninety thousand inhabitants may, in addition to any tourism sales tax imposed pursuant to sections 67.671 to 67.685, by a majority vote, impose a sales tax **on all retail sales made in the county which are subject to sales tax under chapter 144** for the funding of museums and festivals. For purposes of this section, the term "funding of museums and festivals" shall mean:

(1) Funding of museums operating in the county, which are registered with the United States Internal Revenue Service as a 501(C)(3) corporation and which are considered by the board to be tourism attractions; and

(2) Funding of organizations that are registered as 501(C)(3) corporations which promote cultural heritage tourism including festivals and the arts.

2. Any question submitted to the voters of such county to establish a sales tax pursuant to this section shall be submitted in substantially the following form:

Shall the county of _____ (insert the name of the county) impose a sales tax of _____ (insert rate of percent) percent to be used to fund (museums, cultural heritage, festivals) in certain areas of the county?

☐ YES ☐ NO

3. If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, and the tax takes effect pursuant to this section, the museums and festivals board appointed pursuant to subsection 5 of this section shall determine in what manner the tax revenue moneys will be expended, and disbursements of these moneys shall be made strictly in accordance with directions of the board which are consistent with the provisions of sections 67.571 to 67.577. Expenditures of these tax moneys may be made for the employment of personnel selected by the board to assist in carrying out the duties of the board, and the board is expressly authorized to employ such personnel. Expenditures of these tax moneys may be made directly to corporations pursuant to subsection 1 of this section. No such tax revenue moneys shall be disbursed to or on behalf of any corporation, organization or

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entity that is not duly registered with the Internal Revenue Service as a 501(C)(3) organization.

4. Any sales tax imposed pursuant to this section shall be imposed at a rate not to exceed two-tenths of one percent on receipts from the sale of certain tangible personal property or taxable services within the county pursuant to sections 67.571 to 67.577.

5. The governing body of any county which imposes a sales tax pursuant to this section may establish a museums and festivals board for the purpose of expending funds collected from any sales tax submitted and approved by the county's voters pursuant to this section. The board shall be comprised of six members who are appointed by the governing body of the county from a list of candidates supplied by the chair of each of the two major political parties of the county. The board shall be comprised of three members from each of the two political parties. Members shall serve for three-year terms, but of the members first appointed, one shall be appointed for a term of one year, two shall be appointed for a term of two years, and two shall be appointed for a term of three years. Each member shall be a resident of the county from which he or she is appointed. The members of the board shall not receive compensation for service on the board, but shall be reimbursed from the tax revenue money for any reasonable and necessary expenses incurred in service on the board.

6. In the area of each county in which a sales tax has been imposed in the manner provided by sections 67.571 to 67.577, every retailer within such area shall add the tax imposed by the provisions of sections 67.571 to 67.577 to his sale price, and this tax shall be a debt of the purchaser to the retailer until paid, and shall be recoverable at law in the same manner as the purchase price.

7. In counties imposing a tax under the provisions of sections 67.571 to 67.577, in order to permit sellers required to collect and report the sales tax to collect the amount required to be reported and remitted, but not to change the requirements of reporting or remitting the tax, or to serve as a levy of the tax, and in order to avoid fractions of pennies, the **[**governing body may authorize the use of a bracket system similar to that**]** **tax shall be calculated as** authorized by the provisions of section 144.285**[**, and notwithstanding the provisions of that section, this new bracket system shall be used where this tax is imposed and shall apply to all taxable transactions**]**.

8. Except as modified in this section, all provisions of sections 32.085 to 32.087 shall apply to the tax imposed under this section.

Unofficial Bill Copy

67.576. 1. The following provisions shall govern the collection of the tax imposed by the provisions of sections 67.571 to 67.577:

(1) All applicable provisions contained in sections 144.010 to 144.510 governing the state sales tax and section 32.057, the uniform confidentiality provision, shall apply to the collection of the tax imposed by the provisions of sections 67.571 to 67.577;

(2) All exemptions granted to agencies of government, organizations, and persons under the provisions of sections 144.010 to 144.510 are hereby made applicable to the imposition and collection of the tax imposed by sections 67.571 to 67.577.

2. The same sales tax permit, exemption certificate and retail certificate required by sections 144.010 to 144.510 for the administration and collection of the state sales tax shall satisfy the requirements of sections 67.571 to 67.577, and no additional permit or exemption certificate or retail certificate shall be required; except that, the director of revenue may prescribe a form of exemption certificate for an exemption from the tax imposed by sections 67.571 to 67.577.

3. All discounts allowed the retailer pursuant to the provisions of the state sales tax law for the collection of and for payment of taxes pursuant to that act are hereby allowed and made applicable to any taxes collected pursuant to the provisions of sections 67.571 to 67.577.

4. The penalties provided in section 32.057 and sections 144.010 to 144.510 for a violation of those acts are hereby made applicable to violations of the provisions of sections 67.571 to 67.577.

5. **[**For the purposes of the sales tax imposed by an order pursuant to sections 67.571 to 67.577, all retail sales shall be deemed to be consummated at the place of business of the retailer**] Except as provided in sections 67.571 to 67.577, all provisions of sections 32.085 to 32.087 shall apply to the tax imposed under sections 67.571 to 67.577**.

67.578. 1. The governing authority of any county of the third classification without a township form of government and with more than sixteen thousand four hundred but less than sixteen thousand five hundred inhabitants may impose a sales tax in an amount not to exceed one-fifth of one percent on all retail sales made in the county which are subject to taxation **[**pursuant to sections 144.010 to 144.525**] under chapter 144**, to be used solely for the funding of museums. For purposes of this section, the term "museums" means museums operating in the county, which are registered with the United States

Internal Revenue Service as a 501(c)(3) corporation and which are considered by the board to be a tourism attraction. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law, except that no sales tax shall be imposed pursuant to this section unless the governing authority submits to the voters of the county, at a county or state general, primary, or special election, a proposal to authorize the governing authority to impose the tax.

2. The ballot of submission shall contain, but need not be limited to, the following language:

Shall the county of _____ (insert the name of the county) impose a sales tax of _____ (insert rate of percent) percent for the funding of museums? "Museums" means museums operating in the county, which are registered with the United States Internal Revenue Service as a 501(c)(3) corporation and which are considered by the museum board to be a tourism attraction.

☐ YES ☐ NO

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

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the sales tax shall become effective **[**on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the tax**]** **as provided by subsection 19 of section 32.087**. If the proposal receives less than the required majority of votes, then the governing authority shall have no power to impose the tax unless and until the governing authority has again submitted another proposal to authorize the governing authority to impose the sales tax authorized by this section and such proposal is approved by the required majority of the qualified voters voting thereon.

3. On or after the effective date of the tax, the director of revenue shall be responsible for the administration, collection, enforcement, and operation of the tax, and sections 32.085 **[**and**]** **to** 32.087 shall apply. **[**The director may retain an amount not to exceed one percent for deposit in the general revenue fund to offset the costs of collection.**]** In order to permit sellers required to collect and report the sales tax to collect the amount required to be reported and remitted, but not to change the requirements of reporting or remitting the tax, or to serve as a levy of the tax, and in order to avoid fractions of pennies, the **[**governing authority may authorize the use of a bracket system similar to that**]**

tax shall be calculated as authorized **[**in**]** **by** section 144.285**[**, and notwithstanding the provisions of that section, this new bracket system shall be used where this tax is imposed and shall apply to all taxable transactions**]**. Beginning with the effective date of the tax, every retailer in the county shall add the sales tax to the sale price, and this tax shall be a debt of the purchaser to the retailer until paid, and shall be recoverable at law in the same manner as the purchase price. For purposes of this section, all retail sales shall be deemed to be consummated at the place of business of the retailer.

4. All applicable provisions in **[**sections 144.010 to 144.525**]** **chapter 144** governing the state sales tax, and section 32.057, the uniform confidentiality provision, shall apply to the collection of the tax, and all exemptions granted to agencies of government, organizations, and persons pursuant to sections 144.010 to 144.525 are hereby made applicable to the imposition and collection of the tax. The same sales tax permit, exemption certificate, and retail certificate required by sections 144.010 to 144.525 for the administration and collection of the state sales tax shall satisfy the requirements of this section, and no additional permit or exemption certificate or retail certificate shall be required; except that, the director of revenue may prescribe a form of exemption certificate for an exemption from the tax. All discounts allowed the retailer pursuant to the state sales tax law for the collection of and for payment of taxes are hereby allowed and made applicable to the tax. The penalties for violations provided in section 32.057 and **[**sections 144.010 to 144.525**]** **chapter 144** are hereby made applicable to violations of this section. If any person is delinquent in the payment of the amount required to be paid pursuant to this section, or in the event a determination has been made against the person for taxes and penalty pursuant to this section, the limitation for bringing suit for the collection of the delinquent tax and penalty shall be the same as that provided in **[**sections 144.010 to 144.525**]** **chapter 144**.

5. The governing authority may authorize any museum board already existing in the county, or may establish a museum board, to expend revenue collected pursuant to this section. In the event that no museum board already exists, the board established pursuant to this section shall consist of six members who are appointed by the governing authority from a list of candidates supplied by the chair of each of the two major political parties of the county, with three members from each of the two parties. Members shall serve for three-year terms, but of the members first appointed, **[**one**]** **two** shall be appointed for a term of

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one year, two shall be appointed for a term of two years, and two shall be appointed for a term of three years. Each member shall be a resident of the county. The members shall not receive compensation for service on the board, but shall be reimbursed from the revenues collected pursuant to this section for any reasonable and necessary expenses incurred in service on the board. The board shall determine in what manner the revenues will be expended, and disbursements of these moneys shall be made strictly in accordance with this section. Expenditures may be made for the employment of personnel selected by the board to assist in carrying out the duties of the board, and the board is expressly authorized to employ such personnel.

6. The governing authority may submit the question of repeal of the tax to the voters at any county or state general, primary, or special election. The ballot of submission shall contain, but need not be limited to, the following language:

Shall the county of _____ (insert name of county) repeal the sales tax of _____ (insert rate of percent) percent for the funding of museums?

☐ YES ☐ NO

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

[If a majority of the votes cast on the proposal are in favor of repeal, that repeal shall become effective on December thirty-first of the calendar year in which the repeal was approved.**]**

67.581. 1. In addition to the sales tax permitted by sections 66.600 to 66.630, any county of the first class having a charter form of government and having a population of nine hundred thousand or more may impose an additional countywide sales tax **on all retail sales made in the county which are subject to sales tax under chapter 144** upon approval by a vote of the qualified voters of the county. The proposal may be submitted to the voters by the governing body of the county and shall be submitted to the voters at the next general election upon petitions signed by a number of qualified voters residing in the county equal to at least eight percent of the votes cast in the county in the next preceding gubernatorial election filed with the governing body of the county. The submission shall include the levying of a sales tax at a rate of not to exceed two hundred seventy-five one-thousandths of one percent on the receipts from the sale at retail of all tangible personal property or taxable services within the county which are also taxable under the provisions of sections 66.600 to

66.630, and shall provide for the distribution of the proceeds in the manner provided in either subsection 4 or subsection 5 of this section. If either of the alternative distribution systems as provided in subsection 4 or subsection 5 of this section is approved by the voters, then the alternative system of distribution may not be submitted to the voters for at least three years from the date of such voter approval.

2. The ballot of submission shall contain, but is not limited to, the following language:

Shall the County of _____ levy an additional sales tax at the rate of _____ (insert rate) and distribute the proceeds in the manner provided in _____ (insert proper reference) (subsection 4)(subsection 5) of section 67.581, RSMo?

☐ YES ☐ NO

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, the additional sales tax shall be levied and collected and the proceeds from the additional tax shall be distributed as provided in either subsection 4 or subsection 5 of this section. If a majority of the votes cast by the qualified voters voting thereon are opposed to the proposal, then the governing body of the county shall have no power to impose the additional sales tax authorized by this section unless and until a proposal for the levy of such tax is submitted to and approved by the voters of the county.

3. The provisions of sections 66.600 to 66.630 and sections 32.085 **[**and**]** **to** 32.087, except to the extent otherwise provided in this section, shall govern the levy, collection, distribution and other procedures related to an additional sales tax imposed pursuant to this section.

4. In any county adopting an additional sales tax pursuant to the provisions of this section, and selecting the method of distribution provided in this subsection, the proceeds from the sales tax imposed pursuant to this section, less one percent collection cost, shall be distributed first to those municipalities that did not receive during the preceding calendar year ninety-five percent of the amount the municipality would have received by multiplying the population of the municipality by the average per capita sales tax receipt for such county in an amount which will bring each municipality receipt of sales tax moneys up to ninety-five percent of the average per capita receipts from the proceeds of the sales tax imposed pursuant to sections 66.600 to 66.630. Any remainder of the money received from the sales tax imposed pursuant to this section shall be distributed to all municipalities on the ratio that the population of each

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municipality bears to the total population of the county. The average per capita sales tax distribution shall be calculated by dividing the sum of the total sales tax revenue derived from the tax imposed pursuant to sections 66.600 to 66.630 by the total population of the county. Population of each municipality, of the unincorporated area of the county, and the total population of the county shall be determined on the basis of the most recent federal decennial census. For the purposes of this subsection, any city, town, village or the unincorporated area of the county shall be considered a municipality.

5. In any county adopting an additional sales tax pursuant to the provisions of this section and selecting the method of distribution provided in this subsection, the proceeds from the sales tax imposed pursuant to this section, less one percent collection cost, shall be distributed to all cities, towns and villages, and the unincorporated areas of the county in group B and to such cities, towns and villages in group A as necessary so that no city, town, or village in group A receives from the combined proceeds of both the sales tax imposed pursuant to this section and the sales tax imposed pursuant to sections 66.600 to 66.630, less than the per capita amount received by the cities, towns and villages and the unincorporated area of the county in group B receives from the total proceeds from both sales taxes.

6. The governing body of any county which is imposing a sales tax under the provisions of sections 66.600 to 66.630 may on its own motion and shall, upon petitions filed with the governing body of the county signed by a number of qualified voters residing in the county equal to at least eight percent of the votes cast in the county at the next preceding gubernatorial election, submit to the qualified voters of the county a proposal to change the method of distribution of sales tax proceeds from the manner provided in subsection 2 of section 66.620 to the method provided in this subsection. The ballot of submission shall be in substantially the following form:

Shall the proceeds from the county sales tax be distributed among the county of _____ and the various cities, towns and villages therein in the manner provided in subdivisions (1) and (2) of subsection 6 of section 67.581, RSMo, in lieu of the present manner of distribution?

☐ YES ☐ NO

If a majority of the votes cast on the proposal by the qualified voters of the county voting thereon are in favor of the proposal, the sales tax imposed by the county under the provisions of sections 66.600 to 66.630 shall be distributed in the

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manner provided in this subsection and not in the manner provided in subsection 2 of section 66.620. If a majority of the votes cast by the qualified voters of the county voting thereon are opposed to the proposal, then the governing body of the county shall have no power to order the proceeds from the sales tax imposed pursuant to the provisions of sections 66.600 to 66.630 in the manner provided in this subsection in lieu of the method provided in subsection 2 of section 66.620, unless and until a proposal authorizing such method of distribution is submitted to and approved by the voters of the county. If the voters approve the change in the method of distribution of the sales tax proceeds in the manner provided in this subsection, the county clerk of the county shall notify the director of revenue of the change in the method of distribution within ten days after adoption of the proposal and shall inform the director of the effective date of the change in the method of distribution, which shall be on the first day of the third calendar quarter after the director of revenue receives notice. After the effective date of the change in the manner of distribution, the director of revenue shall distribute the proceeds of the sales tax imposed by such county under the provisions of sections 66.600 to 66.630 in the manner provided in this subsection in lieu of the manner of distribution provided in subsection 2 of section 66.620. The proceeds of the sales tax imposed under the provisions of sections 66.600 to 66.630 in any county which elects to have the proceeds distributed in the manner provided in this subsection shall be distributed in the following manner:

(1) The proceeds from the sales taxes shall be distributed to the cities, towns and villages in group A and to the cities, towns and villages, and the county in group B as defined in section 66.620 in the manner provided in subsection 2 of section 66.620, until an amount equal to the total amount distributed under section 66.620 for the twelve-month period immediately preceding the effective date of the tax levied pursuant to the provisions of this section has been distributed;

(2) All moneys received in excess of the total amount distributed under section 66.620 for the twelve-month period immediately preceding the effective date of the tax levied pursuant to the provisions of this section shall be distributed to all cities, towns and villages and to the county on the basis that the population of each city, town or village, and in the case of the county the basis that the population of the unincorporated area of the county, bears to the total population of the county. The average per capita sales tax distribution shall be calculated by dividing the sum of the remaining amount of the total sales tax

revenues by the total population of the county. Population of each city, town or village, of the unincorporated area of the county, and the total population of the county shall be determined on the basis of the most recent federal decennial census.

7. No municipality incorporated after the adoption of the tax authorized by this section shall be included as other than part of the unincorporated area of the county nor receive any share of either the proceeds from the tax levied pursuant to the provisions of this section or the tax levied pursuant to the provisions of sections 66.600 to 66.630 unless, at the time of incorporation, such municipality had a population of ten thousand or more.

8. The county sales tax imposed pursuant to this section on the purchase and sale of motor vehicles shall not be collected and remitted by the seller, but shall be collected by the director of revenue at the time application is made for a certificate of title, if the address of the applicant is within the county imposing the additional sales tax. **[**The amounts so collected, less one percent collection cost, shall be deposited in the county sales tax trust fund to be distributed in accordance with section 66.620. The purchase or sale of motor vehicles shall be deemed to be consummated at the address of the applicant for a certificate of title.**]**

9. No tax shall be imposed pursuant to this section for the purpose of funding in whole or in part the construction, operation or maintenance of a sports stadium, field house, indoor or outdoor recreational facility, center, playing field, parking facility or anything incidental or necessary to a complex suitable for any type of professional sport, either upon, above or below the ground.

10. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any county for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such counties. If any county abolishes the tax, the county shall notify the director of revenue of the action **[**at least ninety days prior to the effective date of the repeal**]** and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such county, the director of revenue shall remit the balance in the account to the county and close the account of that county. The director

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of revenue shall notify each county of each instance of any amount refunded or any check redeemed from receipts due the county.

67.582. 1. The governing body of any county, except a county of the first class with a charter form of government with a population of greater than four hundred thousand inhabitants, is hereby authorized to impose, by ordinance or order, a sales tax in the amount of up to one-half of one percent on all retail sales made in such county which are subject to taxation under **[**the provisions of sections 144.010 to 144.525**] chapter 144** for the purpose of providing law enforcement services for such county. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law, except that no ordinance or order imposing a sales tax under the provisions of this section shall be effective unless the governing body of the county submits to the voters of the county, at a county or state general, primary or special election, a proposal to authorize the governing body of the county to impose a tax.

2. The ballot of submission shall contain, but need not be limited to, the following language:

(1) If the proposal submitted involves only authorization to impose the tax authorized by this section the ballot shall contain substantially the following:

Shall the county of _____ (county's name) impose a countywide sales tax of _____ (insert amount) for the purpose of providing law enforcement services for the county?

☐ YES ☐ NO

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

(2) If the proposal submitted involves authorization to enter into agreements to form a regional jail district and obligates the county to make payments from the tax authorized by this section the ballot shall contain substantially the following:

Shall the county of _____ (county's name) be authorized to enter into agreements for the purpose of forming a regional jail district and obligating the county to impose a countywide sales tax of _____ (insert amount) to fund _____ dollars of the costs to construct a regional jail and to fund the costs to operate a regional jail, with any funds in excess of that necessary to construct and operate such jail to be used for law enforcement purposes?

☐ YES ☐ NO

If you are in favor of the question, place an "X" in the box opposite "YES".

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If you are opposed to the question, place an "X" in the box opposite "NO".

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal submitted pursuant to subdivision (1) of this subsection, then the ordinance or order and any amendments thereto shall be in effect **[**on the first day of the second quarter immediately following the election approving the proposal**] as provided by subsection 19 of section 32.087**. If the constitutionally required percentage of the voters voting thereon are in favor of the proposal submitted pursuant to subdivision (2) of this subsection, then the ordinance or order and any amendments thereto shall be in effect **[**on the first day of the second quarter immediately following the election approving the proposal**] as provided by subsection 19 of section 32.087**. If a proposal receives less than the required majority, then the governing body of the county shall have no power to impose the sales tax herein authorized unless and until the governing body of the county shall again have submitted another proposal to authorize the governing body of the county to impose the sales tax authorized by this section and such proposal is approved by the required majority of the qualified voters voting thereon. However, in no event shall a proposal pursuant to this section be submitted to the voters sooner than twelve months from the date of the last proposal pursuant to this section.

3. All revenue received by a county from the tax authorized under the provisions of this section shall be deposited in a special trust fund and shall be used solely for providing law enforcement services for such county for so long as the tax shall remain in effect. Revenue placed in the special trust fund may also be utilized for capital improvement projects for law enforcement facilities and for the payment of any interest and principal on bonds issued for said capital improvement projects.

4. Once the tax authorized by this section is abolished or is terminated by any means, all funds remaining in the special trust fund shall be used solely for providing law enforcement services for the county. Any funds in such special trust fund which are not needed for current expenditures may be invested by the governing body in accordance with applicable laws relating to the investment of other county funds.

5. All sales taxes collected by the director of revenue under this section on behalf of any county**[**, less one percent for cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087,**]** shall be deposited in a special trust

fund, which is hereby created, to be known as the "County Law Enforcement Sales Tax Trust Fund". **[**The moneys in the county law enforcement sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state.**]** The director of revenue shall keep accurate records of the amount of money in the trust and which was collected in each county imposing a sales tax under this section, and the records shall be open to the inspection of officers of the county and the public. Not later than the tenth day of each month the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the county which levied the tax; such funds shall be deposited with the county treasurer of each such county, and all expenditures of funds arising from the county law enforcement sales tax trust fund shall be by an appropriation act to be enacted by the governing body of each such county. Expenditures may be made from the fund for any law enforcement functions authorized in the ordinance or order adopted by the governing body submitting the law enforcement tax to the voters.

6. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any county for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such counties. If any county abolishes the tax, **the repeal of such tax shall become effective as provided in subsection 19 of section 32.087.** The county shall notify the director of revenue of the action **[**at least ninety days prior to the effective date of the repeal**]** and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such county, the director of revenue shall remit the balance in the account to the county and close the account of that county. The director of revenue shall notify each county of each instance of any amount refunded or any check redeemed from receipts due the county.

7. Except as modified in this section, all provisions of sections 32.085 **[**and**] to** 32.087 shall apply to the tax imposed under this section.

67.583. 1. The governing body of any county of the second class with a population of more than forty thousand but less than sixty thousand and which contains institutions operated by the department of corrections and by the

department of mental health is hereby authorized to impose, by ordinance or order, a sales tax in the amount of one-eighth of one percent on all retail sales made in such county which are subject to taxation under **[**the provisions of sections 144.010 to 144.525**] chapter 144**. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law; provided, however, that no ordinance or order imposing a sales tax under the provisions of this section shall be effective unless the governing body of the county submits to the voters of the county, at a county or state general, primary or special election, a proposal to authorize the governing body of the county to impose a tax.

2. The ballot of submission shall contain, but need not be limited to, the following language:

Shall the county of _____ (county's name) impose a countywide sales tax of _____ (insert amount) for the purpose of providing retirement and health care benefits for county employees and their dependents?

☐ YES ☐ NO

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

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the ordinance or order and any amendments thereto shall be in effect **as provided in subsection 19 of section 32.087**. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the governing body of the county shall have no power to impose the sales tax herein authorized unless and until the governing body of the county shall again have submitted another proposal to authorize the governing body of the county to impose the sales tax authorized by this section and such proposal is approved by a majority of the qualified voters voting thereon. However, in no event shall a proposal pursuant to this section be submitted to the voters sooner than twelve months from the date of the last proposal pursuant to this section.

3. All revenue received by a county from the tax authorized under the provisions of this section shall be deposited in a special trust fund and shall be used solely for providing retirement and health care benefits for county employees and their dependents.

4. All sales taxes collected by the director of revenue under this section on behalf of any county**[**, less one percent for cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for

surety bonds as provided in section 32.087,**]** shall be deposited in a special trust fund, which is hereby created, to be known as the "County Employee Benefit Sales Tax Trust Fund". **[**The moneys in the county employee benefit sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state.**]** The director of revenue shall keep accurate records of the amount of money in the trust and which was collected in each county imposing a sales tax under this section, and the records shall be open to the inspection of officers of the county and the public. Not later than the tenth day of each month, the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the county which levied the tax. Such funds shall be deposited with the county treasurer of each such county, and all expenditures of funds arising from the county employee benefit sales tax trust fund shall be for the provision of retirement benefits or health care benefits for employees of the county and their dependents and for no other purpose.

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

6. Except as modified in this section, all provisions of sections 32.085 **[**and**] to** 32.087 shall apply to the tax imposed under this section.

67.584. 1. The governing body of any county of the first classification with more than one hundred ninety-eight thousand but less than one hundred ninety-eight thousand two hundred inhabitants is hereby authorized to impose, by ordinance or order, a sales tax in the amount of up to one-half percent on all retail sales made in such county which are subject to taxation **[**pursuant to sections 144.010 to 144.525**] under chapter 144** for the purpose of providing law

enforcement services for such county. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law, except that no ordinance or order imposing a sales tax pursuant to this section shall be effective unless the governing body of the county submits to the voters of the county, at a county or state general, primary, or special election, a proposal to authorize the governing body of the county to impose a tax.

2. If the proposal submitted involves only authorization to impose the tax authorized by this section, the ballot of submission shall contain, but need not be limited to, the following language:

Shall the county of _____ (county's name) impose a countywide sales tax of _____ (insert amount) for the purpose of providing law enforcement services for the county?

☐ YES ☐ NO

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

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal submitted pursuant to this subsection, then the ordinance or order and any amendments thereto shall be in effect **[**on the first day of the second quarter immediately following the election approving the proposal**] as provided by subsection 19 of section 32.087**. If a proposal receives less than the required majority, then the governing body of the county shall have no power to impose the sales tax herein authorized unless and until the governing body of the county shall again have submitted another proposal to authorize the governing body of the county to impose the sales tax authorized by this section and such proposal is approved by the required majority of the qualified voters voting thereon. However, in no event shall a proposal pursuant to this section be submitted to the voters sooner than twelve months from the date of the last proposal pursuant to this section.

3. Twenty-five percent of the revenue received by a county treasurer from the tax authorized pursuant to this section shall be deposited in a special trust fund and shall be used solely by a prosecuting attorney's office for such county for so long as the tax shall remain in effect. The remainder of revenue shall be deposited in the county law enforcement sales tax trust fund established pursuant to section 67.582 of the county levying the tax pursuant to this section. The revenue derived from the tax imposed pursuant to this section shall be used for public law enforcement services only. No revenue derived from the

tax imposed pursuant to this section shall be used for any private contractor providing law enforcement services or for any private jail.

4. Once the tax authorized by this section is abolished or is terminated by any means, all funds remaining in the prosecuting attorney's trust fund shall be used solely by a prosecuting attorney's office for the county. Any funds in such special trust fund which are not needed for current expenditures may be invested by the governing body in accordance with applicable laws relating to the investment of other county funds.

5. All sales taxes collected by the director of revenue pursuant to this section on behalf of any county**[**, less one percent for cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087,**]** shall be deposited in a special trust fund, which is hereby created, to be known as the "County Prosecuting Attorney's Office Sales Tax Trust Fund" or in the county law enforcement sales tax trust fund, pursuant to the deposit ratio in subsection 3 of this section. **[**The moneys in the trust funds shall not be deemed to be state funds and shall not be commingled with any funds of the state.**]** The director of revenue shall keep accurate records of the amount of money in the trusts and which was collected in each county imposing a sales tax pursuant to this section, and the records shall be open to the inspection of officers of the county and the public. Not later than the tenth day of each month the director of revenue shall distribute all moneys deposited in the trust funds during the preceding month to the county which levied the tax; such funds shall be deposited with the county treasurer of each such county, and all expenditures of funds arising from either trust fund shall be by an appropriation act to be enacted by the governing body of each such county. Expenditures may be made from the funds for any functions authorized in the ordinance or order adopted by the governing body submitting the tax to the voters.

6. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust funds and credited to any county for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such counties. If any county abolishes the tax, **the repeal of such tax shall become effective as provided in subsection 19 of section 32.087.** The county shall notify the director of revenue of the action **[**at least ninety days before the effective date of the repeal**]** and the director of revenue may order retention in the appropriate trust fund, for

a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayments of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such county, the director of revenue shall remit the balance in the account to the county and close the account of that county established pursuant to this section. The director of revenue shall notify each county of each instance of any amount refunded or any check redeemed from receipts due the county.

7. Except as modified in this section, all provisions of sections 32.085 **[**and**]** **to** 32.087 shall apply to the tax imposed pursuant to this section.

67.712. 1. All sales taxes collected by the director of revenue under sections 67.700 to 67.727 on behalf of any county**[**, less one percent for the cost of collection, which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087,**]** shall be deposited with the state treasurer in a special trust fund, which is hereby created, to be known as the "County Alternate Sales Tax Trust Fund". **[**The moneys in the county alternate sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state.**]** The director of revenue shall keep accurate records of the amount of money in the trust fund which was collected in each county imposing a sales tax under sections 67.700 to 67.727, and the records shall be open to the inspection of officers of each county and the general public. Not later than the tenth day of each month the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month by distributing to the county treasurer, or such other officer as may be designated by the county ordinance or order, of each county imposing the tax authorized by sections 67.700 to 67.727, the sum, as certified by the director of revenue, due the county.

2. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any county for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such counties. If any county repeals the tax authorized by sections 67.700 to 67.727, the county shall notify the director of revenue of the action **[**at least ninety days**]** prior to the effective date of the repeal and **the repeal shall be effective as provided by subsection 19 of section 32.087.** The director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of

such notice to cover possible refunds or overpayment of such tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of repeal of the tax authorized by sections 67.700 to 67.727 in such county, the director of revenue shall authorize the state treasurer to remit the balance in the account to the county and close the account of that county. The director of revenue shall notify each county of each instance of any amount refunded or any check redeemed from receipts due the county.

3. Except as modified in sections 67.700 to 67.727, all provisions of sections 32.085 **[**and**]** **to** 32.087 shall apply to the tax imposed under sections 67.700 to 67.727.

67.713. 1. Notwithstanding the provisions of section 67.712, as to the disposition of any other sales tax imposed under the provisions of sections 67.700 to 67.727, one-fifth of the sales taxes collected by the director of revenue from the tax authorized by section 67.701 on behalf of any county of the first class having a charter form of government and having a population of nine hundred thousand or more**[**, less one percent for cost of collection, which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in sections 67.700 to 67.727,**]** shall be deposited in a special trust fund, which is hereby created, to be known as the "County-Municipal Storm Water and Public Works Sales Tax Trust Fund". **[**The moneys in the county-municipal storm water and public works sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state.**]** The director of revenue shall keep accurate records of the amount of money in the trust fund which was collected in each county and the records shall be open to the inspection of officers of the county and of the municipalities within the county and the public. Not later than the tenth day of each month, the director of the department of revenue shall distribute all moneys deposited in the county-municipal storm water and public works sales tax trust fund during the preceding month to the county which levied the tax, and the municipalities which are located wholly or partially within such county as follows:

(1) The county which levied the sales tax shall receive a percentage of the distributable revenue equal to the percentage ratio that the population of the unincorporated areas of the county bears to the total population of the county;

(2) Each municipality located wholly within the county which levied the tax shall receive a percentage of the distributable revenue equal to the percentage

ratio that the population of such municipality bears to the total population of the county; and

(3) Each municipality located partially within the county which levied the tax shall receive a percentage of the distributable revenue equal to the percentage ratio that the population of that part of the municipality located within the county bears to the total population of the county.

2. The director of revenue may make refunds from the amounts in the county-municipal storm water and public works sales tax trust fund and credited to any county or municipality for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such county or municipality. If any county abolishes the tax, the county shall notify the director of revenue of the action **[**at least ninety days**]** prior to the effective date of the repeal and **the repeal shall be effective as provided by subsection 19 of section 32.087.** The director of revenue may order retention in the county-municipal storm water and public works sales tax trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such county, the director of revenue shall remit the balance in the account to the county or municipality and close the account of that county or municipality. The director of revenue shall notify each county or municipality of each instance of any amount refunded or any check redeemed from receipts due the county or municipality.

3. If the governing body of any municipality located wholly or partially within the county so requests by resolution, no funds shall be expended from the proceeds of any tax imposed under section 67.701 within the corporate boundaries of the requesting municipality for the construction, reconstruction or widening of any road established or to be established pursuant to section 137.558, the total cost of which exceeds one hundred thousand dollars unless: (a) a public hearing is first held at a place near such proposed action; and (b) plans and specifications of such proposed action are prepared and a cost-benefit analysis prepared in accordance with accepted accounting principles of such proposed action is presented to such public hearing. Such cost-benefit analysis and its work papers shall be a public document and subject to inspection as provided in chapter 610. The provisions of this subsection shall not apply to proposed projects in

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unincorporated areas of the county.

67.729. 1. Any county except any first class county having a charter form of government and having a population of nine hundred thousand or more may, in the same manner and by the same procedure and subject to the same penalties as set out in sections 67.700 to 67.727, impose a sales tax of not more than one-tenth of one percent **on all retail sales made in the county which are subject to sales tax under chapter 144** for the purpose of funding storm water control and public works projects other than stadiums or other sports facilities. This sales tax shall be in addition to any other sales tax authorized by law.

2. Notwithstanding the provisions of section 67.712 as to the disposition of any other sales tax imposed under the provisions of sections 67.700 to 67.727, all sales taxes collected by the director of revenue from the tax authorized by this section on behalf of any county**[**, less one percent for cost of collection, which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087,**]** shall be deposited with the state treasurer in a special trust fund, which is hereby created, to be known as the "County Storm Water and Public Works Sales Tax Trust Fund". **[**The moneys in the county storm water and public works sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state.**]** The director of revenue shall keep accurate records of the amount of money in the trust fund which was collected in each county imposing a sales tax under this section and the records shall be open to the inspection of officers of the county and the public. Not later than the tenth day of each month the director of revenue shall distribute all moneys deposited in the county storm water and public works sales tax trust fund during the preceding month to the county which levied the tax, and the municipalities which are located wholly or partially within such county as follows:

(1) The county which levied the sales tax shall receive a percentage of the distributable revenue equal to the percentage ratio that the population of the unincorporated areas of the county bears to the total population of the county;

(2) Each municipality located wholly within the county which levied the tax shall receive a percentage of the distributable revenue equal to the percentage ratio that the population of such municipality bears to the total population of the county; and

(3) Each municipality located partially within the county which levied the

tax shall receive a percentage of the distributable revenue equal to the percentage ratio that the population of that part of the municipality located within the county bears to the total population of the county.

3. The director of revenue may authorize the state treasurer to make refunds from the amounts in the county storm water and public works sales tax trust fund and credited to any county for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such counties. If any county abolishes the tax, the county shall notify the director of revenue of the action **[**at least ninety days**]** prior to the effective date of the repeal and **the repeal shall be effective as provided by subsection 19 of section 32.087.** The director of revenue may order retention in the county storm water and public works sales tax trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such county, the director of revenue shall authorize the state treasurer to remit the balance in the account to the county and close the account of that county. The director of revenue shall notify each county of each instance of any amount refunded or any check redeemed from receipts due the county.

4. Except as modified in this section, all provisions of sections 32.085 to 32.087 shall apply to the tax imposed under this section.

67.737. Except as modified in sections 67.730 to 67.739, all provisions of sections 32.085 **[**and**] to** 32.087 shall apply to the tax imposed under sections 67.730 to 67.739.

67.738. 1. All sales taxes collected by the director of revenue under sections 67.730 to 67.739 on behalf of any county**[**, less one percent for the cost of collection, which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087,**]** shall be deposited with the state treasurer in a special trust fund, which is hereby created, to be known as the "County Capital Improvement Bond Sales Tax Trust Fund". **[**The moneys in the county capital improvement bond sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state.**]** The director of revenue shall keep accurate records of the amount of money in the trust fund which was collected in each county imposing a sales tax under sections 67.730 to 67.739, and the records shall be open to the

inspection of officers of each county and the general public. Not later than the tenth day of each month the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month by distributing to the county treasurer, or such other officer as may be designated by the county ordinance or order, of each county imposing the tax authorized by sections 67.730 to 67.739, the sum, as certified by the director of revenue, due the county.

2. The director of revenue may authorize the state treasurer to make refund from the amounts in the trust fund and credited to any county for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such counties. If any county repeals the tax authorized by sections 67.730 to 67.739, the county shall notify the director of revenue of the action **[**at least ninety days**]** prior to the effective date of the repeal or expiration and **the repeal shall be effective as provided by subsection 19 of section 32.087.** The director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of such tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of repeal or expiration of the tax authorized by sections 67.730 to 67.739 in such county, the director of revenue shall remit the balance in the account to the county and close the account of that county. The director of revenue shall notify each county of each instance of any amount refunded or any check redeemed from receipts due the county.

67.745. 1. Any county of the third classification without a township form of government and with more than eleven thousand seven hundred fifty but fewer than eleven thousand eight hundred fifty inhabitants may impose a sales tax throughout the county **on all retail sales made in the county which are subject to sales tax under chapter 144** for public recreational projects and programs, but the sales tax authorized by this section shall not become effective unless the governing body of such county submits to the qualified voters of the county a proposal to authorize the county to impose the sales tax.

2. The ballot submission shall be in substantially the following form:

Shall the County of _____ impose a sales tax of up to one percent for the purpose of funding the financing, acquisition, construction, operation, and maintenance of recreational projects and programs, including the acquisition of land for such purposes?

☐ YES ☐ NO

3. If approved by a majority of qualified voters **voting on the issue** in the county, the governing body of the county shall appoint a board of directors consisting of nine members. Of the initial members appointed to the board, three members shall be appointed for a term of three years, three members shall be appointed for a term of two years, and three members shall be appointed for a term of one year. After the initial appointments, board members shall be appointed to three-year terms.

4. The sales tax may be imposed at a rate of up to one percent on the receipts from the retail sale of all tangible personal property or taxable service within the county**[**, if such property and services are subject to taxation by the state of Missouri under sections 144.010 to 144.525**]**.

5. All revenue collected from the sales tax under this section by the director of revenue on behalf of a county**[**, less one percent for the cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087,**]** shall be deposited with the state treasurer in a special trust fund, which is hereby created, to be known as the "County Recreation Sales Trust Fund". **[**Moneys in the fund shall not be deemed to be state funds and shall not be commingled with any funds of the state.**]** The director of revenue shall keep accurate records of the amount of money in the trust fund collected in each county imposing a sales tax under this section, and the records shall be open to the inspection of officers of such county and the general public. Not later than the tenth day of each calendar month, the director of revenue shall distribute all moneys deposited in the trust fund during the preceding calendar month by distributing to the county treasurer, or such officer as may be designated by county ordinance or order, of each county imposing the tax under this section the sum due the county as certified by the director of revenue.

6. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any county for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such counties. Each county shall notify the director of revenue **[**at least ninety days**]** prior to the effective date of the expiration of the sales tax authorized by this section and **the repeal shall be effective as provided by subsection 19 of section 32.087.** The director of revenue may order retention in the trust fund for a period of one year of two

percent of the amount collected after receipt of such notice to cover possible refunds or overpayments of such tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the date of expiration of the tax authorized by this section in a county, the director of revenue shall remit the balance in the account to the county and close the account of such county. The director of revenue shall notify each county of each instance of any amount refunded or any check redeemed from receipts due such county.

7. The tax authorized under this section may be imposed in accordance with this section by a county in addition to or in lieu of the tax authorized in sections 67.750 to 67.780.

8. The sales tax imposed under this section shall expire twenty years from the effective date thereof unless an extension of the tax is submitted to and approved by the qualified voters in the county in the manner provided in this section. Each extension of the sales tax shall be for a period of ten years.

9. The provisions of this section shall not in any way affect or limit the powers granted to any county to establish, maintain, and conduct parks and other recreational grounds for public recreation.

10. Except as modified in this section, the provisions of sections 32.085 **[**and**] to** 32.087 shall apply to the tax imposed under this section.

67.782. 1. Any county of the third class having a population of more than ten thousand and less than fifteen thousand and any county of the second class having a population of more than fifty-eight thousand and less than seventy thousand adjacent to such third class county, both counties making up the same judicial circuit, may jointly impose a sales tax throughout each of their respective counties **on all retail sales made in the county which are subject to sales tax under chapter 144** for public recreational purposes including the financing, acquisition, construction, operation and maintenance of recreational projects and programs, but the sales taxes authorized by this section shall not become effective unless the governing body of each such county submits to the voters of their respective counties a proposal to authorize the counties to impose the sales tax.

2. The ballot of submission shall be in substantially the following form:

Shall the County of _____ impose a sales tax of _____ percent in conjunction with the county of _____ for the purpose of funding the financing, acquisition, construction, operation and maintenance of recreational projects and programs, including the acquisition of land for such purposes?

☐ YES ☐ NO

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If a separate majority of the votes cast on the proposal by the qualified voters voting thereon in each county are in favor of the proposal, then the tax shall be in effect in both counties. If a majority of the votes cast by the qualified voters voting thereon in either county are opposed to the proposal, then the governing body of neither county shall have power to impose the sales tax authorized by this section unless or until the governing body of the county that has not approved the tax shall again have submitted another proposal to authorize the governing body to impose the tax, and the proposal is approved by a majority of the qualified voters voting thereon in that county.

3. The sales tax may be imposed at a rate of one percent on the receipts from the sale at retail of all tangible personal property or taxable service at retail within the county adopting such tax, if such property and services are subject to taxation by the state of Missouri under **[**the provisions of sections 144.010 to 144.525**] chapter 144**.

4. All sales taxes collected by the director of revenue under this section on behalf of any county**[**, less one percent for the cost of collection, which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087,**]** shall be deposited with the state treasurer in a special trust fund, which is hereby created, to be known as the "County Recreation Sales Tax Trust Fund". **[**The moneys in the county recreation sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state.**]** The director of revenue shall keep accurate records of the amount of money in the trust fund which was collected in each county imposing a sales tax under this section, and the records shall be open to the inspection of officers of each county and the general public. Not later than the tenth day of each month, the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month by distributing to the county treasurer, or such other officer as may be designated by the county ordinance or order, of each county imposing the tax authorized by this section, the sum, as certified by the director of revenue, due the county.

5. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any county for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such counties. Each county shall notify the director of revenue **[**at least ninety days**]** prior to the effective date of the expiration of the sales tax authorized by this section and **the repeal shall be**

effective as provided by subsection 19 of section 32.087. The director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of such tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the date of expiration of the tax authorized by this section in such county, the director of revenue shall remit the balance in the account to the county and close the account of that county. The director of revenue shall notify each county of each instance of any amount refunded or any check redeemed from receipts due the county.

6. The tax authorized by this section may be imposed, in accordance with this section, by a county in addition to or in lieu of the tax authorized by sections 67.750 to 67.780.

7. Any county imposing a sales tax pursuant to the provisions of this section may contract with the authority of any other county or with any city or political subdivision for the financing, acquisition, operation, construction, maintenance, or utilization of any recreation facility or project or program funded in whole or in part from revenues derived from the tax levied pursuant to the provisions of this section.

8. The sales tax imposed pursuant to the provisions of this section shall expire twenty-five years from the effective date thereof unless an extension of the tax is submitted to and approved by the voters in each county in the manner provided in this section. Each extension of the sales tax shall be for a period of ten years.

9. The governing body of each of the counties imposing a sales tax under the provisions of this section may cooperate with the governing body of any county or other political subdivision of this state in carrying out the provisions of this section, and may establish and conduct jointly a system of public recreation. The respective governing bodies administering programs jointly may provide by agreement among themselves for all matters connected with the programs and determine what items of cost and expense shall be paid by each.

10. The provisions of this section shall not in any way repeal, affect or limit the powers granted to any county to establish, maintain and conduct parks and other recreational grounds for public recreation.

11. Except as modified in this section, all provisions of sections 32.085 **[**and**]** **to** 32.087 shall apply to the tax imposed under this section.

67.799. 1. A regional recreational district may, by a majority vote of its

board of directors, impose an annual property tax for the establishment and maintenance of public parks and recreational facilities and grounds within the boundaries of the regional recreational district not to exceed sixty cents per year on each one hundred dollars of assessed valuation on all property within the district, except that no such tax shall become effective unless the board of directors of the district submits to the voters of the district, at a county or state general, primary or special election, a proposal to authorize the tax.

2. The question shall be submitted in substantially the following form:

Shall a _____ cent tax per one hundred dollars assessed valuation be levied for public parks and recreational facilities?

☐ YES ☐ NO

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the tax shall become effective **as provided by subsection 19 of section 32.087**. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the board of directors shall have no power to impose the tax unless and until the board of directors of the district submits another proposal to authorize the tax and such proposal is approved by a majority of the qualified voters voting thereon.

3. The property tax authorized in subsections 1 and 2 of this section shall be levied and collected in the same manner as other ad valorem property taxes are levied and collected.

4. (1) A regional recreational district may, by a majority vote of its board of directors, impose a tax not to exceed one-half of one cent on all retail sales subject to taxation **[**pursuant to sections 144.010 to 144.525**] under chapter 144** for the purpose of funding the creation, operation and maintenance of public parks, recreational facilities and grounds within the boundaries of a regional recreational district. The tax authorized by this subsection shall be in addition to all other sales taxes allowed by law. No tax pursuant to this subsection shall become effective unless the board of directors submits to the voters of the district, at a county or state general, primary or special election, a proposal to authorize the tax, and such tax shall become effective only after the majority of the voters voting on such tax approve such tax.

(2) In the event the district seeks to impose a sales tax pursuant to this subsection, the question shall be submitted in substantially the following form:

Shall a _____ cent sales tax be levied on all retail sales within the district for public parks and recreational facilities?

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☐ YES ☐ NO

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the tax shall become effective **as provided by subsection 19 of section 32.087**. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the board of directors shall have no power to impose the tax unless and until another proposal to authorize the tax is submitted to the voters of the district and such proposal is approved by a majority of the qualified voters voting thereon. The provisions of sections 32.085 **[**and**]** **to** 32.087 shall apply to any tax approved pursuant to this subsection.

5. As used in this section, "qualified voters" or "voters" means any individuals residing within the proposed district who are eligible to be registered voters and who have registered to vote under chapter 115 or, if no individuals eligible and registered to vote reside within the proposed district, all of the owners of real property located within the proposed district who have unanimously petitioned for or consented to the adoption of an ordinance by the governing body imposing a tax authorized in this section. If the owner of the property within the proposed district is a political subdivision or corporation of the state, the governing body of such political subdivision or corporation shall be considered the owner for purposes of this section.

67.997. 1. The governing body of any county of the third classification without a township form of government and with more than eighteen thousand one hundred but fewer than eighteen thousand two hundred inhabitants may impose, by order or ordinance, a sales tax on all retail sales made within the county which are subject to sales tax under chapter 144. The tax authorized in this section shall not exceed one-fourth of one percent, and shall be imposed solely for the purpose of funding senior services and youth programs provided by the county. One-half of all revenue collected under this section**[**, less one-half the cost of collection,**]** shall be used solely to fund any service or activity deemed necessary by the senior service tax commission established in this section, and one-half of all revenue collected under this section**[**, less one-half the cost of collection,**]** shall be used solely to fund all youth programs administered by an existing county community task force. The tax authorized in this section shall be in addition to all other sales taxes imposed by law, and shall be stated separately from all other charges and taxes. The order or ordinance shall not become effective unless the governing body of the county submits to the voters residing

within the county at a state general, primary, or special election a proposal to authorize the governing body of the county to impose a tax under this section.

2. The ballot of submission for the tax authorized in this section shall be in substantially the following form:

Shall _____ (insert the name of the county) impose a sales tax at a rate of _____ (insert rate of percent) percent, with half of the revenue from the tax, less one-half the cost of collection, to be used solely to fund senior services provided by the county and half of the revenue from the tax, less one-half the cost of collection, to be used solely to fund youth programs provided by the county?

☐ YES ☐ NO

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

If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the question, then the tax shall become effective **[**on the first day of the second calendar quarter immediately following the approval of the tax or notification to the department of revenue if such tax will be administered by the department of revenue**] as provided by subsection 19 of section 32.087**. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the question, then the tax shall not become effective unless and until the question is resubmitted under this section to the qualified voters and such question is approved by a majority of the qualified voters voting on the question.

3. **[**On or after the effective date of any tax authorized under this section, the county which imposed the tax shall enter into an agreement with the director of the department of revenue for the purpose of collecting the tax authorized in this section. On or after the effective date of the tax the director of revenue shall be responsible for the administration, collection, enforcement, and operation of the tax, and**]** Sections 32.085 **[**and**] to** 32.087 shall apply. All revenue collected under this section by the director of the department of revenue on behalf of any county**[**, except for one percent for the cost of collection which shall be deposited in the state's general revenue fund,**]** shall be deposited in a special trust fund, which is hereby created and shall be known as the "Senior Services and Youth Programs Sales Tax Trust Fund", and shall be used solely for the designated purposes. **[**Moneys in the fund shall not be deemed to be state funds, and shall not be commingled with any funds of the state.**]** The director may make refunds from the amounts in the trust fund and credited to the county for erroneous

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payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such county. Any funds in the special trust fund which are not needed for current expenditures shall be invested in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

4. **[**In order to permit sellers required to collect and report the sales tax to collect the amount required to be reported and remitted, but not to change the requirements of reporting or remitting the tax, or to serve as a levy of the tax, and in order to avoid fractions of pennies, the governing body of the county may authorize the use of a bracket system similar to that authorized in section 144.285 and notwithstanding the provisions of that section, this new bracket system shall be used where this tax is imposed and shall apply to all taxable transactions.**]** Beginning with the effective date of the tax, every retailer in the county shall add the sales tax to the sale price, and this tax shall be a debt of the purchaser to the retailer until paid, and shall be recoverable at law in the same manner as the purchase price. **[**For purposes of this section, all retail sales shall be deemed to be consummated at the place of business of the retailer.**]**

5. All applicable provisions in **[**sections 144.010 to 144.525**] chapter 144** governing the state sales tax, and section 32.057, the uniform confidentiality provision, shall apply to the collection of the tax**[**, and all exemptions granted to agencies of government, organizations, and persons under sections 144.010 to 144.525 are hereby made applicable to the imposition and collection of the tax. The same sales tax permit, exemption certificate, and retail certificate required by sections 144.010 to 144.525 for the administration and collection of the state sales tax shall satisfy the requirements of this section, and no additional permit or exemption certificate or retail certificate shall be required; except that, the director of revenue may prescribe a form of exemption certificate for an exemption from the tax. All discounts allowed the retailer under the state sales tax for the collection of and for payment of taxes are hereby allowed and made applicable to the tax. The penalties for violations provided in section 32.057 and sections 144.010 to 144.525 are hereby made applicable to violations of this section. If any person is delinquent in the payment of the amount required to be paid under this section, or in the event a determination has been made against the person for taxes and penalty under this section, the limitation for bringing suit for the collection of the delinquent tax and penalty shall be the same as that provided in sections 144.010 to 144.525**]**.

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6. The governing body of any county that has adopted the sales tax authorized in this section may submit the question of repeal of the tax to the voters on any date available for elections for the county. The ballot of submission shall be in substantially the following form:

Shall _____ (insert the name of the county) repeal the sales tax imposed at a rate of _____ (insert rate of percent) percent for the purpose of funding senior services and youth programs provided by the county?

☐ YES ☐ NO

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

If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of repeal, that repeal shall become effective **[**on December thirty-first of the calendar year in which such repeal was approved**] as provided by subsection 19 of section 32.087**. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the repeal, then the sales tax authorized in this section shall remain effective until the question is resubmitted under this section to the qualified voters and the repeal is approved by a majority of the qualified voters voting on the question.

7. Whenever the governing body of any county that has adopted the sales tax authorized in this section receives a petition, signed by ten percent of the registered voters of the county voting in the last gubernatorial election, calling for an election to repeal the sales tax imposed under this section, the governing body shall submit to the voters of the county a proposal to repeal the tax. If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the repeal, the repeal shall become effective **[**on December thirty-first of the calendar year in which such repeal was approved**] as provided by subsection 19 of section 32.087**. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the repeal, then the sales tax authorized in this section shall remain effective until the question is resubmitted under this section to the qualified voters and the repeal is approved by a majority of the qualified voters voting on the question.

8. If the tax is repealed or terminated by any means, all funds remaining in the special trust fund shall continue to be used solely for the designated purposes, and the county shall notify the director of the department of revenue of the action **[**at least thirty days**]** before the effective date of the repeal and the director may order retention in the trust fund, for a period of one year, of two

percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such county, the director shall remit the balance in the account to the county and close the account of that county. The director shall notify each county of each instance of any amount refunded or any check redeemed from receipts due the county.

9. Each county imposing the tax authorized in this section shall establish a senior services tax commission to administer the portion of the sales tax revenue dedicated to providing senior services. Such commission shall consist of seven members appointed by the county commission. The county commission shall determine the qualifications, terms of office, compensation, powers, duties, restrictions, procedures, and all other necessary functions of the commission.

67.1300. 1. The governing body of any of the contiguous counties of the third classification without a township form of government enumerated in subdivisions (1) to (5) of this subsection or in any county of the fourth classification acting as a county of the second classification, having a population of at least forty thousand but less than forty-five thousand with a state university, and adjoining a county of the first classification with part of a city with a population of three hundred fifty thousand or more inhabitants or a county of the third classification with a township form of government and with a population of at least eight thousand but less than eight thousand four hundred inhabitants or a county of the third classification with more than fifteen townships having a population of at least twenty-one thousand inhabitants or a county of the third classification without a township form of government and with a population of at least seven thousand four hundred but less than eight thousand inhabitants or any county of the third classification with a population greater than three thousand but less than four thousand or any county of the third classification with a population greater than six thousand one hundred but less than six thousand four hundred or any county of the third classification with a population greater than six thousand eight hundred but less than seven thousand or any county of the third classification with a population greater than seven thousand eight hundred but less than seven thousand nine hundred or any county of the third classification with a population greater than eight thousand four hundred sixty but less than eight thousand five hundred or any county of the third classification with a population greater than nine thousand but less than

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nine thousand two hundred or any county of the third classification with a population greater than ten thousand five hundred but less than ten thousand six hundred or any county of the third classification with a population greater than twenty-three thousand five hundred but less than twenty-three thousand seven hundred or a county of the third classification with a population greater than thirty-three thousand but less than thirty-four thousand or a county of the third classification with a population greater than twenty thousand eight hundred but less than twenty-one thousand or a county of the third classification with a population greater than fourteen thousand one hundred but less than fourteen thousand five hundred or a county of the third classification with a population greater than twenty thousand eight hundred fifty but less than twenty-two thousand or a county of the third classification with a population greater than thirty-nine thousand but less than forty thousand or a county of the third classification with a township form of organization and a population greater than twenty-eight thousand but less than twenty-nine thousand or a county of the third classification with a population greater than fifteen thousand but less than fifteen thousand five hundred or a county of the third classification with a population greater than eighteen thousand but less than nineteen thousand seventy or a county of the third classification with a population greater than thirteen thousand nine hundred but less than fourteen thousand four hundred or a county of the third classification with a population greater than twenty-seven thousand but less than twenty-seven thousand five hundred or a county of the first classification without a charter form of government and a population of at least eighty thousand but not greater than eighty-three thousand or a county of the third classification with a population greater than fifteen thousand but less than fifteen thousand nine hundred without a township form of government which does not adjoin any county of the first, second or fourth classification or a county of the third classification with a population greater than twenty-three thousand but less than twenty-five thousand without a township form of government which does not adjoin any county of the second or fourth classification and does adjoin a county of the first classification with a population greater than one hundred twenty thousand but less than one hundred fifty thousand or in any county of the fourth classification acting as a county of the second classification, having a population of at least forty-eight thousand or any governing body of a municipality located in any of such counties may impose, by ordinance or order, a sales tax on all retail sales made in such county or

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municipality which are subject to taxation **[**pursuant to the provisions of sections 144.010 to 144.525**] under chapter 144**:

(1) A county with a population of at least four thousand two hundred inhabitants but not more than four thousand five hundred inhabitants;

(2) A county with a population of at least four thousand seven hundred inhabitants but not more than four thousand nine hundred inhabitants;

(3) A county with a population of at least seven thousand three hundred inhabitants but not more than seven thousand six hundred inhabitants;

(4) A county with a population of at least ten thousand one hundred inhabitants but not more than ten thousand three hundred inhabitants; and

(5) A county with a population of at least four thousand three hundred inhabitants but not more than four thousand five hundred inhabitants.

2. The maximum rate for a sales tax pursuant to this section shall be one percent for municipalities and one-half of one percent for counties.

3. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law, except that no ordinance or order imposing a sales tax pursuant to the provisions of this section shall be effective unless the governing body of the county or municipality submits to the voters of the county or municipality, at a regularly scheduled county, municipal or state general or primary election, a proposal to authorize the governing body of the county or municipality to impose a tax. Any sales tax imposed pursuant to this section shall not be authorized for a period of more than five years.

4. Such proposal shall be submitted in substantially the following form:

Shall the (city, town, village or county) of _____ impose a sales tax of _____ (insert amount) for the purpose of economic development in the (city, town, village or county)?

☐ YES ☐ NO

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the ordinance or order and any amendments thereto shall be in effect **[**on the first day of the second quarter after the director of revenue receives notice of adoption of the tax**] as provided in subsection 19 of section 32.087**. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the governing body of the county or municipality shall not impose the sales tax authorized in this section until the governing body of the county or municipality resubmits another proposal to authorize the governing body of the county or municipality to impose the sales

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tax authorized by this section and such proposal is approved by a majority of the qualified voters voting thereon; however no such proposal shall be resubmitted to the voters sooner than twelve months from the date of the submission of the last such proposal.

5. All revenue received by a county or municipality from the tax authorized pursuant to the provisions of this section shall be deposited in a special trust fund and shall be used solely for economic development purposes within such county or municipality for so long as the tax shall remain in effect.

6. Once the tax authorized by this section is abolished or is terminated by any means, all funds remaining in the special trust fund shall be used solely for economic development purposes within the county or municipality. Any funds in such special trust fund which are not needed for current expenditures may be invested by the governing body in accordance with applicable laws relating to the investment of other county or municipal funds.

7. All sales taxes collected by the director of revenue pursuant to this section on behalf of any county or municipality, **[**less one percent for cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087,**]** shall be deposited in a special trust fund, which is hereby created, to be known as the "Local Economic Development Sales Tax Trust Fund".

8. **[**The moneys in the local economic development sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state.**]** The director of revenue shall keep accurate records of the amount of money in the trust fund and which was collected in each county or municipality imposing a sales tax pursuant to this section, and the records shall be open to the inspection of officers of the county or municipality and the public.

9. Not later than the tenth day of each month the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the county or municipality which levied the tax. Such funds shall be deposited with the county treasurer of each such county or the appropriate municipal officer in the case of a municipal tax, and all expenditures of funds arising from the local economic development sales tax trust fund shall be by an appropriation act to be enacted by the governing body of each such county or municipality. Expenditures may be made from the fund for any economic development purposes authorized in the ordinance or order adopted by the governing body submitting the tax to the voters.

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10. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any county or municipality for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such counties and municipalities.

11. If any county or municipality abolishes the tax, the county or municipality shall notify the director of revenue of the action **[**at least ninety days**]** prior to the effective date of the repeal and **the repeal shall be effective as provided by subsection 19 of section 32.087.** The director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such county or municipality, the director of revenue shall remit the balance in the account to the county or municipality and close the account of that county or municipality. The director of revenue shall notify each county or municipality of each instance of any amount refunded or any check redeemed from receipts due the county or municipality.

12. Except as modified in this section, all provisions of sections 32.085 **[**and**] to** 32.087 shall apply to the tax imposed pursuant to this section.

13. For purposes of this section, the term "economic development" is limited to the following:

(1) Operations of economic development or community development offices, including the salaries of employees;

(2) Provision of training for job creation or retention;

(3) Provision of infrastructure and sites for industrial development or for public infrastructure projects; and

(4) Refurbishing of existing structures and property relating to community development.

67.1303. 1. The governing body of any home rule city with more than one hundred fifty-one thousand five hundred but less than one hundred fifty-one thousand six hundred inhabitants, any home rule city with more than forty-five thousand five hundred but less than forty-five thousand nine hundred inhabitants and the governing body of any city within any county of the first classification with more than one hundred four thousand six hundred but less than one hundred four thousand seven hundred inhabitants and the governing body of any

county of the third classification without a township form of government and with more than forty thousand eight hundred but less than forty thousand nine hundred inhabitants or any city within such county may impose, by order or ordinance, a sales tax on all retail sales made in the city or county which are subject to sales tax under chapter 144. In addition, the governing body of any county of the first classification with more than eighty-five thousand nine hundred but less than eighty-six thousand inhabitants or the governing body of any home rule city with more than seventy-three thousand but less than seventy-five thousand inhabitants may impose, by order or ordinance, a sales tax on all retail sales made in the city or county which are subject to sales tax under chapter 144. The tax authorized in this section shall not be more than one-half of one percent. The order or ordinance imposing the tax shall not become effective unless the governing body of the city or county submits to the voters of the city or county at a state general or primary election a proposal to authorize the governing body to impose a tax under this section. The tax authorized in this section shall be in addition to all other sales taxes imposed by law, and shall be stated separately from all other charges and taxes.

2. The ballot of submission for the tax authorized in this section shall be in substantially the following form:

Shall _____ (insert the name of the city or county) impose a sales tax at a rate of _____ (insert rate of percent) percent for economic development purposes?

☐ YES ☐ NO

If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the question, then the tax shall become effective **[**on the first day of the second calendar quarter following the calendar quarter in which the election was held**] as provided by subsection 19 of section 32.087**. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the question, then the tax shall not become effective unless and until the question is resubmitted under this section to the qualified voters and such question is approved by a majority of the qualified voters voting on the question, provided that no proposal shall be resubmitted to the voters sooner than twelve months from the date of the submission of the last proposal.

3. No revenue generated by the tax authorized in this section shall be used for any retail development project. At least twenty percent of the revenue generated by the tax authorized in this section shall be used solely for projects

directly related to long-term economic development preparation, including, but not limited to, the following:

(1) Acquisition of land;

(2) Installation of infrastructure for industrial or business parks;

(3) Improvement of water and wastewater treatment capacity;

(4) Extension of streets;

(5) Providing matching dollars for state or federal grants;

(6) Marketing;

(7) Construction and operation of job training and educational facilities; and

(8) Providing grants and low-interest loans to companies for job training, equipment acquisition, site development, and infrastructure. Not more than twenty-five percent of the revenue generated may be used annually for administrative purposes, including staff and facility costs.

4. All revenue generated by the tax shall be deposited in a special trust fund and shall be used solely for the designated purposes. If the tax is repealed, all funds remaining in the special trust fund shall continue to be used solely for the designated purposes. Any funds in the special trust fund which are not needed for current expenditures may be invested by the governing body in accordance with applicable laws relating to the investment of other city or county funds.

5. **The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any city or county for erroneous payments in the trust fund and credited to any city or county for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such counties. If any city or county abolishes the tax authorized under this section, the repeal of such tax shall become effective as provided by subsection 19 of section 32.087. Each city or county shall notify the director of revenue prior to the effective date of the expiration of the sales tax authorized by this section and the repeal shall be effective as provided by subsection 19 of section 32.087. The director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of such tax and to redeem dishonored checks and drafts deposited to the credit of such**

accounts. After one year has elapsed after the date of expiration of the tax authorized by this section in such city or county, the director of revenue shall remit the balance in the account to the city or county and close the account of that city or county. The director of revenue shall notify each city or county of each instance of any amount refunded or any check redeemed from receipts due the city or county.

6. Any city or county imposing the tax authorized in this section shall establish an economic development tax board. The board shall consist of eleven members, to be appointed as follows:

(1) Two members shall be appointed by the school boards whose districts are included within any economic development plan or area funded by the sales tax authorized in this section. Such members shall be appointed in any manner agreed upon by the affected districts;

(2) One member shall be appointed, in any manner agreed upon by the affected districts, to represent all other districts levying ad valorem taxes within the area selected for an economic development project or area funded by the sales tax authorized in this section, excluding representatives of the governing body of the city or county;

(3) One member shall be appointed by the largest public school district in the city or county;

(4) In each city or county, five members shall be appointed by the chief elected officer of the city or county with the consent of the majority of the governing body of the city or county;

(5) In each city, two members shall be appointed by the governing body of the county in which the city is located. In each county, two members shall be appointed by the governing body of the county. At the option of the members appointed by a city or county the members who are appointed by the school boards and other taxing districts may serve on the board for a term to coincide with the length of time an economic development project, plan, or designation of an economic development area is considered for approval by the board, or for the definite terms as provided in this subsection. If the members representing school districts and other taxing districts are appointed for a term coinciding with the length of time an economic development project, plan, or area is approved, such term shall terminate upon final approval of the project, plan, or designation of the area by the governing body of the city or county. If any school district or other taxing jurisdiction fails to appoint members of the board within thirty days

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of receipt of written notice of a proposed economic development plan, economic development project, or designation of an economic development area, the remaining members may proceed to exercise the power of the board. Of the members first appointed by the city or county, three shall be designated to serve for terms of two years, three shall be designated to serve for a term of three years, and the remaining members shall be designated to serve for a term of four years from the date of such initial appointments. Thereafter, the members appointed by the city or county shall serve for a term of four years, except that all vacancies shall be filled for unexpired terms in the same manner as were the original appointments.

[6.**]** **7.** The board, subject to approval of the governing body of the city or county, shall develop economic development plans, economic development projects, or designations of an economic development area, and shall hold public hearings and provide notice of any such hearings. The board shall vote on all proposed economic development plans, economic development projects, or designations of an economic development area, and amendments thereto, within thirty days following completion of the hearing on any such plan, project, or designation, and shall make recommendations to the governing body within ninety days of the hearing concerning the adoption of or amendment to economic development plans, economic development projects, or designations of an economic development area.

[7.**]** **8.** The board shall report at least annually to the governing body of the city or county on the use of the funds provided under this section and on the progress of any plan, project, or designation adopted under this section.

[8.**]** **9.** The governing body of any city or county that has adopted the sales tax authorized in this section may submit the question of repeal of the tax to the voters on any date available for elections for the city or county. The ballot of submission shall be in substantially the following form:

Shall _____ (insert the name of the city or county) repeal the sales tax imposed at a rate of _____ (insert rate of percent) percent for economic development purposes?

☐ YES ☐ NO

If a majority of the votes cast on the proposal are in favor of repeal, that repeal shall become effective **[**on December thirty-first of the calendar year in which such repeal was approved**]** **as provided by subsection 19 of section 32.087**. If a majority of the votes cast on the question by the qualified voters voting

thereon are opposed to the repeal, then the sales tax authorized in this section shall remain effective until the question is resubmitted under this section to the qualified voters of the city or county, and the repeal is approved by a majority of the qualified voters voting on the question.

[9.**]** **10.** Whenever the governing body of any city or county that has adopted the sales tax authorized in this section receives a petition, signed by ten percent of the registered voters of the city or county voting in the last gubernatorial election, calling for an election to repeal the sales tax imposed under this section, the governing body shall submit to the voters a proposal to repeal the tax. If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the repeal, that repeal shall become effective on December thirty-first of the calendar year in which such repeal was approved. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the repeal, then the tax shall remain effective until the question is resubmitted under this section to the qualified voters and the repeal is approved by a majority of the qualified voters voting on the question. **If the city or county abolishes the tax, the city or county shall notify the director of revenue of the action at least one hundred twenty days prior to the effective date of the repeal.**

11. After the effective date of any tax imposed under the provisions of this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax and collect, in addition to the sales tax for the state of Missouri, the additional tax authorized under this section. The tax imposed under this section and the tax imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue.

12. Except as provided in this section, all provisions of sections 32.085 to 32.087 shall apply to the tax imposed under this section.

67.1305. 1. As used in this section, the term "city" shall mean any incorporated city, town, or village.

2. In lieu of the sales taxes authorized under sections 67.1300 and 67.1303, the governing body of any city or county may impose, by order or ordinance, a sales tax on all retail sales made in the city or county which are subject to sales tax under chapter 144. The tax authorized in this section shall

not be more than one-half of one percent. The order or ordinance imposing the tax shall not become effective unless the governing body of the city or county submits to the voters of the city or county at any citywide, county or state general, primary or special election a proposal to authorize the governing body to impose a tax under this section. The tax authorized in this section shall be in addition to all other sales taxes imposed by law, and shall be stated separately from all other charges and taxes. The tax authorized in this section shall not be imposed by any city or county that has imposed a tax under section 67.1300 or 67.1303 unless the tax imposed under those sections has expired or been repealed.

3. The ballot of submission for the tax authorized in this section shall be in substantially the following form:

Shall _____ (insert the name of the city or county) impose a sales tax at a rate of _____ (insert rate of percent) percent for economic development purposes?

☐ YES ☐ NO

If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the question, then the tax shall become effective **[**on the first day of the second calendar quarter following the calendar quarter in which the election was held**] as provided by subsection 19 of section 32.087**. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the question, then the tax shall not become effective unless and until the question is resubmitted under this section to the qualified voters and such question is approved by a majority of the qualified voters voting on the question, provided that no proposal shall be resubmitted to the voters sooner than twelve months from the date of the submission of the last proposal.

4. All sales taxes collected by the director of revenue under this section on behalf of any county or municipality, less one percent for cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087, shall be deposited in a special trust fund, which is hereby created, to be known as the "Local Option Economic Development Sales Tax Trust Fund".

5. **[**The moneys in the local option economic development sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state.**]** The director of revenue shall keep accurate records of the amount of money in the trust fund and which was collected in each city or county

imposing a sales tax pursuant to this section, and the records shall be open to the inspection of officers of the city or county and the public.

6. Not later than the tenth day of each month the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the city or county which levied the tax. Such funds shall be deposited with the county treasurer of each such county or the appropriate municipal officer in the case of a municipal tax, and all expenditures of funds arising from the local economic development sales tax trust fund shall be in accordance with this section.

7. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any city or county for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such cities and counties.

8. If any county or municipality abolishes the tax, the city or county shall notify the director of revenue of the action **[**at least ninety days**]** prior to the effective date of the repeal and **the repeal shall be effective as provided by subsection 19 of section 32.087.** The director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such city or county, the director of revenue shall remit the balance in the account to the city or county and close the account of that city or county. The director of revenue shall notify each city or county of each instance of any amount refunded or any check redeemed from receipts due the city or county.

9. Except as modified in this section, all provisions of sections 32.085 **[**and**] to** 32.087 shall apply to the tax imposed pursuant to this section.

10. (1) No revenue generated by the tax authorized in this section shall be used for any retail development project, except for the redevelopment of downtown areas and historic districts. Not more than twenty-five percent of the revenue generated shall be used annually for administrative purposes, including staff and facility costs.

(2) At least twenty percent of the revenue generated by the tax authorized in this section shall be used solely for projects directly related to long-term economic development preparation, including, but not limited to, the following:

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(a) Acquisition of land;

(b) Installation of infrastructure for industrial or business parks;

(c) Improvement of water and wastewater treatment capacity;

(d) Extension of streets;

(e) Public facilities directly related to economic development and job creation; and

(f) Providing matching dollars for state or federal grants relating to such long-term projects.

(3) The remaining revenue generated by the tax authorized in this section may be used for, but shall not be limited to, the following:

(a) Marketing;

(b) Providing grants and loans to companies for job training, equipment acquisition, site development, and infrastructures;

(c) Training programs to prepare workers for advanced technologies and high skill jobs;

(d) Legal and accounting expenses directly associated with the economic development planning and preparation process;

(e) Developing value-added and export opportunities for Missouri agricultural products.

11. All revenue generated by the tax shall be deposited in a special trust fund and shall be used solely for the designated purposes. If the tax is repealed, all funds remaining in the special trust fund shall continue to be used solely for the designated purposes. Any funds in the special trust fund which are not needed for current expenditures may be invested by the governing body in accordance with applicable laws relating to the investment of other city or county funds.

12. (1) Any city or county imposing the tax authorized in this section shall establish an economic development tax board. The volunteer board shall receive no compensation or operating budget.

(2) The economic development tax board established by a city shall consist of at least five members, but may be increased to nine members. Either a five-member or nine-member board shall be designated in the order or ordinance imposing the sales tax authorized by this section, and the members are to be appointed as follows:

(a) One member of a five-member board, or two members of a nine-member board, shall be appointed by the school districts included within any

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economic development plan or area funded by the sales tax authorized in this section. Such member or members shall be appointed in any manner agreed upon by the affected districts;

(b) Three members of a five-member board, or five members of a nine-member board, shall be appointed by the chief elected officer of the city with the consent of the majority of the governing body of the city;

(c) One member of a five-member board, or two members of a nine-member board, shall be appointed by the governing body of the county in which the city is located.

(3) The economic development tax board established by a county shall consist of seven members, to be appointed as follows:

(a) One member shall be appointed by the school districts included within any economic development plan or area funded by the sales tax authorized in this section. Such member shall be appointed in any manner agreed upon by the affected districts;

(b) Four members shall be appointed by the governing body of the county; and

(c) Two members from the cities, towns, or villages within the county appointed in any manner agreed upon by the chief elected officers of the cities or villages.

Of the members initially appointed, three shall be designated to serve for terms of two years, except that when a nine-member board is designated, seven of the members initially appointed shall be designated to serve for terms of two years, and the remaining members shall be designated to serve for a term of four years from the date of such initial appointments. Thereafter, the members appointed shall serve for a term of four years, except that all vacancies shall be filled for unexpired terms in the same manner as were the original appointments.

(4) If an economic development tax board established by a city is already in existence on August 28, 2012, any increase in the number of members of the board shall be designated in an order or ordinance. The four board members added to the board shall be appointed to a term with an expiration coinciding with the expiration of the terms of the three board member positions that were originally appointed to terms of two years. Thereafter, the additional members appointed shall serve for a term of four years, except that all vacancies shall be filled for unexpired terms in the same manner as were the additional appointments.

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13. The board, subject to approval of the governing body of the city or county, shall consider economic development plans, economic development projects, or designations of an economic development area, and shall hold public hearings and provide notice of any such hearings. The board shall vote on all proposed economic development plans, economic development projects, or designations of an economic development area, and amendments thereto, within thirty days following completion of the hearing on any such plan, project, or designation, and shall make recommendations to the governing body within ninety days of the hearing concerning the adoption of or amendment to economic development plans, economic development projects, or designations of an economic development area. The governing body of the city or county shall have the final determination on use and expenditure of any funds received from the tax imposed under this section.

14. The board may consider and recommend using funds received from the tax imposed under this section for plans, projects or area designations outside the boundaries of the city or county imposing the tax if, and only if:

(1) The city or county imposing the tax or the state receives significant economic benefit from the plan, project or area designation; and

(2) The board establishes an agreement with the governing bodies of all cities and counties in which the plan, project or area designation is located detailing the authority and responsibilities of each governing body with regard to the plan, project or area designation.

15. Notwithstanding any other provision of law to the contrary, the economic development sales tax imposed under this section when imposed within a special taxing district, including but not limited to a tax increment financing district, neighborhood improvement district, or community improvement district, shall be excluded from the calculation of revenues available to such districts, and no revenues from any sales tax imposed under this section shall be used for the purposes of any such district unless recommended by the economic development tax board established under this section and approved by the governing body imposing the tax.

16. The board and the governing body of the city or county imposing the tax shall report at least annually to the governing body of the city or county on the use of the funds provided under this section and on the progress of any plan, project, or designation adopted under this section and shall make such report available to the public.

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17. Not later than the first day of March each year the board shall submit to the joint committee on economic development a report, not exceeding one page in length, which must include the following information for each project using the tax authorized under this section:

(1) A statement of its primary economic development goals;

(2) A statement of the total economic development sales tax revenues received during the immediately preceding calendar year;

(3) A statement of total expenditures during the preceding calendar year in each of the following categories:

(a) Infrastructure improvements;

(b) Land and/or buildings;

(c) Machinery and equipment;

(d) Job training investments;

(e) Direct business incentives;

(f) Marketing;

(g) Administration and legal expenses; and

(h) Other expenditures.

18. The governing body of any city or county that has adopted the sales tax authorized in this section may submit the question of repeal of the tax to the voters on any date available for elections for the city or county. The ballot of submission shall be in substantially the following form:

Shall _____ (insert the name of the city or county) repeal the sales tax imposed at a rate of _____ (insert rate of percent) percent for economic development purposes?

☐ YES ☐ NO

If a majority of the votes cast on the proposal are in favor of the repeal, that repeal shall become effective **[**on December thirty-first of the calendar year in which such repeal was approved**] as provided by subsection 19 of section 32.087**. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the repeal, then the sales tax authorized in this section shall remain effective until the question is resubmitted under this section to the qualified voters of the city or county, and the repeal is approved by a majority of the qualified voters voting on the question.

19. Whenever the governing body of any city or county that has adopted the sales tax authorized in this section receives a petition, signed by ten percent of the registered voters of the city or county voting in the last gubernatorial

election, calling for an election to repeal the sales tax imposed under this section, the governing body shall submit to the voters a proposal to repeal the tax. If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the repeal, that repeal shall become effective **[**on December thirty-first of the calendar year in which such repeal was approved**] as provided by subsection 19 of section 32.087**. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the repeal, then the tax shall remain effective until the question is resubmitted under this section to the qualified voters and the repeal is approved by a majority of the qualified voters voting on the question.

20. If any provision of this section or section 67.1303 or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or application of this section or section 67.1303 which can be given effect without the invalid provision or application, and to this end the provisions of this section and section 67.1303 are declared severable.

67.1545. 1. Any district formed as a political subdivision may impose by resolution a district sales and use tax on all retail sales made in such district which are subject to taxation **[**pursuant to sections 144.010 to 144.525**] under chapter 144**, except sales of motor vehicles, trailers, boats **[**or**],** outboard motors **[**and sales to or by public utilities and providers of communications, cable, or video services**], electricity, piped natural or artificial gas, or other fuels delivered by the seller**. Any sales and use tax imposed pursuant to this section may be imposed in increments of one-eighth of one percent, up to a maximum of one percent. Such district sales and use tax may be imposed for any district purpose designated by the district in its ballot of submission to its qualified voters; except that, no resolution adopted pursuant to this section shall become effective unless the board of directors of the district submits to the qualified voters of the district, by mail-in ballot, a proposal to authorize a sales and use tax pursuant to this section. If a majority of the votes cast by the qualified voters on the proposed sales tax are in favor of the sales tax, then the resolution is adopted. If a majority of the votes cast by the qualified voters are opposed to the sales tax, then the resolution is void.

2. The ballot shall be substantially in the following form:

Shall the _____ (insert name of district) Community Improvement District impose a community improvement districtwide sales and use tax at the maximum rate of _____ (insert amount) for a period of _____ (insert number) years from

the date on which such tax is first imposed for the purpose of providing revenue for _____ (insert general description of the purpose)?

☐ YES ☐ NO

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

3. Within ten days after the qualified voters have approved the imposition of the sales and use tax, the district shall, in accordance with section 32.087, notify the director of the department of revenue. The sales and use tax authorized by this section shall become effective **[**on the first day of the second calendar quarter after the director of the department of revenue receives notice of the adoption of such tax**] as provided by subsection 19 of section 32.087**.

4. **[**The director of the department of revenue shall collect any tax adopted pursuant to this section pursuant to section 32.087**] After the effective date of any tax imposed under the provisions of this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax and collect, in addition to the sales tax for the state of Missouri, the additional tax authorized under the authority of this section. The tax imposed under this section and the tax imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue**.

5. In each district in which a sales and use tax is imposed pursuant to this section, every retailer shall add such additional tax imposed by the district to such retailer's sale price, and when so added such tax shall constitute a part of the purchase price, shall be a debt of the purchaser to the retailer until paid and shall be recoverable at law in the same manner as the purchase price.

6. **[**In order to allow retailers to collect and report the sales and use tax authorized by this section as well as all other sales and use taxes required by law in the simplest and most efficient manner possible, a district may establish appropriate brackets to be used in the district imposing a tax pursuant to this section in lieu of the brackets provided in section 144.285.

7.**]** The penalties provided in sections 144.010 to 144.525 shall apply to violations of this section.

[8.**]** **7.** All revenue received by the district from a sales and use tax imposed pursuant to this section which is designated for a specific purpose shall

be deposited into a special trust fund and expended solely for such purpose. Upon the expiration of any sales and use tax adopted pursuant to this section, all funds remaining in the special trust fund shall continue to be used solely for the specific purpose designated in the resolution adopted by the qualified voters. Any funds in such special trust fund which are not needed for current expenditures may be invested by the board of directors pursuant to applicable laws relating to the investment of other district funds.

[9.**]** **8.** A district may repeal by resolution any sales and use tax imposed pursuant to this section before the expiration date of such sales and use tax unless the repeal of such sales and use tax will impair the district's ability to repay any liabilities the district has incurred, moneys the district has borrowed or obligation the district has issued to finance any improvements or services rendered for the district.

[10.**]** **9.** Notwithstanding the provisions of chapter 115, an election for a district sales and use tax under this section shall be conducted in accordance with the provisions of this section.

10. Except as provided in this section, all provisions of sections 32.085 to 32.087 shall apply to the tax imposed under this section.

67.1712. 1. The governing body of any county located within the proposed metropolitan district is hereby authorized to impose by ordinance a one-tenth of one cent sales tax on all retail sales subject to taxation **[**pursuant to sections 144.010 to 144.525**]** **under chapter 144** for the purpose of funding the creation, operation and maintenance of a metropolitan park and recreation district.

2. In addition to the tax authorized in subsection 1 of this section, the governing body of any county located within the metropolitan district as of January 1, 2012, is authorized to impose by ordinance an incremental sales tax of up to three-sixteenths of one cent on all retail sales subject to taxation under **[**sections 144.010 to 144.525**]** **chapter 144** for the purpose of funding the operation and maintenance of the metropolitan park and recreation district. Such incremental sales tax shall not be implemented unless approved by the voters of the county with the largest population within the district and at least one other such county under subsection 2 of section 67.1715.

3. The taxes authorized by sections 67.1700 to 67.1769 shall be in addition to all other sales taxes allowed by law. The governing body of any county within the metropolitan district enacting such an ordinance shall submit to the voters of such county a proposal to approve its ordinance imposing or increasing the

tax. Such ordinance shall become effective only after the majority of the voters voting on such ordinance approve such ordinance. The provisions of sections 32.085 **[**and**]** **to** 32.087 shall apply to any tax and increase in tax approved pursuant to this section and sections 67.1715 to 67.1721.

4. After the effective date of any tax imposed under the provisions of this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax and the director of revenue shall collect in addition to the sales tax for the state of Missouri the additional tax authorized under the authority of this section. The tax imposed under this section and the tax imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue.

67.1775. 1. The governing body of a city not within a county, or any county of this state may, after voter approval under this section, levy a sales tax not to exceed one-quarter of a cent in the county or city, or city not within a county, **on all retail sales made in the city or county which are subject to sales tax under chapter 144** for the purpose of providing services described in section 210.861, including counseling, family support, and temporary residential services to persons nineteen years of age or less. The question shall be submitted to the qualified voters of the county or city, or city not within a county, at a county or city or state general, primary or special election upon the motion of the governing body of the county or city, or city not within a county or upon the petition of eight percent of the qualified voters of the county or city, or city not within a county, determined on the basis of the number of votes cast for governor in such county at the last gubernatorial election held prior to the filing of the petition. The election officials of the county or city, or city not within a county, shall give legal notice as provided in chapter 115. The question shall be submitted in substantially the following form:

Shall _____ County or City, solely for the purpose of establishing a community children's services fund for the purpose of providing services to protect the well-being and safety of children and youth nineteen years of age or less and to strengthen families, be authorized to levy a sales tax of _____ (not to exceed one-quarter of a cent) in the city or county?

☐ YES ☐ NO

If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the question, then the ordinance or order and any amendments thereto shall be in effect **[**on the first day of the second calendar quarter after the director receives notification of the local sales tax**]** **as provided by subsection 19 of section 32.087**. If a question receives less than the required majority, then the governing authority of the city or county, or city not within a county, shall have no power to impose the sales tax unless and until the governing authority of the city or county, or city not within a county, has submitted another question to authorize the imposition of the sales tax authorized by this section and such question is approved by the required majority of the qualified voters voting thereon. However, in no event shall a question under this section be submitted to the voters sooner than twelve months from the date of the last question under this section.

2. After the effective date of any tax imposed under the provisions of this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax and the director of revenue shall collect in addition to the sales tax for the state of Missouri the additional tax authorized under the authority of this section. The tax imposed under this section and the tax imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue.

3. All sales taxes collected by the director of revenue under this section on behalf of any city or county, or city not within a county**[**, less one percent for the cost of collection, which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087,**]** shall be deposited with the state treasurer in a special fund, which is hereby created, to be known as the "Community Children's Services Fund". **[**The moneys in the city or county, or city not within a county, community children's services fund shall not be deemed to be state funds and shall not be commingled with any funds of the state.**]** The director of revenue shall keep accurate records of the amount of money in the fund which was collected in each city or county, or city not within a county, imposing a sales tax under this section, and the records shall be open to the inspection of officers of each city or county, or city not within a county, and the general public. Not later than the tenth day of each month, the director of revenue shall distribute all moneys deposited in the fund during the preceding

month by distributing to the city or county treasurer, or the treasurer of a city not within a county, or such other officer as may be designated by a city or county ordinance or order, or ordinance or order of a city not within a county, of each city or county, or city not within a county, imposing the tax authorized by this section, the sum, as certified by the director of revenue, due the city or county.

4. The director of revenue may authorize the state treasurer to make refunds from the amounts in the fund and credited to any city or county, or city not within a county, for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such counties. Each city or county, or city not within a county, shall notify the director of revenue **[**at least ninety days**]** prior to the effective date of the expiration of the sales tax authorized by this section and **the repeal shall be effective as provided by subsection 19 of section 32.087.** The director of revenue may order retention in the fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of such tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the date of expiration of the tax authorized by this section in such city not within a county or such city or county, the director of revenue shall remit the balance in the account to the city or county, or city not within a county, and close the account of that city or county, or city not within a county. The director of revenue shall notify each city or county, or city not within a county, of each instance of any amount refunded or any check redeemed from receipts due the city or county.

5. Except as modified in this section, all provisions of sections 32.085 **[**and**] to** 32.087 shall apply to the tax imposed under this section.

6. All revenues generated by the tax prescribed in this section shall be deposited in the county treasury or, in a city not within a county, to the board established by law to administer such fund to the credit of a special community children's services fund to accomplish the purposes set out herein and in section 210.861, and shall be used for no other purpose. Such fund shall be administered by a board of directors, established under section 210.861.

67.1959. 1. The board, by a majority vote, may submit to the residents of such district a tax of not more than one percent on all retail sales, except sales of **[**food as defined in section 144.014, sales of**]** new or used motor vehicles, trailers, boats, or other outboard motors**[**, all utilities, telephone and wireless services, and sales of funeral services,**]** made **on or after January 1, 2019,**

within the district which are subject to taxation **[**pursuant to the provisions of sections 144.010 to 144.525**] under chapter 144**. Upon the written request of the board to the election authority of the county in which a majority of the area of the district is situated, such election authority shall submit a proposition to the residents of such district at a municipal or statewide primary or general election, or at a special election called for that purpose. Such election authority shall give legal notice as provided in chapter 115.

2. Such proposition shall be submitted to the voters of the district in substantially the following form at such election:

Shall the Tourism Community Enhancement District impose a sales tax of _____ (insert amount) for the purpose of promoting tourism in the district?

☐ YES ☐ NO

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

If a majority of the votes cast on the proposal by the qualified voters of the proposed district voting thereon are in favor of the proposal, then the order shall become effective **[**on the first day of the second calendar quarter after the director of revenue receives notice of adoption of the tax**] as provided in subsection 19 of section 32.087**. If the proposal receives less than the required majority, then the board shall have no power to impose the sales tax authorized pursuant to this section unless and until the board shall again have submitted another proposal to authorize the board to impose the sales tax authorized by this section and such proposal is approved by the required majority of the qualified voters of the district.

3. Except as modified by this section, all provisions of sections 32.085 to 32.087 shall apply to the tax imposed under this section.

67.2000. 1. This section shall be known as the "Exhibition Center and Recreational Facility District Act".

2. An exhibition center and recreational facility district may be created under this section in the following counties:

(1) Any county of the first classification with more than seventy-one thousand three hundred but less than seventy-one thousand four hundred inhabitants;

(2) Any county of the first classification with more than one hundred ninety-eight thousand but less than one hundred ninety-nine thousand two hundred inhabitants;

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(3) Any county of the first classification with more than eighty-five thousand nine hundred but less than eighty-six thousand inhabitants;

(4) Any county of the second classification with more than fifty-two thousand six hundred but less than fifty-two thousand seven hundred inhabitants;

(5) Any county of the first classification with more than one hundred four thousand six hundred but less than one hundred four thousand seven hundred inhabitants;

(6) Any county of the third classification without a township form of government and with more than seventeen thousand nine hundred but less than eighteen thousand inhabitants;

(7) Any county of the first classification with more than thirty-seven thousand but less than thirty-seven thousand one hundred inhabitants;

(8) Any county of the third classification without a township form of government and with more than twenty-three thousand five hundred but less than twenty-three thousand six hundred inhabitants;

(9) Any county of the third classification without a township form of government and with more than nineteen thousand three hundred but less than nineteen thousand four hundred inhabitants;

(10) Any county of the first classification with more than two hundred forty thousand three hundred but less than two hundred forty thousand four hundred inhabitants;

(11) Any county of the third classification with a township form of government and with more than eight thousand nine hundred but fewer than nine thousand inhabitants;

(12) Any county of the third classification without a township form of government and with more than eighteen thousand nine hundred but fewer than nineteen thousand inhabitants;

(13) Any county of the third classification with a township form of government and with more than eight thousand but fewer than eight thousand one hundred inhabitants;

(14) Any county of the third classification with a township form of government and with more than eleven thousand five hundred but fewer than eleven thousand six hundred inhabitants.

3. Whenever not less than fifty owners of real property located within any county listed in subsection 2 of this section desire to create an exhibition center

and recreational facility district, the property owners shall file a petition with the governing body of each county located within the boundaries of the proposed district requesting the creation of the district. The district boundaries may include all or part of the counties described in this section. The petition shall contain the following information:

(1) The name and residence of each petitioner and the location of the real property owned by the petitioner;

(2) A specific description of the proposed district boundaries, including a map illustrating the boundaries; and

(3) The name of the proposed district.

4. Upon the filing of a petition pursuant to this section, the governing body of any county described in this section may, by resolution, approve the creation of a district. Any resolution to establish such a district shall be adopted by the governing body of each county located within the proposed district, and shall contain the following information:

(1) A description of the boundaries of the proposed district;

(2) The time and place of a hearing to be held to consider establishment of the proposed district;

(3) The proposed sales tax rate to be voted on within the proposed district; and

(4) The proposed uses for the revenue generated by the new sales tax.

5. Whenever a hearing is held as provided by this section, the governing body of each county located within the proposed district shall:

(1) Publish notice of the hearing on two separate occasions in at least one newspaper of general circulation in each county located within the proposed district, with the first publication to occur not more than thirty days before the hearing, and the second publication to occur not more than fifteen days or less than ten days before the hearing;

(2) Hear all protests and receive evidence for or against the establishment of the proposed district; and

(3) Rule upon all protests, which determinations shall be final.

6. Following the hearing, if the governing body of each county located within the proposed district decides to establish the proposed district, it shall adopt an order to that effect; if the governing body of any county located within the proposed district decides to not establish the proposed district, the boundaries of the proposed district shall not include that county. The order shall contain the

following:

(1) The description of the boundaries of the district;

(2) A statement that an exhibition center and recreational facility district has been established;

(3) The name of the district;

(4) The uses for any revenue generated by a sales tax imposed pursuant to this section; and

(5) A declaration that the district is a political subdivision of the state.

7. A district established pursuant to this section may, at a general, primary, or special election, submit to the qualified voters within the district boundaries a sales tax of one-fourth of one percent, for a period not to exceed twenty-five years, on all retail sales within the district, which are subject to taxation **[**pursuant to sections 144.010 to 144.525**] under chapter 144**, to fund the acquisition, construction, maintenance, operation, improvement, and promotion of an exhibition center and recreational facilities. The ballot of submission shall be in substantially the following form:

Shall the _____ (name of district) impose a sales tax of one-fourth of one percent to fund the acquisition, construction, maintenance, operation, improvement, and promotion of an exhibition center and recreational facilities, for a period of _____ (insert number of years)?

☐ YES ☐ NO

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

If a majority of the votes cast in the portion of any county that is part of the proposed district favor the proposal, then the sales tax shall become effective in that portion of the county **[**that is part of the proposed district on the first day of the first calendar quarter immediately following the election**] as provided by subsection 19 of section 32.087**. If a majority of the votes cast in the portion of a county that is a part of the proposed district oppose the proposal, then that portion of such county shall not impose the sales tax authorized in this section until after the county governing body has submitted another such sales tax proposal and the proposal is approved by a majority of the qualified voters voting thereon. However, if a sales tax proposal is not approved, the governing body of the county shall not resubmit a proposal to the voters pursuant to this section sooner than twelve months from the date of the last proposal submitted pursuant to this section. If the qualified voters in two or more counties that have

contiguous districts approve the sales tax proposal, the districts shall combine to become one district.

8. There is hereby created a board of trustees to administer any district created and the expenditure of revenue generated pursuant to this section consisting of four individuals to represent each county approving the district, as provided in this subsection. The governing body of each county located within the district, upon approval of that county's sales tax proposal, shall appoint four members to the board of trustees; at least one shall be an owner of a nonlodging business located within the taxing district, or their designee, at least one shall be an owner of a lodging facility located within the district, or their designee, and all members shall reside in the district except that one nonlodging business owner, or their designee, and one lodging facility owner, or their designee, may reside outside the district. Each trustee shall be at least twenty-five years of age and a resident of this state. Of the initial trustees appointed from each county, two shall hold office for two years, and two shall hold office for four years. Trustees appointed after expiration of the initial terms shall be appointed to a four-year term by the governing body of the county the trustee represents, with the initially appointed trustee to remain in office until a successor is appointed, and shall take office upon being appointed. Each trustee may be reappointed. Vacancies shall be filled in the same manner in which the trustee vacating the office was originally appointed. The trustees shall not receive compensation for their services, but may be reimbursed for their actual and necessary expenses. The board shall elect a chair and other officers necessary for its membership. Trustees may be removed if:

(1) By a two-thirds vote, the board moves for the member's removal and submits such motion to the governing body of the county from which the trustee was appointed; and

(2) The governing body of the county from which the trustee was appointed, by a majority vote, adopts the motion for removal.

9. The board of trustees shall have the following powers, authority, and privileges:

(1) To have and use a corporate seal;

(2) To sue and be sued, and be a party to suits, actions, and proceedings;

(3) To enter into contracts, franchises, and agreements with any person or entity, public or private, affecting the affairs of the district, including contracts with any municipality, district, or state, or the United States, and any of their

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agencies, political subdivisions, or instrumentalities, for the funding, including without limitation interest rate exchange or swap agreements, planning, development, construction, acquisition, maintenance, or operation of a single exhibition center and recreational facilities or to assist in such activity. "Recreational facilities" means locations explicitly designated for public use where the primary use of the facility involves participation in hobbies or athletic activities;

(4) To borrow money and incur indebtedness and evidence the same by certificates, notes, or debentures, to issue bonds and use any one or more lawful funding methods the district may obtain for its purposes at such rates of interest as the district may determine. Any bonds, notes, and other obligations issued or delivered by the district may be secured by mortgage, pledge, or deed of trust of any or all of the property and income of the district. Every issue of such bonds, notes, or other obligations shall be payable out of property and revenues of the district and may be further secured by other property of the district, which may be pledged, assigned, mortgaged, or a security interest granted for such payment, without preference or priority of the first bonds issued, subject to any agreement with the holders of any other bonds pledging any specified property or revenues. Such bonds, notes, or other obligations shall be authorized by resolution of the district board, and shall bear such date or dates, and shall mature at such time or times, but not in excess of thirty years, as the resolution shall specify. Such bonds, notes, or other obligations shall be in such denomination, bear interest at such rate or rates, be in such form, either coupon or registered, be issued as current interest bonds, compound interest bonds, variable rate bonds, convertible bonds, or zero coupon bonds, be issued in such manner, be payable in such place or places, and be subject to redemption as such resolution may provide, notwithstanding section 108.170. The bonds, notes, or other obligations may be sold at either public or private sale, at such interest rates, and at such price or prices as the district shall determine;

(5) To acquire, transfer, donate, lease, exchange, mortgage, and encumber real and personal property in furtherance of district purposes;

(6) To refund any bonds, notes, or other obligations of the district without an election. The terms and conditions of refunding obligations shall be substantially the same as those of the original issue, and the board shall provide for the payment of interest at not to exceed the legal rate, and the principal of such refunding obligations in the same manner as is provided for the payment of

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interest and principal of obligations refunded;

(7) To have the management, control, and supervision of all the business and affairs of the district, and the construction, installation, operation, and maintenance of district improvements therein; to collect rentals, fees, and other charges in connection with its services or for the use of any of its facilities;

(8) To hire and retain agents, employees, engineers, and attorneys;

(9) To receive and accept by bequest, gift, or donation any kind of property;

(10) To adopt and amend bylaws and any other rules and regulations not in conflict with the constitution and laws of this state, necessary for the carrying on of the business, objects, and affairs of the board and of the district; and

(11) To have and exercise all rights and powers necessary or incidental to or implied from the specific powers granted by this section.

10. There is hereby created the "Exhibition Center and Recreational Facility District Sales Tax Trust Fund", which shall consist of all sales tax revenue collected pursuant to this section. The director of revenue shall be custodian of the trust fund, and moneys in the trust fund shall be used solely for the purposes authorized in this section. Moneys in the trust fund shall be considered nonstate funds pursuant to Section 15, Article IV, Constitution of Missouri. The director of revenue shall invest moneys in the trust fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the trust fund. All sales taxes collected by the director of revenue pursuant to this section on behalf of the district**[**, less one percent for the cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087,**]** shall be deposited in the trust fund. The director of revenue shall keep accurate records of the amount of moneys in the trust fund which was collected in the district imposing a sales tax pursuant to this section, and the records shall be open to the inspection of the officers of each district and the general public. Not later than the tenth day of each month, the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the district. The director of revenue may authorize refunds from the amounts in the trust fund and credited to the district for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of the district.

11. The sales tax authorized by this section is in addition to all other

sales taxes allowed by law. **After the effective date of any tax imposed under the provisions of this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax and collect, in addition to the sales tax for the state of Missouri, the additional tax authorized under the authority of this section. The tax imposed under this section and the tax imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue.**

12. Except as modified in this section, all provisions of sections 32.085 **[**and**] to** 32.087 apply to the sales tax imposed pursuant to this section.

[12.**] 13.** Any sales tax imposed pursuant to this section shall not extend past the initial term approved by the voters unless an extension of the sales tax is submitted to and approved by the qualified voters in each county in the manner provided in this section. Each extension of the sales tax shall be for a period not to exceed twenty years. The ballot of submission for the extension shall be in substantially the following form:

Shall the _____ (name of district) extend the sales tax of one-fourth of one percent for a period of _____ (insert number of years) years to fund the acquisition, construction, maintenance, operation, improvement, and promotion of an exhibition center and recreational facilities?

☐ YES ☐ NO

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

If a majority of the votes cast favor the extension, then the sales tax shall remain in effect at the rate and for the time period approved by the voters. If a sales tax extension is not approved, the district may submit another sales tax proposal as authorized in this section, but the district shall not submit such a proposal to the voters sooner than twelve months from the date of the last extension submitted.

[13.**] 14.** Once the sales tax authorized by this section is abolished or terminated by any means, all funds remaining in the trust fund shall be used solely for the purposes approved in the ballot question authorizing the sales tax. The sales tax shall not be abolished or terminated while the district has any financing or other obligations outstanding; provided that any new financing, debt, or other obligation or any restructuring or refinancing of an existing debt or

obligation incurred more than ten years after voter approval of the sales tax provided in this section or more than ten years after any voter-approved extension thereof shall not cause the extension of the sales tax provided in this section or cause the final maturity of any financing or other obligations outstanding to be extended. Any funds in the trust fund which are not needed for current expenditures may be invested by the district in the securities described in subdivisions (1) to (12) of subsection 1 of section 30.270 or repurchase agreements secured by such securities. If the district abolishes the sales tax, the district shall notify the director of revenue of the action **[**at least ninety days before the effective date of the repeal,**]** and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the sales tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the sales tax in the district, the director of revenue shall remit the balance in the account to the district and close the account of the district. The director of revenue shall notify the district of each instance of any amount refunded or any check redeemed from receipts due the district.

[14.**]** **15.** In the event that the district is dissolved or terminated by any means, the governing bodies of the counties in the district shall appoint a person to act as trustee for the district so dissolved or terminated. Before beginning the discharge of duties, the trustee shall take and subscribe an oath to faithfully discharge the duties of the office, and shall give bond with sufficient security, approved by the governing bodies of the counties, to the use of the dissolved or terminated district, for the faithful discharge of duties. The trustee shall have and exercise all powers necessary to liquidate the district, and upon satisfaction of all remaining obligations of the district, shall pay over to the county treasurer of each county in the district and take receipt for all remaining moneys in amounts based on the ratio the levy of each county bears to the total levy for the district in the previous three years or since the establishment of the district, whichever time period is shorter. Upon payment to the county treasurers, the trustee shall deliver to the clerk of the governing body of any county in the district all books, papers, records, and deeds belonging to the dissolved district.

67.2030. 1. The governing authority of any city of the fourth classification with more than one thousand six hundred but less than one thousand seven hundred inhabitants and located in any county of the first classification with

more than seventy-three thousand seven hundred but less than seventy-three thousand eight hundred inhabitants is hereby authorized to impose, by ordinance or order, a sales tax in the amount not to exceed one-half of one percent on all retail sales made in such city which are subject to taxation **[**pursuant to sections 144.010 to 144.525**] under chapter 144** for the promotion of tourism in such city. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law, except that no ordinance or order imposing a sales tax pursuant to this section shall be effective unless the governing authority of the city submits to the qualified voters of the city, at any municipal or state general, primary, or special election, a proposal to authorize the governing authority of the city to impose a tax.

2. The ballot of submission shall be in substantially the following form:

Shall the city of _____ (city's name) impose a citywide sales tax of _____ (insert amount) for the purpose of promoting tourism in the city?

☐ YES ☐ NO

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

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the ordinance or order and any amendments thereto shall be in effect **[**on the first day of the first calendar quarter immediately following notification to the director of the department of revenue of the election approving the proposal**] as provided by subsection 19 of section 32.087**. If a proposal receives less than the required majority, then the governing authority of the city shall have no power to impose the sales tax unless and until the governing authority of the city has submitted another proposal to authorize the imposition of the sales tax authorized by this section and such proposal is approved by the required majority of the qualified voters voting thereon. However, in no event shall a proposal pursuant to this section be submitted to the voters sooner than twelve months from the date of the last proposal pursuant to this section.

3. **[**On and after the effective date of any tax authorized in this section, the city may adopt one of the two following provisions for the collection and administration of the tax:

(1) The city may adopt rules and regulations for the internal collection of such tax by the city officers usually responsible for collection and administration of city taxes; or

(2) The city may enter into an agreement with the director of revenue of the state of Missouri for the purpose of collecting the tax authorized in this section. In the event any city enters into an agreement with the director of revenue of the state of Missouri for the collection of the tax authorized in this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of such tax, and the director of revenue shall collect the additional tax authorized in this section. The tax authorized in this section shall be collected and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue, and the director of revenue shall retain an amount not to exceed one percent for cost of collection.

4. If a tax is imposed by a city pursuant to this section, the city may collect a penalty of one percent and interest not to exceed two percent per month on unpaid taxes which shall be considered delinquent thirty days after the last day of each quarter**] After the effective date of any tax imposed under the provisions of this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax and collect, in addition to the sales tax for the state of Missouri, the additional tax authorized under the authority of this section. The tax imposed under this section and the tax imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue**.

[5.**]** **4.** (1) The governing authority of any city that has adopted any sales tax pursuant to this section shall, upon filing of a petition calling for the repeal of such sales tax signed by at least ten percent of the qualified voters in the city, submit the question of repeal of the sales tax to the qualified voters at any primary or general election. The ballot of submission shall be in substantially the following form:

Shall _____ (insert name of city) repeal the sales tax of _____ (insert rate of percent) percent for tourism purposes now in effect in _____ (insert name of city)?

☐ YES ☐ NO

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

If a majority of the votes cast on the proposal are in favor of repeal, that repeal

shall become effective **[**on December thirty-first of the calendar year in which such repeal was approved**] as provided by subsection 19 of section 32.087. If the city or county abolishes the tax, the city or county shall notify the director of revenue of the action prior to the effective date of the repeal**.

(2) Once the tax is repealed as provided in this section, all funds remaining in any trust fund or account established to receive revenues generated by the tax shall be used solely for the original stated purpose of the tax. Any funds which are not needed for current expenditures may be invested by the governing authority in accordance with applicable laws relating to the investment of other city funds.

(3) The governing authority of a city repealing a tax pursuant to this section shall notify the director of revenue of the action **[**at least forty-five days before**] prior to** the effective date of the repeal and the director of revenue may order retention in any trust fund created in the state treasury associated with the tax, for a period of one year, of two percent of the amount collected after receipt of such notice to cover refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of repeal of the tax in the city, the director of revenue shall remit the balance in the trust fund to the city and close the account of that city. The director of revenue shall notify each city of each instance of any amount refunded or any check redeemed from receipts due the city.

(4) In the event that the repeal of a sales tax pursuant to this section dissolves or terminates a taxing district, the governing authority of the city shall appoint a person to act as trustee for the district so dissolved or terminated. Before beginning the discharge of duties, the trustee shall take and subscribe an oath to faithfully discharge the duties of the office, and shall give bond with sufficient security, approved by the governing authority of the city, to the use of the dissolved or terminated district, for the faithful discharge of duties. The trustee shall have and exercise all powers necessary to liquidate the district, and upon satisfaction of all remaining obligations of the district, shall pay over to the city treasurer or the equivalent official and take receipt for all remaining moneys. Upon payment to the city treasurer, the trustee shall deliver to the clerk of the governing authority of the city all books, papers, records, and deeds belonging to the dissolved district.

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[6.**]** **5.** Except as modified in this section, all provisions of sections 32.085 **[**and**]** **to** 32.087 shall apply to the tax imposed pursuant to this section.

67.2525. 1. Each member of the board of directors shall have the following qualifications:

(1) As to those subdistricts in which there are registered voters, a resident registered voter in the subdistrict that he or she represents, or be a property owner or, as to those subdistricts in which there are not registered voters who are residents, a property owner or representative of a property owner in the subdistrict he or she represents;

(2) Be at least twenty-one years of age and a registered voter in the district.

2. The district shall be subdivided into at least five but not more than fifteen subdistricts, which shall be represented by one representative on the district board of directors. All board members shall have terms of four years, including the initial board of directors. All members shall take office upon being appointed and shall remain in office until a successor is appointed by the mayor or chairman of the municipality in which the district is located, or elected by the property owners in those subdistricts without registered voters.

3. For those subdistricts which contain one or more registered voters, the mayor or chairman of the city, town, or village shall, with the consent of the governing body, appoint a registered voter residing in the subdistrict to the board of directors.

4. For those subdistricts which contain no registered voters, the property owners who collectively own one or more parcels of real estate comprising more than half of the land situated in each subdistrict shall meet and shall elect a representative to serve upon the board of directors. The clerk of the city, town, or village in which the petition was filed shall, unless waived in writing by all property owners in the subdistrict, give notice by causing publication to be made once a week for two consecutive weeks in a newspaper of general circulation in the county, the last publication of which shall be at least ten days before the day of the meeting required by this section, to call a meeting of the owners of real property within the subdistrict at a day and hour specified in a public place in the city, town, or village in which the petition was filed for the purpose of electing members of the board of directors.

5. The property owners, when assembled, shall organize by the election of a temporary chairman and secretary of the meeting who shall conduct the

election. An election shall be conducted for each subdistrict, with the eligible property owners voting in that subdistrict. At the election, each acre of real property within the subdistrict shall represent one share, and each owner, including corporations and other entities, may have one vote in person or for every acre of real property owned by such person within the subdistrict. Each voter which is not an individual shall determine how to cast its vote as provided for in its articles of incorporation, articles of organization, articles of partnership, bylaws, or other document which sets forth an appropriate mechanism for the determination of the entity's vote. If a voter has no such mechanism, then its vote shall be cast as determined by a majority of the persons who run the day-to-day affairs of the voter. The results of the meeting shall be certified by the temporary chairman and secretary to the municipal clerk if the district is established by a municipality described in this section, or to the circuit clerk if the district is established by a circuit court.

6. Successor boards shall be appointed or elected, depending upon the presence or absence of resident registered voters, by the mayor or chairman of a city, town, or village described in this section, or the property owners as set forth above; provided, however, that elections held by the property owners after the initial board is elected shall be certified to the municipal clerk of the city, town, or village where the district is located and the board of directors of the district.

7. Should a vacancy occur on the board of directors, the mayor or chairman of the city, town, or village if there are registered voters within the subdistrict, or a majority of the owners of real property in a subdistrict if there are not registered voters in the subdistrict, shall have the authority to appoint or elect, as set forth in this section, an interim director to complete any unexpired term of a director caused by resignation or disqualification.

8. The board shall possess and exercise all of the district's legislative and executive powers, including:

(1) The power to fund, promote and provide educational, civic, musical, theatrical, cultural, concerts, lecture series, and related or similar entertainment events or activities, and fund, promote, plan, design, construct, improve, maintain, and operate public improvements, transportation projects, and related facilities within the district;

(2) The power to accept and disburse tax or other revenue collected in the district; and

(3) The power to receive property by gift or otherwise.

9. Within thirty days after the selection of the initial directors, the board shall meet. At its first meeting and annually thereafter the board shall elect a chairman from its members.

10. The board shall appoint an executive director, district secretary, treasurer, and such other officers or employees as it deems necessary.

11. At the first meeting, the board, by resolution, shall define the first and subsequent fiscal years of the district, and shall adopt a corporate seal.

12. A simple majority of the board shall constitute a quorum. If a quorum exists, a majority of those voting shall have the authority to act in the name of the board, and approve any board resolution.

13. At the first meeting, the board, by resolution, shall receive the certification of the election regarding the sales tax, and may impose the sales tax in all subdistricts approving the imposing sales tax. In those subdistricts that approve the sales tax, the sales tax shall become effective **[**on the first day of the first calendar quarter immediately following the action by the district board of directors imposing the tax**] as provided by section 32.087**.

14. Each director shall devote such time to the duties of the office as the faithful discharge thereof may require and be reimbursed for his or her actual expenditures in the performance of his or her duties on behalf of the district. Directors may be compensated, but such compensation shall not exceed one hundred dollars per month.

15. In addition to all other powers granted by sections 67.2500 to 67.2530, the district shall have the following general powers:

(1) To sue and be sued in its own name, and to receive service of process, which shall be served upon the district secretary;

(2) To fix compensation of its employees and contractors;

(3) To enter into contracts, franchises, and agreements with any person or entity, public or private, affecting the affairs of the district, including contracts with any municipality, district, or state, or the United States, and any of their agencies, political subdivisions, or instrumentalities, for the funding, including without limitation, interest rate exchange or swap agreements, planning, development, construction, acquisition, maintenance, or operation of a district facility or to assist in such activity;

(4) To acquire, develop, construct, equip, transfer, donate, lease, exchange, mortgage, and encumber real and personal property in furtherance of district purposes;

(5) To collect and disburse funds for its activities;

(6) To collect taxes and other revenues;

(7) To borrow money and incur indebtedness and evidence the same by certificates, notes, bonds, debentures, or refunding of any such obligations for the purpose of paying all or any part of the cost of land, construction, development, or equipping of any facilities or operations of the district;

(8) To own or lease real or personal property for use in connection with the exercise of powers pursuant to this subsection;

(9) To provide for the election or appointment of officers, including a chairman, treasurer, and secretary. Officers shall not be required to be residents of the district, and one officer may hold more than one office;

(10) To hire and retain agents, employees, engineers, and attorneys;

(11) To enter into entertainment contracts binding the district and artists, agencies, or performers, management contracts, contracts relating to the booking of entertainment and the sale of tickets, and all other contracts which relate to the purposes of the district;

(12) To contract with a local government, a corporation, partnership, or individual regarding funding, promotion, planning, designing, constructing, improving, maintaining, or operating a project or to assist in such activity;

(13) To contract for transfer to a city, town, or village such district facilities and improvements free of cost or encumbrance on such terms set forth by contract;

(14) To exercise such other powers necessary or convenient for the district to accomplish its purposes which are not inconsistent with its express powers.

16. A district may at any time authorize or issue notes, bonds, or other obligations for any of its powers or purposes. Such notes, bonds, or other obligations:

(1) Shall be in such amounts as deemed necessary by the district, including costs of issuance thereof;

(2) Shall be payable out of all or any portion of the revenues or other assets of the district;

(3) May be secured by any property of the district which may be pledged, assigned, mortgaged, or otherwise encumbered for payment;

(4) Shall be authorized by resolution of the district, and if issued by the district, shall bear such date or dates, and shall mature at such time or times, but not in excess of forty years, as the resolution shall specify;

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(5) Shall be in such denomination, bear interest at such rates, be in such form, be issued as current interest bonds, compound interest bonds, variable rate bonds, convertible bonds, or zero coupon bonds, be issued in such manner, be payable in such place or places and subject to redemption as such resolution may provide; and

(6) May be sold at either public or private sale, at such interest rates, and at such price or prices as the district shall determine.

The provisions of this subsection are applicable to the district notwithstanding the provisions of section 108.170.

67.2530. 1. Any note, bond, or other indebtedness of the district may be refunded at any time by the district by issuing refunding bonds in such amount as the district may deem necessary. Such bonds shall be subject to and shall have the benefit of the foregoing provisions regarding notes, bonds, and other obligations. Without limiting the generality of the foregoing, refunding bonds may include amounts necessary to finance any premium, unpaid interest, and costs of issuance in connection with the refunding bonds. Any such refunding may be effected whether the bonds to be refunded then shall have matured or thereafter shall mature, either by sale of the refunding bonds and the application of the proceeds thereof to the payment of the obligations being refunded or the exchange of the refunding bonds for the obligations being refunded with the consent of the holders of the obligations being refunded.

2. Notes, bonds, or other indebtedness of the district shall be exclusively the responsibility of the district payable solely out of the district funds and property and shall not constitute a debt or liability of the state of Missouri or any agency or political subdivision of the state. Any notes, bonds, or other indebtedness of the district shall state on their face that they are not obligations of the state of Missouri or any agency or political subdivision thereof other than the district.

3. Any district may by resolution impose a district sales tax of up to one-half of one percent on all retail sales made in such district that are subject to taxation **[**pursuant to the provisions of sections 144.010 to 144.525**]** **under chapter 144**. Upon voter approval, and receiving the necessary certifications from the governing body of the municipality in which the district is located, or from the circuit court if the district was formed by the circuit court, the board of directors shall have the power to impose a sales tax at its first meeting, or any meeting thereafter. Voter approval of the question of the imposing sales tax shall

be in accordance with section 67.2520. **[**The sales tax shall become effective in those subdistricts that approve the sales tax on the first day of the first calendar quarter immediately following the passage of a resolution by the board of directors imposing the sales tax.

4. In each district in which a sales tax has been imposed in the manner provided by this section, every retailer shall add the tax imposed by the district pursuant to this section to the retailer's sale price, and when so added, such tax shall constitute a part of the price, shall be a debt of the purchaser to the retailer until paid, and shall be recoverable at law in the same manner as the purchase price.

5. In order to permit sellers required to collect and report the sales tax authorized by this section to collect the amount required to be reported and remitted, but not to change the requirements of reporting or remitting tax or to serve as a levy of the tax, and in order to avoid fractions of pennies, the district may establish appropriate brackets which shall be used in the district imposing a tax pursuant to this section in lieu of those brackets provided in section 144.285.

6.**]** **4.** All revenue received by a district from the sales tax authorized by this section shall be deposited in a special trust fund and shall be used solely for the purposes of the district. Any funds in such special trust fund which are not needed for the district's current expenditures may be invested by the district board of directors in accordance with applicable laws relating to the investment of other district funds.

[7.**]** **5.** The sales tax may be imposed at a rate of up to one-half of one percent on the receipts from the sale at retail of all **[**tangible personal property or taxable services**]** **sales** at retail within the district adopting such tax, if such property and services are subject to taxation by the state of Missouri **[**pursuant to the provisions of sections 144.010 to 144.525**]** **under chapter 144**. Any district sales tax imposed pursuant to this section shall be imposed at a rate that shall be uniform throughout the subdistricts approving the sales tax.

[8. The resolution imposing the sales tax pursuant to this section shall impose upon all sellers a tax for the privilege of engaging in the business of selling tangible personal property or rendering taxable services at retail to the extent and in the manner provided in sections 144.010 to 144.525 and the rules and regulations of the director of revenue issued pursuant thereto; except that the rate of the tax shall be the rate imposed by the resolution as the sales tax and

the tax shall be reported and returned to and collected by the district.

9. (1) On and after the effective date of any sales tax imposed pursuant to this section, the district shall perform all functions incident to the administration, collection, enforcement, and operation of the tax. The sales tax imposed pursuant to this section shall be collected and reported upon such forms and under such administrative rules and regulations as may be prescribed by the district.

(2)**]**

6. After the effective date of any tax imposed under the provisions of this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax and collect, in addition to the sales tax for the state of Missouri, the additional tax authorized under the authority of this section. The tax imposed under this section and the tax imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue.

7. All **[**such**]** sales taxes **[**collected by the district**]** shall be deposited by the district in a special fund to be expended for the purposes authorized in this section. The district shall keep accurate records of the amount of money which was collected pursuant to this section, and the records shall be open to the inspection of officers of each district and the general public.

[(3) The district may contract with the municipality that the district is within for the municipality to collect any revenue received by the district and, after deducting the cost of such collection, but not to exceed one percent of the total amount collected, deposit such revenue in a special trust account. Such revenue and interest may be applied by the municipality to expenses, costs, or debt service of the district at the direction of the district as set forth in a contract between the municipality and the district.

10. (1) All applicable provisions contained in sections 144.010 to 144.525 governing the state sales tax, sections 32.085 and 32.087, and section 32.057, the uniform confidentiality provision, shall apply to the collection of the tax imposed by this section, except as modified in this section.

(2) All exemptions granted to agencies of government, organizations, persons, and to the sale of certain articles and items of tangible personal property and taxable services pursuant to the provisions of sections 144.010 to 144.525 are

hereby made applicable to the imposition and collection of the tax imposed by this section.

(3) The same sales tax permit, exemption certificate, and retail certificate required by sections 144.010 to 144.525 for the administration and collection of the state sales tax shall satisfy the requirements of this section, and no additional permit or exemption certificate or retail certificate shall be required; except that the district may prescribe a form of exemption certificate for an exemption from the tax imposed by this section.

(4) All discounts allowed the retailer pursuant to the provisions of the state sales tax laws for the collection of and for payment of taxes pursuant to such laws are hereby allowed and made applicable to any taxes collected pursuant to the provisions of this section.

(5) The penalties provided in section 32.057 and sections 144.010 to 144.525 for violation of those sections are hereby made applicable to violations of this section.

(6) For the purpose of a sales tax imposed by a resolution pursuant to this section, all retail sales shall be deemed to be consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or the retailer's agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. In the event a retailer has more than one place of business in this state which participates in the sale, the sale shall be deemed to be consummated at the place of business of the retailer where the initial order for the tangible personal property is taken, even though the order must be forwarded elsewhere for acceptance, approval of credit, shipment, or billing. A sale by a retailer's employee shall be deemed to be consummated at the place of business from which the employee works.

(7)**]** **8.** Subsequent to the initial approval by the voters and implementation of a sales tax in the district, the rate of the sales tax may be increased, but not to exceed a rate of one-half of one percent on retail sales **made in the district which are subject to sales tax under chapter 144** as provided in this subsection. The election shall be conducted in accordance with section 67.2520; provided, however, that the district board of directors may place the question of the increase of the sales tax before the voters of the district by resolution, and the municipal clerk of the city, town, or village which originally conducted the incorporation of the district, or the circuit clerk of the court which originally conducted the incorporation of the district, shall conduct the

subsequent election. In subsequent elections, the election judges shall certify the election results to the district board of directors. The ballot of submission shall be in substantially the following form:

Shall _____ (name of district) increase the _____ (insert amount) percent district sales tax now in effect to _____ (insert amount) in the _____ (name of district)?

☐ YES ☐ NO

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

If a majority of the votes cast on the proposal by the qualified voters of the district voting thereon are in favor of the increase, the increase shall become effective **[**December thirty-first of the calendar year in which such increase was approved**] as provided by subsection 19 of section 32.087**.

[11.**]** **9.** (1) There shall not be any election as provided for in this section while the district has any financing or other obligations outstanding.

(2) The board, when presented with a petition signed by at least one-third of the registered voters in a district that voted in the last gubernatorial election, or signed by at least two-thirds of property owners of the district, calling for an election to dissolve and repeal the tax shall submit the question to the voters using the same procedure by which the imposing tax was voted. The ballot of submission shall be in substantially the following form:

Shall _____ (name of district) dissolve and repeal the _____ (insert amount) percent district sales tax now in effect in the _____ (name of district)?

☐ YES ☐ NO

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

Such subsequent elections for the repeal of the sales tax shall be conducted in accordance with section 67.2520; provided, however, that the district board of directors may place the question of the repeal of the sales tax before the voters of the district, and the municipal clerk of the city, town, or village which originally conducted the incorporation of the district, or the circuit clerk of the court which originally conducted the incorporation of the district, shall conduct the subsequent election. In subsequent elections the election judges shall certify the election results to the district board of directors.

(3) If a majority of the votes cast on the proposal by the qualified voters of the district voting thereon are in favor of repeal, that repeal shall become

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effective **[**December thirty-first of the calendar year in which such repeal was approved or after the repayment of the district's indebtedness, whichever occurs later**] as provided by subsection 19 of section 32.087. If the district abolishes the tax, the district shall notify the director of revenue of the action prior to the effective date of the repeal**.

[12.**] 10.** (1) At such time as the board of directors of the district determines that further operation of the district is not in the best interests of the inhabitants of the district, and that the district should dissolve, the board shall submit for a vote in an election held throughout the district the question of whether the district should be abolished. The question shall be submitted in substantially the following form:

Shall the _____ theater, cultural arts, and entertainment district be abolished?

☐ YES ☐ NO

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

(2) The district board shall not propose the question to abolish the district while there are outstanding claims or causes of action pending against the district, while the district liabilities exceed its assets, while indebtedness of the district is outstanding, or while the district is insolvent, in receivership or under the jurisdiction of the bankruptcy court. Prior to submitting the question to abolish the district to a vote of the entire district, the state auditor shall audit the district to determine the financial status of the district, and whether the district may be abolished pursuant to law. The vote on the abolition of the district shall be conducted by the municipal clerk of the city, town, or village in which the district is located. The procedure shall be the same as in section 67.2520, except that the question shall be determined by the qualified voters of the entire district. No individual subdistrict may be abolished, except at such time as the district is abolished.

(3) While the district still exists, it shall continue to accrue all revenues to which it is entitled at law.

(4) Upon receipt by the board of directors of the district of the certification by the city, town, or village in which the district is located that the majority of those voting within the entire district have voted to abolish the district, and if the state auditor has determined that the district's financial condition is such that it may be abolished pursuant to law, then the board of directors of the district

shall:

(a) Sell any remaining district real or personal property it wishes, and then transfer the proceeds and any other real or personal property owned by the district to the city, town, or village in which the district is located, including revenues due and owing the district, for its further use and disposition;

(b) Terminate the employment of any remaining district employees, and otherwise conclude its affairs;

(c) At a public meeting of the district, declare by a resolution of the board of directors passed by a majority vote that the district has been abolished effective that date;

(d) Cause copies of that resolution under seal to be filed with the secretary of state and the city, town, or village in which the district is located. Upon the completion of the final act specified in this subsection, the legal existence of the district shall cease.

(5) The legal existence of the district shall not cease for a period of two years after voter approval of the abolition.

11. Except as provided in this section, all provisions of sections 32.085 to 32.087 shall apply to the tax imposed under this section.

94.578. 1. In addition to the sales tax authorized in section 94.577, the governing body of any home rule city with more than one hundred fifty-one thousand five hundred but less than one hundred fifty-one thousand six hundred inhabitants is hereby authorized to impose, by order or ordinance, a sales tax on all retail sales made within the city which are subject to sales tax under chapter 144. The tax authorized in this section may be imposed at a rate of one-eighth, one-fourth, three-eighths, or one-half of one percent, but shall not exceed one-half of one percent, shall not be imposed for longer than three years, and shall be imposed solely for the purpose of funding the construction, operation, and maintenance of capital improvements in the city's center city. The governing body may issue bonds for the funding of such capital improvements, which will be retired by the revenues received from the sales tax authorized by this section. The order or ordinance shall not become effective unless the governing body of the city submits to the voters residing within the city at a state or municipal general, primary, or special election a proposal to authorize the governing body of the city to impose a tax under this section. The tax authorized in this section shall be in addition to all other sales taxes imposed by law, and shall be stated separately from all other charges and taxes.

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2. The ballot submission for the tax authorized in this section shall be in substantially the following form:

Shall _____ (insert the name of the city) impose a sales tax at a rate of _____ (insert rate of percent) percent for **[**a**]** capital improvements purposes in the city's center city for a period of _____ (insert number of years, not to exceed three) years?

☐ YES ☐ NO

If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the question, then the tax shall become effective **[**on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax**] as provided by subsection 19 of section 32.087**. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the question, then the tax shall not become effective unless and until the question is resubmitted under this section to the qualified voters and such question is approved by a majority of the qualified voters voting on the question. In no case shall a tax be resubmitted to the qualified voters of the city sooner than twelve months from the date of the proposal under this section.

3. Any sales tax imposed under this section shall be administered, collected, enforced, and operated as required in **[**section**] sections 32.085 to** 32.087. All revenue generated by the tax shall be deposited in a special trust fund and shall be used solely for the designated purposes. If the tax is repealed, all funds remaining in the special trust fund shall continue to be used solely for the designated purposes. Any funds in the special trust fund which are not needed for current expenditures shall be invested in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

4. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any city for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such cities. If any city abolishes the tax, the city shall notify the director of revenue of the action **[**at least ninety days before**] prior to** the effective date of the repeal, and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such

accounts. After one year has elapsed after the effective date of abolition of the tax in such city, the director of revenue shall remit the balance in the account to the city and close the account of that city. The director of revenue shall notify each city of each instance of any amount refunded.

5. The governing body of any city that has adopted the sales tax authorized in this section may submit the question of repeal of the tax to the voters on any date available for elections for the city. The ballot of submission shall be in substantially the following form:

Shall _____ (insert the name of the city) repeal the sales tax imposed at a rate of _____ (insert rate of percent) percent for capital improvements purposes in the city's center city?

☐ YES ☐ NO

If a majority of the votes cast on the proposal are in favor of repeal, that repeal shall become effective **[**on December thirty-first of the calendar year in which such repeal was approved**] as provided by subsection 19 of section 32.087**. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the repeal, then the sales tax authorized in this section shall remain effective until the question is resubmitted under this section to the qualified voters, and the repeal is approved by a majority of the qualified voters voting on the question. **If the city or county abolishes the tax, the city or county shall notify the director of revenue of the action prior to the effective date of the repeal.**

6. Whenever the governing body of any city that has adopted the sales tax authorized in this section receives a petition, signed by ten percent of the registered voters of the city voting in the last gubernatorial election, calling for an election to repeal the sales tax imposed under this section, the governing body shall submit to the voters of the city a proposal to repeal the tax. If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the repeal, that repeal shall become effective **[**on December thirty-first of the calendar year in which such repeal was approved**] as provided by subsection 19 of section 32.087**. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the repeal, then the tax shall remain effective until the question is resubmitted under this section to the qualified voters and the repeal is approved by a majority of the qualified voters voting on the question.

7. Except as provided in this section, all provisions of sections

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32.085 to 32.087 apply to the sales tax imposed under this section.

94.605. 1. Any city as defined in section 94.600 may by a majority vote of its governing body impose a sales tax for transportation purposes enumerated in sections 94.600 to 94.655.

2. The sales tax may be imposed at a rate not to exceed one-half of one percent on **[**the receipts from the sale at**]** **all** retail **[**of all tangible personal property or taxable services at retail**]** **sales** within any city adopting such tax, if such property and services are subject to taxation by the state of Missouri under **[**the provisions of sections 144.010 to 144.525**]** **chapter 144**.

3. With respect to any tax increment financing plan originally approved by ordinance of the city council after March 31, 2009, in any home rule city with more than four hundred thousand inhabitants and located in more than one county, any three-eighths of one cent sales tax imposed under sections 94.600 to 94.655 shall not be considered economic activity taxes as such term is defined under sections 99.805 and 99.918, and tax revenues derived from such taxes shall not be subject to allocation under the provisions of subsection 3 of section 99.845 or subsection 4 of section 99.957. Any one-eighth of one cent sales tax imposed in such city under sections 94.600 to 94.655 for constructing and operating a light-rail transit system shall not be considered economic activity taxes as such term is defined under sections 99.805 and 99.918, and tax revenues derived from such tax shall not be subject to allocation under the provisions of subsection 3 of section 99.845 or subsection 4 of section 99.957.

4. **[**If the boundaries of a city in which such sales tax has been imposed shall thereafter be changed or altered, the city or county clerk shall forward to the director of revenue by United States registered mail or certified mail a certified copy of the ordinance adding or detaching territory from the city. The ordinance shall reflect the effective date thereof, and shall be accompanied by a map of the city clearly showing the territory added thereto or detached therefrom. Upon receipt of the ordinance and map, the tax imposed by sections 94.600 to 94.655 shall be effective in the added territory or abolished in the detached territory on the effective date of the change of the city boundary**]** **Except as modified by this section, all provisions of sections 32.085 to 32.087 shall apply to the tax imposed under this section**.

94.660. 1. The governing body of any city not within a county and any county of the first classification having a charter form of government with a population of over nine hundred thousand inhabitants may propose, by ordinance

or order, a transportation sales tax of up to one percent for submission to the voters of that city or county at an authorized election date selected by the governing body.

2. Any sales tax approved under this section shall be imposed on **[**the receipts from the sale at**]** **all** retail **[**of all tangible personal property or taxable services**]** **sales** within the city or county adopting the tax, if such property and services are subject to taxation by the state of Missouri under **[**sections 144.010 to 144.525**]** **chapter 144**.

3. The ballot of submission shall contain, but need not be limited to, the following language:

Shall the county/city of _____ (county's or city's name) impose a county/city-wide sales tax of _____ percent for the purpose of providing a source of funds for public transportation purposes?

☐ YES ☐ NO

Except as provided in subsection 4 of this section, if a majority of the votes cast in that county or city not within a county on the proposal by the qualified voters voting thereon are in favor of the proposal, then the tax shall go into effect **[**on the first day of the next calendar quarter beginning after its adoption and notice to the director of revenue, but no sooner than thirty days after such adoption and notice**]** **as provided by subsection 19 of section 32.087**. If a majority of the votes cast in that county or city not within a county by the qualified voters voting are opposed to the proposal, then the additional sales tax shall not be imposed in that county or city not within a county unless and until the governing body of that county or city not within a county shall have submitted another proposal to authorize the local option transportation sales tax authorized in this section, and such proposal is approved by a majority of the qualified voters voting on it. In no event shall a proposal pursuant to this section be submitted to the voters sooner than twelve months from the date of the last proposal.

4. No tax shall go into effect under this section in any city not within a county or any county of the first classification having a charter form of government with a population over nine hundred thousand inhabitants unless and until both such city and such county approve the tax.

5. The provisions of subsection 4 of this section requiring both the city and county to approve a transportation sales tax before a transportation sales tax may go into effect in either jurisdiction shall not apply to any transportation sales tax submitted to and approved by the voters in such city or such county on or

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after August 28, 2007.

6. All sales taxes collected by the director of revenue under this section on behalf of any city or county**[**, less one percent for cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds,**]** shall be deposited with the state treasurer in a special trust fund, which is hereby created, to be known as the "County Public Transit Sales Tax Trust Fund". **[**The sales taxes shall be collected as provided in section 32.087. The moneys in the trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state.**]** The director of revenue shall keep accurate records of the amount of money in the trust fund which was collected in each city or county approving a sales tax under this section, and the records shall be open to inspection by officers of the city or county and the public. Not later than the tenth day of each month the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the city or county which levied the tax, and such funds shall be deposited with the treasurer of each such city or county and all expenditures of funds arising from the county public transit sales tax trust fund shall be by an appropriation act to be enacted by the governing body of each such county or city not within a county.

7. The revenues derived from any transportation sales tax under this section shall be used only for the planning, development, acquisition, construction, maintenance and operation of public transit facilities and systems other than highways.

8. The director of revenue may authorize the state treasurer to make refunds from the amount in the trust fund and credited to any city or county for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such cities or counties. If any city or county abolishes the tax, the city or county shall notify the director of revenue of the action **[**at least ninety days prior to the effective date of the repeal**]** and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such city or county, the director of revenue shall authorize the state treasurer to remit the balance in the account to the city or county and close the account of that city or county. The director of revenue

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shall notify each city or county of each instance of any amount refunded or any check redeemed from receipts due the city or county.

9. Except as modified by this section, all provisions of sections 32.085 to 32.087 shall apply to the tax imposed under this section.

94.705. 1. Any city may by a majority vote of its governing body impose a sales tax **on all retail sales made in the city which are subject to sales tax under chapter 144** for transportation purposes enumerated in sections 94.700 to 94.755, and issue bonds for transportation purposes which shall be retired by the revenues received from the sales tax authorized by this section. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law. No ordinance imposing a sales tax pursuant to the provisions of this section shall become effective unless the council or other governing body submits to the voters of the city, at a city or state general, primary, or special election, a proposal to authorize the council or other governing body of the city to impose such a sales tax and, if such tax is to be used to retire bonds authorized pursuant to this section, to authorize such bonds and their retirement by such tax; except that no vote shall be required in any city that imposed and collected such tax under sections 94.600 to 94.655, before January 5, 1984. The ballot of the submission shall contain, but is not limited to, the following language:

(1) If the proposal submitted involves only authorization to impose the tax authorized by this section, the following language:

Shall the city of _____ (city's name) impose a sales tax of _____ (insert amount) for transportation purposes?

☐ YES ☐ NO

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

(2) If the proposal submitted involves authorization to issue bonds and repay such bonds with revenues from the tax authorized by this section, the following language:

Shall the city of _____ (city's name) issue bonds in the amount of _____ (insert amount) for transportation purposes and impose a sales tax of _____ (insert amount) to repay such bonds?

☐ YES ☐ NO

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

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If a majority of the votes cast on the proposal, provided in subdivision (1) of this subsection, by the qualified voters voting thereon are in favor of the proposal, then the ordinance and any amendments thereto shall be in effect **as provided by subsection 19 of section 32.087**. If the four-sevenths majority of the votes, as required by the Missouri Constitution, Article VI, Section 26, cast on the proposal, provided in subdivision (2) of this subsection to issue bonds and impose a sales tax to retire such bonds, by the qualified voters voting thereon are in favor of the proposal, then the ordinance and any amendments thereto shall be in effect **as provided by subsection 19 of section 32.087**. If a majority of the votes cast on the proposal, as provided in subdivision (1) of this subsection, by the qualified voters voting thereon are opposed to the proposal, then the council or other governing body of the city shall have no power to impose the tax authorized in subdivision (1) of this subsection unless and until the council or other governing body of the city submits another proposal to authorize the council or other governing body of the city to impose the tax and such proposal is approved by a majority of the qualified voters voting thereon. If more than three-sevenths of the votes cast by the qualified voters voting thereon are opposed to the proposal, as provided in subdivision (2) of this subsection to issue bonds and impose a sales tax to retire such bonds, then the council or other governing body of the city shall have no power to issue any bonds or to impose the tax authorized in subdivision (2) of this subsection unless and until the council or other governing body of the city submits another proposal to authorize the council or other governing body of the city to issue such bonds or impose the tax to retire such bonds and such proposal is approved by four-sevenths of the qualified voters voting thereon.

2. No incorporated municipality located wholly or partially within any first class county operating under a charter form of government and having a population of over nine hundred thousand inhabitants shall impose such a sales tax for that part of the city, town or village that is located within such first class county, in the event such a first class county imposes a sales tax under the provisions of sections 94.600 to 94.655.

3. The sales tax may be imposed at a rate not to exceed one-half of one percent on the receipts from the sale at retail of all tangible personal property or taxable services at retail within any city adopting such tax, if such property and services are subject to taxation by the state of Missouri under the provisions of **[**sections 144.010 to 144.525**]** **chapter 144**.

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4. **[**If the boundaries of a city in which such sales tax has been imposed shall thereafter be changed or altered, the city clerk shall forward to the director of revenue by United States registered mail or certified mail a certified copy of the ordinance adding or detaching territory from the city. The ordinance shall reflect the effective date thereof, and shall be accompanied by a map of the city clearly showing the territory added thereto or detached therefrom. Upon receipt of the ordinance and map, the tax imposed by sections 94.700 to 94.755 shall be effective in the added territory or abolished in the detached territory on the effective date of the change of the city boundary.

5.**]** No tax imposed pursuant to this section for the purpose of retiring bonds issued pursuant to this section may be terminated until all of such bonds have been retired.

5. Except as modified by this section, all provisions of sections 32.085 to 32.087 shall apply to the tax imposed under this section.

100.730. 1. The department, in conjunction with the board, shall establish the procedures and standards for the determination and approval of eligible industries and their economic development projects by the promulgation of rules or regulations in accordance with sections 100.700 to 100.850, chapter 536, and section 620.1066. These rules or regulations shall mandate the evaluation of the credit worthiness of eligible industries, the number of new jobs to be provided by an economic development project to residents of the state, and the likelihood of the economic success of the economic development project. No economic development project which will result in **a net fiscal benefit to the state of less than two and one-half dollars for each dollar of state benefits provided, or in** the replacement of facilities existing in the state shall be approved by the board.

2. With respect to each eligible industry making an application to the board for incentives, and with respect to the economic development project described in the application, the board shall request relevant information, documentation and other materials and make inquiries of the applicant as necessary or appropriate. After a diligent review of relevant materials and completion of its inquiries, the board may by resolution designate an economic development project.

135.110. 1. Any taxpayer who shall establish a new business facility shall be allowed a credit, each year for ten years, in an amount determined pursuant to subsection 2 or 3 of this section, whichever is applicable, against the tax

imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or an insurance company which shall establish a new business facility by satisfying the requirements in subdivision (7) of section 135.100 shall be allowed a credit against the tax otherwise imposed by chapter 148, and in the case of an insurance company exempt from the thirty percent employee requirement of section 135.230, against any obligation imposed pursuant to section 375.916, except that no taxpayer shall be entitled to multiple ten-year periods for subsequent expansions at the same facility, except as otherwise provided in this section. For the purpose of this section, the term "facility" shall mean, and be limited to, the facility or facilities which are located on the same site in which the new business facility is located, and in which the business conducted at such facility or facilities is directly related to the business conducted at the new business facility. Notwithstanding the provisions of this subsection, a taxpayer may be entitled to an additional ten-year period if a new business facility is expanded in the eighth, ninth or tenth year of the current ten-year period or in subsequent years following the expiration of the ten-year period, if the number of new business facility employees attributed to such expansion is at least twenty-five and the amount of new business facility investment attributed to such expansion is at least one million dollars. Credits may not be carried forward but shall be claimed for the taxable year during which commencement of commercial operations occurs at such new business facility, and for each of the nine succeeding taxable years. A letter of intent, as provided for in section 135.258, must be filed with the department of economic development no later than fifteen days prior to the commencement of commercial operations at the new business facility. The initial application for claiming tax credits must be made in the taxpayer's tax period immediately following the tax period in which commencement of commercial operations began at the new business facility. This provision shall have effect on all initial applications filed on or after August 28, 1992. No credit shall be allowed pursuant to this section unless the number of new business facility employees engaged or maintained in employment at the new business facility for the taxable year for which the credit is claimed equals or exceeds two; except that the number of new business facility employees engaged or maintained in employment by a revenue-producing enterprise other than a revenue-producing enterprise defined in paragraphs (a) to (g) and (i) to (l) of subdivision (11) of section 135.100 which establishes an office as defined in subdivision (8) of section 135.100 shall equal or exceed twenty-five. **No credit**

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shall be allowed under this section unless the department of economic development determines that awarding a tax credit to the new or expanded business facility shall result in a net fiscal benefit to the state of at least two and one-half dollars for each dollar of tax credit awarded.

2. For tax periods beginning after August 28, 1991, in the case of a taxpayer operating an existing business facility, the credit allowed by subsection 1 of this section shall offset the greater of:

(1) Some portion of the income tax otherwise imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or in the case of an insurance company, the tax on the direct premiums, as defined in chapter 148, and in the case of an insurance company exempt from the thirty percent employee requirement of section 135.230, against any obligation imposed pursuant to section 375.916 with respect to such taxpayer's new business facility income for the taxable year for which such credit is allowed; or

(2) Up to fifty percent or, in the case of an economic development project located within a distressed community as defined in section 135.530, seventy-five percent of the business income tax otherwise imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or in the case of an insurance company, the tax on the direct premiums, as defined in chapter 148, and in the case of an insurance company exempt from the thirty percent employee requirement of section 135.230, against any obligation imposed pursuant to section 375.916 if the business operates no other facilities in Missouri. In the case of an existing business facility operating more than one facility in Missouri, the credit allowed in subsection 1 of this section shall offset up to the greater of the portion prescribed in subdivision (1) of this subsection or twenty-five percent or, in the case of an economic development project located within a distressed community as defined in section 135.530, thirty-five percent of the business' tax, except that no taxpayer operating more than one facility in Missouri shall be allowed to offset more than twenty-five percent or, in the case of an economic development project located within a distressed community as defined in section 135.530, thirty-five percent of the taxpayer's business income tax in any tax period under the method prescribed in this subdivision. Such credit shall be an amount equal to the sum of one hundred dollars or, in the case of an economic development project located within a distressed community as defined in section 135.530, one hundred fifty dollars for each new business facility employee plus

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one hundred dollars or, in the case of an economic development project located within a distressed community as defined in section 135.530, one hundred fifty dollars for each one hundred thousand dollars, or major fraction thereof (which shall be deemed to be fifty-one percent or more) in new business facility investment. For the purpose of this section, tax credits earned by a taxpayer, who establishes a new business facility because it satisfies the requirements of paragraph (c) of subdivision (4) of section 135.100, shall offset the greater of the portion prescribed in subdivision (1) of this subsection or up to fifty percent or, in the case of an economic development project located within a distressed community as defined in section 135.530, seventy-five percent of the business' tax provided the business operates no other facilities in Missouri. In the case of a business operating more than one facility in Missouri, the credit allowed in subsection 1 of this section shall offset up to the greater of the portion prescribed in subdivision (1) of this subsection or twenty-five percent or, in the case of an economic development project located within a distressed community as defined in section 135.530, thirty-five percent of the business' tax, except that no taxpayer operating more than one facility in Missouri shall be allowed to offset more than twenty-five percent or, in the case of an economic development project located within a distressed community as defined in section 135.530, thirty-five percent of the taxpayer's business income tax in any tax period under the method prescribed in this subdivision.

3. For tax periods beginning after August 28, 1991, in the case of a taxpayer not operating an existing business facility, the credit allowed by subsection 1 of this section shall offset the greater of:

(1) Some portion of the income tax otherwise imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or in the case of an insurance company, the tax on the direct premiums, as defined in chapter 148, and in the case of an insurance company exempt from the thirty percent employee requirement of section 135.230, against any obligation imposed pursuant to section 375.916 with respect to such taxpayer's new business facility income for the taxable year for which such credit is allowed; or

(2) Up to one hundred percent of the business income tax otherwise imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or in the case of an insurance company, the tax on the direct premiums, as defined in chapter 148, and in the case of an insurance company exempt from the thirty percent employee requirement of section 135.230, against

any obligation imposed pursuant to section 375.916 if the business has no other facilities operating in Missouri. In the case of a taxpayer not operating an existing business and operating more than one facility in Missouri, the credit allowed by subsection 1 of this section shall offset up to the greater of the portion prescribed in subdivision (1) of this subsection or twenty-five percent or, in the case of an economic development project located within a distressed community as defined in section 135.530, thirty-five percent of the business' tax, except that no taxpayer operating more than one facility in Missouri shall be allowed to offset more than twenty-five percent or, in the case of an economic development project located within a distressed community as defined in section 135.530, thirty-five percent of the taxpayer's business income tax in any tax period under the method prescribed in this subdivision. Such credit shall be an amount equal to the sum of seventy-five dollars or, in the case of an economic development project located within a distressed community as defined in section 135.530, one hundred twenty-five dollars for each new business facility employee plus seventy-five dollars or, in the case of an economic development project located within a distressed community as defined in section 135.530, one hundred twenty-five dollars for each one hundred thousand dollars, or major fraction thereof (which shall be deemed to be fifty-one percent or more) in new business facility investment.

4. The number of new business facility employees during any taxable year shall be determined by dividing by twelve the sum of the number of individuals employed on the last business day of each month of such taxable year. If the new business facility is in operation for less than the entire taxable year, the number of new business facility employees shall be determined by dividing the sum of the number of individuals employed on the last business day of each full calendar month during the portion of such taxable year during which the new business facility was in operation by the number of full calendar months during such period. For the purpose of computing the credit allowed by this section in the case of a facility which qualifies as a new business facility because it qualifies as a separate facility pursuant to subsection 6 of this section, and, in the case of a new business facility which satisfies the requirements of paragraph (c) of subdivision (4) of section 135.100, or subdivision (10) of section 135.100, the number of new business facility employees at such facility shall be reduced by the average number of individuals employed, computed as provided in this subsection, at the facility during the taxable year immediately preceding the taxable year in

which such expansion, acquisition, or replacement occurred and shall further be reduced by the number of individuals employed by the taxpayer or related taxpayer that was subsequently transferred to the new business facility from another Missouri facility and for which credits authorized in this section are not being earned, whether such credits are earned because of an expansion, acquisition, relocation or the establishment of a new facility.

5. For the purpose of computing the credit allowed by this section in the case of a facility which qualifies as a new business facility because it qualifies as a separate facility pursuant to subsection 6 of this section, and, in the case of a new business facility which satisfies the requirements of paragraph (c) of subdivision (4) of section 135.100 or subdivision (10) of section 135.100, the amount of the taxpayer's new business facility investment in such facility shall be reduced by the average amount, computed as provided in subdivision (7) of section 135.100 for new business facility investment, of the investment of the taxpayer, or related taxpayer immediately preceding such expansion or replacement or at the time of acquisition. Furthermore, the amount of the taxpayer's new business facility investment shall also be reduced by the amount of investment employed by the taxpayer or related taxpayer which was subsequently transferred to the new business facility from another Missouri facility and for which credits authorized in this section are not being earned, whether such credits are earned because of an expansion, acquisition, relocation or the establishment of a new facility.

6. If a facility, which does not constitute a new business facility, is expanded by the taxpayer, the expansion shall be considered a separate facility eligible for the credit allowed by this section if:

(1) The taxpayer's new business facility investment in the expansion during the tax period in which the credits allowed in this section are claimed exceeds one hundred thousand dollars, or, if less, one hundred percent of the investment in the original facility prior to expansion and if the number of new business facility employees engaged or maintained in employment at the expansion facility for the taxable year for which credit is claimed equals or exceeds two, except that the number of new business facility employees engaged or maintained in employment at the expansion facility for the taxable year for which the credit is claimed equals or exceeds twenty-five if an office as defined in subdivision (8) of section 135.100 is established by a revenue-producing enterprise other than a revenue-producing enterprise defined in paragraphs (a)

to (g) and (i) to (l) of subdivision (11) of section 135.100 and the total number of employees at the facility after the expansion is at least two greater than the total number of employees before the expansion, except that the total number of employees at the facility after the expansion is at least greater than the number of employees before the expansion by twenty-five, if an office as defined in subdivision (8) of section 135.100 is established by a revenue-producing enterprise other than a revenue-producing enterprise defined in paragraphs (a) to (g) and (i) to (l) of subdivision (11) of section 135.100; and

(2) The expansion otherwise constitutes a new business facility. The taxpayer's investment in the expansion and in the original facility prior to expansion shall be determined in the manner provided in subdivision (7) of section 135.100.

7. No credit shall be allowed pursuant to this section to a public utility, as such term is defined in section 386.020. Notwithstanding any provision of this subsection to the contrary, motor carriers, barge lines or railroads engaged in transporting property for hire, or any interexchange telecommunications company or local exchange telecommunications company that establishes a new business facility shall be eligible to qualify for credits allowed in this section.

8. For the purposes of the credit described in this section, in the case of a corporation described in section 143.471 or partnership, in computing Missouri's tax liability, this credit shall be allowed to the following:

(1) The shareholders of the corporation described in section 143.471;

(2) The partners of the partnership. This credit shall be apportioned to the entities described in subdivisions (1) and (2) of this subsection in proportion to their share of ownership on the last day of the taxpayer's tax period.

9. Notwithstanding any provision of law to the contrary, any employee-owned engineering firm classified as SIC 8711, architectural firm as classified SIC 8712, or accounting firm classified SIC 8721 establishing a new business facility because it qualifies as a headquarters as defined in subsection 10 of this section, shall be allowed the credits described in subsection 11 of this section under the same terms and conditions prescribed in sections 135.100 to 135.150; provided:

(1) Such facility maintains an average of at least five hundred new business facility employees as defined in subdivision (5) of section 135.100 during the taxpayer's tax period in which such credits are being claimed; and

(2) Such facility maintains an average of at least twenty million dollars

in new business facility investment as defined in subdivision (7) of section 135.100 during the taxpayer's tax period in which such credits are being claimed.

10. For the purpose of the credits allowed in subsection 9 of this section:

(1) "Employee-owned" means the business employees own directly or indirectly, including through an employee stock ownership plan or trust at least:

(a) Seventy-five percent of the total business stock, if the taxpayer is a corporation described in section 143.441; or

(b) One hundred percent of the interest in the business if the taxpayer is a corporation described in section 143.471, a partnership, or a limited liability company; and

(2) "Headquarters" means:

(a) The administrative management of at least three integrated facilities operated by the taxpayer or related taxpayer; and

(b) The taxpayer's business has been headquartered in this state for more than fifty years.

11. The tax credits allowed in subsection 9 of this section shall be the greater of:

(1) Four hundred dollars for each new business facility employee as computed in subsection 4 of this section and four percent of new business facility investment as computed in subsection 5 of this section; or

(2) Five hundred dollars for each new business facility employee as computed in subsection 4 of this section, and five hundred dollars of each one hundred thousand dollars of new business facility investment as computed in subsection 5 of this section.

12. For the purpose of the credit described in subsection 9 of this section, in the case of a small corporation described in section 143.471, or a partnership, or a limited liability company, the credits allowed in subsection 9 of this section shall be apportioned in proportion to the share of ownership of each shareholder, partner or stockholder on the last day of the taxpayer's tax period for which such credits are being claimed.

13. For the purpose of the credit described in subsection 9 of this section, tax credits earned, to the extent such credits exceed the taxpayer's Missouri tax on taxable business income, shall constitute an overpayment of taxes and in such case, be refunded to the taxpayer provided such refunds are used by the taxpayer to purchase specified facility items. For the purpose of the refund as authorized in this subsection, "specified facility items" means equipment, computers,

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computer software, copiers, tenant finishing, furniture and fixtures installed and in use at the new business facility during the taxpayer's taxable year. The taxpayer shall perfect such refund by attesting in writing to the director, subject to the penalties of perjury, the requirements prescribed in this subsection have been met and submitting any other information the director may require.

14. Notwithstanding any provision of law to the contrary, any taxpayer may sell, assign, exchange, convey or otherwise transfer tax credits allowed in subsection 9 of this section under the terms and conditions prescribed in subdivisions (1) and (2) of this subsection. Such taxpayer, referred to as the assignor for the purpose of this subsection, may sell, assign, exchange or otherwise transfer earned tax credits:

(1) For no less than seventy-five percent of the par value of such credits; and

(2) In an amount not to exceed one hundred percent of such earned credits. The taxpayer acquiring the earned credits referred to as the assignee for the purpose of this subsection may use the acquired credits to offset up to one hundred percent of the tax liabilities otherwise imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.261, or chapter 148, or in the case of an insurance company exempt from the thirty percent employee requirement of section 135.230, against any obligation imposed pursuant to section 375.916. Unused credits in the hands of the assignee may be carried forward for up to five tax periods, provided all such credits shall be claimed within ten tax periods following the tax period in which commencement of commercial operations occurred at the new business facility. The assignor shall enter into a written agreement with the assignee establishing the terms and conditions of the agreement and shall perfect such transfer by notifying the director in writing within thirty calendar days following the effective date of the transfer and shall provide any information as may be required by the director to administer and carry out the provisions of this subsection. Notwithstanding any other provision of law to the contrary, the amount received by the assignor of such tax credit shall be taxable as income of the assignor, and the difference between the amount paid by the assignee and the par value of the credits shall be taxable as income of the assignee.

135.352. 1. A taxpayer owning an interest in a qualified Missouri project shall, subject to the limitations provided under the provisions of **[**subsection**]** **subsections** 3 **and 4** of this section, be allowed a state tax credit, whether or not

allowed a federal tax credit, to be termed the Missouri low-income housing tax credit, if the commission issues an eligibility statement for that project.

2. For qualified Missouri projects placed in service after January 1, 1997, the Missouri low-income housing tax credit available to a project shall be such amount as the commission shall determine is necessary to ensure the feasibility of the project, up to an amount equal to the federal low-income housing tax credit for a qualified Missouri project, for a federal tax period, **but shall not exceed two million dollars,** and such amount shall be subtracted from the amount of state tax otherwise due for the same tax period.

3. **The commission shall not issue any tax credits under sections 135.350 to 135.363 for any project that the commission determines will provide a net fiscal benefit to the state of less than two and one-half dollars for each dollar of tax credit awarded, or for any project which the commission determines the applicant is not likely to be able to complete as proposed.**

4. No more than six million dollars in tax credits shall be authorized each fiscal year for projects financed through tax-exempt bond issuance.

[4.**]** **5.** The Missouri low-income housing tax credit shall be taken against the taxes and in the order specified pursuant to section 32.115. The credit authorized by this section shall not be refundable. Any amount of credit that exceeds the tax due for a taxpayer's taxable year may be carried back to any of the taxpayer's three prior taxable years or carried forward to any of the taxpayer's five subsequent taxable years.

[5.**]** **6.** All or any portion of Missouri tax credits issued in accordance with the provisions of sections 135.350 to 135.362 may be allocated to parties who are eligible pursuant to the provisions of subsection 1 of this section. Beginning January 1, 1995, for qualified projects which began on or after January 1, 1994, an owner of a qualified Missouri project shall certify to the director the amount of credit allocated to each taxpayer. The owner of the project shall provide to the director appropriate information so that the low-income housing tax credit can be properly allocated.

[6.**]** **7.** In the event that recapture of Missouri low-income housing tax credits is required pursuant to subsection 2 of section 135.355, any statement submitted to the director as provided in this section shall include the proportion of the state credit required to be recaptured, the identity of each taxpayer subject to the recapture and the amount of credit previously allocated to such taxpayer.

8. For each fiscal year beginning on or after July 1, 2018, no tax credits shall be authorized under the provisions of sections 135.350 to 135.363 which, in the aggregate, exceed sixty million dollars, increased by any amount of tax credits that are recaptured under the provisions of section 135.355.

[7.**] 9.** The director of the department may promulgate rules and regulations necessary to administer the provisions of this section. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of section 536.024.

135.760. 1. This section shall be known and may be cited as the "Missouri Earned Income Tax Credit Act".

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

(1) "Department", the department of revenue;

(2) "Eligible taxpayer", a resident individual with a filing status of single, head of household, widowed, or married filing combined, who is subject to the tax imposed under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265, and who is allowed a federal earned income tax credit under Section 32 of the Internal Revenue Code of 1986, as amended;

(3) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265.

3. For all tax years beginning on or after January 1, 2019, an eligible taxpayer shall be allowed a tax credit in the amount equal to twenty percent of the amount such taxpayer would receive under the federal earned income tax credit. The tax credit allowed by this section shall be claimed by such taxpayer at the time such taxpayer files a return and shall be applied against the income tax liability imposed by chapter 143 after reduction for all other credits allowed thereon. If the amount of the credit exceeds the tax liability, the difference shall not be refunded to the taxpayer and shall not be carried forward to any subsequent tax year.

4. Notwithstanding the provision of subsection 4 of section 32.057 to the contrary, the department shall determine whether any taxpayer filing a report or return with the department who did not apply for the credit authorized under this section may qualify for the credit and, if

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so determines a taxpayer may qualify for the credit, shall notify such taxpayer of his or her potential eligibility. In making a determination of eligibility under this section, the department shall use any appropriate and available data including, but not limited to, data available from the Internal Revenue Service, the U.S. Department of Treasury, and state income tax returns from previous tax years.

5. The department shall prepare an annual report containing statistical information regarding the tax credits issued under this section for the previous tax year, including the total amount of revenue expended on the earned income tax credit, the number of credits claimed, and the average value of the credits issued to taxpayers whose earned income falls within various income ranges determined by the department.

6. The director of the department shall promulgate rules and regulations to administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2018, shall be invalid and void.

135.805. 1. A recipient of any tax credit program, except domestic and social tax credits, environmental tax credits, or financial and insurance tax credits, shall annually, for a period of three years following the issuance of the tax credits, provide to the administering agency the actual number of jobs created as a result of the tax credits, at the location on the last day of the annual reporting period, separated by part-time permanent and full-time permanent for each month of the preceding twelve-month period.

2. A recipient of a community development tax credit shall annually, for a period of three years following issuance of tax credits, provide to the administering agency information confirming the title and location of the corresponding project, the estimated or actual time period for completion of the project, and all geographic areas impacted by the project.

3. A recipient of a redevelopment tax credit shall annually, for a period

of three years following issuance of tax credits, provide to the administering agency information confirming whether the property is used for residential, commercial, or governmental purposes, and the projected or actual project cost, labor cost, and date of completion.

4. A recipient of a business recruitment tax credit shall annually, for a period of three years following issuance of tax credits, provide to the administering agency information confirming the category of business by size, the address of the business headquarters and all offices located within this state, the number of employees at the time of the annual update, an updated estimate of the number of employees projected to increase as a result of the completion of the project, and the estimated or actual project cost.

5. A recipient of a training and educational tax credit shall annually, for a period of three years following issuance of tax credits, provide to the administering agency information confirming the name and address of the educational institution used, the average salary of workers served as of such annual update, the estimated or actual project cost, and the number of employees and number of students served as of such annual update.

6. A recipient of a housing tax credit shall annually, for a period of three years following issuance of tax credits, provide to the administering agency information confirming the address of the property, the fair market value of the property, as defined in subsection 6 of section 135.802, and the projected or actual labor cost and completion date of the project.

7. A recipient of an entrepreneurial tax credit shall annually, for a period of three years following issuance of tax credits, provide to the administering agency information confirming the amount of investment and the names of the project, fund, and research project.

8. A recipient of an agricultural tax credit shall annually, for a period of three years following issuance of tax credits, provide to the administering agency information confirming the type of agricultural commodity, the amount of contribution, the type of equipment purchased, and the name and description of the facility, except that if the agricultural credit is issued as a result of a producer member investing in a new generation processing entity or new generation cooperative then the new generation processing entity or new generation cooperative, and not the recipient, shall annually, for a period of three years following issuance of tax credits, provide to the administering agency information confirming the type of agricultural commodity, the amount of

contribution, the type of equipment purchased, and the name and description of the facility.

9. A recipient of an environmental tax credit shall annually, for a period of three years following issuance of tax credits, provide to the administering agency information detailing any change to the type of equipment purchased, if applicable, and any change to any environmental impact statement, if such statement is required by state or federal law.

10. The reporting requirements established in this section shall be due annually on June thirtieth of each year. No person or entity shall be required to make an annual report until at least one year after the credit issuance date.

11. Where the sole requirement for receiving a tax credit in the enabling legislation of any tax credit is an obligatory assessment upon a taxpayer or a monetary contribution to a particular group or entity, the reporting requirements provided in this section shall apply to the recipient of such assessment or contribution and shall not apply to the assessed nor the contributor.

12. Where the enacting statutes of a particular tax credit program or the rules of a particular administering agency require reporting of information that includes the information required in sections 135.802 to 135.810, upon reporting of the required information, the applicant shall be deemed to be in compliance with the requirements of sections 135.802 to 135.810. The administering agency shall notify in writing the department of economic development of the administering agency's status as custodian of any particular tax credit program and that all records pertaining to the program are available at the administering agency's office for review by the department of economic development.

13. The provisions of subsections 1 to 10 of this section shall apply beginning on June 30, 2005.

14. Notwithstanding provisions of law to the contrary, every agency of this state charged with administering a tax credit program authorized under the laws of this state shall make available for public inspection the name of each tax credit recipient and the amount of tax credits issued to each such recipient.

15. The department of economic development shall make all information provided under the provisions of this section available for public inspection on the department's website and the Missouri accountability portal.

16. **(1) Notwithstanding any other provision of law to the contrary, prior to the sale, assignment, or any other transfer of ownership of any tax credit allowable under law, the owner of such tax**

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credit shall remit to the department of revenue a fee equal to five percent of the current value of the tax credit.

(2) The fee authorized under this subsection shall be a liability of the seller of a tax credit, and shall not constitute a liability of the purchaser. The department of revenue shall provide confirmation of the receipt of such fee to the purchaser of the tax credit, who shall present such confirmation upon the redemption of such tax credit.

(3) Fees collected under this subsection shall be credited to the general revenue fund.

17. The administering agency of any tax credit program for which reporting requirements are required under the provisions of subsection 1 of this section shall publish guidelines and may promulgate rules to implement the provisions of such subsection. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2009, shall be invalid and void.

135.825. 1. The administering agencies for all tax credit programs shall, in cooperation with the department of revenue, implement a system for tracking the amount of tax credits authorized, issued, and redeemed. Any such agency may promulgate rules for the implementation of this section.

2. **(1) The department of revenue shall prepare and submit an annual report to the general assembly that shall include information on each tax credit program, including the administering agency and the number and amount of tax credits authorized, issued, and redeemed for each program. Such report shall be submitted by December 31 of each calendar year.**

(2) The annual report prepared under subdivision (1) of this subsection shall also include a list of taxpayers or other entities that in the previous calendar year received business recruitment tax credits or that received the affordable housing tax credit or neighborhood assistance tax credit created pursuant to sections 32.100 to 32.125, the

infrastructure tax credit created pursuant to subsection 6 of section 100.286, the business use incentives for large-scale development programs created pursuant to sections 100.700 to 100.850, the low-income housing tax credit created pursuant to sections 135.350 to 135.363, the neighborhood preservation tax credit created pursuant to sections 135.475 to 135.487, or the historic preservation tax credit created pursuant to sections 253.545 to 253.559.

3. The provisions of this section shall not apply to any credit that is issued and redeemed simultaneously.

[3.**]** **4.** Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2004, shall be invalid and void.

142.803. 1. A tax is levied and imposed on all motor fuel used or consumed in this state as follows:

(1) Motor fuel, seventeen cents per gallon **until December 31, 2018. For the year beginning January 1, 2019, and ending December 31, 2019, such tax shall be eighteen cents per gallon. Beginning January 1, 2020, such tax shall be twenty-one cents per gallon**;

(2) Alternative fuels, not subject to the decal fees as provided in section 142.869, with a power potential equivalent of motor fuel. In the event alternative fuel, which is not commonly sold or measured by the gallon, is used in motor vehicles on the highways of this state, the director is authorized to assess and collect a tax upon such alternative fuel measured by the nearest power potential equivalent to that of one gallon of regular grade gasoline. The determination by the director of the power potential equivalent of such alternative fuel shall be prima facie correct;

(3) Aviation fuel used in propelling aircraft with reciprocating engines, nine cents per gallon as levied and imposed by section 155.080 to be collected as required under this chapter;

(4) Compressed natural gas fuel, five cents per gasoline gallon equivalent

until December 31, 2019, eleven cents per gasoline gallon equivalent from January 1, 2020, until December 31, 2024, and then seventeen cents per gasoline gallon equivalent thereafter. The gasoline gallon equivalent and method of sale for compressed natural gas shall be as published by the National Institute of Standards and Technology in Handbooks 44 and 130, and supplements thereto or revisions thereof. In the absence of such standard or agreement, the gasoline gallon equivalent and method of sale for compressed natural gas shall be equal to five and sixty-six-hundredths pounds of compressed natural gas. All applicable provisions contained in this chapter governing administration, collections, and enforcement of the state motor fuel tax shall apply to the tax imposed on compressed natural gas, including but not limited to licensing, reporting, penalties, and interest;

(5) Liquefied natural gas fuel, five cents per diesel gallon equivalent until December 31, 2019, eleven cents per diesel gallon equivalent from January 1, 2020, until December 31, 2024, and then seventeen cents per diesel gallon equivalent thereafter. The diesel gallon equivalent and method of sale for liquefied natural gas shall be as published by the National Institute of Standards and Technology in Handbooks 44 and 130, and supplements thereto or revisions thereof. In the absence of such standard or agreement, the diesel gallon equivalent and method of sale for liquefied natural gas shall be equal to six and six-hundredths pounds of liquefied natural gas. All applicable provisions contained in this chapter governing administration, collections, and enforcement of the state motor fuel tax shall apply to the tax imposed on liquefied natural gas, including but not limited to licensing, reporting, penalties, and interest;

(6) Propane gas fuel, five cents per gallon until December 31, 2019, eleven cents per gallon from January 1, 2020, until December 31, 2024, and then seventeen cents per gallon thereafter. All applicable provisions contained in this chapter governing administration, collection, and enforcement of the state motor fuel tax shall apply to the tax imposed on propane gas including, but not limited to, licensing, reporting, penalties, and interest;

(7) If a natural gas, compressed natural gas, liquefied natural gas, electric, or propane connection is used for fueling motor vehicles and for another use, such as heating, the tax imposed by this section shall apply to the entire amount of natural gas, compressed natural gas, liquefied natural gas, electricity, or propane used unless an approved separate metering and accounting system is in place.

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2. All taxes, surcharges and fees are imposed upon the ultimate consumer, but are to be precollected as described in this chapter, for the facility and convenience of the consumer. The levy and assessment on other persons as specified in this chapter shall be as agents of this state for the precollection of the tax.

143.011. 1. A tax is hereby imposed for every taxable year on the Missouri taxable income of every resident. The tax shall be determined by applying the tax table or the rate 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
Over $6,000 but not over $7,000	$165 plus 4 1/2% of excess over $6,000
Over $7,000 but not over $8,000	$210 plus 5% of excess over $7,000
Over $8,000 but not over $9,000	$260 plus 5 1/2% of excess over $8,000
Over $9,000	$315 plus 6% of excess over $9,000

2. (1) Beginning with the 2017 calendar year, the top rate of tax under subsection 1 of this section may be reduced over a period of years. Each reduction in the top rate of tax shall be by one-tenth of a percent and no more than one reduction shall occur in a calendar year. The **[**top rate of tax shall not be reduced below five and one-half**]** **cumulative amount of rate reductions under this subsection shall not exceed one-half of one** percent. Reductions in the rate of tax shall take effect on January first of a calendar year and such reduced rates shall continue in effect until the next reduction occurs.

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

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

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

subsection. The bracket for income subject to the top rate of tax shall be eliminated once the top rate of tax has been reduced to five and one-half of a percent **and the top remaining rate shall apply to all income in excess of the income in the second highest remaining income bracket**.

3. **(1) In addition to the rate reductions under subsection 2 of this section, beginning January 1, 2019, the top rate of tax under subsection 1 of this section shall be reduced over a period of two years. On January 1, 2019, the top rate of tax shall be reduced by one percent. On January 1, 2020, the top rate of tax shall be reduced by two tenths of one percent. The rate reductions under this subsection and subsection 2 of this section shall not result in a top rate of tax below four and three-tenths percent.**

(2) The director of the department of revenue shall, by rule, adjust the tax tables under subsection 1 of this subsection to effectuate the provisions of this subsection. The top remaining rate of tax shall apply to all income in excess of the income in the second highest remaining income bracket.

4. (1) In addition to the rate reductions under subsections 2 and 3 of this section, beginning with the 2019 calendar year, the top rate of tax under subsection 1 of this section may be reduced by two-tenths of one percent. Such reduction in the rate of tax shall take effect on January first of a calendar year. The rate reductions under this section and subsections 2 and 3 of this section shall not result in a top rate of tax below four and one-tenth percent.

(2) The reduction in the top rate of tax under this section shall only occur if the Supreme Court of the United States renders a decision, a law is passed by the federal government, or the constitution of the United States is amended which enables the state of Missouri to require out-of-state sellers with no physical presence in the state to collect and remit state and local sales taxes.

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

(4) The director of the department of revenue shall, by rule, adjust the tax tables under subsection 1 of this subsection to effectuate the provisions of this subsection. An income bracket shall be eliminated once the top rate of tax is reduced below the rate that is

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applicable to such income bracket. The top remaining rate of tax shall apply to all income in excess of the income in the second highest remaining income bracket.

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

[4.**]** **6.** As used in this section, the following terms mean:

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

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

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

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

143.071. 1. For all tax years beginning before September 1, 1993, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to five percent of Missouri taxable income.

2. For all tax years beginning on or after September 1, 1993, **and ending on or before December 31, 2018,** a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to six and one-fourth percent of Missouri taxable income.

3. **For all tax years beginning on or after January 1, 2019, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to four and one-fourth percent of Missouri taxable income.**

4. The provisions of this section shall not apply to out-of-state businesses operating under sections 190.270 to 190.285.

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143.111. The Missouri taxable income of a resident shall be such resident's Missouri adjusted gross income less:

(1) Either the Missouri standard deduction or the Missouri itemized deduction;

(2) The Missouri deduction for personal exemptions;

(3) The Missouri deduction for dependency exemptions; **and**

(4) **[**The deduction for federal income taxes provided in section 143.171; and

(5)**]** The deduction for a self-employed individual's health insurance costs provided in section 143.113.

143.171. 1. For all tax years beginning on or after January 1, 1994, **and ending on or before December 31, 2018,** an individual taxpayer shall be allowed a deduction for his federal income tax liability under Chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed, not to exceed five thousand dollars on a single taxpayer's return or ten thousand dollars on a combined return, after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by Section 31 (tax withheld on wages), Section 27 (tax of foreign country and United States possessions), and Section 34 (tax on certain uses of gasoline, special fuels, and lubricating oils).

2. For all tax years beginning on or after September 1, 1993, **and ending on or before December 31, 2018,** a corporate taxpayer shall be allowed a deduction for fifty percent of its federal income tax liability under Chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by Section 31 (tax withheld on wages), Section 27 (tax of foreign country and United States possessions), and Section 34 (tax on certain uses of gasoline, special fuels and lubricating oils).

3. If a federal income tax liability for a tax year prior to the applicability of sections 143.011 to 143.996 for which he was not previously entitled to a Missouri deduction is later paid or accrued, he may deduct the federal tax in the later year to the extent it would have been deductible if paid or accrued in the prior year.

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144.010. 1. The following words, terms, and phrases when used in **[**sections 144.010 to 144.525**] this chapter shall** have the meanings ascribed to them in this section, except when the context indicates a different meaning:

(1) "Admission" includes seats and tables, reserved or otherwise, and other similar accommodations and charges made therefor and amount paid for admission, exclusive of any admission tax imposed by the federal government or by sections 144.010 to 144.525;

(2) **"Advertising and promotional direct mail", printed material that meets the definition of direct mail, the primary purpose of which is to attract public attention to a product, person, business, or organization, or to attempt to sell, popularize, or secure financial support for a product, person, business, or organization. As used in this subdivision, the word "product" means tangible personal property, a product transferred electronically or a service;**

(3) "Agreement", the streamlined sales and use tax agreement, as amended from time to time;

(4) "Air-to-ground radiotelephone service", a radio service, as that term is defined in 47 CFR 22.99, in which common carriers are authorized to offer and provide radio telecommunications service for hire to subscribers in aircraft;

(5) "Alcoholic beverages", beverages that are suitable for human consumption and contain one-half of one percent or more of alcohol by volume;

(6) "Ancillary services", services that are associated with or incidental to the provisions of telecommunications services, including but not limited to, detailed telecommunications billing, directory assistance, vertical service, and voice mail services. Ancillary services shall not include specified digital products, digital audio-visual works, digital audio works, or digital books;

(7) "Appliance", clothes washers and dryers, water heaters, trash compactors, dishwashers, conventional ovens, ranges, stoves, air conditioners, furnaces, refrigerators, and freezers;

(8) "Bottled water", water that is placed in a safety sealed container or package for human consumption. Bottled water is calorie free and does not contain sweeteners or other additives except that it may contain:

(a) Antimicrobial agents;

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(b) Fluoride;

(c) Carbonation;

(d) Vitamins, minerals, and electrolytes;

(e) Oxygen;

(f) Preservatives; and

(g) Only those flavors, extracts, or essences derived from a spice or fruit.

Bottled water includes water that is delivered to the buyer in a reusable container that is not sold with the water;

(9) "Bundled transaction":

(a) The retail sale of two or more products, except real property and services to real property, where the products are otherwise distinct and identifiable, and the products are sold for one nonitemized price. A bundled transaction shall not include the sale of any products in which the sales price varies, or is negotiable, based on the selection by the purchaser of the products included in the transaction;

(b) As used in this subdivision, the term "distinct and identifiable products" shall not include:

a. Packaging, such as containers, boxes, sacks, bags, and bottles, or other materials, such as wrapping, labels, tags, and instruction guides, that accompany the retail sale of the products and are incidental or immaterial to the retail sale thereof;

b. A product provided free of charge with the required purchase of another product. A product is provided free of charge if the sales price of the product purchased does not vary depending on the inclusion of the product provided free of charge;

c. Items included in the definition of the term sales price;

(c) As used in this subdivision, the term "one nonitemized price" shall not include a price that is separately identified by product on binding sales or other supporting sales-related documentation made available to the customer in paper or electronic form, including but not limited to an invoice, bill of sale, receipt, contract, service agreement, lease agreement, periodic notice of rates and services, rate card, or price list;

(d) a. A transaction that otherwise meets the definition of a bundled transaction as defined in this subdivision shall not constitute a bundled transaction if it is:

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(i) A retail sale of tangible personal property and a service where the tangible personal property is essential to the use of the service, and is provided exclusively in connection with the service, and the true object of the transaction is the service; or

(ii) A retail sale of services where one service is provided that is essential to the use of receipt of a second service and the first service is provided exclusively in connection with the second service and the true object of the transaction is the second service; or

(iii) A transaction that includes taxable products and nontaxable products and the sales price of the taxable products is de minimis.

b. "De minimis" means the sales price of the taxable product is ten percent or less of the total sales price of the bundled products.

c. Sellers shall use the sales price of the products to determine if the taxable products are de minimis.

d. (i) Sellers shall use the full term of a service contract to determine if the taxable products are de minimis; or

(ii) A retail sale of exempt tangible personal property and taxable tangible personal property where:

i. The transaction included food and food ingredients, drugs, durable medical equipment, mobility enhancing equipment, over-the-counter drugs, prosthetic devices, or medical supplies; and

ii. The seller's purchase price or sales price of the taxable tangible personal property is fifty percent or less of the total sales price of the bundled tangible personal property. Sellers shall not use a combination of the purchase price and sales price of the tangible personal property when making the fifty percent determination for a transaction;

(10) "Business" includes any activity engaged in by any person, or caused to be engaged in by him, with the object of gain, benefit or advantage, either direct or indirect, and the classification of which business is of such character as to be subject to the terms of sections 144.010 to 144.525. A person is "engaging in business" in this state for purposes of sections 144.010 to 144.525 if such person engages in business in this state or maintains a place of business in this state under section **[**144.605**]** **144.612**. The isolated or occasional sale of tangible personal property, service, substance, or thing, by a person not engaged in such business, does not constitute engaging in business within the meaning of sections 144.010 to 144.525 unless the total amount of the gross receipts from such sales,

Unofficial Bill Copy

exclusive of receipts from the sale of tangible personal property by persons which property is sold in the course of the partial or complete liquidation of a household, farm or nonbusiness enterprise, exceeds three thousand dollars in any calendar year. The provisions of this subdivision shall not be construed to make any sale of property which is exempt from sales tax or use tax on June 1, 1977, subject to that tax thereafter;

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

(12) "Call-by-call basis", any method of charging for telecommunications services where the price is measured by individual calls;

(13) "Candy", a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts, or other ingredients or flavorings in the form of bars, drops, or pieces. Candy shall not include any preparation containing flour and shall require no refrigeration;

[(3)**]** **(14)** "Captive wildlife", includes but is not limited to exotic partridges, gray partridge, northern bobwhite quail, ring-necked pheasant, captive waterfowl, captive white-tailed deer, captive elk, and captive furbearers held under permit issued by the Missouri department of conservation for hunting purposes. The provisions of this subdivision shall not apply to sales tax on a harvested animal;

(15) "Certified automated system" or "CAS", software certified under the streamlined sales and use tax agreement to calculate the tax imposed by each jurisdiction on a transaction, determine the amount of tax to remit to the appropriate state, and maintain a record of the transaction;

(16) "Certified service provider" or "CSP", an agent certified under the streamlined sales and use tax agreement to perform all the seller's sales and use tax functions, other than the seller's obligation to remit tax on its own purchases;

(17) "Clothing":

(a) All human wearing apparel suitable for general use;

(b) Clothing shall include:

a. Aprons, household and shop;

b. Athletic supporters;

c. Baby receiving blankets;

d. Bathing suits and caps;

e. Beach capes and coats;

f. Belts and suspenders;

g. Boots;

h. Coats and jackets;

i. Costumes;

j. Diapers, children and adult, including disposable diapers;

k. Ear muffs;

l. Footlets;

m. Formal wear;

n. Garters and garter belts;

o. Girdles;

p. Gloves and mittens for general use;

q. Hats and caps;

r. Hosiery;

s. Insoles for shoes;

t. Lab coats;

u. Neckties;

v. Overshoes;

w. Pantyhose;

x. Rainwear;

y. Rubber pants;

z. Sandals;

aa. Scarves;

bb. Shoes and shoe laces;

cc. Slippers;

dd. Sneakers;

ee. Socks and stockings;

ff. Steel toed shoes;

gg. Underwear;

hh. Uniforms, athletic and nonathletic; and

ii. Wedding apparel;

(c) Clothing shall not include:

a. Belt buckles sold separately;

b. Costume masks sold separately;

c. Patches and emblems sold separately;

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d. Sewing equipment and supplies, including but not limited to, knitting needles, patterns, pins, scissors, sewing machines, sewing needles, tape measures, and thimbles; and

e. Sewing materials that become part of clothing, including but not limited to buttons, fabric, lace, thread, yarn, and zippers;

(18) "Clothing accessories and equipment", incidental items worn on the person or in conjunction with clothing. Clothing accessories or equipment are mutually exclusive of clothing, sport or recreational equipment, and protective equipment;

(19) "Coin-operated telephone service", a telecommunications service paid for by inserting money into a telephone accepting direct deposits of money to operate;

(20) "Communications channel", a physical or virtual path of communications over which signals are transmitted between or among customer channel termination points;

(21) "Computer", an electronic device that accepts information in digital or similar form and manipulates it for a result based on a sequence of instructions;

(22) "Computer software", a set of coded instructions designed to cause a computer or automatic data processing equipment to perform a task. Computer software shall not include specified digital products, digital audio-visual works, digital audio works, or digital books;

(23) "Conference bridging service", an ancillary service that links two or more participants of an audio or video conference call and may include the provision of a telephone number. Conference bridging service does not include the telecommunications services used to reach the conference bridge;

(24) "Customer", the person or entity that contracts with the seller of telecommunications services. If the end user of telecommunications services is not the contracting party, the end user of the telecommunications service is the customer of the telecommunication service, but this definition only applies to the purpose of sourcing sales of telecommunications services under section 144.114. Customer shall not include a reseller of telecommunications service or for mobile telecommunications service of a serving carrier under an agreement to serve the customer outside the home service provider's licensed service area;

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(25) "Customer channel termination point", the location where the customer either inputs or receives the communication;

(26) "Delivered electronically", delivered to the purchaser by means other than tangible storage media;

(27) "Delivery charges", charges by the seller of personal property or services for preparation and delivery to a location designated by the purchaser of personal property or services, including but not limited to transportation, shipping, postage, handling, crating, and packing;

(28) "Detailed telecommunications billing service", an ancillary service of separately stating information pertaining to individual calls on a customer's billing statement;

(29) "Dietary supplement", any product, other than tobacco, intended to supplement the diet that contains one or more of the following dietary ingredients: a vitamin; a mineral; an herb or other botanical; an amino acid; a dietary substance for use by humans to supplement the diet by increasing the total dietary intake; or a concentrate, metabolite, constituent, extract, or combination of any ingredient described above; and that is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form, or if not intended for ingestion in such a form, is not represented as a conventional food and is not represented for use as a sole item of a meal or of the diet; and that is required to be labeled as a dietary supplement, identifiable by the supplemental facts box found on the label and as required under 21 CFR Section 101.36;

(30) "Digital audio works", works that result from the fixation of a series of musical, spoken, or other sounds, including ringtones;

(31) "Digital audio-visual works", a series of related images which, when shown in succession, impart an impression of motion, together with accompanying sounds, if any;

(32) "Digital books", works that are generally recognized in the ordinary and usual sense as books;

(33) "Direct mail", printed material delivered or distributed by United States mail or other delivery service to a mass audience or to addressees on a mailing list provided by the purchaser or at the direction of the purchaser when the cost of the items are not billed directly to the recipients. Direct mail shall include tangible personal

property supplied directly or indirectly by the purchaser to the direct mail seller for inclusion in the package containing the printed material. Direct mail shall not include multiple items of printed material delivered to a single address;

(34) "Directory assistance", an ancillary service of providing telephone number information, and/or address information;

(35) "Drug":

(a) A compound, substance, or preparation, and any component of a compound, substance, or preparation, other than food and food ingredients, dietary supplements, alcoholic beverages, or grooming and hygiene products:

a. Recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, and supplement to any of them;

b. Intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease; or

c. Intended to affect the structure or any function of the body;

(b) Drug shall include insulin and medical oxygen;

(36) "Durable medical equipment", equipment including repair and replacement parts for same, excluding mobility enhancing equipment. Durable medical equipment:

(a) Can withstand repeated use;

(b) Is primarily and customarily used to serve a medical purpose;

(c) Generally is not useful to a person in the absence of illness or injury;

(d) Is not worn in or on the body;

(e) Is for home use;

(f) Is within the classification of devices eligible for MO HealthNet and Medicare reimbursement;

(g) Shall not include:

a. Kidney dialysis equipment not worn in or on the body, including repair and replacement parts; and

b. Enteral feeding systems not worn in or on the body, including repair and replacement parts.

As used in this subdivision, repair and replacement parts shall include all components or attachments used in conjunction with the durable medical equipment;

(37) "Electronic", relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities;

(38) "End user", the person who utilizes the telecommunication service. In case of an entity, "end user" means the individual who utilizes the service on behalf of the entity;

(39) "Energy star qualified product", a product that meets the energy efficient guidelines set by the United States Environmental Protection Agency and the United States Department of Energy that are authorized to carry the Energy Star label. Covered products are those listed at www.energystar.gov or successor address;

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

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

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

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

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

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

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

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

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

(d) The presumption in paragraph (c) may be rebutted by demonstrating that the person's activities in the state are not

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significantly associated with the vendor's ability to establish or maintain a market in this state for the vendor's sales;

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

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

(41) "Food and food ingredients", substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. Food and food ingredients shall not include alcoholic beverages, tobacco, or dietary supplements;

(42) "Food sold through vending machines", food, food ingredients, prepared food, bottled water, candy, and soft drinks dispensed from a machine or other mechanical device that accepts payment;

(43) "Grooming and hygiene products", soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and suntan lotions and screens, regardless of whether the items meet the definition of over-the-counter-drugs;

[(4)**] (44)** "Gross receipts"**[**,**] or "sales price":**

(a) Except as provided in section 144.012, **[**means the total amount of the

sale price of the sales at retail including any services other than charges incident to the extension of credit that are a part of such sales made by the businesses herein referred to, capable of being valued in money, whether received in money or otherwise; except that, the term gross receipts shall not include the sale price of property returned by customers when the full sale price thereof is refunded either in cash or by credit. In determining any tax due under sections 144.010 to 144.525 on the gross receipts, charges incident to the extension of credit shall be specifically exempted. For the purposes of sections 144.010 to 144.525 the total amount of the sale price above mentioned shall be deemed to be the amount received. It shall also include the lease or rental consideration where the right to continuous possession or use of any article of tangible personal property is granted under a lease or contract and such transfer of possession would be taxable if outright sale were made and, in such cases, the same shall be taxable as if outright sale were made and considered as a sale of such article, and the tax shall be computed and paid by the lessee upon the rentals paid. The term "gross receipts" shall not include usual and customary delivery charges that are stated separately from the sale price**] applies to the measure subject to sales tax and means the total amount of consideration, including cash, credit, property, and services, for which personal property or services are sold, leased, or rented, valued in money, whether received in money or otherwise, without any deduction for the following:**

a. The seller's cost of the property sold;

b. The cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller, and any other expense of the seller;

c. Charges by the seller for any services necessary to complete the sale, other than delivery and installation charges;

d. Delivery charges; and

e. Credit for any trade-in;

(b) Shall not include:

a. Discounts, including cash, term, or coupons that are not reimbursed by a third party that are allowed by a seller and taken by a purchaser on a sale;

b. Interest, financing, and carrying charges from credit extended on the sale of personal property or services, if the amount is separately stated on the invoice, bill of sale or similar document given to the

purchaser; and

c. Any taxes legally imposed directly on the consumer that are separately stated on the invoice, bill of sale or similar document given to the purchaser;

(c) Shall include consideration received by the seller from third parties if:

a. The seller actually receives consideration from a party other than the purchaser and the consideration is directly related to a price reduction or discount on the sale;

b. The seller has an obligation to pass the price reduction or discount through to the purchaser;

c. The amount of the consideration attributable to the sale is fixed and determinable by the seller at the time of the sale of the item to the purchaser; and

d. One of the following criteria is met:

(i) The purchaser presents a coupon, certificate or other documentation to the seller to claim a price reduction or discount where the coupon, certificate or documentation is authorized, distributed, or granted by a third party with the understanding that the third party will reimburse any seller to whom the coupon, certificate or documentation is presented;

(ii) The purchaser identifies himself or herself to the seller as a member of a group or organization entitled to a price reduction or discount (a preferred customer card that is available to any patron does not constitute membership in such a group); or

(iii) The price reduction or discount is identified as a third-party price reduction or discount on the invoice received by the purchaser or on a coupon, certificate or other documentation presented by the purchaser;

(45) "Home service provider", the same as such term is defined in Section 124(5) of Public Law 106-252, Mobile Telecommunications Sourcing Act;

(46) "Lease or rental":

(a) Any transfer of possession or control of tangible personal property for a fixed or indeterminate term for consideration. A lease or rental may include future options to purchase or extend;

(b) Lease or rental shall not include:

Unofficial Bill Copy

a. A transfer of possession or control of property under a security agreement or deferred payment plan that requires the transfer of title upon completion of the required payments;

b. A transfer of possession or control of property under an agreement that requires the transfer of title upon completion of required payments and where any payment of an option price does not exceed the greater of one hundred dollars or one percent of the total required payments;

c. Providing tangible personal property along with an operator for a fixed or indeterminate period of time provided that the operator is necessary for the equipment to perform as designed and the operator does more than maintain, inspect, or set up the tangible personal property;

(c) Lease or rental includes agreements covering motor vehicles and trailers where the amount of consideration may be increased or decreased by reference to the amount realized upon sale or disposition of the property as defined in 26 U.S.C. Section 7701(h)(1), as amended;

(47) "Light aircraft", a light airplane that seats no more than four persons, with a gross weight of three thousand pounds or less, which is primarily used for recreational flying or flight training;

(48) "Light aircraft kit", factory manufactured light aircraft parts and components, including engine, propeller, instruments, wheels, brakes, and air frame parts which make up a complete aircraft kit or partial kit designed to be assembled into a light aircraft and then operated by a qualified light aircraft purchaser for recreational and educational purposes;

(49) "Light aircraft parts and components", manufactured light aircraft parts, including air frame and engine parts, that are required by the qualified light aircraft purchaser to complete a light aircraft kit, or spare or replacement parts for an already completed light aircraft;

[(5)**]** **(50)** "Instructional class", includes any class, lesson, or instruction intended or used for teaching;

[(6)**]** **(51)** "Livestock", cattle, calves, sheep, swine, ratite birds, including but not limited to, ostrich and emu, aquatic products as defined in section 277.024, llamas, alpaca, buffalo, elk documented as obtained from a legal source and not from the wild, goats, horses, other equine, or rabbits raised in confinement for human consumption;

(52) "Load and leave", delivery to the purchaser by use of a tangible storage media where the tangible storage media is not physically transferred to the purchaser;

(53) "Maintains a place of business in this state", includes maintaining, occupying, or using, permanently or temporarily, directly or indirectly, or through a subsidiary, or agent, by whatever name called, an office, place of distribution, sales or sample room or place, warehouse or storage place, or other place of business;

(54) "Mobile telecommunications service", the same as such term is defined in Section 124(7) of Public Law 106-252, Mobile Telecommunications Sourcing Act;

(55) "Mobility enhancing equipment", equipment, including repair and replacement parts to same, which:

(a) Is primarily and customarily used to provide or increase the ability to move from one place to another and which is appropriate for use either in a home or a motor vehicle; and

(b) Is not generally used by persons with normal mobility; and

(c) Is within the classification of devices eligible for MO HealthNet and Medicare reimbursement.

Mobility enhancement equipment shall not include durable medical equipment or any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer;

(56) "Model 1 seller", a seller registered under the agreement that has selected a certified service provider as its agent to perform all the seller's sales and use tax functions, other than the seller's obligation to remit tax on its own purchases;

(57) "Model 2 seller", a seller that has selected a certified automated system (CAS) to perform part of its sales and use tax functions, but retains responsibility for remitting the tax;

(58) "Model 3 seller", a seller registered under the agreement that has sales in at least five member states, has total annual sales revenue of at least five hundred million dollars, has a proprietary system that calculates the amount of tax due each jurisdiction, and has entered into a performance agreement with the member states that establishes a tax performance standard for the seller. As used in this subdivision, a seller shall include an affiliated group of sellers using the same proprietary system;

(59) "Model 4 seller", a seller that is registered under the agreement and is not a Model 1 Seller, a Model 2 Seller, or a Model 3 Seller;

[(7)**] (60)** "Motor vehicle leasing company" **[**shall be**],** a company obtaining a permit from the director of revenue to operate as a motor vehicle leasing company. Not all persons renting or leasing trailers or motor vehicles need to obtain such a permit; however, no person failing to obtain such a permit may avail itself of the optional tax provisions of subsection 5 of section 144.070, as hereinafter provided;

(61) "Optional computer software maintenance contract", a computer software maintenance contract that a customer is not obligated to purchase as a condition to the retail sale of computer software;

(62) "Other direct mail", any direct mail that is not advertising and promotional direct mail regardless of whether advertising and promotional direct mail is included in the same mailing. Other direct mail includes, but is not limited to:

(a) Transactional direct mail that contains personal information specific to the one addressee including, but not limited to, invoices, bills, statements of account, and payroll advices;

(b) Any legally required mailings including, but not limited to, privacy notices, tax reports, and stockholder reports; and

(c) Other nonpromotional direct mail delivered to existing or former shareholders, customers, employees, or agents including, but not limited to, newsletters and informational pieces.

Other direct mail shall not include the development of billing information or the provision or any data processing service that is more than incidental;

(63) "Over-the-counter-drug", a drug, excluding grooming and hygiene products, that contains a label that identifies the product as a drug as required by 21 CFR Section 201.66 and includes:

(a) A drug facts panel; or

(b) A statement of the active ingredients with a list of those ingredients contained in the compound, substance, or preparation;

[(8)**] (64)** "Person" includes any individual, firm, copartnership, joint adventure, association, corporation, municipal or private, and whether organized for profit or not, state, county, political subdivision, state department,

commission, board, bureau or agency, **[**except the state transportation department,**]** estate, trust, business trust, receiver or trustee appointed by the state or federal court, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular number**, or any other legal entity**;

(65) "Place of primary use", the street address representative of where the customer's use of the telecommunications service primarily occurs, which must be the residential street address or the primary business street address of the customer. In the case of mobile telecommunications services, place of primary use must be within the licensed service area of the home service provider;

(66) "Post-paid calling service", the telecommunications service obtained by making a payment on a call-by-call basis either through the use of a credit card or payment mechanism such as a bank card, travel card, credit card, or debit card, or by charge made to a telephone number which is not associated with the origination or termination of the telecommunications service. A post-paid calling service includes a telecommunications service, except a prepaid wireless calling service, that would be a prepaid calling service except it is not exclusively a telecommunications service;

(67) "Prepaid calling service", the right to access exclusively telecommunications services, which must be paid for in advance and which enables the origination of calls using an access number or authorization code, whether manually or electronically dialed, and that is sold in predetermined units or dollars of which the number declines with use in a known amount;

(68) "Prepaid wireless calling service", a telecommunications service that provides the right to utilize mobile wireless services as well as other nontelecommunications services, including the download of digital products delivered electronically, content and ancillary services, which must be paid for in advance and that is sold in predetermined units or dollars of which the number declines with use in a known amount;

(69) "Prepared food", food sold in a heated state or heated by the seller; two or more food ingredients mixed or combined by the seller for sale as a single item; or food sold with eating utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or straws. A plate shall not include a container or packaging used to

transport the food. Prepared food shall not include food that is only cut, repackaged, or pasteurized by the seller and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the Food and Drug Administration in Chapter 3, Part 401.11 of the Food Code so as to prevent food borne illnesses;

(70) "Prescription", an order, formula, or recipe issued in any form of oral, written, electronic, or other means of transmission by a duly licensed practitioner authorized by the laws of the state;

(71) "Prewritten computer software", computer software, including prewritten upgrades, which is not designed and developed by the author or other creator to the specifications of a specific purchaser. The combining of two or more prewritten computer software programs or prewritten portions thereof shall not cause the combination to be other than prewritten computer software. Prewritten computer software shall include software designed and developed by the author or other creator to the specifications of a specific purchaser when it is sold to a person other than the specific purchaser. Where a person modifies or enhances computer software of which the person is not the author or creator, the person shall be deemed to be the author or creator only of such person's modifications or enhancements. Prewritten computer software or a prewritten portion thereof that is modified or enhanced to any degree, where such modification or enhancement is designed and developed to the specifications of a specific purchaser, remains prewritten computer software; provided, however, that where there is a reasonable, separately stated charge or an invoice or other statement of the price given to the purchaser for such modification or enhancement, such modification or enhancement shall not constitute prewritten computer software;

(72) "Private communication service", a telecommunications service that entitles the customer to exclusive or priority use of a communications channel or group of channels between or among termination points, regardless of the manner in which such channel or channels are connected, and includes switching capacity, extension lines, stations, and any other associated services that are provided in connection with the use of such channel or channels;

(73) "Product-based exemption", an exemption based on the description of the product and not based on who purchases the product or how the purchaser intends to use the product;

[(9)**]** **(74)** "Product which is intended to be sold ultimately for final use or consumption" **[**means**],** tangible personal property, or any service that is subject to state or local sales or use taxes, or any tax that is substantially equivalent thereto, in this state or any other state;

(75) "Prosthetic device", a replacement, corrective, or supportive device including repair and replacement parts for same worn on or in the body to artificially replace a missing portion of the body, prevent or correct physical deformity or malfunction, or support a weak or deformed portion of the body. The term "prosthetic device" shall not include corrective eyeglasses or contact lenses and shall be limited to the classification of devices eligible for MO HealthNet and Medicare reimbursement;

(76) "Protective equipment", items for human wear and designed as protection of the wearer against injury or disease or as protections against damage or injury of other persons or property but not suitable for general use. Protective equipment are mutually exclusive of clothing, clothing accessories or equipment, and sport or recreational equipment;

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

(78) "Purchase price", applies to the measure subject to use tax and has the same meaning as sales price;

[(10)**]** **(79)** "Purchaser" **[**means**],** a person who purchases tangible personal property or to whom are rendered services, receipts from which are taxable under sections 144.010 to 144.525;

(80) "Qualified light aircraft purchaser", a purchaser of a light aircraft, light aircraft kit, light aircraft parts or components who is a nonresident of this state, who will transport the light aircraft, light aircraft kit, light aircraft parts or components outside this state within ten days after the date of purchase, and who will register any light aircraft so purchased in another state or country. Such purchaser shall not base such aircraft in this state and such purchaser shall not be a resident of the state unless such purchaser has paid sales or use tax on

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such aircraft in another state;

(81) "Receive" or "receipt", taking possession of tangible personal property; making first use of services; or taking possession or making first use of digital goods, whichever comes first. Receive and receipt shall not include possession by a shipping company on behalf of the purchaser;

(82) "Registered under the agreement", registration by a seller with the member states under the central registration system provided in Article IV of the agreement;

[(11)**] (83)** "Research or experimentation activities" **[**are**],** the development of an experimental or pilot model, plant process, formula, invention or similar property, and the improvement of existing property of such type. Research or experimentation activities do not include activities such as ordinary testing or inspection of materials or products for quality control, efficiency surveys, advertising promotions or research in connection with literary, historical or similar projects;

[(12) "Sale" or "sales" includes installment and credit sales, and the exchange of properties as well as the sale thereof for money, every closed transaction constituting a sale, and means any transfer, exchange or barter, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property for valuable consideration and the rendering, furnishing or selling for a valuable consideration any of the substances, things and services herein designated and defined as taxable under the terms of sections 144.010 to 144.525;

(13)**] (84)** "Sale at retail" **[**means any transfer made by any person engaged in business as defined herein of the ownership of, or title to, tangible personal property to the purchaser, for use or consumption and not for resale in any form as tangible personal property, for a valuable consideration; except that, for the purposes of sections 144.010 to 144.525 and the tax imposed thereby: (i) purchases of tangible personal property made by duly licensed physicians, dentists, optometrists and veterinarians and used in the practice of their professions shall be deemed to be purchases for use or consumption and not for resale; and (ii) the selling of computer printouts, computer output or microfilm or microfiche and computer-assisted photo compositions to a purchaser to enable the purchaser to obtain for his or her own use the desired information contained in such computer printouts, computer output on microfilm or microfiche and

computer-assisted photo compositions shall be considered as the sale of a service and not as the sale of tangible personal property**] or "retail sale", any sale, lease, or rental for any purpose other than for resale, sublease, or subrent. Purchases of tangible personal property made by duly licensed physicians, dentists, optometrists, and veterinarians and used in the practice of their professions shall be deemed to be purchases for use or consumption and not for resale**. Where necessary to conform to the context of sections 144.010 to 144.525 and the tax imposed thereby, the term sale at retail shall be construed to embrace:

(a) Sales of admission tickets, cash admissions, charges and fees to or in places of amusement, entertainment and recreation, games and athletic events, except amounts paid for any instructional class;

(b) Sales of electricity, electrical current, water and gas, natural or artificial, to domestic, commercial or industrial consumers;

(c) Sales of **[**local and long distance**]** telecommunications **[**service to telecommunications subscribers**] services** and **[**to others through equipment of telecommunications subscribers for the transmission of messages and conversations,**] ancillary services** and the sale, rental or leasing of all equipment or services pertaining or incidental thereto;

(d) Sales of service for transmission of messages by telegraph companies;

(e) Sales or charges for all rooms, meals and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore, dining car, tourist camp, tourist cabin, or other place in which rooms, meals or drinks are regularly served to the public;

(f) Sales of tickets by every person operating a railroad, sleeping car, dining car, express car, boat, airplane, and such buses and trucks as are licensed by the division of motor carrier and railroad safety of the department of economic development of Missouri, engaged in the transportation of persons for hire;

(85) "School art supply":

(a) An item commonly used by a student in a course of study for artwork. The term is mutually exclusive of the terms school supply, school instructional material, and school computer supply;

(b) The following is an all-inclusive list:

a. Clay and glazes;

b. Paints, acrylic, tempora, and oil;

c. Paintbrushes for artwork;

d. Sketch and drawing pads; and

e. Watercolors;

(86) "School computer supply":

(a) An item commonly used by a student in a course of study in which a computer is used. The term is mutually exclusive of the terms school supply, school art supply, and school instructional material;

(b) The following is an all-inclusive list:

a. Computer storage media, diskettes, compact disks;

b. Handheld electronic schedulers, except devices that are cellular phones;

c. Personal digital assistants, except devices that are cellular phones; and

d. Computer printers and printer supplies for computers, printer paper, and printer ink;

(87) "School instructional material":

(a) Written material commonly used by a student in a course of study as a reference and to learn the subject being taught. The term is mutually exclusive of the terms school supply, school art supply, and school computer supply;

(b) The following is an all-inclusive list:

a. Reference books;

b. Reference maps and globes;

c. Textbooks; and

d. Workbooks;

(88) "School supply":

(a) An item commonly used by a student in a course of study. The term is mutually exclusive of the terms school art supply, school instructional material, and school computer supply;

(b) The following is an all-inclusive list:

a. Binders;

b. Book bags;

c. Calculators;

d. Cellophane tape;

e. Blackboard chalk;

f. Compasses;

g. Composition books;

h. Crayons;

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i. Erasers;

j. Folders, expandable, pocket, plastic, and manila;

k. Glue, paste, and paste sticks;

l. Highlighters;

m. Index cards;

n. Index card boxes;

o. Legal pads;

p. Lunch boxes;

q. Markers;

r. Notebooks;

s. Paper, loose leaf notebook paper, copy paper, graph paper, tracing paper, manila paper, colored paper, poster board, and construction paper;

t. Pencil boxes and other school supply boxes;

u. Pencil sharpeners;

v. Pencils;

w. Pens;

x. Protractors;

y. Rulers;

z. Scissors; and

aa. Writing tablets;

[(14)**]** **(89)** "Seller" **[**means**],** a person **[**selling or furnishing tangible**]** **making sales, leases, or rentals of** personal property or **[**rendering services, on the receipts from which a tax is imposed pursuant to section 144.020**]** **service**;

(90) "Selling agent", every person acting as a representative of a principal, when such principal is not registered with the director of revenue of the state of Missouri for the collection of the taxes imposed under this chapter and who receives compensation by reason of the sale of tangible personal property of the principal, if such property is to be stored, used, or consumed in this state;

(91) "Service address":

(a) The location of the telecommunications equipment to which a customer's call is charged and from which the call originates or terminates, regardless of where the call is billed or paid;

(b) If the location in paragraph (a) of this subdivision is not known, "service address" means the origination point of the signal of the telecommunications services first identified by either the seller's

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telecommunications system or in information received by the seller from its service provider, where the system used to transport such signals is not that of the seller;

(c) If the location in paragraphs (a) and (b) of this subdivision are not known, the service address shall be the location of the customer's place of primary use;

(92) "Specified digital products", electronically transferred digital audio-visual works, digital audio works, and digital books;

(93) "Sport or recreational equipment", items designed for human use and worn in conjunction with an athletic or recreational activity that are not suitable for general use. Sport or recreational equipment are mutually exclusive of clothing, clothing accessories or equipment, and protective equipment;

(94) "State", any state of the United States, the District of Columbia, and the Commonwealth of Puerto Rico;

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

(96) "Tangible personal property", personal property that can be seen, weighed, measured, felt, or touched, or that is in any other manner perceptible to the senses. Tangible personal property shall include electricity, water, gas, steam, and prewritten computer software. Tangible personal property shall not include specified digital products, digital audio-visual works, digital audio works, or digital books;

[(15) The noun "tax" means**]**

(97) "Tax", either the tax payable by the purchaser of a commodity or service subject to tax, or the aggregate amount of taxes due from the vendor of such commodities or services during the period for which he or she is required to report his or her collections, as the context may require; **[**and**]**

(98) "Taxpayer", any person remitting the tax or who should remit the tax levied by this chapter;

(99) "Telecommunications nonrecurring charges", an amount billed for the installation, connection, change or initiation of telecommunications service received by the customer;

[(16)**] (100)** "Telecommunications service"**[**, for the purpose of this

chapter, the transmission of information by wire, radio, optical cable, coaxial cable, electronic impulses, or other similar means. As used in this definition, "information" means knowledge or intelligence represented by any form of writing, signs, signals, pictures, sounds, or any other symbols. Telecommunications service does not include the following if such services are separately stated on the customer's bill or on records of the seller maintained in the ordinary course of business:

(a) Access to the internet, access to interactive computer services or electronic publishing services, except the amount paid for the telecommunications service used to provide such access;

(b) Answering services and one-way paging services;

(c) Private mobile radio services which are not two-way commercial mobile radio services such as wireless telephone, personal communications services or enhanced specialized mobile radio services as defined pursuant to federal law; or

(d) Cable or satellite television or music services**]:**

(a) The electronic transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals to a point, or between or among points;

(b) Telecommunications service shall include such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code, or protocol of the content for purposes of transmission, conveyance, or routing without regard to whether such service is referred to as voice over internet protocol services or is classified by the Federal Communications Commission as enhanced or value added;

(c) Telecommunications service shall include air-to-ground radiotelephone service, mobile telecommunications service, post-paid calling service, prepaid calling service, prepaid wireless calling service, and private communication service;

(d) Telecommunications service shall not include:

a. Data processing and information services that allow data to be generated, acquired, stored, processed, or retrieved and delivered by an electronic transmission to a purchaser where such purchaser's primary purpose for the underlying transaction is the processed data or information;

b. Installation or maintenance of wiring or equipment on a

customer's premises;

c. Tangible personal property;

d. Advertising, including but not limited to directory advertising;

e. Billing and collection services provided to third parties;

f. Internet access service;

g. Radio and television audio and video programming services, regardless of the medium, including the furnishing of transmission, conveyance, and routing of such services by the programming service provider. Radio and television audio and video programming services shall include, but not be limited to, cable service, as defined in 47 U.S.C. Section 522(6), and audio and video programming services delivered by commercial mobile radio service providers, as defined in 47 CFR 20.3;

h. Ancillary services; or

i. Digital products delivered electronically, including, but not limited to, software, music, video, reading materials, or ring tones;

(101) "Transportation equipment", any of the following:

(a) Locomotives and railcars that are utilized for the carriage of persons or property in interstate commerce;

(b) Trucks and truck-tractors with a gross vehicle weight rating (GVWR) of ten thousand one pounds or greater, trailers, semi-trailers, or passenger buses that are:

a. Registered through the International Registration Plan; and

b. Operated under authority of a carrier authorized and certificated by the United States Department of Transportation or another federal authority to engage in the carriage of persons or property in interstate commerce;

(c) Aircraft that are operated by air carriers authorized and certificated by the United States Department of Transportation or another federal or a foreign authority to engage in the carriage of persons or property in interstate or foreign commerce;

(d) Containers designed for use on and component parts attached or secured on the items set forth in paragraphs (a) to (c) of this subdivision;

(102) "Tobacco", cigarettes, cigars, chewing or pipe tobacco, or any other item that contains tobacco;

(103) "Use", the exercise of any right or power over tangible

Unofficial Bill Copy

personal property incident to the ownership or control of that property, except that it does not include the temporary storage of property in this state for subsequent use outside the state, or the sale of the property in the regular course of business;

(104) "Use-based exemption", an exemption based on a specified use of the product by the purchaser;

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

2. For purposes of the taxes imposed under sections 144.010 to 144.525, and any other provisions of law pertaining to sales or use taxes which incorporate the provisions of sections 144.010 to 144.525 by reference, the term manufactured homes shall have the same meaning given it in section 700.010.

[3. Sections 144.010 to 144.525 may be known and quoted as the "Sales Tax Law".**]**

144.014. 1. Notwithstanding other provisions of law to the contrary, beginning October 1, 1997, the tax levied and imposed pursuant to sections 144.010 to 144.525 and sections 144.600 to 144.746 on all retail sales of food**, food sold through vending machines, and food ingredients** shall be at the rate of one percent. The revenue derived from the one percent rate pursuant to this section shall be deposited by the state treasurer in the school district trust

fund and shall be distributed as provided in section 144.701.

2. **[**For the purposes of this section, the term "food" shall include only those products and types of food for which food stamps may be redeemed pursuant to the provisions of the Federal Food Stamp Program as contained in 7 U.S.C. Section 2012, as that section now reads or as it may be amended hereafter, and shall include food dispensed by or through vending machines. For the purpose of this section,**]** Except for **food sold through** vending **[**machine sales, the term "food"**] machines, subsection 1 of this section** shall not **[**include**] apply to** food or drink sold by any establishment where the gross receipts derived from the sale of food prepared by such establishment for immediate consumption on or off the premises of the establishment constitutes more than eighty percent of the total gross receipts of that establishment, regardless of whether such prepared food is consumed on the premises of that establishment, including, but not limited to, sales of food by any restaurant, fast food restaurant, delicatessen, eating house, or cafe.

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;

(3) A tax equivalent to four percent of the basic rate paid or charged on all sales of electricity or electrical current, water and gas, natural or artificial, to

domestic, commercial or industrial consumers;

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

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

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

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

(8) A tax equivalent to four percent of the amount paid or charged for rental or lease of tangible personal property, provided that if the lessor or renter of any tangible personal property had previously purchased the property under the conditions of sale at retail or leased or rented the property and the tax was paid at the time of purchase, lease or rental, the lessor, sublessor, renter or subrenter shall not apply or collect the tax on the subsequent lease, sublease, rental or subrental receipts from that property. The purchase, rental or lease of motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats, and outboard motors shall be taxed and the tax paid as provided in this section and section 144.070. In no event shall the rental or lease of boats and outboard motors be considered a sale, charge, or fee to, for or in places of amusement, entertainment

or recreation nor shall any such rental or lease be subject to any tax imposed to, for, or in such places of amusement, entertainment or recreation. Rental and leased boats or outboard motors shall be taxed under the provisions of the sales tax laws as provided under such laws for motor vehicles and trailers. Tangible personal property which is exempt from the sales or use tax under section 144.030 upon a sale thereof is likewise exempt from the sales or use tax upon the lease or rental thereof;

(9) A tax equivalent to four percent of the purchase price, as defined in section 144.070, of 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 registered under the laws of the state of Missouri. This tax is imposed on the person titling such property, and shall be paid according to the procedures in section 144.440.

2. All tickets sold which are sold under the provisions of sections 144.010 to 144.525 which are subject to the sales tax shall have printed, stamped or otherwise endorsed thereon, the words "This ticket is subject to a sales tax.".

144.022. 1. In the case of a bundled transaction that includes any of the following: telecommunication service, ancillary service, internet access, or audio or video programming service:

(1) If the price is attributable to products that are taxable and products that are nontaxable, the portion of the price attributable to the nontaxable products may be subject to tax unless the provider can identify by reasonable and verifiable standards such portion from its books and records that are kept in the regular course of business for other purposes, including, but not limited to, nontax purposes;

(2) If the price is attributable to products that are subject to tax at different tax rates, the total price shall be treated as attributable to the products subject to tax at the highest tax rate unless the provider can identify by reasonable and verifiable standards the portion of the price attributable to the products subject to tax at the lower rate from its books and records that are kept in the regular course of business for other purposes, including, but not limited to, nontax purposes;

(3) The provisions of this section shall apply unless otherwise provided by federal law.

2. In the case of a transaction that includes an optional computer software maintenance contract for prewritten computer software, the

Unofficial Bill Copy

following provisions apply:

(1) If an optional computer software maintenance contract only obligates the vendor to provide upgrades and updates, it shall be characterized as a sale of prewritten computer software;

(2) If an optional computer software maintenance contract only obligates the vendor to provide support services, it shall be characterized as a sale of services and not a sale of tangible personal property;

(3) If an optional computer software maintenance contract is a bundled transaction in which both taxable and nontaxable or exempt products that are not separately itemized on the invoice or similar billing document, the purchase price under the contract shall be taxable.

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

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

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

of the Missouri pesticide registration law (sections 281.220 to 281.310) which are to be used in connection with the growth or production of crops, fruit trees or orchards applied before, during, or after planting, the crop of which when harvested will be sold at retail or will be converted into foodstuffs which are to be sold ultimately in processed form at retail;

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

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

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

(5) Replacement machinery, equipment, and parts and the materials and supplies solely required for the installation or construction of such replacement machinery, equipment, and parts, used directly in manufacturing, mining, fabricating or producing a product which is intended to be sold ultimately for final use or consumption; and machinery and equipment, and the materials and supplies required solely for the operation, installation or construction of such machinery and equipment, purchased and used to establish new, or to replace or expand existing, material recovery processing plants in this state. For the

Unofficial Bill Copy

purposes of this subdivision, a "material recovery processing plant" means a facility that has as its primary purpose the recovery of materials into a usable product or a different form which is used in producing a new product and shall include a facility or equipment which are used exclusively for the collection of recovered materials for delivery to a material recovery processing plant but shall not include motor vehicles used on highways. For purposes of this section, the terms motor vehicle and highway shall have the same meaning pursuant to section 301.010. Material recovery is not the reuse of materials within a manufacturing process or the use of a product previously recovered. The material recovery processing plant shall qualify under the provisions of this section regardless of ownership of the material being recovered;

(6) Machinery and equipment, and parts and the materials and supplies solely required for the installation or construction of such machinery and equipment, purchased and used to establish new or to expand existing manufacturing, mining or fabricating plants in the state if such machinery and equipment is used directly in manufacturing, mining or fabricating a product which is intended to be sold ultimately for final use or consumption;

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

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

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

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

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

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

(13) Electrical energy used in the actual primary manufacture, processing, compounding, mining or producing of a product, or electrical energy used in the

actual secondary processing or fabricating of the product, or a material recovery processing plant as defined in subdivision (5) of this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical energy so used exceeds ten percent of the total cost of production, either primary or secondary, exclusive of the cost of electrical energy so used or if the raw materials used in such processing contain at least twenty-five percent recovered materials as defined in section 260.200. There shall be a rebuttable presumption that the raw materials used in the primary manufacture of automobiles contain at least twenty-five percent recovered materials. For purposes of this subdivision, "processing" means any mode of treatment, act or series of acts performed upon materials to transform and reduce them to a different state or thing, including treatment necessary to maintain or preserve such processing by the producer at the production facility;

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

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

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

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

(18) All amounts paid or charged for admission or participation or other fees paid by or other charges to individuals in or for any place of amusement, entertainment or recreation, games or athletic events, including museums, fairs, zoos and planetariums, owned or operated by a municipality or other political subdivision where all the proceeds derived therefrom benefit the municipality or other political subdivision and do not inure to any private person, firm, or corporation, provided, however, that a municipality or other political subdivision may enter into revenue-sharing agreements with private persons, firms, or corporations providing goods or services, including management services, in or for the place of amusement, entertainment or recreation, games or athletic events,

Unofficial Bill Copy

and provided further that nothing in this subdivision shall exempt from tax any amounts retained by any private person, firm, or corporation under such revenue-sharing agreement;

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

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

(21) All sales of aircraft to common carriers for storage or for use in interstate commerce and all sales made by or to not-for-profit civic, social, service or fraternal organizations, including fraternal organizations which have been

Unofficial Bill Copy

declared tax-exempt organizations pursuant to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or charitable functions and activities and all sales made to eleemosynary and penal institutions and industries of the state, and all sales made to any private not-for-profit institution of higher education not otherwise excluded pursuant to subdivision (20) of this subsection or any institution of higher education supported by public funds, and all sales made to a state relief agency in the exercise of relief functions and activities;

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

(23) All sales made to any private not-for-profit elementary or secondary school, all sales of feed additives, medications or vaccines administered to livestock or poultry in the production of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber, all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying agricultural crops, natural gas used in the primary manufacture or processing of fuel ethanol as defined in section 142.028, natural gas, propane, and electricity used by an eligible new generation cooperative or an eligible new generation processing entity as defined in section 348.432, and all sales of farm machinery and equipment, other than airplanes, motor vehicles and trailers, and any freight charges on any exempt item. As used in this subdivision, the term "feed additives" means tangible personal property which, when mixed with feed for livestock or poultry, is to be used in the feeding of livestock or poultry. As used in this subdivision, the term "pesticides" includes adjuvants such as crop oils, surfactants, wetting agents and other assorted pesticide carriers used to improve or enhance the effect of a pesticide and the foam used to mark the application of pesticides and herbicides for the production of crops, livestock or poultry. As used in this subdivision, the term "farm machinery and equipment" means new or used farm tractors and such other new or used farm machinery and equipment

Unofficial Bill Copy

and repair or replacement parts thereon and any accessories for and upgrades to such farm machinery and equipment, rotary mowers used exclusively for agricultural purposes, and supplies and lubricants used exclusively, solely, and directly for producing crops, raising and feeding livestock, fish, poultry, pheasants, chukar, quail, or for producing milk for ultimate sale at retail, including field drain tile, and one-half of each purchaser's purchase of diesel fuel therefor which is:

(a) Used exclusively for agricultural purposes;

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

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

(24) Except as otherwise provided in section 144.032, all sales of metered water service, electricity, **[**electrical current, natural, artificial or propane gas, wood, coal or home heating oil**]** **piped natural or artificial gas, or other fuels delivered by the seller** for domestic use and in any city not within a county, all sales of metered or unmetered water service for domestic use:

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

(b) Regulated utility sellers shall determine whether individual purchases are exempt or nonexempt based upon the seller's utility service rate classifications as contained in tariffs on file with and approved by the Missouri public service commission. Sales and purchases made pursuant to the rate classification "residential" and sales to and purchases made by or on behalf of the occupants of residential apartments or condominiums through a single or master meter, including service for common areas and facilities and vacant units, shall be considered as sales made for domestic use and such sales shall be exempt from

sales tax. Sellers shall charge sales tax upon the entire amount of purchases classified as nondomestic use. The seller's utility service rate classification and the provision of service thereunder shall be conclusive as to whether or not the utility must charge sales tax;

(c) Each person making domestic use purchases of **[**services or property**]** **electricity, piped natural or artificial gas, or other fuels delivered by the seller** and who uses any portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day of the fourth month following the year of purchase, and without assessment, notice or demand, file a return and pay sales tax on that portion of nondomestic purchases. Each person making nondomestic purchases of **[**services or property**]** **electricity, piped natural or artificial gas, or other fuels delivered by the seller** and who uses any portion of the **[**services or property**]** **electricity, piped natural or artificial gas, or other fuels delivered by the seller** so purchased for domestic use, and each person making domestic purchases on behalf of occupants of residential apartments or condominiums through a single or master meter, including service for common areas and facilities and vacant units, under a nonresidential utility service rate classification may, between the first day of the first month and the fifteenth day of the fourth month following the year of purchase, apply for credit or refund to the director of revenue and the director shall give credit or make refund for taxes paid on the domestic use portion of the purchase. The person making such purchases on behalf of occupants of residential apartments or condominiums shall have standing to apply to the director of revenue for such credit or refund;

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

(26) Excise taxes, collected on sales at retail, imposed by Sections 4041, **[**4061,**]** 4071, 4081, **[**4091,**]** 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of revenue shall promulgate rules pursuant to chapter 536 to eliminate all state and local sales taxes on such excise taxes;

(27) Sales of fuel consumed or used in the operation of ships, barges, or waterborne vessels which are used primarily in or for the transportation of property or cargo, or the conveyance of persons for hire, on navigable rivers bordering on or located in part in this state, if such fuel is delivered by the seller

to the purchaser's barge, ship, or waterborne vessel while it is afloat upon such river;

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

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

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

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

(32) Electrical energy or gas, whether natural, artificial or propane, water, or other utilities which are ultimately consumed in connection with the manufacturing of cellular glass products or in any material recovery processing plant as defined in subdivision (5) of this subsection;

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

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

(35) All sales of grain bins for storage of grain for resale;

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

(37) All purchases by a contractor on behalf of an entity located in another state, provided that the entity is authorized to issue a certificate of exemption for purchases to a contractor under the provisions of that state's laws. For purposes of this subdivision, the term "certificate of exemption" shall mean any document evidencing that the entity is exempt from sales and use taxes on purchases

pursuant to the laws of the state in which the entity is located. Any contractor making purchases on behalf of such entity shall maintain a copy of the entity's exemption certificate as evidence of the exemption. If the exemption certificate issued by the exempt entity to the contractor is later determined by the director of revenue to be invalid for any reason **[**and the contractor has accepted the certificate in good faith**]**, neither the contractor or the exempt entity shall be liable for the payment of any taxes, interest and penalty due as the result of use of the invalid exemption certificate **unless the contractor fraudulently accepted the certificate**. Materials shall be exempt from all state and local sales and use taxes when purchased by a contractor for the purpose of fabricating tangible personal property which is used in fulfilling a contract for the purpose of constructing, repairing or remodeling facilities for the following:

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

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

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

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

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

(41) All materials, replacement parts, and equipment purchased for use directly upon, and for the modification, replacement, repair, and maintenance of

aircraft, aircraft power plants, and aircraft accessories;

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

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

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

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

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

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

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

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

(c) "Internet access", a service that enables users to connect to the internet to access content, information, or other services without regard to whether the service is referred to as telecommunications, communications,

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transmission, or similar services, and without regard to whether a provider of the service is subject to regulation by the Federal Communications Commission as a common carrier under 47 U.S.C. Section 201, et seq. For purposes of this subdivision, internet access also includes: the purchase, use, or sale of communications services, including telecommunications services as defined in section 144.010, to the extent the communications services are purchased, used, or sold to provide the service described in this subdivision or to otherwise enable users to access content, information, or other services offered over the internet; services that are incidental to the provision of a service described in this subdivision, when furnished to users as part of such service, including a home page, electronic mail, and instant messaging, including voice-capable and video-capable electronic mail and instant messaging, video clips, and personal electronic storage capacity; a home page electronic mail and instant messaging, including voice-capable and video-capable electronic mail and instant messaging, video clips, and personal electronic storage capacity that are provided independently or that are not packed with internet access. As used in this subdivision, internet access does not include voice, audio, and video programming or other products and services, except services described in this paragraph or this subdivision, that use internet protocol or any successor protocol and for which there is a charge, regardless of whether the charge is separately stated or aggregated with the charge for services described in this paragraph or this subdivision;

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

a. The fee is not imposed for the purpose of recovering direct costs incurred by the franchising or other governmental authority from providing the

specific privilege, service, or benefit conferred to the payer of the fee; or

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

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

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

144.032. The provisions of section 144.030 to the contrary notwithstanding, any city imposing a sales tax under the provisions of sections 94.500 to 94.570, or any county imposing a sales tax under the provisions of sections 66.600 to 66.635, or any county imposing a sales tax under the provisions of sections 67.500 to 67.729, or any hospital district imposing a sales tax under the provisions of section 205.205 may by ordinance impose a sales tax upon all sales of **[**metered water services,**]** electricity, **[**electrical current and natural, artificial or propane gas, wood, coal, or home heating oil**]** **piped natural or artificial gas, or other fuels delivered by the seller** for domestic use only. Such tax shall be administered by the department of revenue and assessed by the retailer in the same manner as any other city, county, or hospital district sales tax. Domestic use shall be determined in the same manner as the determination of domestic use for exemption of such sales from the state sales tax under the provisions of section 144.030.

144.049. 1. **[**For purposes of this section, the following terms mean:

(1) "Clothing", any article of wearing apparel, including footwear, intended to be worn on or about the human body. The term shall include but not be limited to cloth and other material used to make school uniforms or other school clothing. Items normally sold in pairs shall not be separated to qualify for the exemption. The term shall not include watches, watchbands, jewelry, handbags, handkerchiefs, umbrellas, scarves, ties, headbands, or belt buckles; and

(2) "Personal computers", a laptop, desktop, or tower computer system which consists of a central processing unit, random access memory, a storage drive, a display monitor, and a keyboard and devices designed for use in conjunction with a personal computer, such as a disk drive, memory module, compact disk drive, daughterboard, digitizer, microphone, modem, motherboard, mouse, multimedia speaker, printer, scanner, single-user hardware, single-user operating system, soundcard, or video card;

(3) "School supplies", any item normally used by students in a standard classroom for educational purposes, including but not limited to textbooks, notebooks, paper, writing instruments, crayons, art supplies, rulers, book bags, backpacks, handheld calculators, chalk, maps, and globes. The term shall not include watches, radios, CD players, headphones, sporting equipment, portable or desktop telephones, copiers or other office equipment, furniture, or fixtures. School supplies shall also include computer software having a taxable value of three hundred fifty dollars or less and any graphing calculator having a taxable value of one hundred fifty dollars or less.

2.**]** In each year beginning on or after January 1, 2005, there is hereby specifically exempted from state **and local** sales tax law all retail sales of any article of clothing having a taxable value of one hundred dollars or less**[**,**];** all retail sales of school supplies **[**not to exceed fifty dollars per purchase,**]; school art supplies, and school instructional materials;** all **prewritten** all computer software with a taxable value of three hundred fifty dollars or less**[**, all graphing calculators having a taxable value of one hundred fifty dollars or less,**];** and all retail sales of **[**personal**]** computers **[**or computer peripheral devices**] and school computer supplies** not to exceed one thousand five hundred dollars **per item**, during a three-day period beginning at 12:01 a.m. on the first Friday in August and ending at midnight on the Sunday following. **Where a purchaser and seller are located in two different time zones, the time zone of the seller's location shall determine the authorized exemption period.**

[3. If the governing body of any political subdivision adopted an ordinance

that applied to the 2004 sales tax holiday to prohibit the provisions of this section from allowing the sales tax holiday to apply to such political subdivision's local sales tax, then, notwithstanding any provision of a local ordinance to the contrary, the 2005 sales tax holiday shall not apply to such political subdivision's local sales tax. However, any such political subdivision may enact an ordinance to allow the 2005 sales tax holiday to apply to its local sales taxes. A political subdivision must notify the department of revenue not less than forty-five calendar days prior to the beginning date of the sales tax holiday occurring in that year of any ordinance or order rescinding an ordinance or order to opt out.

4.**] 2.** This section shall not apply to any sales which take place within the Missouri state fairgrounds.

[5.**] 3.** This section applies to sales of items bought for personal use only.

[6. After the 2005 sales tax holiday, any political subdivision may, by adopting an ordinance or order, choose to prohibit future annual sales tax holidays from applying to its local sales tax. After opting out, the political subdivision may rescind the ordinance or order. The political subdivision must notify the department of revenue not less than forty-five calendar days prior to the beginning date of the sales tax holiday occurring in that year of any ordinance or order rescinding an ordinance or order to opt out.

7.**] 4.** This section may not apply to any retailer when less than two percent of the retailer's merchandise offered for sale qualifies for the sales tax holiday. The retailer **[**shall**] may** offer a sales tax refund in lieu of the sales tax holiday.

5. A sale of property which is eligible for an exemption under subsection 1 of this section but is purchased under a layaway sale shall only qualify for an exemption if:

(1) Final payment on a layaway order is made by, and the property is given to, the purchaser during the exemption period; or

(2) The purchaser selects the property and the seller accepts the order for the property during the exemption period, for immediate delivery upon full payment, even if delivery is made after the exemption period.

6. The exemption of a bundled transaction shall be calculated as provided by law for all other bundled transactions.

7. (1) For any discount offered by a seller that is a reduction of the sales price of the product, the discounted sales price shall

determine whether the sales price falls below the price threshold provided in subsection 1 of this section. A coupon that reduces the sales price shall be treated as a discount only if the seller is not reimbursed for the coupon amount by a third party.

(2) If a discount applies to the total amount paid by a purchaser rather than to the sales price of a particular product and the purchaser has purchased both exempt property and taxable property, the seller shall allocate the discount based on the total sales prices of the taxable property compared to the total sales prices of all property sold in the same transaction.

8. Items that are normally sold as a single unit shall continue to be sold in that manner and shall not be priced separately and sold as individual items.

9. Items that are purchased during an exemption period but that are not delivered to the purchaser until after the exemption period due to the item not being in stock shall qualify for an exemption. The provisions of this subsection shall not apply to an item that was delivered during an exemption period but was purchased prior to or after the exemption period.

10. (1) If a purchaser purchases an item of eligible property during an exemption period, but later exchanges the item for a similar eligible item after the exemption period, no additional tax shall be due on the new item.

(2) If a purchaser purchases an item of eligible property during an exemption period, but later returns the item after the exemption period and receives credit on the purchase of a different nonexempt item, the appropriate sales tax shall be due on the sale of the newly purchased item.

(3) If a purchaser purchases an item of eligible property before an exemption period, but during the exemption period returns the item and receives credit on the purchase of a different item of eligible property, no sales tax shall be due on the sale of the new item if the new item is purchased during the exemption period.

(4) For a sixty day period immediately following the end of the exemption period, if a purchaser returns an exempt item no credit for or refund of sales tax shall be given unless the purchaser provides a receipt or invoice that shows tax was paid, or the seller has sufficient

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documentation to show that tax was paid on the item being returned.

11. For items that require delivery, an item shall be considered exempt if:

(1) The item is both delivered to and paid for by the purchaser during the exemption period; or

(2) The purchaser orders and pays for the item and the seller accepts the order during the exemption period for immediate shipment, even if delivery is made after the exemption period. For the purposes of this subdivision, a seller shall be considered to have accepted an order when the seller has taken action to fill the order for immediate shipment. Actions to fill an order shall include placement of an "in date" stamp on a mail order or the assignment of an "order number" to a telephone order. An order shall be considered for immediate shipment when the purchaser does not request delayed shipment. An order shall be considered for immediate shipment notwithstanding a shipment that may be delayed because of a backlog of orders or because an item is currently unavailable or on back order.

144.054. 1. As used in this section, the following terms mean:

(1) "Processing", any mode of treatment, act, or series of acts performed upon materials to transform or reduce them to a different state or thing, including treatment necessary to maintain or preserve such processing by the producer at the production facility;

(2) "Recovered materials", those materials which have been diverted or removed from the solid waste stream for sale, use, reuse, or recycling, whether or not they require subsequent separation and processing.

2. In addition to all other exemptions granted under this chapter, there is hereby specifically exempted from the provisions of **[**sections 144.010 to 144.525 and 144.600 to 144.761, and from the computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to 144.761,**] this chapter and from the computation of the tax levied, assessed, or payable under this chapter** electrical energy and gas, whether natural, artificial, or propane, water, coal, and energy sources, chemicals, machinery, equipment, and materials used or consumed in the manufacturing, processing, compounding, mining, or producing of any product, or used or consumed in the processing of recovered materials, or used in research and development related to manufacturing, processing, compounding, mining, or producing any product. **[**The exemptions

granted in this subsection shall not apply to local sales taxes as defined in section 32.085 and the provisions of this subsection shall be in addition to any state and local sales tax exemption provided in section 144.030.**]**

3. In addition to all other exemptions granted under this chapter, there is hereby specifically exempted from the provisions of **[**sections 144.010 to 144.525 and 144.600 to 144.761, and section 238.235, and the local sales tax law as defined in section 32.085, and from the computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and section 238.235, and the local sales tax law as defined in section 32.085**] this chapter and from the computation of the tax levied, assessed, and payable under this chapter**, all utilities, machinery, and equipment used or consumed directly in television or radio broadcasting and all sales and purchases of tangible personal property, utilities, services, or any other transaction that would otherwise be subject to the state or local sales or use tax when such sales are made to or purchases are made by a contractor for use in fulfillment of any obligation under a defense contract with the United States government, and all sales and leases of tangible personal property by any county, city, incorporated town, or village, provided such sale or lease is authorized under chapter 100, and such transaction is certified for sales tax exemption by the department of economic development, and tangible personal property used for railroad infrastructure brought into this state for processing, fabrication, or other modification for use outside the state in the regular course of business.

4. In addition to all other exemptions granted under this chapter, there is hereby specifically exempted from the provisions of **[**sections 144.010 to 144.525 and 144.600 to 144.761, and section 238.235, and the local sales tax law as defined in section 32.085, and from the computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and section 238.235, and the local sales tax law as defined in section 32.085**] this chapter and from the computation of the tax levied, assessed, and payable under this chapter**, all sales and purchases of tangible personal property, utilities, services, or any other transaction that would otherwise be subject to the state or local sales or use tax when such sales are made to or purchases are made by a private partner for use in completing a project under sections 227.600 to 227.669.

5. In addition to all other exemptions granted under this chapter, there is hereby specifically exempted from the provisions of **[**sections 144.010 to 144.525

and 144.600 to 144.761, and section 238.235, and the local sales tax law as defined in section 32.085, and from the computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and section 238.235, and the local sales tax law as defined in section 32.085,**] this chapter and from the computation of the tax levied, assessed, and payable under this chapter** all materials, manufactured goods, machinery and parts, electrical energy and gas, whether natural, artificial or propane, water, coal and other energy sources, chemicals, soaps, detergents, cleaning and sanitizing agents, and other ingredients and materials inserted by commercial or industrial laundries to treat, clean, and sanitize textiles in facilities which process at least five hundred pounds of textiles per hour and at least sixty thousand pounds per week.

144.060. **1.** It shall be the duty of every person making any purchase or receiving any service upon which a tax is imposed by sections 144.010 to 144.510 to pay, to the extent possible under the provisions of section 144.285, the amount of such tax to the person making such sale or rendering such service. Any person who shall willfully and intentionally refuse to pay such tax shall be guilty of a misdemeanor. The provisions of this section shall not apply to any person making any purchase or sale of a motor vehicle subject to sales tax as provided by the Missouri sales tax law, unless such person making the sale is a motor vehicle dealer authorized to collect and remit sales tax pursuant to subsection 8 of section 144.070.

2. A purchaser shall be relieved from any additional tax, interest, additions, or penalties for failure to collect and remit the proper amount of tax owed on a purchase subject to sales tax under chapter 144 if:

(1) A purchaser's seller or a certified service provider relied on erroneous data provided by the director on tax rates, boundaries, taxing jurisdiction assignments, or in the taxability matrix created pursuant to section 144.124;

(2) A purchaser holding a direct pay permit created pursuant to section 144.079 relied on erroneous data provided by the director on tax rates, boundaries, taxing jurisdiction assignments, or in the taxability matrix created pursuant to section 144.124;

(3) A purchaser using a database created pursuant to section 144.123 received erroneous data provided by the director on tax rates,

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boundaries, or taxing jurisdiction assignments; or

(4) A purchaser relied on erroneous data provided by the director in the taxability matrix created pursuant to section 144.124.

144.079. 1. The provisions of section 144.080 notwithstanding, the director shall promulgate rules to allow for the issuance of direct pay permits to purchasers. Purchasers holding such a permit shall be permitted to purchase goods and services which are subject to sales tax under chapter 144 without remitting payment of the tax to the seller at the time of purchase. Such purchaser shall make a determination of the amount of tax owed and shall report and remit such amount directly to the taxing jurisdiction.

2. The director shall promulgate rules to implement the provisions of this section. Such rules shall include an application process for the issuance of a permit created under this section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after January 1, 2019, shall be invalid and void.

144.080. 1. Every person receiving any payment or consideration upon the sale of property or rendering of service, subject to the tax imposed by the provisions of sections 144.010 to 144.525, is exercising the taxable privilege of selling the property or rendering the service at retail and is subject to the tax levied in section 144.020. The person shall be responsible not only for the collection of the amount of the tax imposed on the sale or service to the extent possible under the provisions of section 144.285, but shall, on or before the last day of the month following each calendar quarterly period of three months, file a return with the director of revenue showing the person's gross receipts and the amount of tax levied in section 144.020 for the preceding quarter, and shall remit to the director of revenue, with the return, the taxes levied in section 144.020, except as provided in **[**subsections 2 and 3**]** **subsection 2** of this section. The director of revenue may promulgate rules or regulations changing the filing and

payment requirements of sellers, but shall not require any seller to file and pay more frequently than required in this section.

2. [Where the aggregate amount levied and imposed upon a seller by section 144.020 is in excess of two hundred fifty dollars for either the first or second month of a calendar quarter, the seller shall file a return and pay such aggregate amount for such months to the director of revenue by the twentieth day of the succeeding month.

3.] Where the aggregate amount levied and imposed upon a seller by section 144.020 is less than forty-five dollars in a calendar quarter, the director of revenue shall by regulation permit the seller to file a return for a calendar year. The return shall be filed and the taxes paid on or before January thirty-first of the succeeding year.

[4.] **3.** The seller of any property or person rendering any service, subject to the tax imposed by sections 144.010 to 144.525, shall collect the tax from the purchaser of such property or the recipient of the service to the extent possible under the provisions of section 144.285, but the seller's inability to collect any part or all of the tax does not relieve the seller of the obligation to pay to the state the tax imposed by section 144.020; except that the collection of the tax imposed by sections 144.010 to 144.525 on motor vehicles and trailers shall be made as provided in sections 144.070 and 144.440.

[5.] **4.** Any person may advertise or hold out or state to the public or to any customer directly that the tax or any part thereof imposed by sections 144.010 to 144.525, and required to be collected by the person, will be assumed or absorbed by the person, provided that the amount of tax assumed or absorbed shall be stated on any invoice or receipt for the property sold or service rendered. Any person violating any of the provisions of this section shall be guilty of a misdemeanor. This subsection shall not apply to any retailer prohibited from collecting and remitting sales tax under section 66.630.

144.082. 1. The director shall participate in an online registration system that will allow sellers to register in this state and other member states.

2. By registering, the seller agrees to collect and remit sales and use taxes for all taxable sales into this state as well as the other member states, including member states joining after the seller's registration. Withdrawal or revocation of this state from the agreement shall not relieve a seller of its responsibility to remit taxes previously

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or subsequently collected on behalf of this state.

3. If the seller has a requirement to register prior to registering under the agreement, such seller shall obtain a retail sales license under section 144.083 and register under section 144.650.

4. Registration with the central registration system and the collection of sales and use taxes in this state shall not be used as a factor in determining whether the seller has nexus with this state for any tax at any time.

144.083. 1. The director of revenue shall require all persons who are responsible for the collection of taxes under the provisions of section 144.080 to procure a retail sales license at no cost to the licensee which shall be prominently displayed at the licensee's place of business, and the license is valid until revoked by the director or surrendered by the person to whom issued when sales are discontinued. The director shall issue the retail sales license within ten working days following the receipt of a properly completed application. Any person applying for a retail sales license or reinstatement of a revoked sales tax license who owes any tax under sections 144.010 to 144.510 or sections 143.191 to 143.261 must pay the amount due plus interest and penalties before the department may issue the applicant a license or reinstate the revoked license. All persons beginning business subsequent to August 13, 1986, and who are required to collect the sales tax shall secure a retail sales license prior to making sales at retail. Such license may, after ten days' notice, be revoked by the director of revenue only in the event the licensee shall be in default for a period of sixty days in the payment of any taxes levied under section 144.020 or sections 143.191 to 143.261. Notwithstanding the provisions of section 32.057 in the event of revocation, the director of revenue may publish the status of the business account including the date of revocation in a manner as determined by the director.

2. The possession of a retail sales license and a statement from the department of revenue that the licensee owes no tax due under sections 144.010 to 144.510 or sections 143.191 to 143.261 shall be a prerequisite to the issuance or renewal of any city or county occupation license or any state license which is required for conducting any business where goods are sold at retail. The date of issuance on the statement that the licensee owes no tax due shall be no more than ninety days before the date of submission for application or renewal of the local license. The revocation of a retailer's license by the director shall render the occupational license or the state license null and void.

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3. No person responsible for the collection of taxes under section 144.080 shall make sales at retail unless such person is the holder of a valid retail sales license. After all appeals have been exhausted, the director of revenue may notify the county or city law enforcement agency representing the area in which the former licensee's business is located that the retail sales license of such person has been revoked, and that any county or city occupation license of such person is also revoked. The county or city may enforce the provisions of this section, and may prohibit further sales at retail by such person.

4. In addition to the provisions of subsection 2 of this section, beginning January 1, 2009, the possession of a statement from the department of revenue stating no tax is due under sections 143.191 to 143.265 or sections 144.010 to 144.510 shall also be a prerequisite to the issuance or renewal of any city or county occupation license or any state license required for conducting any business where goods are sold at retail. The statement of no tax due shall be dated no longer than ninety days before the date of submission for application or renewal of the city or county license.

[5. Notwithstanding any law or rule to the contrary, sales tax shall only apply to the sale price paid by the final purchaser and not to any off-invoice discounts or other pricing discounts or mechanisms negotiated between manufacturers, wholesalers, and retailers.**]**

144.084. 1. The director shall promulgate rules and regulations for remittance of returns. Such rules shall:

(1) Allow for electronic payments by all remitters by both ACH credit and ACH debit;

(2) Provide an alternative method for making "same day" payments if an electronic funds transfer fails;

(3) Provide that if a due date falls on a Saturday, Sunday, or legal holiday in the member state or on a day the Federal Reserve Bank is closed that prohibits a person from being able to make a payment by ACH debit or credit, the taxes shall be due on the next succeeding business day; and

(4) Require that any data that accompanies a remittance be formatted using uniform tax type and payment type codes approved by the streamlined sales and use tax governing board.

2. All model 1, model 2, and model 3 sellers shall file returns electronically. Any model 1, model 2, or model 3 seller shall submit its

sales and use tax returns in a simplified format approved by the director at such times as may be prescribed by the director.

3. (1) The director shall make available to all sellers, whether or not the seller is registered under the streamlined sales and use tax agreement, a simplified electronic return that is in a form approved by the streamlined sales and use tax governing board and shall contain only those fields approved by the governing board. Such simplified electronic return shall contain two parts, with part one containing information relating to remittances and allocations and part two containing information relating to exempt sales.

(2) The director shall not require the submission of part two information from a model 4 seller which has no legal requirement to register in the state.

4. (1) Certified service providers shall file a simplified electronic return on behalf of its model 1 sellers and shall be required to file part one of the simplified electronic return at the times provided in sections 144.080 and 144.090. The director shall allow model 1 sellers to file parts one and two of the simplified electronic return.

(2) Model 2 and model 3 sellers shall file a simplified electronic return at the times provided in sections 144.080 and 144.090 for each taxing period for which they anticipate making sales in the state. Such sellers shall file part two information:

(a) At the same time as the seller files part one information; or

(b) At the time of the final due date of part one information in a given calendar year. A submission under this paragraph shall include data for all previous months of the same calendar year and shall be presented as yearly totals.

(3) The director shall allow model 4 sellers to file a simplified electronic return at the times provided in sections 144.080 and 144.090. Such sellers shall file part two information:

(a) At the same time as the seller files part one information; or

(b) At the time of the final due date of part one information in a given calendar year. A submission under this paragraph shall include data for all previous months of the same calendar year and shall be presented as yearly totals.

(4) Model 4 sellers that elect not to file a simplified electronic return shall file returns in the form and at the times afforded to sellers

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not registered under the streamlined sales and use tax agreement.

(5) The director shall allow sellers not registered under the streamlined sales and use tax agreement that are registered in the state to file a simplified electronic return at the times provided in sections 144.080 and 144.090. Such sellers shall file part two information:

(a) At the same time as the seller files part one information; or

(b) At the time of the final due date of part one information in a given calendar year. A submission under this paragraph shall include data for all previous months of the same calendar year and shall be presented as yearly totals.

5. A seller that is registered under the streamlined sales and use tax agreement and that has indicated at the time of registration that it anticipates making no sales which would be sourced to the state under the streamlined sales and use tax agreement shall not be required to file a return. A seller shall be disqualified for such exemption for any quarter in which the seller makes any taxable sales in the state and shall file a return for such quarter as provided in sections 144.080 and 144.090.

6. The director shall provide for a standardized transmission process that allows for receipt of uniform tax returns and other formatted information. Such process shall provide for the filing of separate returns for multiple legal entities in a single transmission and shall not include any requirement for manual entry or input by a seller. The process shall allow a certified service provider, a tax preparer, or any other authorized entity to do so, to file returns for more than one seller in a single transmission. However, sellers filing returns for multiple legal entities shall only do so for affiliated legal entities.

7. The director shall give notice to a seller registered under the streamlined sales and use tax agreement which has no legal requirement to register in the state of a failure to file a required return and shall provide such seller at least thirty days following such notice to file a return prior to holding the seller liable for any penalties based on a failure to file a timely return.

144.100. 1. Every person making any taxable sales of property or service, except transactions provided for in sections 144.070 and 144.440, individually or by duly authorized officer or agent, shall make and file a written return with the

director of revenue in such manner as he may prescribe.

2. The returns shall be on blanks designed and furnished by the director of the department of revenue and shall be filed at the times provided in sections 144.080 and 144.090. The returns shall **[**show the amount of gross receipts from sales of taxable property and services by the person and the amount of tax due thereon by that person during and for the period covered by the return**] state:**

(1) The name and address of the retailer;

(2) The total amount of gross sales of all tangible personal property and taxable services rendered by the retailer during the period for which the return is made;

(3) The total amount received during the period for which the return is made on charge and time sales of tangible personal property made and taxable services rendered prior to the period for which the return is made;

(4) Deductions allowed by law from such total amount of gross sales and from total amount received during the period for which the return is made on such charge and time sales;

(5) Receipts during the period for which the return is made from the total amount of sales of tangible personal property and taxable services rendered during such period in the course of such business, after deductions allowed by law have been made;

(6) Receipts during the period for which the return is made from charge and time sales of tangible personal property made and taxable services rendered prior to such period in the course of such business, after deductions allowed by law have been made;

(7) Gross receipts during the period for which the return is made from sales of tangible personal property and taxable services rendered in the course of such business upon the basis of which the tax is imposed; and

(8) Such other pertinent information as the director may require.

3. In making such return, the retailer shall determine the market value of any consideration, other than money, received in connection with the sale of any tangible personal property in the course of the business and shall include such value in the return. Such value shall be subject to review and revision by the director as hereinafter provided. Refunds made by a retailer during the period for which the return is made on account of tangible personal property returned to

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the retailer shall be allowed as a deduction under subdivision (4) of subsection 2 of this section in case the retailer has included the receipts from such sale in a return made by such retailer and paid taxes on such sale. The retailer shall, at the time of making such return, pay to the director the amount of tax owed, except as otherwise provided in this section. The director may extend the time for making returns and paying the tax required by this section for any period not to exceed sixty days under such rules and regulations as the director of revenue may prescribe.

4. The director shall only require a single tax return for each taxing period and such return shall include only the taxing jurisdictions in which the seller makes sales within the state. With each return, the person shall remit to the director of revenue the full amount of the tax due.

[3.**]** **5.** In case of charge and time sales the gross receipts thereof shall be included as sales in the returns as and when payments are received by the person, without any deduction therefrom whatsoever.

[4.**]** **6.** If an error or omission is discovered in a return or a change be necessary to show the true facts, the error may be corrected, the omission supplied, or the change made in the return next filed with the director for the filing period immediately following the filing period in which the error was made or the omission occurred, as prescribed by law, except that no refund under this chapter shall be allowed for any amount of tax paid by a seller which is based upon charges incident to credit card discounts. Any other omission or error must be corrected by filing an amended return for the erroneously reported period if the amount of tax is less than that originally reported, or an additional return if the amount of tax is greater than that originally reported. An additional return shall be deemed filed on the date the envelope in which it is mailed is postmarked or the date it is received by the director, whichever is earlier. Any payment of tax, interest, penalty or additions to tax shall be deemed filed on the date the envelope containing the payment is postmarked or the date the payment is received by the director, whichever is earlier. If a refund or credit results from the filing of an amended return, no refund or credit shall be allowed unless an application for refund or credit is properly completed and submitted to the director pursuant to section 144.190.

[5.**]** **7.** The amount of gross receipts from sales and the amount of tax due

returned by the person, as well as all matters contained in the return, is subject to review and revision in the manner herein provided for the correction of the returns.

144.105. 1. A seller shall be allowed a deduction from taxable sales for bad debts attributable to taxable sales of such seller that have become uncollectable. Any deduction taken that is attributed to bad debts shall not include interest.

2. The amount of the bad debt deduction shall be calculated pursuant to 26 U.S.C. Section 166(b), except that such amount shall be adjusted to exclude financing charges or interest, sales, or use taxes charged on the purchase price, uncollectable amounts on property that remain in the possession of the seller until the full purchase price is paid, and expenses incurred in attempting to collect any debt or repossessed property.

3. Bad debts may be deducted on the return for the period during which the bad debt is written off as uncollectable in the seller's books and records and is eligible to be deducted for federal income tax purposes. For purposes of this subsection, a seller who is not required to file federal income tax returns may deduct a bad debt on a return filed for the period in which the bad debt is written off as uncollectable in the seller's books and records and would be eligible for a bad debt deduction for federal income tax purposes if the seller was required to file a federal income tax return.

4. If a deduction is taken for a bad debt and the debt is subsequently collected in whole or in part, the tax on the amount so collected shall be paid and reported on the return filed for the period in which the collection is made.

5. When the amount of bad debt exceeds the amount of taxable sales for the period during which the bad debt is written off, a refund claim may be filed by the seller within the applicable statute of limitations for refund claim; however, the statute of limitations shall be measured from the due date of the return on which the bad debt could first be claimed.

6. Where filing responsibilities have been assumed by a certified service provider, such service provider may claim, on behalf of the seller, any bad debt allowance provided by this section. The certified service provider shall credit or refund the full amount of any bad debt

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allowance or refund received to the seller.

7. For the purposes of reporting a payment received on a previously claimed bad debt, any payments made on a debt or account shall first be applied proportionally to the taxable price of the property or service and the sales tax thereon, and secondly to interest, service charges, and any other charges.

8. In situations where the books and records of the seller, or certified service provider on behalf of the seller, claiming the bad debt allowance support an allocation of the bad debts among the member states, such an allocation shall be permitted.

144.109. 1. Certified service providers providing services to model 1 sellers shall not be certified unless:

(1) The provider's system has been designed and tested to ensure the anonymity of purchasers unless otherwise required by law;

(2) Personally identifiable information is only used and retained to the extent necessary for the administration of model 1 with respect to exempt purchasers, and for the identification of taxing jurisdictions;

(3) The provider provides consumers with clear and conspicuous notice of its information practices, including what information it collects, how it collects such information, how it uses such information, how long, if at all, it retains such information, and whether it discloses such information to the state. Such notice shall be satisfied by a written privacy policy statement accessible by the public on the certified service provider's website;

(4) The providers's collection, use, and retention of personally identifiable information will be limited to that required by the state to ensure the validity of exemptions from taxation that are claimed by reason of a purchaser's status or the intended use of the goods or services purchased, and for the documentation of correct assignment of taxing jurisdictions; and

(5) The provider provides adequate technical, physical, and administrative safeguards so as to protect personally identifiable information from unauthorized access and disclosure.

2. (1) When any personally identifiable information that has been collected and retained is no longer required for the purposes set forth in subdivision (4) of subsection 1 of this section, such information shall no longer be retained by the state.

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(2) When personally identifiable information regarding an individual is retained by or on behalf of the state, the state shall provide reasonable access by such individual to his or her own information in the state's possession, as well as a right to correct any inaccurately recorded information.

(3) If anyone other than the state, or a person authorized by the state, seeks to discover personally identifiable information of an individual, the state shall make a reasonable and timely effort to notify the individual of such request.

3. The attorney general for the state of Missouri shall have the power to enforce the provisions of this section.

144.110. 1. The state shall review software submitted to the streamlined sales and use tax governing board for certification as a certified automated system (CAS) under Section 501 of the streamlined sales and use tax agreement. Such review shall include a review to determine that the program adequately classifies the state's product-based exemptions. Upon completion of the review, the state shall certify to the governing board its acceptance of the classifications made by the system. The state shall relieve a certified service provider (CSP) or model 2 seller from liability to this state and its local jurisdictions for failure to collect sales or use taxes resulting from the CSP or model 2 seller's reliance on the certification provided by the state.

2. The streamlined sales and use tax governing board and this state shall not be responsible for classification of an item or transaction with the product-based exemptions. The relief from liability provided in this section shall not be available for a CSP or model 2 seller that has incorrectly classified an item or transaction into a product-based exemption certified by this state. This subsection shall not apply to the individual listing of items or transactions within a product definition approved by the governing board or the state.

3. If the state determines that an item or transaction is incorrectly classified as to its taxability, it shall notify the CSP or model 2 seller of the incorrect classification. The CSP or model 2 seller shall have ten days to revise the classification after receipt of notice from the state of the determination. Upon expiration of the ten days, such CSP or model 2 seller shall be liable for failure to collect the correct amount of sales or use taxes due and owing to the state.

Unofficial Bill Copy

144.111. 1. (1) All retail sales in Missouri, excluding leases and rentals, of tangible personal property or digital goods shall be sourced to the location where the order is received by the seller.

(2) This subsection shall apply only if:

(a) The location where the order is received by the seller and the location where the purchaser receives the product are both in Missouri;

(b) The location where receipt of the product by the purchaser occurs is determined in accordance with subsection 2 of this section; and

(c) At the time the order is received, the recordkeeping system of the seller used to calculate the proper amount of sales or use tax to be imposed captures the location where the order is received.

(3) When the sale is sourced under this section to the location where the order is received by the seller, only the sales tax for the location where the order is received by the seller may be levied. No additional sales or use tax based on the location where the product is delivered to the purchaser may be levied on that sale. The purchaser shall not be entitled to any refund if the combined state and local rate or rates at the location where the product is received by the purchaser is lower than the rate where the order is received by the seller.

(4) A purchaser shall have no additional liability to the state for tax, penalty, or interest on a sale for which the purchaser remits tax to the seller in the amount invoiced by the seller if such invoice amount is calculated at either the rate applicable to the location where receipt by the purchaser occurs or at the rate applicable to the location where the order is received by the seller. A purchaser may rely on a written representation by the seller as to the location where the order for such sale was received by the seller. When the purchaser does not have a written representation by the seller as to the location where the order for such sale was received by the seller, the purchaser may use a location indicated by a business address for the seller that is available from the business records of the purchaser that are maintained in the ordinary course of the purchaser's business to determine the rate applicable to the location where the order was received.

(5) The location where the order is received by or on behalf of the seller means the physical location of a seller or third party such as an established outlet, office location, or automated order receipt system

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operated by or on behalf of the seller where an order is initially received by or on behalf of the seller and not where the order may be subsequently accepted, completed, or fulfilled. An order is received when all of the information from the purchaser necessary to the determination whether the order can be accepted has been received by or on behalf of the seller. The location from which a product is shipped shall not be used in determining the location where the order is received by the seller.

(6) When taxable services are sold with tangible personal property or digital products pursuant to a single contract or in the same transaction, are billed on the same billing statement or statements, and, because of the application of this section, would be sourced to different jurisdictions, this subsection shall apply to determine the source for tax.

2. Except as provided in section 144.112, when the location where the order is received by the seller and the location where the receipt of the product by the purchaser (or the purchaser's donee, designated as such by the purchaser) occurs are in different states, the retail sale, excluding lease or rental, of a product shall be sourced as follows:

(1) When the product is received by the purchaser at a business location of the seller, the sale shall be sourced to such business location;

(2) When the product is not received by the purchaser at a business location of the seller, the sale shall be sourced to the location where receipt by the purchaser (or the purchaser's donee, designated as such by the purchaser) occurs, including the location indicated by instructions for delivery to the purchaser or donee, known to the seller;

(3) When subdivisions (1) and (2) of this subsection do not apply, the sale shall be sourced to the location indicated by an address for the purchaser that is available from the business records of the seller that are maintained in the ordinary course of the seller's business when use of this address does not constitute bad faith;

(4) When subdivisions (1), (2), and (3) of this subsection do not apply, the sale shall be sourced to the location indicated by an address for the purchaser obtained during the consummation of the sale, including the address of a purchaser's payment instrument, if no other address is available, when use of this address does not constitute bad

faith;

(5) When none of the previous rules of subdivisions (1), (2), (3), and (4) of this subsection do not apply, including the circumstances in which the seller is without sufficient information to apply the previous rules, then the location will be determined by the address from which tangible personal property was shipped, from which the digital good or computer software delivered electronically was first available for transmission from the seller, or from which the service was provided (disregarding for these purposes any location that merely provided the digital transfer of the product sold).

3. Notwithstanding subsections 1 and 2 of this section, all sales of motor vehicles, trailers, semi-trailers, watercraft, outboard motors, and aircraft that do not qualify as transportation equipment shall be sourced to the address of the owner thereof.

4. The lease or rental of tangible personal property, other than property identified in subsection 2 or 3 of this section or transactions regulated under sections 407.660 to 407.665, shall be sourced as follows:

(1) For a lease or rental that requires recurring periodic payments, the first periodic payment is sourced the same as a retail sale in accordance with the provisions of subsection 2 of this section. Periodic payments made subsequent to the first payment are sourced to the primary property location for each period covered by the payment. The primary property location shall be as indicated by an address for the property provided by the lessee that is available to the lessor from its records maintained in the ordinary course of business, when use of this address does not constitute bad faith. The property location shall not be altered by intermittent use at different locations, such as use of business property that accompanies employees on business trips and service calls;

(2) For a lease or rental that does not require recurring periodic payments, the payment is sourced the same as a retail sale in accordance with the provisions of subsection 2 of this section;

(3) This subsection does not affect the imposition or computation of sales or use tax on leases or rentals based on a lump sum or accelerated basis, or on the acquisition of property for lease.

5. The lease or rental of motor vehicles, trailers, semi-trailers, or aircraft that do not qualify as transportation equipment, as defined in

Unofficial Bill Copy

section 144.010, shall be sourced as follows:

(1) For a lease or rental that requires recurring periodic payments, each periodic payment is sourced to the primary property location. The primary property location shall be as indicated by an address for the property provided by the lessee that is available to the lessor from its records maintained in the ordinary course of business, when use of such address does not constitute bad faith. Such location shall not be altered by intermittent use at different locations;

(2) For a lease or rental that does not require recurring periodic payments, the payment is sourced the same as a retail sale in accordance with the provisions of subsection 2 of this section;

(3) This subsection does not affect the imposition or computation of sales or use tax on leases or rentals based on a lump sum or accelerated basis, or on the acquisition of property for lease.

6. The retail sale, including lease or rental, of transportation equipment shall be sourced the same as a retail sale in accordance with the provisions of subsection 2 of this section, notwithstanding the exclusion of lease or rental in subsection 2 of this section.

144.112. 1. The retail sale of a product shall be sourced in accordance with section 144.111. The provisions of section 144.111 shall apply regardless of the characterization of a product as tangible personal property, a digital good, or a service. The provisions of section 144.111 shall only apply to determine a seller's obligation to pay or collect and remit sales or use tax with respect to the seller's retail sale of a product. The provisions of this subsection shall not affect the obligation of a purchaser or lessee to remit tax on the use of the product to the taxing jurisdictions of that use.

2. Section 144.111 shall not apply to sales or use taxes levied on the following:

(1) Retail sales or transfers of watercraft, modular homes, manufactured homes, or mobile homes; and

(2) Telecommunications services and ancillary services.

144.113. 1. (1) A purchaser of advertising and promotional direct mail may provide the seller with either:

(a) A direct pay permit;

(b) An agreement certificate of exemption claiming direct mail (or other written statement approved, authorized, or accepted by the

state); or

(c) Information showing the jurisdictions to which the advertising and promotional direct mail is to be delivered to recipients.

(2) If the purchaser provides the permit, certificate, or statement referred to in paragraph (a) or (b) of subdivision (1) of subsection 1 of this section, the seller, in the absence of bad faith, is relieved of all obligations to collect, pay, or remit any tax on any transaction involving advertising and promotional direct mail to which the permit, certificate, or statement applies. The purchaser shall source the sale to the jurisdictions to which the advertising and promotional direct mail is to be delivered to the recipients and shall report and pay any applicable tax due.

(3) If the purchaser provides the seller information showing the jurisdictions to which the advertising and promotional direct mail is to be delivered to recipients, the seller shall source the sale to the jurisdictions to which the advertising and promotional direct mail is to be delivered and shall collect and remit the applicable tax. In the absence of bad faith, the seller is relieved of any further obligation to collect any additional tax on the sale of advertising and promotional direct mail where the seller has sourced the sale according to the delivery information provided by the purchaser.

(4) If the purchaser does not provide the seller with any of the items listed in paragraph (a), (b), or (c) of subdivision (1) of subsection 1 of this section, the sale shall be sourced according to subdivision (5) of subsection 2 of section 144.111. The state to which the advertising and promotional direct mail is delivered may disallow credit for tax paid on sales sourced under this subdivision.

(5) Notwithstanding section 144.111, this subsection shall apply to sales of advertising and promotional direct mail.

2. (1) Except as otherwise provided in this subsection, sales of other direct mail are sourced in accordance with subdivision (3) of subsection 2 of section 144.111.

(2) A purchaser of other direct mail may provide the seller with either:

(a) A direct pay permit; or

(b) An agreement certificate of exemption claiming direct mail (or other written statement approved, authorized, or accepted by the

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state).

(3) If the purchaser provides the permit, certificate, or statement referred to in paragraph (a) or (b) of subdivision (2) of this subsection, the seller, in the absence of bad faith, is relieved of all obligations to collect, pay, or remit any tax on any transaction involving other direct mail to which the permit, certificate, or statement apply. Notwithstanding subdivision (1) of this subsection, the sale shall be sourced to the jurisdictions to which the other direct mail is to be delivered to the recipients and the purchaser shall report and pay applicable tax due.

(4) Notwithstanding section 144.111, this subsection shall apply to sales of other direct mail.

3. (1) (a) This section applies to a transaction characterized under state law as the sale of services only if the service is an integral part of the production and distribution of printed material that meets the definition of direct mail.

(b) This section does not apply to any transaction that includes the development of billing information or the provision of any data processing service that is more than incidental regardless of whether advertising and promotional direct mail is included in the same mailing.

(2) If a transaction is a bundled transaction that includes advertising and promotion direct mail, this section applies only if the primary purpose of the transaction is the sale of products or services that meet the definition of advertising and promotional direct mail.

(3) Nothing in this section shall limit any purchaser's:

(a) Obligation for sales or use tax to any state to which the direct mail is delivered;

(b) Right under local, state, federal, or constitutional law, to a credit for sales or use taxes legally due and paid to other jurisdictions; or

(c) Right to a refund of sales or use taxes overpaid to any jurisdiction.

(4) This section applies for purposes of uniformly sourcing direct mail transactions and does not impose requirements on states regarding the taxation of products that meet the definition of direct mail or to the application of sales for resale or other exemptions.

Unofficial Bill Copy

[144.043.**]** **144.114.** 1. **[**As used in this section, the following terms mean:

(1) "Light aircraft", a light airplane that seats no more than four persons, with a gross weight of three thousand pounds or less, which is primarily used for recreational flying or flight training;

(2) "Light aircraft kit", factory manufactured parts and components, including engine, propeller, instruments, wheels, brakes, and air frame parts which make up a complete aircraft kit or partial kit designed to be assembled into a light aircraft and then operated by a qualified purchaser for recreational and educational purposes;

(3) "Parts and components", manufactured light aircraft parts, including air frame and engine parts, that are required by the qualified purchaser to complete a light aircraft kit, or spare or replacement parts for an already completed light aircraft;

(4) "Qualified purchaser", a purchaser of a light aircraft, light aircraft kit, parts or components who is nonresident of this state, who will transport the light aircraft, light aircraft kit, parts or components outside this state within ten days after the date of purchase, and who will register any light aircraft so purchased in another state or country. Such purchaser shall not base such aircraft in this state and such purchaser shall not be a resident of the state unless such purchaser has paid sales or use tax on such aircraft in another state.

2. In addition to the exemptions granted under the provisions of section 144.030, there shall also be specifically exempted from the provisions of sections 144.010 to 144.525, sections 144.600 to 144.748, section 238.235, and from the provisions of any local sales tax law, as defined in section 32.085, and from the computation of the tax levied, assessed or payable under sections 144.010 to 144.525, sections 144.600 to 144.748, section 238.235, and under any local sales tax law, as defined in section 32.085, all sales of new light aircraft, light aircraft kits, parts or components manufactured or substantially completed within this state, when such new light aircraft, light aircraft kits, parts or components are sold by the manufacturer to a qualified purchaser. The director of revenue shall prescribe the manner for a purchaser of a light aircraft, light aircraft kit, parts or components to establish that such person is a qualified purchaser and is eligible for the exemption established in this section**] Except for the defined telecommunication services in subsection 3 of this section, the sale of telecommunication service sold on a call-by-call basis shall be sourced**

Unofficial Bill Copy

to:

(1) Each level of taxing jurisdiction where the call originates and terminates in that jurisdiction; or

(2) Each level of taxing jurisdiction where the call either originates or terminates and in which the service address is also located.

2. Except for the defined telecommunication services in subsection 3 of this section, a sale of telecommunications services sold on a basis other than a call-by-call basis, is sourced to the customer's place of primary use.

3. The sale of the following telecommunication services shall be sourced to each level of taxing jurisdiction as follows:

(1) A sale of mobile telecommunications services other than air-to-ground radiotelephone service and prepaid calling service, is sourced to the customer's place of primary use as required by the Mobile Telecommunications Sourcing Act;

(2) A sale of post-paid calling service is sourced to the origination point of the telecommunications signal as first identified by either:

(a) The seller's telecommunications system; or

(b) Information received by the seller from its service provider, where the system used to transport such signals is not that of the seller;

(3) A sale of prepaid calling service or a sale of a prepaid wireless calling service is sourced in accordance with section 144.111, provided however, in the case of a sale of prepaid wireless calling service, the rule provided in subdivision (5) of subsection 2 of section 144.111 shall include as an option the location associated with the mobile telephone number;

(4) A sale of a private communication service is sourced as follows:

(a) Service for a separate charge related to a customer channel termination point is sourced to each level of jurisdiction in which such customer channel termination point is located;

(b) Service where all customer termination points are located entirely within one jurisdiction or levels of jurisdiction is sourced in such jurisdiction in which the customer channel termination points are located;

Unofficial Bill Copy

(c) Service for segments of a channel between two customer channel termination points located in different jurisdictions and which segment of channel are separately charged is sourced fifty percent in each level of jurisdiction in which the customer channel termination points are located; and

(d) Service for segments of a channel located in more than one jurisdiction or levels of jurisdiction and which segments are not separately billed is sourced in each jurisdiction based on the percentage determined by dividing the number of customer channel termination points in such jurisdiction by the total number of customer channel termination points.

4. The sale of internet access service is sourced to the customer's place of primary use.

5. The sale of an ancillary service is sourced to the customer's place of primary use.

144.123. 1. The director shall provide and maintain a database that describes boundary changes for all taxing jurisdictions and the effective dates of such changes for sales and use tax purposes.

2. The director shall provide and maintain a database of all sales and use tax rates for all taxing jurisdictions. For the identification of counties and cities, codes corresponding to the rates shall be provided according to Federal Information Processing Standards (FIPS) as developed by the National Institute of Standards and Technology. For the identification of all other jurisdictions, codes corresponding to the rates shall be in a format determined by the director.

3. The director shall provide and maintain a database that assigns each five- and nine-digit zip code to the proper rates and taxing jurisdictions. The lowest combined tax rate imposed in the zip code area shall apply if the area includes more than one tax rate in any level of taxing jurisdiction. If a nine-digit zip code designation is not available for a street address, or if a seller or a certified service provider (CSP) is unable to determine the nine-digit zip code designation applicable to a purchase after exercising due diligence to determine the designation, the seller or CSP may apply the rate for the five-digit zip code area. For purposes of this section, there shall be a rebuttable presumption that a seller or CSP has exercised due diligence if the seller has attempted to determine the nine-digit zip code

Unofficial Bill Copy

designation by utilizing software approved by the governing board that makes this designation from the street address and the five-digit zip code applicable to a purchase.

4. The director may provide address-based boundary database records for assigning taxing jurisdictions and associated rates which shall be in addition to the requirements of subsection 3 of this section. The database records shall be in the same approved format as the database records required under subsection 3 of this section and shall meet the requirements developed pursuant to the federal Mobile Telecommunications Sourcing Act, 4 U.S.C. Section 119(a). If the director develops address-based assignment database records pursuant to the agreement, sellers that register under the agreement shall be required to use such database. A seller or CSP shall use such database records in place of the five- and nine-digit zip code database records provided for in subsection 3 of this section. If a seller or CSP is unable to determine the applicable rate and jurisdiction using an address-based database record after exercising due diligence, the seller or CSP may apply the nine-digit zip code designation applicable to a purchase. If a nine-digit zip code designation is not available for a street address or if a seller or CSP is unable to determine the nine-digit zip code designation applicable to a purchase after exercising due diligence to determine the designation, the seller or CSP may apply the rate for the five-digit zip code area. For the purposes of this section, there shall be a rebuttable presumption that a seller or CSP has exercised due diligence if the seller or CSP has attempted to determine the tax rate and jurisdiction by utilizing software approved by the director and makes the assignment from the address and zip code information applicable to the purchase. If the director has met the requirements of subsection 3 of this section, the director may also elect to certify vendor provided address-based databases for assigning tax rates and jurisdictions. The databases shall be in the same approved format as the database records under this section and meet the requirements developed pursuant to the federal Mobile Telecommunications Sourcing Act, 4 U.S.C. Section 119(a). If the director certifies a vendor address-based database, a seller or CSP may use such database in place of the database provided for in this subsection.

5. The electronic databases provided for in subsections 1, 2, 3,

Unofficial Bill Copy

and 4 of this section shall be in downloadable format as determined by the director. The databases may be directly provided by the director or provided by a vendor as designated by the director. A database provided by a vendor as designated by the director shall be applicable and subject to the provisions of section 144.1031 and this section. The databases shall be provided at no cost to the user of the database. The provisions of subsections 3 and 4 of this section shall not apply when the purchased product is received by the purchaser at the business location of the seller.

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

144.124. 1. The director shall complete a taxability matrix. The state's entries in the matrix shall be provided and maintained by the director in a database that is in a downloadable format.

2. The director shall provide reasonable notice of changes in the taxability of the products or services listed in the taxability matrix.

3. A seller or CSP shall be relieved from liability to this state or any local taxing jurisdiction for having charged and collected the incorrect amount of state or local sales or use tax resulting from such seller's or CSP's reliance upon erroneous data provided by the director in the taxability matrix.

144.125. 1. (1) Amnesty shall be granted for uncollected or unpaid sales or use tax to a seller who registers to pay or to collect and remit applicable sales or use tax on sales made to purchasers in this state in accordance with the terms of the agreement, provided that the seller was not so registered in this state in the twelve-month period preceding the effective date of this state's participation in the agreement.

(2) Amnesty shall preclude assessment for uncollected or unpaid sales or use tax together with penalty or interest for sales made during the period the seller was not registered in this state, provided registration occurs within twelve months of the effective date of this state's participation in the agreement.

(3) Amnesty shall be provided if this state joins the agreement after the seller has registered.

2. Amnesty shall not be available to a seller with respect to any

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matter or matters for which the seller received notice of the commencement of an audit and which audit is not yet finally resolved including any related administrative and judicial processes. The amnesty shall not be available for sales or use taxes already paid or remitted to this state or to taxes collected by the seller.

3. Amnesty provided under this section shall be fully effective, absent the seller's fraud or intentional misrepresentation of a material fact, as long as the seller continues registration and payment or collection and remittance of applicable sales or use taxes for a period of at least thirty-six months. The statute of limitations applicable to asserting a tax liability during this thirty-six month period shall be tolled.

4. Amnesty provided under this section shall be applicable only to sales or use taxes due from a seller in its capacity as a seller and not to sales or use taxes due from a seller in its capacity as a purchaser.

5. The provisions of this section shall become effective as of the date that the state joins and becomes a member state of the agreement.

144.140. **1.** From every remittance to the director of revenue made on or before the date when the same becomes due, the person required to remit the same shall be entitled to deduct and retain an amount equal to two percent thereof.

2. If the director of the department of revenue enters into the streamlined sales and use tax agreement under section 32.070, the director shall provide a monetary allowance from the taxes collected to each of the following:

(1) A CSP, in accordance with the agreement and under the terms of the contract signed with the provider, provided that such allowance shall be funded entirely from money collected in Model 1;

(2) Any vendor registered under the agreement that selects a certified automated system to perform part of its sales or use tax functions;

(3) Any vendor registered under the agreement that uses a proprietary system to calculate taxes due and has entered into a performance agreement with states that are members of the streamlined sales and use tax agreement.

3. The monetary allowance provided for vendors in subdivision (2) or (3) of subsection 2 of this section shall be determined in

accordance with the agreement entered into with these parties by the governing board.

4. Any vendor receiving an allowance under subsection 2 of this section shall not be entitled simultaneously to deduct the allowance provided for in subsection 1 of this section.

144.190. 1. If a tax has been incorrectly computed by reason of a clerical error or mistake on the part of the director of revenue, such fact shall be set forth in the records of the director of revenue, and the amount of the overpayment shall be credited on any taxes then due from the person legally obligated to remit the tax pursuant to sections 144.010 to 144.525, and the balance shall be refunded to the person legally obligated to remit the tax, such person's administrators or executors, as provided for in section 144.200.

2. If any tax, penalty or interest has been paid more than once, or has been erroneously or illegally collected, or has been erroneously or illegally computed, such sum shall be credited on any taxes then due from the person legally obligated to remit the tax pursuant to sections 144.010 to 144.525, and the balance, with interest as determined by section 32.065, shall be refunded to the person legally obligated to remit the tax, but no such credit or refund shall be allowed unless duplicate copies of a claim for refund are filed within three years from date of overpayment.

3. Every claim for refund must be in writing and signed by the applicant, and must state the specific grounds upon which the claim is founded. Any refund or any portion thereof which is erroneously made, and any credit or any portion thereof which is erroneously allowed, may be recovered in any action brought by the director of revenue against the person legally obligated to remit the tax. In the event that a tax has been illegally imposed against a person legally obligated to remit the tax, the director of revenue shall authorize the cancellation of the tax upon the director's record.

4. Notwithstanding the provisions of section 32.057, a purchaser that originally paid sales or use tax to a vendor or seller may submit a refund claim directly to the director of revenue for such sales or use taxes paid to such vendor or seller and remitted to the director, provided no sum shall be refunded more than once, any such claim shall be subject to any offset, defense, or other claim the director otherwise would have against either the purchaser or vendor or seller, and such claim for refund is accompanied by either:

(1) A notarized assignment of rights statement by the vendor or seller to

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the purchaser allowing the purchaser to seek the refund on behalf of the vendor or seller. An assignment of rights statement shall contain the Missouri sales or use tax registration number of the vendor or seller, a list of the transactions covered by the assignment, the tax periods and location for which the original sale was reported to the director of revenue by the vendor or seller, and a notarized statement signed by the vendor or seller affirming that the vendor or seller has not received a refund or credit, will not apply for a refund or credit of the tax collected on any transactions covered by the assignment, and authorizes the director to amend the seller's return to reflect the refund; or

(2) In the event the vendor or seller fails or refuses to provide an assignment of rights statement within sixty days from the date of such purchaser's written request to the vendor or seller, or the purchaser is not able to locate the vendor or seller or the vendor or seller is no longer in business, the purchaser may provide the director a notarized statement confirming the efforts that have been made to obtain an assignment of rights from the vendor or seller. Such statement shall contain a list of the transactions covered by the assignment, the tax periods and location for which the original sale was reported to the director of revenue by the vendor or seller.

The director shall not require such vendor, seller, or purchaser to submit amended returns for refund claims submitted under the provisions of this subsection. Notwithstanding the provisions of section 32.057, if the seller is registered with the director for collection and remittance of sales tax, the director shall notify the seller at the seller's last known address of the claim for refund. If the seller objects to the refund within thirty days of the date of the notice, the director shall not pay the refund. If the seller agrees that the refund is warranted or fails to respond within thirty days, the director may issue the refund and amend the seller's return to reflect the refund. For purposes of section 32.069, the refund claim shall not be considered to have been filed until the seller agrees that the refund is warranted or thirty days after the date the director notified the seller and the seller failed to respond.

5. Notwithstanding the provisions of section 32.057, when a vendor files a refund claim on behalf of a purchaser and such refund claim is denied by the director, notice of such denial and the reason for the denial shall be sent by the director to the vendor and each purchaser whose name and address is submitted with the refund claim form filed by the vendor. A purchaser shall be entitled to appeal the denial of the refund claim within sixty days of the date such notice of

denial is mailed by the director as provided in section 144.261. The provisions of this subsection shall apply to all refund claims filed after August 28, 2012. The provisions of this subsection allowing a purchaser to appeal the director's decision to deny a refund claim shall also apply to any refund claim denied by the director on or after January 1, 2007, if an appeal of the denial of the refund claim is filed by the purchaser no later than September 28, 2012, and if such claim is based solely on the issue of the exemption of the electronic transmission or delivery of computer software.

6. Notwithstanding the provisions of this section, the director of revenue shall authorize direct-pay agreements to purchasers which have annual purchases in excess of seven hundred fifty thousand dollars pursuant to rules and regulations adopted by the director of revenue. For the purposes of such direct-pay agreements, the taxes authorized pursuant to chapters 66, 67, 70, 92, 94, 162, 190, 238, 321, and 644 shall be remitted based upon the location of the place of business of the purchaser.

7. Special rules applicable to error corrections requested by customers of mobile telecommunications service are as follows:

(1) For purposes of this subsection, the terms "customer", "home service provider", "place of primary use", "electronic database", and "enhanced zip code" shall have the same meanings as defined in the Mobile Telecommunications Sourcing Act incorporated by reference in section 144.013;

(2) Notwithstanding the provisions of this section, if a customer of mobile telecommunications services believes that the amount of tax, the assignment of place of primary use or the taxing jurisdiction included on a billing is erroneous, the customer shall notify the home service provider, in writing, within three years from the date of the billing statement. The customer shall include in such written notification the street address for the customer's place of primary use, the account name and number for which the customer seeks a correction of the tax assignment, a description of the error asserted by the customer and any other information the home service provider reasonably requires to process the request;

(3) Within sixty days of receiving the customer's notice, the home service provider shall review its records and the electronic database or enhanced zip code to determine the customer's correct taxing jurisdiction. If the home service provider determines that the review shows that the amount of tax, assignment of place of primary use or taxing jurisdiction is in error, the home service provider shall correct the error and, at its election, either refund or credit the

amount of tax erroneously collected to the customer for a period of up to three years from the last day of the home service provider's sixty-day review period. If the home service provider determines that the review shows that the amount of tax, the assignment of place of primary use or the taxing jurisdiction is correct, the home service provider shall provide a written explanation of its determination to the customer.

8. For all refund claims submitted to the department of revenue on or after September 1, 2003, notwithstanding any provision of this section to the contrary, if a person legally obligated to remit the tax levied pursuant to sections 144.010 to 144.525 has received a refund of such taxes for a specific issue and submits a subsequent claim for refund of such taxes on the same issue for a tax period beginning on or after the date the original refund check issued to such person, no refund shall be allowed. This subsection shall not apply and a refund shall be allowed if the refund claim is filed by a purchaser under the provisions of subsection 4 of this section, the refund claim is for use tax remitted by the purchaser, or an additional refund claim is filed by a person legally obligated to remit the tax due to any of the following:

(1) Receipt of additional information or an exemption certificate from the purchaser of the item at issue;

(2) A decision of a court of competent jurisdiction or the administrative hearing commission; or

(3) Changes in regulations or policy by the department of revenue.

9. Notwithstanding any provision of law to the contrary, the director of revenue shall respond to a request for a binding letter ruling filed in accordance with section 536.021 within sixty days of receipt of such request. If the director of revenue fails to respond to such letter ruling request within sixty days of receipt by the director, the director of revenue shall be barred from pursuing collection of any assessment of sales or use tax with respect to the issue which is the subject of the letter ruling request. For purposes of this subsection, the term "letter ruling" means a written interpretation of law by the director to a specific set of facts provided by a specific taxpayer or his or her agent.

10. If any tax was paid more than once, was incorrectly collected, or was incorrectly computed, such sum shall be credited on any taxes then due from the person legally obligated to remit the tax pursuant to sections 144.010 to 144.510 against any deficiency or tax due discovered through an audit of the person by the department of revenue through adjustment during the same tax filing period for

which the audit applied.

11. A cause of action against the seller by a purchaser for a tax erroneously or illegally collected under this chapter does not accrue until a purchaser has provided written notice to a seller and the seller has had sixty days to respond. Such notice to the seller must contain the information necessary to determine the validity of the request. A seller shall be presumed to have a reasonable business practice if in the collection of such tax, the seller uses a provider or a system certified by the director and has remitted to the state all tax collected less any deductions, credits, or allowances.

144.210. 1. The burden of proving that a sale of tangible personal property, services, substances or things was not a sale at retail shall be upon the person who made the sale, except that with respect to sales, services, or transactions provided for in section 144.070. **[**The seller shall obtain and maintain exemption certificates signed by the purchaser or his agent as evidence for any exempt sales claimed; provided, however, that before any administrative tribunal of this state, a seller may prove that sale is exempt from tax under this chapter in accordance with proof admissible under the applicable rules of evidence; except that when a purchaser has purchased tangible personal property or services sales tax free under a claim of exemption which is found to be improper, the director of revenue may collect the proper amount of tax, interest, additions to tax and penalty from the purchaser directly. Any tax, interest, additions to tax or penalty collected by the director from the purchaser shall be credited against the amount otherwise due from the seller on the purchases or sales where the exemption was claimed.**]**

2. If the director of revenue is not satisfied with the return and payment of the tax made by any person, he is hereby authorized and empowered to make an additional assessment of tax due from such person, based upon the facts contained in the return or upon any information within his possession or that shall come into his possession.

3. The director of revenue shall give to the person written notice of such additional or revised assessment by certified or registered mail to the person at his or its last known address.

144.212. 1. In addition to all other provisions of law provided for exemptions, when an exemption is claimed by a purchaser:

(1) The seller shall obtain identifying information of the

purchaser and the reason for claiming a tax exemption at the time of the purchase;

(2) A purchaser shall not be required to provide a signature to claim an exemption from tax unless a paper exemption certificate is used;

(3) The seller shall use the standard form for claiming an exemption electronically prescribed by the director of the department of revenue and acceptable to the streamlined sales and use tax governing board;

(4) The seller shall obtain the same information for proof of a claimed exemption regardless of the medium in which the transaction occurred;

(5) The seller shall maintain proper records of exempt transactions and provide such records to the director of the department of revenue or the director's designee upon request;

(6) In the case of drop shipment sales, a third-party vendor, such as a drop shipper, may claim a resale exemption based on an exemption certificate provided by its customer or any other acceptable information available to the third-party vendor evidencing qualification for a resale exemption, regardless of whether the customer is registered to collect and remit sales and use tax in the state where the sale is sourced.

2. Sellers that comply with the requirements of this section shall be relieved from collecting and remitting tax otherwise applicable if it is determined that the purchaser improperly claimed an exemption and such purchaser shall be liable for the nonpayment of tax. Relief from liability provided under this section shall not apply to a seller who fraudulently fails to collect tax; to a seller who solicits purchasers to participate in the unlawful claim of an exemption; to a seller who accepts an exemption certificate when the purchaser claims an entity-based exemption when the subject of the transaction sought to be covered by the exemption certificate is actually received by the purchaser at a location operated by the seller and the state in which that location resides provides an exemption certificate that clearly and affirmatively indicates that the claimed exemption is not available in such state; or to a seller who accepts an exemption certificate claiming multiple points of use for tangible personal property other than

computer software for which an exemption claiming multiple points of use.

(1) A seller shall be relieved from collecting and remitting tax otherwise applicable if the seller obtains a fully completed exemption certificate or captures the relevant data elements required under the agreement within ninety days subsequent to the date of sale.

(2) If a seller fails to obtain an exemption certificate or all relevant data elements as provided in this section, the seller may, within one hundred twenty days subsequent to a request for substantiation by the director of the department of revenue or the director's designee, either prove that the transaction was not subject to tax by other means or obtain a fully completed exemption certificate from the purchaser, taken in good faith.

3. Nothing in this section shall affect the ability of the director of the department of revenue or the director's designee to require purchasers to update exemption certificate information or to reapply with the state to claim certain exemptions.

4. Notwithstanding the provisions of subsection 2 of this section to the contrary, the director shall relieve a seller of the tax otherwise applicable if the seller obtains a blanket exemption certificate for a purchaser with which the seller has a recurring business relationship. The director shall not request from the seller renewal of blanket certificates or updates of exemption certificate information or data elements when there is a recurring business relationship between the buyer and seller. For purposes of this section, a recurring business relationship exists when a period of no more than twelve months elapses between sales transactions.

144.285. 1. **[**In order to permit sellers required to collect and report the sales tax to collect the amount required to be reported and remitted, but not to change the requirements of reporting or remitting tax or to serve as a levy of the tax, and in order to avoid fractions of pennies, the director of revenue shall establish brackets, showing the amounts of tax to be collected on sales of specified amounts, which shall be applicable to all taxable transactions**] When the seller is computing the amount of tax owed by the purchaser and remitted to the state:**

(1) Tax computation shall be carried to the third decimal place; and

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(2) The tax shall be rounded to a whole cent using a method that rounds up to the next cent whenever the third decimal place is greater than four.

2. **[**In all instances where statements covering taxable purchases are rendered to the taxpayer on a monthly or other periodic basis, the amount of tax shall be determined by applying the applicable tax rate to the taxable purchases represented on the statement, rounded to the nearest whole cent, or by application of the brackets established by the director of revenue, at the option of the retail vendor**] Sellers may elect to compute the tax due on a transaction on an item or an invoice basis. The provision of this subsection may be applied to the aggregated state and local taxes**.

3. No vendor or seller shall knowingly charge or receive from a purchaser as a sales tax any sum in excess of the sums provided for in this section.

4. **[**A vendor may, at his option, determine the amount charged to and received from each purchaser by use of a formula which applies the applicable tax rate to each taxable purchase, rounded to the nearest whole cent. The formula shall be uniformly and consistently applied to all purchases similarly situated.

5.**]** Amounts which a vendor charges to and receives from the purchaser in accordance with this section shall not be includable in his gross receipts if the amounts are separately charged or stated.

[6.**]** **5.** If sales tax for one or more local political subdivisions is owed by a taxpayer pursuant to chapter 66, 67, 92, or 94 and that taxpayer remits less than all sales tax due for a filing period specified in section 144.080, the director of revenue shall deposit the tax remitted proportionately to each taxing jurisdiction in accordance with the percentage that each such jurisdiction's share of the tax due for the filing period bears to the total tax due from such taxpayer for such period. The unpaid balance due along with penalties and interest shall be similarly prorated among the state and all local jurisdictions for which tax was due during the filing period for which an underpayment occurs. The provisions of this subsection shall apply to all returns or remittances relating to sales made on or after January 1, 1984.

144.517. In addition to the exemptions granted pursuant to section 144.030, there shall also be exempted from state sales and use taxes all sales of **[**textbooks**] school instructional materials**, as defined by section 170.051, when such **[**textbook is**] school instructional materials are** purchased by a student who possesses proof of current enrollment at any Missouri public or

private university, college or other postsecondary institution of higher learning offering a course of study leading to a degree in the liberal arts, humanities or sciences or in a professional, vocational or technical field, provided that the books which are exempt from state sales tax are those required or recommended for a class. Upon request the institution or department must provide at least one list of **[**textbooks**]** **school instructional materials** to the bookstore each semester. Alternately, the student may provide to the bookstore a list from the instructor, department or institution of his or her required or recommended **[**textbooks. This exemption shall not apply to any locally imposed sales or use tax**]** **school instructional materials**.

144.526. 1. This section shall be known and may be cited as the "Show Me Green Sales Tax Holiday".

2. **[**For purposes of this section, the following terms mean:

(1) "Appliance", clothes washers and dryers, water heaters, trash compactors, dishwashers, conventional ovens, ranges, stoves, air conditioners, furnaces, refrigerators and freezers; and

(2) "Energy star certified", any appliance approved by both the United States Environmental Protection Agency and the United States Department of Energy as eligible to display the energy star label, as amended from time to time.

3.**]** In each year beginning on or after January 1, 2009, there is hereby specifically exempted from state sales tax law **and all local sales and use taxes** all retail sales of any **[**energy star certified**]** new appliance **that is an energy star qualified product with a sales price of**, up to one thousand five hundred dollars per appliance, during a seven-day period beginning at 12:01 a.m. on April nineteenth and ending at midnight on April twenty-fifth. **Where a purchaser and seller are located in two different time zones, the time zone of the seller's location shall determine the authorized exemption period.**

[4. A political subdivision may allow the sales tax holiday under this section to apply to its local sales taxes by enacting an ordinance to that effect. Any such political subdivision shall notify the department of revenue not less than forty-five calendar days prior to the beginning date of the sales tax holiday occurring in that year of any such ordinance or order.

5. This section may not apply to any retailer when less than two percent of the retailer's merchandise offered for sale qualifies for the sales tax holiday. The retailer shall offer a sales tax refund in lieu of the sales tax

holiday.**]**

3. A sale of property which is eligible for an exemption under subsection 1 of this section but is purchased under a layaway sale shall only qualify for an exemption if:

(1) Final payment on a layaway order is made by, and the property is given to, the purchaser during the exemption period; or

(2) The purchaser selects the property and the seller accepts the order for the property during the exemption period, for immediate delivery upon full payment, even if delivery is made after the exemption period.

4. The exemption of a bundled transaction shall be calculated as provided by law for all other bundled transactions.

5. (1) For any discount offered by a seller that is a reduction of the sales price of the product, the discounted sales price shall determine whether the sales price falls below the price threshold provided in subsection 1 of this section. A coupon that reduces the sales price shall be treated as a discount only if the seller is not reimbursed for the coupon amount by a third party.

(2) If a discount applies to the total amount paid by a purchaser rather than to the sales price of a particular product and the purchaser has purchased both exempt property and taxable property, the seller shall allocate the discount based on the total sales prices of the taxable property compared to the total sales prices of all property sold in the same transaction.

6. Items that are normally sold as a single unit shall continue to be sold in that manner and shall not be priced separately and sold as individual items.

7. Items that are purchased during an exemption period but that are not delivered to the purchaser until after the exemption period due to the item not being in stock shall qualify for an exemption. The provisions of this subsection shall not apply to an item that was delivered during an exemption period but was purchased prior to or after the exemption period.

8. (1) If a purchaser purchases an item of eligible property during an exemption period, but later exchanges the item for a similar eligible item after the exemption period, no additional tax shall be due on the new item.

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(2) If a purchaser purchases an item of eligible property during an exemption period, but later returns the item after the exemption period and receives credit on the purchase of a different nonexempt item, the appropriate sales tax shall be due on the sale of the newly purchased item.

(3) If a purchaser purchases an item of eligible property before an exemption period, but during the exemption period returns the item and receives credit on the purchase of a different item of eligible property, no sales tax shall be due on the sale of the new item if the new item is purchased during the exemption period.

(4) For a sixty day period immediately following the end of the exemption period, if a purchaser returns an exempt item no credit for or refund of sales tax shall be given unless the purchaser provides a receipt or invoice that shows tax was paid, or the seller has sufficient documentation to show that tax was paid on the item being returned.

9. For items that require delivery, an item shall be considered exempt if:

(1) The item is both delivered to and paid for by the purchaser during the exemption period; or

(2) The purchaser orders and pays for the item and the seller accepts the order during the exemption period for immediate shipment, even if delivery is made after the exemption period. For the purposes of this subdivision, a seller shall be considered to have accepted an order when the seller has taken action to fill the order for immediate shipment. Actions to fill an order shall include placement of an "in date" stamp on a mail order or the assignment of an "order number" to a telephone order. An order shall be considered for immediate shipment when the purchaser does not request delayed shipment. An order shall be considered for immediate shipment notwithstanding a shipment that may be delayed because of a backlog of orders or because an item is currently unavailable or on back order.

144.600. **1.** This law may be cited as the "Compensating Use Tax Law".

2. All provisions in sections 144.010 to 144.527 with respect to sales into this state by out-of-state sellers apply to the Compensating Use Tax Law.

144.612. A vendor is required to register with the director under this chapter for the collection and remittance of use tax if the vendor

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is engaged in business activities within this state. For purposes of this chapter, "engages in business activities within this state" includes:

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

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

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

(a) Sells a similar line of products as the vendor and does so under the same or a similar business name;

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

(c) Delivers, installs, assembles, or performs maintenance services for the vendor's customers within the state;

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

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

(4) The presumption in subdivision (3) of this section may be rebutted by demonstrating that the person's activities in the state are not significantly associated with the vendor's ability to establish or maintain a market in this state for the vendor's sales;

(5) Notwithstanding subdivision (3) of this section, a vendor shall be presumed to engage in business activities within this state if the vendor enters into an agreement with one or more residents of this state under which the resident, for a commission or other consideration, directly or indirectly refers potential customers, whether by a link on an internet website, an in-person oral presentation, telemarketing, or otherwise, to the vendor, if the

cumulative gross receipts from sales by the vendor to customers in the state who are referred to the vendor by all residents with this type of an agreement with the vendor is in excess of ten thousand dollars during the preceding twelve months;

(6) The presumption in subdivision (5) of this section may be rebutted by submitting proof that the residents with whom the vendor has an agreement did not engage in any activity within the state that was significantly associated with the vendor's ability to establish or maintain the vendor's market in the state during the preceding twelve months. Such proof may consist of sworn written statements from all of the residents with whom the vendor has an agreement stating that they did not engage in any solicitation in the state on behalf of the vendor during the preceding year provided that such statements were provided and obtained in good faith.

144.655. 1. Every vendor, on or before the last day of the month following each calendar quarterly period of three months, shall file with the director of revenue a return of all taxes collected for the preceding quarter in the form prescribed by the director of revenue, showing the total sales price of the tangible personal property sold by the vendor, the storage, use or consumption of which is subject to the tax levied by this law, and other information the director of revenue deems necessary. The return shall be accompanied by a remittance of the amount of the tax required to be collected by the vendor during the period covered by the return. Returns shall be signed by the vendor or the vendor's authorized agent. The director of revenue may promulgate rules or regulations changing the filing and payment requirements of vendors, but shall not require any vendor to file and pay more frequently than required in this section.

2. Where the aggregate amount of tax required to be collected by a vendor is in excess of two hundred and fifty dollars for either the first or second month of a calendar quarter, the vendor shall pay such aggregate amount for such months to the director of revenue by the twentieth day of the succeeding month. The amount so paid shall be allowed as a credit against the liability shown on the vendor's quarterly return required by this section.

3. Where the aggregate amount of tax required to be collected by a vendor is less than forty-five dollars in a calendar quarter, the director of revenue shall by regulation permit the vendor to file a return for a calendar year. The return shall be filed and the taxes paid on or before January thirty-first of the

succeeding year.

4. Except as provided in subsection 5 of this section, every person purchasing tangible personal property, the storage, use or consumption of which is subject to the tax levied by sections 144.600 to 144.748, who has not paid the tax due to a vendor registered in accordance with the provisions of section 144.650, shall file with the director of revenue a return for the preceding reporting period in the form and manner that the director of revenue prescribes, showing the total sales price of the tangible property purchased during the preceding reporting period and any other information that the director of revenue deems necessary for the proper administration of sections 144.600 to 144.748. The return shall be accompanied by a remittance of the amount of the tax required by sections 144.600 to 144.748 to be paid by the person. Returns shall be signed by the person liable for the tax or such person's duly authorized agent. For purposes of this subsection, the reporting period shall be determined by the director of revenue and may be a calendar quarter or a calendar year. Annual returns and payments required by the director pursuant to this subsection shall be due on or before April fifteenth of the year for the preceding calendar year and quarterly returns and payments shall be due on or before the last day of the month following each calendar period of three months. Upon the taxpayer's request, the director may allow the filing of such returns and payments on a monthly basis. If a taxpayer elects to file a monthly return and payment, such return and payment shall be due on or before the twentieth day of the succeeding month.

5. Any person purchasing tangible personal property subject to the taxes imposed by sections 144.600 to 144.748 shall not be required to file a use tax return with the director of revenue if such purchases on which such taxes were not paid do not exceed in the aggregate two thousand dollars in any calendar year.

6. Nothing in subsection 5 of this section shall relieve a vendor of liability to collect the tax imposed pursuant to sections 144.600 to 144.748 on the total gross receipts of all sales of tangible personal property used, stored or consumed in this state and to remit all taxes collected to the director of revenue in accordance with the provisions of this section nor shall it relieve a purchaser from paying such taxes to a vendor registered in accordance with the provisions of section 144.650.

7. Any out-of-state seller which is not legally required to register

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for use tax in this state but chooses to collect and remit use tax under sections 144.600 to 144.761 shall file a return for the calendar year. The return shall be filed and the taxes paid on or before January thirty-first of the succeeding year.

144.710. **[**From every remittance made by a vendor as required by sections 144.600 to 144.745 to the director of revenue on or before the date when the remittance becomes due, the vendor may deduct and retain an amount equal to two percent thereof**] Sections 144.210 and 144.212, pertaining to the allowance for timely remittance of payment, are applicable to the tax levied by this law**.

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

2. The director of revenue shall distribute all moneys which would be due any county having a charter form of government and having a population of nine hundred thousand or more to the county treasurer or such other officer as may be designated by county ordinance, who shall distribute such moneys as follows: the portion of the use tax imposed by the county which equals one-half the rate of sales tax in effect for such county shall be disbursed to the county treasurer for expenditure throughout the county for public safety, parks, and job creation, subject to any qualifications and regulations adopted by ordinance of the

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county. Such ordinance shall require an audited comprehensive financial report detailing the management and use of such funds each year. Such ordinance shall also require that the county and the municipal league of the county jointly prepare a strategy to guide expenditures of funds and conduct an annual review of the strategy. The treasurer or such other officer as may be designated by county ordinance shall distribute one-third of the balance to the county and to each city, town and village in group B according to section 66.620 as modified by this section, a portion of the two-thirds remainder of such balance equal to the percentage ratio that the population of each such city, town or village bears to the total population of all such group B cities, towns and villages. For the purposes of this subsection, population shall be determined by the last federal decennial census or the latest census that determines the total population of the county and all political subdivisions therein. For the purposes of this subsection, each city, town or village in group A according to section 66.620 but whose per capita sales tax receipts during the preceding calendar year pursuant to sections 66.600 to 66.630 were less than the per capita countywide average of all sales tax receipts during the preceding calendar year, shall be treated as a group B city, town or village until the per capita amount distributed to such city, town or village equals the difference between the per capita sales tax receipts during the preceding calendar year and the per capita countywide average of all sales tax receipts during the preceding calendar year.

3. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any county or municipality for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such counties or municipalities. If any county or municipality abolishes the tax, the county or municipality shall notify the director of revenue of the action **[**at least ninety days prior to the effective date of the repeal,**]** and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such county or municipality, the director of revenue shall authorize the state treasurer to remit the balance in the account to the county or municipality and close the account of that county or municipality. The director of revenue shall notify each county or municipality of each instance of any amount refunded

or any check redeemed from receipts due the county or municipality.

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

144.761. 1. No county or municipality imposing a local use tax pursuant to sections 144.757 to 144.761 may repeal or amend such local use tax unless such repeal or amendment is submitted to and approved by the voters of the county or municipality in the manner provided in section 144.757; provided, however, that the repeal of the local sales tax within the county or municipality shall be deemed to repeal the local use tax imposed pursuant to sections 144.757 to 144.761.

2. Whenever the governing body of any county or municipality in which a local use tax has been imposed in the manner provided by sections 144.757 to 144.761 receives a petition, signed by fifteen percent of the registered voters of such county or municipality voting in the last gubernatorial election, calling for an election to repeal such local use tax, the governing body shall submit to the voters of such county or municipality a proposal to repeal the county or municipality use tax imposed pursuant to sections 144.757 to 144.761. If a majority of the votes cast on the proposal by the registered voters voting thereon are in favor of the proposal to repeal the local use tax, then the ordinance or order imposing the local use tax, along with any amendments thereto, is repealed. If a majority of the votes cast by the registered voters voting thereon are opposed to the proposal to repeal the local use tax, then the ordinance or order imposing the local use tax, along with any amendments thereto, shall remain in effect. **Subsection 19 of section 32.087 shall apply to such repeal of the tax authorized under sections 144.757 to 144.761.**

184.845. 1. The board of the district may impose a museum and cultural district sales tax by resolution on all retail sales made in such museum and cultural district which are subject to **[**taxation pursuant to the provisions of sections 144.010 to 144.525**]** **sales tax under chapter 144**. Such museum and cultural district sales tax may be imposed for any museum or cultural purpose designated by the board of the museum and cultural district. If the resolution is adopted the board of the district may submit the question of whether to impose

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a sales tax authorized by this section to the qualified voters, who shall have the same voting interests as with the election of members of the board of the district.

2. The sales tax authorized by this section shall become effective **[**on the first day of the second calendar quarter following adoption of the tax by the board or qualified voters**] as provided in subsection 19 of section 32.087**, if the board elects to submit the question of whether to impose a sales tax to the qualified voters.

3. In each museum and cultural district in which a sales tax has been imposed in the manner provided by this section, every retailer shall add the tax imposed by the museum and cultural district pursuant to this section to the retailer's sale price, and when so added such tax shall constitute a part of the price, shall be a debt of the purchaser to the retailer until paid, and shall be recoverable at law in the same manner as the purchase price.

4. In order to permit sellers required to collect and report the sales tax authorized by this section to collect the amount required to be reported and remitted, but not to change the requirements of reporting or remitting tax or to serve as a levy of the tax, and in order to avoid fractions of pennies, the **[**museum and cultural district may establish appropriate brackets which shall be used in the district imposing a tax pursuant to this section in lieu of those brackets provided in**] tax shall be calculated as authorized by the provisions of** section 144.285.

5. All revenue received by a museum and cultural district from the tax authorized by this section which has been designated for a certain museum or cultural purpose shall be deposited in a special trust fund and shall be used solely for such designated purpose. All funds remaining in the special trust fund shall continue to be used solely for such designated museum or cultural purpose. Any funds in such special trust fund which are not needed for current expenditures may be invested by the board of directors in accordance with applicable laws relating to the investment of other museum or cultural district funds.

6. The sales tax may be imposed at a rate of one-half of one percent, three-fourths of one percent or one percent on the receipts from the sale at retail of all tangible personal property or taxable services at retail within the museum and cultural district adopting such tax, if such property and services are subject to taxation by the state of Missouri **[**pursuant to the provisions of sections 144.010 to 144.525**] under chapter 144**. Any museum and cultural district

sales tax imposed pursuant to this section shall be imposed at a rate that shall be uniform throughout the district.

7. On and after the effective date of any tax imposed pursuant to this section, the **[**museum and cultural district**]** **director of revenue** shall perform all functions incident to the administration, collection, enforcement, and operation of the tax. The tax imposed pursuant to this section shall be collected and reported upon such forms and under such administrative rules and regulations as may be prescribed by the **[**museum and cultural district**]** **director of revenue**.

8. All applicable provisions contained in sections 144.010 to 144.525 governing the state sales tax, sections 32.085 **[**and**]** **to** 32.087, and section 32.057, the uniform confidentiality provision, shall apply to the collection of the tax imposed by this section, except as modified in this section. All revenue collected under this section by the director of the department of revenue on behalf of the museum and cultural districts**[**, except for one percent for the cost of collection which shall be deposited in the state's general revenue fund,**]** shall be deposited in a special trust fund, which is hereby created and shall be known as the "Missouri Museum Cultural District Tax Fund", and shall be used solely for such designated purpose. **[**Moneys in the fund shall not be deemed to be state funds, and shall not be commingled with any funds of the state.**]** The director may make refunds from the amounts in the fund and credited to the district for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such county.

9. All exemptions granted to agencies of government, organizations, persons and to the sale of certain articles and items of tangible personal property and taxable services pursuant to the provisions of sections 144.010 to 144.525 are hereby made applicable to the imposition and collection of the tax imposed by this section.

10. The same sales tax permit, exemption certificate and retail certificate required by sections 144.010 to 144.525 for the administration and collection of the state sales tax shall satisfy the requirements of this section, and no additional permit or exemption certificate or retail certificate shall be required; except that the museum and cultural district may prescribe a form of exemption certificate for an exemption from the tax imposed by this section.

11. The penalties provided in section 32.057 and sections 144.010 to 144.525 for violation of those sections are hereby made applicable to violations

of this section.

12. **[**For the purpose of a sales tax imposed by a resolution pursuant to this section, all retail sales except retail sales of motor vehicles shall be deemed to be consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or the retailer's agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. In the event a retailer has more than one place of business in this state which participates in the sale, the sale shall be deemed to be consummated at the place of business of the retailer where the initial order for the tangible personal property is taken, even though the order shall be forwarded elsewhere for acceptance, approval of credit, shipment or billing. A sale by a retailer's employee shall be deemed to be consummated at the place of business from which the employee works.

13.**]** All sales taxes collected by the museum and cultural district shall be deposited by the museum and cultural district in a special fund to be expended for the purposes authorized in this section. The museum and cultural district shall keep accurate records of the amount of money which was collected pursuant to this section, and the records shall be open to the inspection by the officers and directors of each museum and cultural district and the Missouri department of revenue. Tax returns filed by businesses within the district shall otherwise be considered as confidential in the same manner as sales tax returns filed with the Missouri department of revenue.

[14.**]** **13.** No museum and cultural district imposing a sales tax pursuant to this section may repeal or amend such sales tax unless such repeal or amendment will not impair the district's ability to repay any liabilities which it has incurred, money which it has borrowed or revenue bonds, notes or other obligations which it has issued or which have been issued to finance any project or projects.

14. Except as modified in this section, all provisions of sections 32.085 to 32.087 shall apply to the tax imposed under this section.

208.1050. 1. There is hereby created in the state treasury the "Missouri Senior Services Protection Fund", which shall consist of money collected under subsection 2 of this section. The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements. The fund shall be a dedicated fund and, upon appropriation, money in the fund shall be used solely for the administration of subsection 2 of

this section. Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

2. **[**The state treasurer shall deposit from moneys that otherwise would have been deposited into the general revenue fund an amount equal to fifty-five million one hundred thousand dollars into the Missouri senior services protection fund. At least one-quarter of such amount shall be deposited on or before July 15, 2013, an additional one-quarter by October 15, 2013, and an additional one-quarter by January 15, 2014. The remaining amount shall be deposited by March 15, 2014.**] The director of the department of revenue shall calculate the amount of deductions claimed under subsection 2 of section 143.171 during fiscal year 2018. Such calculated amount, not to exceed forty million dollars, shall annually be deposited in the Missouri senior services protection fund.** Moneys in the fund shall be allocated for services for low-income seniors and people with disabilities.

221.407. 1. The commission of any regional jail district may impose, by order, a sales tax in the amount of one-eighth of one percent, one-fourth of one percent, three-eighths of one percent, or one-half of one percent on all retail sales made in such region which are subject to taxation **[**pursuant to the provisions of sections 144.010 to 144.525**] under chapter 144** for the purpose of providing jail services and court facilities and equipment for such region. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law, except that no order imposing a sales tax pursuant to this section shall be effective unless the commission submits to the voters of the district, on any election date authorized in chapter 115, a proposal to authorize the commission to impose a tax.

2. The ballot of submission shall contain, but need not be limited to, the following language:

Shall the regional jail district of _____ (counties' names) impose a region-wide sales tax of _____ (insert amount) for the purpose of providing jail services and court facilities and equipment for the region?

☐ YES ☐ NO

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

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If a majority of the votes cast on the proposal by the qualified voters of the district voting thereon are in favor of the proposal, then the order and any amendment to such order shall be in effect **[**on the first day of the second quarter immediately following the election approving the proposal**] as provided by subsection 19 of section 32.087**. If the proposal receives less than the required majority, the commission shall have no power to impose the sales tax authorized pursuant to this section unless and until the commission shall again have submitted another proposal to authorize the commission to impose the sales tax authorized by this section and such proposal is approved by the required majority of the qualified voters of the district voting on such proposal; however, in no event shall a proposal pursuant to this section be submitted to the voters sooner than twelve months from the date of the last submission of a proposal pursuant to this section.

3. All revenue received by a district from the tax authorized pursuant to this section shall be deposited in a special trust fund and shall be used solely for providing jail services and court facilities and equipment for such district for so long as the tax shall remain in effect.

4. Once the tax authorized by this section is abolished or terminated by any means, all funds remaining in the special trust fund shall be used solely for providing jail services and court facilities and equipment for the district. Any funds in such special trust fund which are not needed for current expenditures may be invested by the commission in accordance with applicable laws relating to the investment of other county funds.

5. All sales taxes collected by the director of revenue pursuant to this section on behalf of any district**[**, less one percent for cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087,**]** shall be deposited in a special trust fund, which is hereby created, to be known as the "Regional Jail District Sales Tax Trust Fund". **[**The moneys in the regional jail district sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state.**]** The director of revenue shall keep accurate records of the amount of money in the trust fund which was collected in each district imposing a sales tax pursuant to this section, and the records shall be open to the inspection of officers of each member county and the public. Not later than the tenth day of each month the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the district which levied the tax. Such

funds shall be deposited with the treasurer of each such district, and all expenditures of funds arising from the regional jail district sales tax trust fund shall be paid pursuant to an appropriation adopted by the commission and shall be approved by the commission. Expenditures may be made from the fund for any function authorized in the order adopted by the commission submitting the regional jail district tax to the voters.

6. The director of revenue may make refunds from the amounts in the trust fund and credited to any district for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such districts. If any district abolishes the tax, the commission shall notify the director of revenue of the action **[**at least ninety days prior to the effective date of the repeal,**]** and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such district, the director of revenue shall remit the balance in the account to the district and close the account of that district. The director of revenue shall notify each district in each instance of any amount refunded or any check redeemed from receipts due the district.

7. Except as provided in this section, all provisions of sections 32.085 **[**and**] to** 32.087 shall apply to the tax imposed pursuant to this section.

8. The provisions of this section shall expire September 30, 2028.

238.235. 1. (1) Any transportation development district may by resolution impose a transportation development district sales tax on all retail sales made in such transportation development district which are subject to taxation **[**pursuant to the provisions of sections 144.010 to 144.525**] under chapter 144**, except such transportation development district sales tax shall not apply to the sale or use of motor vehicles, trailers, boats or outboard motors **[**nor to all sales of electricity or electrical current, water and gas, natural or artificial, nor to sales of service to telephone subscribers, either local or long distance**], electricity piped natural or artificial gas, or other fuels delivered by the seller**. Such transportation development district sales tax may be imposed for any transportation development purpose designated by the transportation development district in its ballot of submission to its qualified voters, except that no resolution enacted pursuant to the authority granted by this section shall be

effective unless:

(a) The board of directors of the transportation development district submits to the qualified voters of the transportation development district a proposal to authorize the board of directors of the transportation development district to impose or increase the levy of an existing tax pursuant to the provisions of this section; or

(b) The voters approved the question certified by the petition filed pursuant to subsection 5 of section 238.207.

(2) If the transportation district submits to the qualified voters of the transportation development district a proposal to authorize the board of directors of the transportation development district to impose or increase the levy of an existing tax pursuant to the provisions of paragraph (a) of subdivision (1) of this subsection, the ballot of submission shall contain, but need not be limited to, the following language:

Shall the transportation development district of _____ (transportation development district's name) impose a transportation development district-wide sales tax at the rate of _____ (insert amount) for a period of _____ (insert number) years from the date on which such tax is first imposed for the purpose of _____ (insert transportation development purpose)?

☐ YES ☐ NO

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

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the resolution and any amendments thereto shall be in effect **as provided by subsection 19 of section 32.087**. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the board of directors of the transportation development district shall have no power to impose the sales tax authorized by this section unless and until the board of directors of the transportation development district shall again have submitted another proposal to authorize it to impose the sales tax pursuant to the provisions of this section and such proposal is approved by a majority of the qualified voters voting thereon.

(3) **[**The sales tax authorized by this section shall become effective on the first day of the second calendar quarter after the department of revenue receives notification of the tax.

(4) In each transportation development district in which a sales tax has

been imposed in the manner provided by this section, every retailer shall add the tax imposed by the transportation development district pursuant to this section to the retailer's sale price, and when so added such tax shall constitute a part of the price, shall be a debt of the purchaser to the retailer until paid, and shall be recoverable at law in the same manner as the purchase price.

(5) In order to permit sellers required to collect and report the sales tax authorized by this section to collect the amount required to be reported and remitted, but not to change the requirements of reporting or remitting tax or to serve as a levy of the tax, and in order to avoid fractions of pennies, the transportation development district may establish appropriate brackets which shall be used in the district imposing a tax pursuant to this section in lieu of those brackets provided in section 144.285.

(6)**]** All revenue received by a transportation development district from the tax authorized by this section which has been designated for a certain transportation development purpose shall be deposited in a special trust fund and shall be used solely for such designated purpose. Upon the expiration of the period of years approved by the qualified voters pursuant to subdivision (2) of this subsection or if the tax authorized by this section is repealed pursuant to subsection 6 of this section, all funds remaining in the special trust fund shall continue to be used solely for such designated transportation development purpose. Any funds in such special trust fund which are not needed for current expenditures may be invested by the board of directors in accordance with applicable laws relating to the investment of other transportation development district funds.

[(7)**]** **(4)** The sales tax may be imposed in increments of one-eighth of one percent, up to a maximum of one percent on the receipts from the sale at retail of all tangible personal property or taxable services at retail within the transportation development district adopting such tax, if such property and services are subject to taxation by the state of Missouri pursuant to **[**the provisions of sections 144.010 to 144.525**]** **chapter 144**, except such transportation development district sales tax shall not apply to the sale or use of motor vehicles, trailers, boats or outboard motors nor to public utilities. Any transportation development district sales tax imposed pursuant to this section shall be imposed at a rate that shall be uniform throughout the district.

2. The resolution imposing the sales tax pursuant to this section shall impose upon all sellers a tax for the privilege of engaging in the business of

selling tangible personal property or rendering taxable services at retail to the extent and in the manner provided **[**in sections 144.010 to 144.525**]** **under chapter 144**, and the rules and regulations of the director of revenue issued pursuant thereto; except that the rate of the tax shall be the rate imposed by the resolution as the sales tax and the tax shall be reported and returned to and collected by the transportation development district.

3. **[**On and after the effective date of any tax imposed pursuant to this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax, and the director of revenue shall collect, in addition to all other sales taxes imposed by law, the additional tax authorized pursuant to this section. The tax imposed pursuant to this section and the taxes imposed pursuant to all other laws of the state of Missouri shall be collected together and reported upon such forms and pursuant to such administrative rules and regulations as may be prescribed by the director of revenue.

4. (1) All applicable provisions contained in sections 144.010 to 144.525, governing the state sales tax, sections 32.085 and 32.087 and section 32.057, the uniform confidentiality provision, shall apply to the collection of the tax imposed by this section, except as modified in this section.

(2) All exemptions granted to agencies of government, organizations, persons and to the sale of certain articles and items of tangible personal property and taxable services pursuant to the provisions of sections 144.010 to 144.525 are hereby made applicable to the imposition and collection of the tax imposed by this section.

(3) The same sales tax permit, exemption certificate and retail certificate required by sections 144.010 to 144.525 for the administration and collection of the state sales tax shall satisfy the requirements of this section, and no additional permit or exemption certificate or retail certificate shall be required; except that the transportation development district may prescribe a form of exemption certificate for an exemption from the tax imposed by this section.

(4) All discounts allowed the retailer pursuant to the provisions of the state sales tax laws for the collection of and for payment of taxes pursuant to such laws are hereby allowed and made applicable to any taxes collected pursuant to the provisions of this section.

(5) The penalties provided in section 32.057 and sections 144.010 to 144.525 for violation of those sections are hereby made applicable to violations

of this section.

(6) For the purpose of a sales tax imposed by a resolution pursuant to this section, all retail sales except retail sales of motor vehicles shall be deemed to be consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or the retailer's agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. In the event a retailer has more than one place of business in this state which participates in the sale, the sale shall be deemed to be consummated at the place of business of the retailer where the initial order for the tangible personal property is taken, even though the order must be forwarded elsewhere for acceptance, approval of credit, shipment or billing. A sale by a retailer's employee shall be deemed to be consummated at the place of business from which the employee works.

5.**]** All sales taxes received by the transportation development district shall be deposited by the director of revenue in a special fund to be expended for the purposes authorized in this section. The director of revenue shall keep accurate records of the amount of money which was collected pursuant to this section, and the records shall be open to the inspection of officers of each transportation development district and the general public.

[6.**]** **4.** (1) No transportation development district imposing a sales tax pursuant to this section may repeal or amend such sales tax unless such repeal or amendment will not impair the district's ability to repay any liabilities which it has incurred, money which it has borrowed or revenue bonds, notes or other obligations which it has issued or which have been issued by the commission or any local transportation authority to finance any project or projects.

(2) Whenever the board of directors of any transportation development district in which a transportation development sales tax has been imposed in the manner provided by this section receives a petition, signed by ten percent of the qualified voters calling for an election to repeal such transportation development sales tax, the board of directors shall, if such repeal will not impair the district's ability to repay any liabilities which it has incurred, money which it has borrowed or revenue bonds, notes or other obligations which it has issued or which have been issued by the commission or any local transportation authority to finance any project or projects, submit to the qualified voters of such transportation development district a proposal to repeal the transportation development sales tax imposed pursuant to the provisions of this section. If a majority of the votes

cast on the proposal by the qualified voters voting thereon are in favor of the proposal to repeal the transportation development sales tax, then the resolution imposing the transportation development sales tax, along with any amendments thereto, is repealed **as provided by subsection 19 of section 32.087**. If a majority of the votes cast by the qualified voters voting thereon are opposed to the proposal to repeal the transportation development sales tax, then the ordinance or resolution imposing the transportation development sales tax, along with any amendments thereto, shall remain in effect.

[7.**]** **5.** Notwithstanding any provision of sections 99.800 to 99.865 and this section to the contrary, the sales tax imposed by a district whose project is a public mass transportation system shall not be considered economic activity taxes as such term is defined under sections 99.805 and 99.918 and shall not be subject to allocation under the provisions of subsection 3 of section 99.845, or subsection 4 of section 99.957.

6. After the effective date of any tax imposed under the provisions of this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax and collect, in addition to the sales tax for the state of Missouri, the additional tax authorized under the authority of this section. The tax imposed under this section and the tax imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue.

7. Except as provided in this section, all provisions of sections 32.085 to 32.087 shall apply to the tax imposed under this section.

238.410. 1. Any county transit authority established pursuant to section 238.400 may impose a sales tax of up to one percent on all retail sales made in such county which are subject to taxation under **[**the provisions of sections 144.010 to 144.525**]** **chapter 144**. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law, except that no sales tax imposed under the provisions of this section shall be effective unless the governing body of the county, on behalf of the transit authority, submits to the voters of the county, at a county or state general, primary or special election, a proposal to authorize the transit authority to impose a tax.

2. The ballot of submission shall contain, but need not be limited to, the following language:

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Shall the _____ Transit Authority impose a countywide sales tax of _____ (insert amount) in order to provide revenues for the operation of transportation facilities operated by the transit authority?

☐ YES ☐ NO

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

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the tax shall become effective **[**on the first day of the second calendar quarter following notification to the department of revenue of adoption of the tax**] as provided by subsection 19 of section 32.087**. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the transit authority shall have no power to impose the sales tax authorized by this section unless and until another proposal to authorize the transit authority to impose the sales tax authorized by this section has been submitted and such proposal is approved by a majority of the qualified voters voting thereon.

3. All revenue received by the transit authority from the tax authorized under the provisions of this section shall be deposited in a special trust fund and shall be used solely by the transit authority for construction, purchase, lease, maintenance and operation of transportation facilities located within the county for so long as the tax shall remain in effect. Any funds in such special trust fund which are not needed for current expenditures may be invested by the transit authority in accordance with applicable laws relating to the investment of county funds.

4. No transit authority imposing a sales tax pursuant to this section may repeal or amend such sales tax unless such repeal or amendment is submitted to and approved by the voters of the county in the same manner as provided in subsection 1 of this section for approval of such tax. Whenever the governing body of any county in which a sales tax has been imposed in the manner provided by this section receives a petition, signed by ten percent of the registered voters of such county voting in the last gubernatorial election, calling for an election to repeal such sales tax, the governing body shall submit to the voters of such county a proposal to repeal the sales tax imposed under the provisions of this section. If a majority of the votes cast on the proposal by the registered voters voting thereon are in favor of the proposal to repeal the sales tax, then such sales tax is repealed **as provided by subsection 19 of section 32.087**. If a majority

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of the votes cast by the registered voters voting thereon are opposed to the proposal to repeal the sales tax, then such sales tax shall remain in effect.

5. The sales tax imposed under the provisions of this section shall impose upon all sellers a tax for the privilege of engaging in the business of selling tangible personal property or rendering taxable services at retail to the extent and in the manner provided in **[**sections 144.010 to 144.525**]** **chapter 144** and the rules and regulations of the director of revenue issued pursuant thereto; except that the rate of the tax shall be the rate approved pursuant to this section. The amount reported and returned to the director of revenue by the seller shall be computed on the basis of the combined rate of the tax imposed by **[**sections 144.010 to 144.525**]** **chapter 144** and the tax imposed by this section, plus any amounts imposed under other provisions of law.

6. After the effective date of any tax imposed under the provisions of this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax, and the director of revenue shall collect in addition to the sales tax for the state of Missouri the additional tax authorized under the authority of this section. The tax imposed under this section and the tax imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue. In order to permit sellers required to collect and report the sales tax to collect the amount required to be reported and remitted, but not to change the requirements of reporting or remitting tax or to serve as a levy of the tax, and in order to avoid fractions of pennies, the applicable provisions of section 144.285 shall apply to all taxable transactions.

7. All applicable provisions contained in **[**sections 144.010 to 144.525**]** **chapter 144** governing the state sales tax and section 32.057, the uniform confidentiality provision, shall apply to the collection of the tax imposed by this section, except as modified in this section. All exemptions granted to agencies of government, organizations, persons and to the sale of certain articles and items of tangible personal property and taxable services under the provisions of **[**sections 144.010 to 144.525**]** **chapter 144** are hereby made applicable to the imposition and collection of the tax imposed by this section. The same sales tax permit, exemption certificate and retail certificate required by **[**sections 144.010 to 144.525**]** **chapter 144** for the administration and collection of the state sales tax shall satisfy the requirements of this section, and no additional permit or

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exemption certificate or retail certificate shall be required; except that the director of revenue may prescribe a form of exemption certificate for an exemption from the tax imposed by this section. All discounts allowed the retailer under the provisions of the state sales tax law for the collection of and for payment of taxes under chapter 144 are hereby allowed and made applicable to any taxes collected under the provisions of this section. The penalties provided in section 32.057 and sections 144.010 to 144.525 for a violation of those sections are hereby made applicable to violations of this section.

8. **[**For the purposes of a sales tax imposed pursuant to this section, all retail sales shall be deemed to be consummated at the place of business of the retailer, except for tangible personal property sold which is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination and except for the sale of motor vehicles, trailers, boats and outboard motors, which is provided for in subsection 12 of this section. In the event a retailer has more than one place of business in this state which participates in the sale, the sale shall be deemed to be consummated at the place of business of the retailer where the initial order for the tangible personal property is taken, even though the order must be forwarded elsewhere for acceptance, approval of credit, shipment or billing. A sale by a retailer's employee shall be deemed to be consummated at the place of business from which he works.

9.**]** All sales taxes collected by the director of revenue under this section on behalf of any transit authority**[**, less one percent for cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in this section,**]** shall be deposited in the state treasury in a special trust fund, which is hereby created, to be known as the "County Transit Authority Sales Tax Trust Fund". **[**The moneys in the county transit authority sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state.**]** The director of revenue shall keep accurate records of the amount of money in the trust fund which was collected in each transit authority imposing a sales tax under this section, and the records shall be open to the inspection of officers of the county and the public. Not later than the tenth day of each month the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the transit authority which levied the tax.

[10.**]** **9.** The director of revenue may authorize the state treasurer to

make refunds from the amounts in the trust fund and credited to any transit authority for erroneous payments and overpayments made, and may authorize the state treasurer to redeem dishonored checks and drafts deposited to the credit of such transit authorities. If any transit authority abolishes the tax, the transit authority shall notify the director of revenue of the action **[**at least ninety days prior to the effective date of the repeal**]** and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such transit authority, the director of revenue shall authorize the state treasurer to remit the balance in the account to the transit authority and close the account of that transit authority. The director of revenue shall notify each transit authority of each instance of any amount refunded or any check redeemed from receipts due the transit authority. The director of revenue shall annually report on his management of the trust fund and administration of the sales taxes authorized by this section. He shall provide each transit authority imposing the tax authorized by this section with a detailed accounting of the source of all funds received by him for the transit authority.

[11.**]** **10.** The director of revenue and any of his deputies, assistants and employees who shall have any duties or responsibilities in connection with the collection, deposit, transfer, transmittal, disbursement, safekeeping, accounting, or recording of funds which come into the hands of the director of revenue under the provisions of this section shall enter a surety bond or bonds payable to any and all transit authorities in whose behalf such funds have been collected under this section in the amount of one hundred thousand dollars; but the director of revenue may enter into a blanket bond or bonds covering himself and all such deputies, assistants and employees. The cost of the premium or premiums for the surety bond or bonds shall be paid by the director of revenue from the share of the collection retained by the director of revenue for the benefit of the state.

[12.**]** **11.** Sales taxes imposed pursuant to this section and use taxes on the purchase and sale of motor vehicles, trailers, boats, and outboard motors shall not be collected and remitted by the seller, but shall be collected by the director of revenue at the time application is made for a certificate of title, if the address of the applicant is within a county where a sales tax is imposed under this section. The amounts so collected, less the one percent collection cost, shall be

deposited in the county transit authority sales tax trust fund. The purchase or sale of motor vehicles, trailers, boats, and outboard motors shall be deemed to be consummated at the address of the applicant. As used in this subsection, the term "boat" shall only include motorboats and vessels as the terms "motorboat" and "vessel" are defined in section 306.010.

[13.**]** **12.** In any county where the transit authority sales tax has been imposed, if any person is delinquent in the payment of the amount required to be paid by him under this section or in the event a determination has been made against him for taxes and penalty under this section, the limitation for bringing suit for the collection of the delinquent tax and penalty shall be the same as that provided in sections 144.010 to 144.525. Where the director of revenue has determined that suit must be filed against any person for the collection of delinquent taxes due the state under the state sales tax law, and where such person is also delinquent in payment of taxes under this section, the director of revenue shall notify the transit authority to which delinquent taxes are due under this section by United States registered mail or certified mail at least ten days before turning the case over to the attorney general. The transit authority, acting through its attorney, may join in such suit as a party plaintiff to seek a judgment for the delinquent taxes and penalty due such transit authority. In the event any person fails or refuses to pay the amount of any sales tax due under this section, the director of revenue shall promptly notify the transit authority to which the tax would be due so that appropriate action may be taken by the transit authority.

[14.**]** **13.** Where property is seized by the director of revenue under the provisions of any law authorizing seizure of the property of a taxpayer who is delinquent in payment of the tax imposed by the state sales tax law, and where such taxpayer is also delinquent in payment of any tax imposed by this section, the director of revenue shall permit the transit authority to join in any sale of property to pay the delinquent taxes and penalties due the state and to the transit authority under this section. The proceeds from such sale shall first be applied to all sums due the state, and the remainder, if any, shall be applied to all sums due such transit authority under this section.

[15. The transit authority created under the provisions of sections 238.400 to 238.412 shall notify any and all affected businesses of the change in tax rate caused by the imposition of the tax authorized by sections 238.400 to 238.412.

16.**]** **14.** In the event that any transit authority in any county with a

charter form of government and with more than two hundred fifty thousand but fewer than three hundred fifty thousand inhabitants submits a proposal in any election to increase the sales tax under this section, and such proposal is approved by the voters, the county shall be reimbursed for the costs of submitting such proposal from the funds derived from the tax levied under this section.

15. Except as provided in sections 238.400 to 238.412, all provisions of sections 32.085 to 32.087 shall apply to the tax imposed under sections 238.410 to 238.412.

253.550. 1. Any taxpayer incurring costs and expenses for the rehabilitation of eligible property, which is a certified historic structure or structure in a certified historic district, may, subject to the provisions of this section and section 253.559, receive a credit against the taxes imposed pursuant to chapters 143 and 148, except for sections 143.191 to 143.265, on such taxpayer in an amount **[**equal to**]** **that is lesser of two million dollars or** twenty-five percent of the total costs and expenses of rehabilitation incurred after January 1, 1998, which shall include, but not be limited to, qualified rehabilitation expenditures as defined under section 47(c)(2)(A) of the Internal Revenue Code of 1986, as amended, and the related regulations thereunder, provided the rehabilitation costs associated with rehabilitation and the expenses exceed fifty percent of the total basis in the property and the rehabilitation meets standards consistent with the standards of the Secretary of the United States Department of the Interior for rehabilitation as determined by the state historic preservation officer of the Missouri department of natural resources.

2. During the period beginning on January 1, 2010, but ending on or after June 30, 2010, the department of economic development shall not approve applications for tax credits under the provisions of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed seventy million dollars, increased by any amount of tax credits for which approval shall be rescinded under the provisions of section 253.559. For each fiscal year beginning on or after July 1, 2010, **but ending on or before June 30, 2018,** the department of economic development shall not approve applications for tax credits under the provisions of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed one hundred forty million dollars, increased by any amount of tax credits for which approval shall be rescinded under the provisions of section 253.559. **For each fiscal year beginning on or after July 1, 2018, the department of economic development shall not approve applications for tax credits under the**

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provisions of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed thirty million dollars, increased by any amount of tax credits for which approval shall be rescinded under the provisions of section 253.559. The limitations provided under this subsection shall not apply to applications approved under the provisions of subsection 3 of section 253.559 for projects to receive less than two hundred seventy-five thousand dollars in tax credits.

3. For all applications for tax credits approved on or after January 1, 2010, **but on or before June 30, 2018,** no more than two hundred fifty thousand dollars in tax credits may be issued for eligible costs and expenses incurred in the rehabilitation of an eligible property which is a nonincome producing single-family, owner-occupied residential property and is either a certified historic structure or a structure in a certified historic district. **For all fiscal years beginning on or after January 1, 2018, no new applications for tax credits under sections 253.545 to 253.559 shall be authorized for residential property.**

4. The limitations on tax credit authorization provided under the provisions of subsections 2 and 3 of this section shall not apply to:

(1) Any application submitted by a taxpayer, which has received approval from the department prior to January 1, 2010; or

(2) Any taxpayer applying for tax credits, provided under this section, which, on or before January 1, 2010, has filed an application with the department evidencing that such taxpayer:

(a) Has incurred costs and expenses for an eligible property which exceed the lesser of five percent of the total project costs or one million dollars and received an approved Part I from the Secretary of the United States Department of Interior; or

(b) Has received certification, by the state historic preservation officer, that the rehabilitation plan meets the standards consistent with the standards of the Secretary of the United States Department of the Interior, and the rehabilitation costs and expenses associated with such rehabilitation shall exceed fifty percent of the total basis in the property.

253.559. 1. To obtain approval for tax credits allowed under sections 253.545 to 253.559, a taxpayer shall submit an application for tax credits to the department of economic development. Each application for approval, including any applications received for supplemental allocations of tax credits as provided

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under subsection 8 of this section, shall be prioritized for review and approval, in the order of the date on which the application was postmarked, with the oldest postmarked date receiving priority. Applications postmarked on the same day shall go through a lottery process to determine the order in which such applications shall be reviewed.

2. Each application shall be reviewed by the department of economic development for approval. In order to receive approval, an application, other than applications submitted under the provisions of subsection 8 of this section, shall include:

(1) Proof of ownership or site control. Proof of ownership shall include evidence that the taxpayer is the fee simple owner of the eligible property, such as a warranty deed or a closing statement. Proof of site control may be evidenced by a leasehold interest or an option to acquire such an interest. If the taxpayer is in the process of acquiring fee simple ownership, proof of site control shall include an executed sales contract or an executed option to purchase the eligible property;

(2) Floor plans of the existing structure, architectural plans, and, where applicable, plans of the proposed alterations to the structure, as well as proposed additions;

(3) The estimated cost of rehabilitation, the anticipated total costs of the project, the actual basis of the property, as shown by proof of actual acquisition costs, the anticipated total labor costs, the estimated project start date, and the estimated project completion date;

(4) Proof that the property is an eligible property and a certified historic structure or a structure in a certified historic district; **[**and**]**

(5) **Proof that completion of the proposed project will provide a net fiscal benefit to the state of at least two and one-half dollars for each dollar of tax credit awarded;**

(6) Evidence of the taxpayer's financial stability, creditworthiness, and ability to complete the project as proposed; and

(7) Any other information which the department of economic development may reasonably require to review the project for approval.

Only the property for which a property address is provided in the application shall be reviewed for approval. Once selected for review, a taxpayer shall not be permitted to request the review of another property for approval in the place of the property contained in such application. Any disapproved application shall be

removed from the review process. If an application is removed from the review process, the department of economic development shall notify the taxpayer in writing of the decision to remove such application. Disapproved applications shall lose priority in the review process. A disapproved application, which is removed from the review process, may be resubmitted, but shall be deemed to be a new submission for purposes of the priority procedures described in this section.

3. If the department of economic development deems the application sufficient, the taxpayer shall be notified in writing of the approval for an amount of tax credits equal to the amount provided under section 253.550 less any amount of tax credits previously approved. Such approvals shall be granted to applications in the order of priority established under this section and shall require full compliance thereafter with all other requirements of law as a condition to any claim for such credits.

4. Following approval of an application, the identity of the taxpayer contained in such application shall not be modified except:

(1) The taxpayer may add partners, members, or shareholders as part of the ownership structure, so long as the principal remains the same, provided however, that subsequent to the commencement of renovation and the expenditure of at least ten percent of the proposed rehabilitation budget, removal of the principal for failure to perform duties and the appointment of a new principal thereafter shall not constitute a change of the principal; or

(2) Where the ownership of the project is changed due to a foreclosure, deed in lieu of a foreclosure or voluntary conveyance, or a transfer in bankruptcy.

5. In the event that the department of economic development grants approval for tax credits equal to the total amount available under subsection 2 of section 253.550, or sufficient that when totaled with all other approvals, the amount available under subsection 2 of section 253.550 is exhausted, all taxpayers with applications then awaiting approval or thereafter submitted for approval shall be notified by the department of economic development that no additional approvals shall be granted during the fiscal year and shall be notified of the priority given to such taxpayer's application then awaiting approval. Such applications shall be kept on file by the department of economic development and shall be considered for approval for tax credits in the order established in this section in the event that additional credits become available due to the rescission of approvals or when a new fiscal year's allocation of credits becomes available for approval.

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6. All taxpayers with applications receiving approval on or after the effective date of this act shall commence rehabilitation within two years of the date of issuance of the letter from the department of economic development granting the approval for tax credits. "Commencement of rehabilitation" shall mean that as of the date in which actual physical work, contemplated by the architectural plans submitted with the application, has begun, the taxpayer has incurred no less than ten percent of the estimated costs of rehabilitation provided in the application. Taxpayers with approval of a project shall submit evidence of compliance with the provisions of this subsection. If the department of economic development determines that a taxpayer has failed to comply with the requirements provided under this section, the approval for the amount of tax credits for such taxpayer shall be rescinded and such amount of tax credits shall then be included in the total amount of tax credits, provided under subsection 2 of section 253.550, from which approvals may be granted. Any taxpayer whose approval shall be subject to rescission shall be notified of such from the department of economic development and, upon receipt of such notice, may submit a new application for the project.

7. To claim the credit authorized under sections 253.550 to 253.559, a taxpayer with approval shall apply for final approval and issuance of tax credits from the department of economic development which, in consultation with the department of natural resources, shall determine the final amount of eligible rehabilitation costs and expenses and whether the completed rehabilitation meets the standards of the Secretary of the United States Department of the Interior for rehabilitation as determined by the state historic preservation officer of the Missouri department of natural resources. For financial institutions credits authorized pursuant to sections 253.550 to 253.561 shall be deemed to be economic development credits for purposes of section 148.064. The approval of all applications and the issuing of certificates of eligible credits to taxpayers shall be performed by the department of economic development. The department of economic development shall inform a taxpayer of final approval by letter and shall issue, to the taxpayer, tax credit certificates. The taxpayer shall attach the certificate to all Missouri income tax returns on which the credit is claimed.

8. Except as expressly provided in this subsection, tax credit certificates shall be issued in the final year that costs and expenses of rehabilitation of the project are incurred, or within the twelve-month period immediately following the conclusion of such rehabilitation. In the event the amount of eligible

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rehabilitation costs and expenses incurred by a taxpayer would result in the issuance of an amount of tax credits in excess of the amount provided under such taxpayer's approval granted under subsection 3 of this section, such taxpayer may apply to the department for issuance of tax credits in an amount equal to such excess. Applications for issuance of tax credits in excess of the amount provided under a taxpayer's application shall be made on a form prescribed by the department. Such applications shall be subject to all provisions regarding priority provided under subsection 1 of this section.

9. The department of economic development shall determine, on an annual basis, the overall economic impact to the state from the rehabilitation of eligible property.

620.2010. 1. In exchange for the consideration provided by the new tax revenues and other economic stimuli that will be generated by the new jobs created, a qualified company may, for a period of five years from the date the new jobs are created, or for a period of six years from the date the new jobs are created if the qualified company is an existing Missouri business, retain an amount equal to the withholding tax as calculated under subdivision (30) of section 620.2005 from the new jobs that would otherwise be withheld and remitted by the qualified company under the provisions of sections 143.191 to 143.265 if:

(1) The qualified company creates ten or more new jobs, and the average wage of the new payroll equals or exceeds ninety percent of the county average wage;

(2) The qualified company creates two or more new jobs at a project facility located in a rural area, the average wage of the new payroll equals or exceeds ninety percent of the county average wage, and the qualified company commits to making at least one hundred thousand dollars of new capital investment at the project facility within two years; or

(3) The qualified company creates two or more new jobs at a project facility located within a zone designated under sections 135.950 to 135.963, the average wage of the new payroll equals or exceeds eighty percent of the county average wage, and the qualified company commits to making at least one hundred thousand dollars in new capital investment at the project facility within two years of approval.

2. In addition to any benefits available under subsection 1 of this section, the department may award a qualified company that satisfies subdivision (1) of

subsection 1 of this section additional tax credits, issued each year for a period of five years from the date the new jobs are created, or for a period of six years from the date the new jobs are created if the qualified company is an existing Missouri business, in an amount equal to or less than six percent of new payroll; provided that in no event may the total amount of benefits awarded to a qualified company under this section exceed nine percent of new payroll in any calendar year. The amount of tax credits awarded to a qualified company under this subsection shall not exceed the projected net fiscal benefit to the state, as determined by the department, and shall not exceed the least amount necessary to obtain the qualified company's commitment to initiate the project. In determining the amount of tax credits to award to a qualified company under this subsection, the department shall consider the following factors:

(1) The significance of the qualified company's need for program benefits;

(2) The amount of projected net fiscal benefit to the state of the project and the period in which the state would realize such net fiscal benefit;

(3) The overall size and quality of the proposed project, including the number of new jobs, new capital investment, proposed wages, growth potential of the qualified company, the potential multiplier effect of the project, and similar factors;

(4) The financial stability and creditworthiness of the qualified company;

(5) The level of economic distress in the area;

(6) An evaluation of the competitiveness of alternative locations for the project facility, as applicable; and

(7) The percent of local incentives committed.

3. Upon approval of a notice of intent to receive tax credits under subsections 2 and 5 of this section, the department and the qualified company shall enter into a written agreement covering the applicable project period. The agreement shall specify, at a minimum:

(1) The committed number of new jobs, new payroll, and new capital investment for each year during the project period;

(2) The date or time period during which the tax credits shall be issued, which may be immediately or over a period not to exceed two years from the date of approval of the notice of intent;

(3) Clawback provisions, as may be required by the department; and

(4) Any other provisions the department may require.

4. In lieu of the benefits available under sections 1 and 2 of this section,

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and in exchange for the consideration provided by the new tax revenues and other economic stimuli that will be generated by the new jobs created by the program, a qualified company may, for a period of five years from the date the new jobs are created, or for a period of six years from the date the new jobs are created if the qualified company is an existing Missouri business, retain an amount equal to the withholding tax as calculated under subdivision (30) of section 620.2005 from the new jobs that would otherwise be withheld and remitted by the qualified company under the provisions of sections 143.191 to 143.265 equal to:

(1) Six percent of new payroll for a period of five years from the date the required number of new jobs were created if the qualified company creates one hundred or more new jobs and the average wage of the new payroll equals or exceeds one hundred twenty percent of the county average wage of the county in which the project facility is located; or

(2) Seven percent of new payroll for a period of five years from the date the required number of jobs were created if the qualified company creates one hundred or more new jobs and the average wage of the new payroll equals or exceeds one hundred forty percent of the county average wage of the county in which the project facility is located.

The department shall issue a refundable tax credit for any difference between the amount of benefit allowed under this subsection and the amount of withholding tax retained by the company, in the event the withholding tax is not sufficient to provide the entire amount of benefit due to the qualified company under this subsection.

5. In addition to the benefits available under subsection 4 of this section, the department may award a qualified company that satisfies the provisions of subsection 4 of this section additional tax credits, issued each year for a period of five years from the date the new jobs are created, or for a period of six years from the date the new jobs are created if the qualified company is an existing Missouri business, in an amount equal to or less than three percent of new payroll; provided that in no event may the total amount of benefits awarded to a qualified company under this section exceed nine percent of new payroll in any calendar year. The amount of tax credits awarded to a qualified company under this subsection shall not exceed the projected net fiscal benefit to the state, as determined by the department, and shall not exceed the least amount necessary to obtain the qualified company's commitment to initiate the project. In determining the amount of tax credits to award to a qualified company under this

subsection, the department shall consider the factors provided under subsection 2 of this section.

6. No benefits shall be available under this section for any qualified company that has performed significant, project-specific site work at the project facility, purchased machinery or equipment related to the project, or has publicly announced its intention to make new capital investment at the project facility prior to receipt of a proposal for benefits under this section or approval of its notice of intent, whichever occurs first.

7. No benefits shall be available under this section to a qualified company if the department determines that awarding such benefits will result in a net fiscal benefit to the state that is less than two and one-half dollars for each dollar of benefit awarded.

620.3200. The department of economic development may, in addition to the fees provided under section 620.1900, charge a fee to the recipient of any tax credits issued by the department under the provisions of chapter 253 in an amount not to exceed one percent of the amount of tax credits issued. The fee shall be payable to the Missouri development finance board for the benefit of the capitol complex fund established pursuant to section 620.3210 and shall be paid by the recipient upon the issuance of the tax credits. The department of economic development shall issue invoices for fees payable under this section.

620.3210. 1. This section shall be known and may be cited as the "Capitol Complex Tax Credit Act".

2. As used in this section, the following terms shall mean:

(1) "Board", the Missouri development finance board, a body corporate and politic created under sections 100.250 to 100.297 and 100.700 to 100.850;

(2) "Capitol complex", the following buildings located in Jefferson City, Missouri:

(a) State capitol building, 201 West Capitol Avenue;

(b) Supreme court building, 207 West High Street;

(c) Old Federal Courthouse, 131 West High Street;

(d) Highway building, 105 Capitol Avenue;

(e) Governor's mansion, 100 Madison Street;

(3) "Certificate", a tax credit certificate issued under this section;

(4) "Department", the Missouri department of economic

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development;

(5) "Eligible artifact", any items of personal property specifically for display in a building in the capitol complex or former fixtures which were previously owned by the state and used within the capitol complex, but which had been removed. The board of public buildings shall, in their sole discretion, make all determinations as to which items are eligible artifacts and may employ such experts as may be useful to them in making such a determination;

(6) "Eligible artifact donation", a donation of an eligible artifact to the board of public buildings. The value of such donation shall be set by the board of public buildings who may employ such experts as may be useful to them in making such a determination. The board of public buildings shall, in their sole discretion, determine if an artifact is to be accepted;

(7) "Eligible monetary donation", donations received from a qualified donor to the capitol complex fund, created in this section, or to an organization exempt from taxation under 501(c)(3) of the Internal Revenue Service Code of 1986, as amended, whose mission and purpose is to restore, renovate, improve, and maintain one or more buildings in the capitol complex, that are to be used solely for projects to restore, renovate, improve, and maintain buildings and their furnishings in the capitol complex and the administration thereof. Eligible donations may include:

(a) Cash, including checks, money orders, credit card payments, or similar cash equivalents valued at the face value of the currency. Currency of other nations shall be valued based on the exchange rate on the date of the gift. The date of the donation shall be the date that cash or check is received by the applicant or the date posted to the donor's account in the case of credit or debit cards;

(b) Stocks from a publicly traded company;

(c) Bonds which are publicly traded;

(8) "Eligible recipient", the capitol complex fund, created in this section, or an organization exempt from taxation under 501(c)(3) of the Internal Revenue Service Code of 1986, as amended, whose mission and purpose is to restore, renovate, improve, and maintain one or more buildings in the capitol complex;

(9) "Qualified donor", any of the following individuals or entities

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who make an eligible monetary donation or eligible artifact donation to the capitol complex fund or other eligible recipient:

(a) A person, firm, partner in a firm, corporation, or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed in chapter 143;

(b) An insurance company paying an annual tax on its gross premium receipts in this state;

(c) Any other financial institution paying taxes to the state of Missouri or any political subdivision of this state under chapter 148;

(d) An individual subject to the state income tax imposed in chapter 143;

(e) Any charitable organization, including any foundation or not-for-profit corporation, which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143.

3. There is hereby created a fund to be known as the "Capitol Complex Fund", separate and distinct from all other board funds, which is hereby authorized to receive any eligible monetary donation as provided in this section and revenues derived from fees imposed pursuant to section 620.3200. The capitol complex fund shall be segregated into two accounts: a rehabilitation and renovation account and a maintenance account. Ninety percent of the revenues received from eligible donations pursuant to the provisions of this section and fees collected pursuant to section 620.3000 shall be deposited in the rehabilitation and renovation account and seven and one-half percent of such revenues shall be deposited in the maintenance account. The assets of these accounts, together with any interest which may accrue thereon, shall be used by the board solely for the purposes of restoration and maintenance of the building of the capitol complex as defined in this section, and for no other purpose. The remaining two and one-half percent of the revenues deposited into the fund may be used for the purposes of soliciting donations to the fund, advertising and promoting the fund, and administrative costs of administering the fund. Any amounts not used for those purposes shall be deposited back into the rehabilitation and renovation account and the maintenance account divided in the manner set forth in this section. The board may, as an administrative cost, use the funds to hire fund raising

professionals and such other experts or advisors as may be necessary to carry out the board's duties under this section. The choice of projects for which the money is to be used, as well as the determination of the methods of carrying out the project and the procurement of goods and services thereon shall be made by the commissioner of administration. No monies shall be released from the fund for any expense without the approval of the commissioner of administration, who may delegate that authority as deemed appropriate. All contracts for rehabilitation, renovation, or maintenance work shall be the responsibility of the commissioner of administration. A memorandum of understanding may be executed between the commissioner of administration and the board determining the processes for obligation, reservation, and payment of eligible costs from the fund. The commission of administration shall not obligate costs in excess of the fund balance. The board shall not be responsible for any costs obligated in excess of available funds and shall be held harmless in any contracts related to rehabilitation, renovation, and maintenance of capitol complex buildings. No other board funds shall be used to pay obligations made by the commissioner of administration related to activities under this section.

4. For all taxable years beginning on or after January 1, 2018, any qualified donor shall be allowed a credit against the taxes otherwise due under chapters 143 and 148, except for sections 143.191 to 143.265, in an amount of fifty percent of the eligible monetary donation. The amount of the tax credit claimed may exceed the amount of the donor's state income tax liability in the tax year for which the credit is claimed. Any amount of credit that exceeds the qualified donor's state income tax liability may be refundable or may be carried forward to any of the taxpayer's four subsequent taxable years.

5. For all taxable years beginning on or after January 1, 2018, any qualified donor shall be allowed a credit against the taxes otherwise due under chapters 143 and 148, except for sections 143.191 to 143.265, in an amount of thirty percent of the eligible artifact donation. The amount of the tax credit claimed may not exceed the amount of the qualified donor's state income tax liability in the tax year for which the credit is claimed. Any amount of credit that exceeds the qualified donor's state income tax liability shall not be refundable

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but may be carried forward to any other taxpayer's four subsequent taxable years.

6. To claim a credit for an eligible monetary donation as set forth in subsection 4 of this section, a qualified donor shall make an eligible monetary donation to the board as custodian of the capitol complex fund or other eligible recipient. Upon receipt of such donation, the board or other eligible recipient shall issue to the qualified donor a statement evidencing receipt of such donation, including the value of such donation, with a copy to the department. Upon receipt of the statement from the eligible recipient, the department shall issue a tax credit certificate equal to fifty percent of the amount of the donation, to the qualified donor, as indicated in the statement from the eligible recipient.

7. To claim a credit for an eligible artifact donation as set forth in subsection 5 of this section, a qualified donor shall donate an eligible artifact to the board of public buildings. If the board of public buildings determines that artifact is an eligible artifact and has determined to accept the artifact, it shall issue a statement of donation to the eligible donor specifying the value placed on the artifact by the board of public buildings, with a copy to the department. Upon receiving a statement from the board of public buildings, the department shall issue a tax credit certificate equal to thirty percent of the amount of the donation, to the qualified donor as indicated in the statement from the board of public buildings.

8. The department shall not authorize more than ten million dollars in tax credits provided under this section and section 620.3220 in any calendar year. Donations shall be processed for tax credits on a first come, first serve basis. Donations received in excess of the tax credit cap shall be placed in line for tax credits issued the following year or shall be given the opportunity to complete their donation without the expectation of a tax credit, or shall request to have their donation returned.

9. Tax credits issued under the provisions of this section shall not be subject to the payment of any fee required under the provisions of section 620.1900.

10. Tax credits issued under this section may be assigned, transferred, sold, or otherwise conveyed, and the new owner of the tax

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credit shall have the same rights in the credit as the taxpayer. Whenever a certificate is assigned, transferred, sold, or otherwise conveyed, a notarized endorsement shall be filed with the department specifying the name and address of the new owner of the tax credit and the value of the credit.

11. The department may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010 that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2018, shall be invalid and void.

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

(1) The provisions of the new program authorized under this section shall sunset automatically six years after August 28, 2018, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall sunset automatically twelve years after August 28, 2018; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.

644.032. 1. The governing body of any municipality or county may impose, by ordinance or order, a sales tax in an amount not to exceed one-half of one percent on all retail sales made in such municipality or county which are subject to taxation under the provisions of **[**sections 144.010 to 144.525**] chapter 144**. The tax authorized by this section and section 644.033 shall be in addition to any and all other sales taxes allowed by law, except that no ordinance or order imposing a sales tax under the provisions of this section and section 644.033 shall be effective unless the governing body of the municipality or county submits to the voters of the municipality or county, at a municipal, county or state general, primary or special election, a proposal to authorize the governing body of the municipality or county to impose a tax, provided, that the tax authorized by this

section shall not be imposed on the sales of food, as defined in section 144.014, when imposed by any county with a charter form of government and with more than one million inhabitants.

2. The ballot of submission shall contain, but need not be limited to, the following language:

Shall the municipality (county) of _____ impose a sales tax of _____ (insert amount) for the purpose of providing funding for _____ (insert either storm water control, or local parks, or storm water control and local parks) for the municipality (county)?

☐ YES ☐ NO

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the ordinance or order and any amendments thereto shall **[**be in effect on the first day of the second quarter after the director of revenue receives notice of adoption of the tax**]** **become effective as provided in subsection 19 of section 32.087**. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the governing body of the municipality or county shall not impose the sales tax authorized in this section and section 644.033 until the governing body of the municipality or county resubmits another proposal to authorize the governing body of the municipality or county to impose the sales tax authorized by this section and section 644.033 and such proposal is approved by a majority of the qualified voters voting thereon; however, in no event shall a proposal pursuant to this section and section 644.033 be submitted to the voters sooner than twelve months from the date of the last proposal pursuant to this section and section 644.033.

3. All revenue received by a municipality or county from the tax authorized under the provisions of this section and section 644.033 shall be deposited in a special trust fund and shall be used to provide funding for storm water control or for local parks, or both, within such municipality or county, provided that such revenue may be used for local parks outside such municipality or county if the municipality or county is engaged in a cooperative agreement pursuant to section 70.220.

4. Any funds in such special trust fund which are not needed for current expenditures may be invested by the governing body in accordance with applicable laws relating to the investment of other municipal or county funds.

5. Except as modified in this section, all provisions of sections 32.085 to 32.087 shall apply to the tax imposed under this section.

[66.601. The duties of the director of revenue with respect to the allocation, division and distribution of sales and use tax proceeds determined to be due any county of the first classification having a charter form of government and having a population of nine hundred thousand or more inhabitants and all municipalities within such county, resulting from taxes levied or imposed under the authority of sections 66.600 to 66.630, section 144.748, and sections 94.850 to 94.857, may be delegated to the county levying the county sales tax under sections 66.600 to 66.630, at the discretion of the director of revenue and with the consent of the county. Notwithstanding the provisions of section 32.057 to the contrary, if such duties are so assigned, the director of revenue shall furnish the county with sufficient information to perform such duties in such form as may be agreed upon by the director and the county at no cost to the county. The county shall be bound by the provisions of section 32.057, and shall use any information provided by the director of revenue under the provisions of this section solely for the purpose of allocating, dividing and distributing such sales and use tax revenues. The county shall exercise all of the director's powers and duties with respect to such allocation, division and distribution, and shall receive no fee for carrying out such powers and duties.**]**

[67.1713. Beginning January 1, 2002, there is hereby specifically exempted from the tax imposed pursuant to section 67.1712 all sales of food as defined by section 144.014.**]**

[67.1971. All entities remitting the sales tax authorized pursuant to section 67.1959 shall have their liability reduced by an amount equal to twenty-five percent of any taxes collected and remitted pursuant to sections 94.802 to 94.805.**]**

[143.261. For every remittance to the director of revenue made on or before the date the remittance becomes due, the employer, other than the United States and its agencies, the state of Missouri and political subdivisions thereof, may deduct and retain the following percentages of the total amount of tax withheld and paid in each calendar year:

(1) Two percent of five thousand dollars or less;

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(2) One percent of amount collected in excess of five thousand dollars and up to and including ten thousand dollars;

(3) One-half percent of amount collected in excess of ten thousand dollars.**]**

[144.069. All sales taxes associated with the titling of motor vehicles, trailers, boats and outboard motors under the laws of Missouri shall be imposed at the rate in effect at the location of the address of the owner thereof, and all sales taxes associated with the titling of vehicles under leases of over sixty-day duration of motor vehicles, trailers, boats and outboard motors shall be imposed at the rate in effect, unless the vehicle, trailer, boat or motor has been registered and sales taxes have been paid prior to the consummation of the lease agreement at the location of the address of the lessee thereof on the date the lease is consummated, and all applicable sales taxes levied by any political subdivision shall be collected and remitted on such sales from the purchaser or lessee by the state department of revenue on that basis.**]**

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

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

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

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

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

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

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

b. Maintains an office, distribution facility, warehouse, or

storage place, or similar place of business in the state to facilitate the delivery of property or services sold by the vendor to the vendor's customers;

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

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

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

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

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

(f) The presumption in paragraph (e) may be rebutted by submitting proof that the residents with whom the vendor has an agreement did not engage in any activity within the state that was significantly associated with the vendor's ability to establish or maintain the vendor's market in the state during the preceding twelve months. Such proof may consist of sworn written statements from all of the residents with whom the vendor has an agreement stating that they did not engage in any solicitation in

the state on behalf of the vendor during the preceding year provided that such statements were provided and obtained in good faith;

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

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

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

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

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

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

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

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

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

(12) "Taxpayer", any person remitting the tax or who should

remit the tax levied by sections 144.600 to 144.745;

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

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

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

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

(1) "Agreement", the streamlined sales and use tax agreement;

(2) "Certified automated system", software certified jointly by the states that are signatories to the agreement to calculate the tax imposed by each jurisdiction on a transaction, determine the amount of tax to remit to the appropriate state and maintain a

record of the transaction;

(3) "Certified service provider", an agent certified jointly by the states that are signatories to the agreement to perform all of the seller's sales tax functions;

(4) "Person", an individual, trust, estate, fiduciary, partnership, limited liability company, limited liability partnership, corporation or any other legal entity;

(5) "Sales tax", any sales tax levied pursuant to this chapter, section 32.085, or any other sales tax authorized by statute and levied by this state or its political subdivisions;

(6) "Seller", any person making sales, leases or rentals of personal property or services;

(7) "State", any state of the United States and the District of Columbia;

(8) "Use tax", the use tax levied pursuant to this chapter.**]**

[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.**]**

[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.**]**

[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:

(1) Requires adoption of a definition of any term that would cause any item or transaction that is now excluded or exempted from sales or use tax to become subject to sales or use tax;

(2) Requires the state of Missouri to fully exempt or fully apply sales taxes to the sale of food or any other item;

(3) Restricts the ability of local governments under statutes in effect on August 28, 2002, to enact one or more local taxes on one or more items without application of the tax to all sales within the taxing jurisdiction, however, restriction of any such taxes allowed by statutes effective after August 28, 2002, may be supported;

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

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

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

[144.1015. In addition to the requirements of section 144.1012, the delegates should consider the following features when deciding whether or not to enter into any streamlined sales

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and use tax agreement:

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

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

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

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

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

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

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

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

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

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

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governments under various levels of complexity to be completed by July 1, 2003;

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

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

(9) The agreement should provide for the appointment of an advisory council of private sector representatives and an advisory council of nonmember state representatives to consult with in the administration of the agreement.**]**

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