

SECOND REGULAR SESSION

[PERFECTED]

SENATE SUBSTITUTE NO. 2 FOR

SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 649

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR EIGEL.

4106S.09P

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal sections 32.087, 137.115, 143.121, 144.030, 144.190, and 190.800, RSMo, and to enact in lieu thereof nine new sections relating to taxation.

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

Section A. Sections 32.087, 137.115, 143.121, 144.030,
2 144.190, and 190.800, RSMo, are repealed and nine new sections
3 enacted in lieu thereof, to be known as sections 32.087,
4 137.103, 137.115, 143.121, 144.030, 144.059, 144.190, 144.813,
5 and 190.800, to read as follows:

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

9 2. Any local sales tax so adopted shall become
10 effective on the first day of the second calendar quarter
11 after the director of revenue receives notice of adoption of
12 the local sales tax, except as provided in subsection 18 of

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

13 this section, and shall be imposed on all transactions on
14 which the Missouri state sales tax is imposed.

15 3. **(1)** Every retailer within the jurisdiction of one
16 or more taxing entities which has imposed one or more local
17 sales taxes under the local sales tax law shall add all
18 taxes so imposed along with the tax imposed by the sales tax
19 law of the state of Missouri to the sale price and, when
20 added, the combined tax shall constitute a part of the
21 price, and shall be a debt of the purchaser to the retailer
22 until paid, and shall be recoverable at law in the same
23 manner as the purchase price. The combined rate of the
24 state sales tax and all local sales taxes shall be the sum
25 of the rates, multiplying the combined rate times the amount
26 of the sale.

27 **(2)** In addition to any local sales tax imposed or
28 authorized under the local sales tax law as of January 1,
29 2023, any taxing jurisdiction may impose one or more sales
30 taxes on all retail sales made in such taxing jurisdiction
31 which are subject to taxation under the provisions of
32 chapter 144 for any purpose designated by the taxing
33 jurisdiction in its ballot of submission to its voters;
34 provided, however, that no sales tax shall be effective
35 unless the governing body of the taxing jurisdiction submits
36 to the voters of the taxing jurisdiction, at a state general
37 election, a proposal to authorize the taxing jurisdiction to
38 impose a tax under the provisions of this subsection. The
39 taxes authorized by this subsection shall be in addition to
40 any and all other sales taxes allowed by law.

41 **(3)** The ballot of submission shall contain, but need
42 not be limited to, the following language:

43 Shall (taxing jurisdiction's name)
44 impose a sales tax at the rate of (insert
45 amount) for the purpose of (insert
46 purpose)?

47 YES NO

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

52 If a majority of the votes cast on the proposal by the
53 qualified voters voting thereon are in favor of the
54 proposal, then the sales tax shall be in effect. If a
55 majority of the votes cast by the qualified voters voting
56 are opposed to the proposal, then the governing body of the
57 taxing jurisdiction shall have no power to impose the sales
58 tax authorized by this subsection unless and until the
59 governing body of the taxing jurisdiction shall again have
60 submitted another proposal to authorize it to impose the
61 sales tax under the provisions of this subsection and such
62 proposal is approved by a majority of the qualified voters
63 voting thereon.

64 (4) Sales taxes imposed or authorized under the local
65 sales tax law as of January 1, 2023, and under the
66 provisions of this subsection shall not exceed the following
67 amounts:

68 (a) For local sales taxes imposed and retained by a
69 taxing entity that is incorporated as a city, town, or
70 village, the total combined rate shall not exceed four and
71 one-half percent;

72 (b) For local sales taxes imposed and retained by a
73 county, excluding cities not within a county, the total
74 combined rate shall not exceed four and one-half percent;

75 (c) For local sales taxes imposed and retained by a
76 city not within a county, the total combined rate shall not
77 exceed nine percent;

78 (d) For local sales taxes imposed and retained by all
79 taxing jurisdictions other than those described in
80 paragraphs (a) to (c) of this subdivision, the total
81 combined rate of sales taxes in any given taxing
82 jurisdiction shall not exceed three percent. For the
83 purposes of this paragraph, local sales taxes imposed by
84 taxing entities described in paragraphs (a) to (c) of this
85 subdivision in a given taxing jurisdiction shall not be
86 included in the calculation of the total combined rate of
87 sales taxes under this paragraph.

88 (5) (a) In any election in which more than one sales
89 tax levy is approved by the voters, and the passage of such
90 levies results in a combined rate of sales tax in excess of
91 the limits provided for under subdivision (4) of this
92 subsection, only the sales tax levy receiving the most votes
93 shall become effective, provided such levy does not result
94 in a combined rate of sales tax in excess of the limits
95 provided for under subdivision (4) of this subsection.

96 (b) No taxing jurisdiction with a combined rate of
97 sales tax in excess of the rates provided in subdivision (4)
98 of this subsection as of August 28, 2022, shall be required
99 to reduce or repeal any such sales tax rate.

100 4. The brackets required to be established by the
101 director of revenue under the provisions of section 144.285
102 shall be based upon the sum of the combined rate of the

103 state sales tax and all local sales taxes imposed under the
104 provisions of the local sales tax law.

105 5. (1) The ordinance or order imposing a local sales
106 tax under the local sales tax law shall impose a tax upon
107 all transactions upon which the Missouri state sales tax is
108 imposed to the extent and in the manner provided in sections
109 144.010 to 144.525, and the rules and regulations of the
110 director of revenue issued pursuant thereto; except that the
111 rate of the tax shall be the sum of the combined rate of the
112 state sales tax or state highway use tax and all local sales
113 taxes imposed under the provisions of the local sales tax
114 law.

115 (2) Notwithstanding any other provision of law to the
116 contrary, local taxing jurisdictions, except those in which
117 voters have approved a local use tax under section 144.757,
118 shall have placed on the ballot on or after the general
119 election in November 2014, but no later than the general
120 election in November 2022, whether to repeal application of
121 the local sales tax to the titling of motor vehicles,
122 trailers, boats, and outboard motors that are subject to
123 state sales tax under section 144.020 and purchased from a
124 source other than a licensed Missouri dealer. The ballot
125 question presented to the local voters shall contain
126 substantially the following language:

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

133 Approval of this measure will result in a
134 reduction of local revenue to provide for vital
135 services for _____ (local jurisdiction's name)

136 and it will place Missouri dealers of motor
137 vehicles, outboard motors, boats, and trailers at
138 a competitive disadvantage to non-Missouri dealers
139 of motor vehicles, outboard motors, boats, and
140 trailers.

141 YES NO

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

146 (3) If the ballot question set forth in subdivision
147 (2) of this subsection receives a majority of the votes cast
148 in favor of the proposal, or if the local taxing
149 jurisdiction fails to place the ballot question before the
150 voters on or before the general election in November 2022,
151 the local taxing jurisdiction shall cease applying the local
152 sales tax to the titling of motor vehicles, trailers, boats,
153 and outboard motors that were purchased from a source other
154 than a licensed Missouri dealer.

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

168 applied to the titling of motor vehicles, trailers, boats,
169 and outboard motors purchased from a source other than a
170 licensed Missouri dealer. If a majority of the votes cast
171 by the registered voters voting thereon are opposed to the
172 proposal to repeal application of the local sales tax to
173 such titling, such application shall remain in effect.

174 (5) In addition to the requirement that the ballot
175 question set forth in subdivision (2) of this subsection be
176 placed before the voters on or after the general election in
177 November 2014, and on or before the general election in
178 November 2022, whenever the governing body of any local
179 taxing jurisdiction imposing a local sales tax on the sale
180 of motor vehicles, trailers, boats, and outboard motors
181 receives a petition, signed by fifteen percent of the
182 registered voters of such jurisdiction voting in the last
183 gubernatorial election, and calling for a proposal to be
184 placed on the ballot at any election to repeal application
185 of the local sales tax to the titling of motor vehicles,
186 trailers, boats, and outboard motors purchased from a source
187 other than a licensed Missouri dealer, the governing body
188 shall submit to the voters of such jurisdiction a proposal
189 to repeal application of the local sales tax to such
190 titling. If a majority of the votes cast by the registered
191 voters voting thereon are in favor of the proposal to repeal
192 application of the local sales tax to such titling, then the
193 local sales tax shall no longer be applied to the titling of
194 motor vehicles, trailers, boats, and outboard motors
195 purchased from a source other than a licensed Missouri
196 dealer. If a majority of the votes cast by the registered
197 voters voting thereon are opposed to the proposal to repeal
198 application of the local sales tax to such titling, such
199 application shall remain in effect.

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

203 (7) If any local sales tax on the titling of motor
204 vehicles, trailers, boats, and outboard motors purchased
205 from a source other than a licensed Missouri dealer is
206 repealed, such repeal shall take effect on the first day of
207 the second calendar quarter after the election. If any
208 local sales tax on the titling of motor vehicles, trailers,
209 boats, and outboard motors purchased from a source other
210 than a licensed Missouri dealer is required to cease to be
211 applied or collected due to failure of a local taxing
212 jurisdiction to hold an election pursuant to subdivision (2)
213 of this subsection, such cessation shall take effect on
214 March 1, 2023.

215 (8) Notwithstanding any provision of law to the
216 contrary, if any local sales tax on the titling of motor
217 vehicles, trailers, boats, and outboard motors purchased
218 from a source other than a licensed Missouri dealer is
219 repealed after the general election in November 2014, or if
220 the taxing jurisdiction failed to present the ballot to the
221 voters at a general election on or before November 2022,
222 then the governing body of such taxing jurisdiction may, at
223 any election subsequent to the repeal or after the general
224 election in November 2022, if the jurisdiction failed to
225 present the ballot to the voters, place before the voters
226 the issue of imposing a sales tax on the titling of motor
227 vehicles, trailers, boats, and outboard motors that are
228 subject to state sales tax under section 144.020 that were
229 purchased from a source other than a licensed Missouri
230 dealer. The ballot question presented to the local voters
231 shall contain substantially the following language:

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

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

246 YES NO

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

251 (9) If any local sales tax on the titling of motor
252 vehicles, trailers, boats, and outboard motors purchased
253 from a source other than a licensed Missouri dealer is
254 adopted, such tax shall take effect and be imposed on the
255 first day of the second calendar quarter after the election.

256 6. On and after the effective date of any local sales
257 tax imposed under the provisions of the local sales tax law,
258 the director of revenue shall perform all functions incident
259 to the administration, collection, enforcement, and
260 operation of the tax, and the director of revenue shall
261 collect in addition to the sales tax for the state of
262 Missouri all additional local sales taxes authorized under
263 the authority of the local sales tax law. All local sales
264 taxes imposed under the local sales tax law together with
265 all taxes imposed under the sales tax law of the state of

266 Missouri shall be collected together and reported upon such
267 forms and under such administrative rules and regulations as
268 may be prescribed by the director of revenue.

269 7. All applicable provisions contained in sections
270 144.010 to 144.525 governing the state sales tax and section
271 32.057, the uniform confidentiality provision, shall apply
272 to the collection of any local sales tax imposed under the
273 local sales tax law except as modified by the local sales
274 tax law.

275 8. All exemptions granted to agencies of government,
276 organizations, persons and to the sale of certain articles
277 and items of tangible personal property and taxable services
278 under the provisions of sections 144.010 to 144.525, as
279 these sections now read and as they may hereafter be
280 amended, it being the intent of this general assembly to
281 ensure that the same sales tax exemptions granted from the
282 state sales tax law also be granted under the local sales
283 tax law, are hereby made applicable to the imposition and
284 collection of all local sales taxes imposed under the local
285 sales tax law.

286 9. The same sales tax permit, exemption certificate
287 and retail certificate required by sections 144.010 to
288 144.525 for the administration and collection of the state
289 sales tax shall satisfy the requirements of the local sales
290 tax law, and no additional permit or exemption certificate
291 or retail certificate shall be required; except that the
292 director of revenue may prescribe a form of exemption
293 certificate for an exemption from any local sales tax
294 imposed by the local sales tax law.

295 10. All discounts allowed the retailer under the
296 provisions of the state sales tax law for the collection of
297 and for payment of taxes under the provisions of the state

298 sales tax law are hereby allowed and made applicable to any
299 local sales tax collected under the provisions of the local
300 sales tax law.

301 11. The penalties provided in section 32.057 and
302 sections 144.010 to 144.525 for a violation of the
303 provisions of those sections are hereby made applicable to
304 violations of the provisions of the local sales tax law.

305 12. (1) For the purposes of any local sales tax
306 imposed by an ordinance or order under the local sales tax
307 law, all sales, except the sale of motor vehicles, trailers,
308 boats, and outboard motors required to be titled under the
309 laws of the state of Missouri, shall be deemed to be
310 consummated at the place of business of the retailer unless
311 the tangible personal property sold is delivered by the
312 retailer or his agent to an out-of-state destination. In
313 the event a retailer has more than one place of business in
314 this state which participates in the sale, the sale shall be
315 deemed to be consummated at the place of business of the
316 retailer where the initial order for the tangible personal
317 property is taken, even though the order must be forwarded
318 elsewhere for acceptance, approval of credit, shipment or
319 billing. A sale by a retailer's agent or employee shall be
320 deemed to be consummated at the place of business from which
321 he works.

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

330 (3) For the purposes of any local tax imposed by an
331 ordinance or under the local sales tax law on charges for
332 mobile telecommunications services, all taxes of mobile
333 telecommunications service shall be imposed as provided in
334 the Mobile Telecommunications Sourcing Act, 4 U.S.C.
335 Sections 116 through 124, as amended.

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

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

360 15. The director of revenue shall annually report on
361 his management of each trust fund which is created under the

362 local sales tax law and administration of each local sales
363 tax imposed under the local sales tax law. He shall provide
364 each taxing entity imposing one or more local sales taxes
365 authorized by the local sales tax law with a detailed
366 accounting of the source of all funds received by him for
367 the taxing entity. Notwithstanding any other provisions of
368 law, the state auditor shall annually audit each trust
369 fund. A copy of the director's report and annual audit
370 shall be forwarded to each taxing entity imposing one or
371 more local sales taxes.

372 16. Within the boundaries of any taxing entity where
373 one or more local sales taxes have been imposed, if any
374 person is delinquent in the payment of the amount required
375 to be paid by him under the local sales tax law or in the
376 event a determination has been made against him for taxes
377 and penalty under the local sales tax law, the limitation
378 for bringing suit for the collection of the delinquent tax
379 and penalty shall be the same as that provided in sections
380 144.010 to 144.525. Where the director of revenue has
381 determined that suit must be filed against any person for
382 the collection of delinquent taxes due the state under the
383 state sales tax law, and where such person is also
384 delinquent in payment of taxes under the local sales tax
385 law, the director of revenue shall notify the taxing entity
386 in the event any person fails or refuses to pay the amount
387 of any local sales tax due so that appropriate action may be
388 taken by the taxing entity.

389 17. Where property is seized by the director of
390 revenue under the provisions of any law authorizing seizure
391 of the property of a taxpayer who is delinquent in payment
392 of the tax imposed by the state sales tax law, and where
393 such taxpayer is also delinquent in payment of any tax

394 imposed by the local sales tax law, the director of revenue
395 shall permit the taxing entity to join in any sale of
396 property to pay the delinquent taxes and penalties due the
397 state and to the taxing entity under the local sales tax
398 law. The proceeds from such sale shall first be applied to
399 all sums due the state, and the remainder, if any, shall be
400 applied to all sums due such taxing entity.

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

**137.103. 1. For the purposes of this section, the
2 following terms shall mean:**

3 (1) "Eligible credit amount", the difference between
4 an eligible taxpayer's real property tax liability on such
5 taxpayer's homestead for a given tax year, minus the real
6 property tax liability on such homestead in the year that
7 the eligible taxpayer turned sixty-five years of age;

8 (2) "Eligible taxpayer", a Missouri resident who:

9 (a) Is at least sixty-five years of age;

10 (b) Is an owner of record of a homestead or has a
11 legal or equitable interest in such property as evidenced by
12 a written instrument; and

13 (c) Is liable for the payment of real property taxes
14 on such homestead;

15 (3) "Homestead", real property actually occupied by an
16 eligible taxpayer as a primary residence.

17 2. Pursuant to article X, section 6(a) of the Missouri
18 Constitution, any taxing jurisdiction authorized to impose a
19 property tax may grant a property tax credit to eligible
20 taxpayers residing in such taxing jurisdiction, provided
21 that:

22 (1) Such taxing jurisdiction adopts an ordinance
23 authorizing such credit; or

24 (2) (a) A petition in support of a referendum on such
25 a credit is signed by at least five percent of the
26 registered voters in the taxing jurisdiction and the
27 petition is delivered to the governing body of the taxing
28 jurisdiction; and

29 (b) The taxing jurisdiction subsequently holds a
30 referendum on such credit and the credit is approved by a
31 majority of the qualified voters voting thereon.

32 3. A taxing jurisdiction granting an exemption
33 pursuant to this section shall apply such exemption when
34 calculating the eligible taxpayer's property tax liability
35 for the tax year. The amount of the credit shall be noted
36 on the statement of tax due sent to the eligible taxpayer by
37 the county collector.

137.115. 1. All other laws to the contrary
2 notwithstanding, the assessor or the assessor's deputies in
3 all counties of this state including the City of St. Louis
4 shall annually make a list of all real and tangible personal

5 property taxable in the assessor's city, county, town or
6 district. Except as otherwise provided in subsection 3 of
7 this section and section 137.078, the assessor shall
8 annually assess all personal property at thirty-three and
9 one-third percent of its true value in money as of January
10 first of each calendar year. **Beginning January 1, 2023, in**
11 **any county described in subdivision (5) of this subsection,**
12 **all personal property in such county shall be annually**
13 **assessed at a percent of its true value in money as of**
14 **January first of each calendar year as follows:**

15 (1) A political subdivision shall annually reduce the
16 percentage of true value in money at which personal property
17 is assessed pursuant to this subsection such that the amount
18 by which the revenue generated by taxes levied on such
19 personal property is substantially equal to one hundred
20 percent of the growth in revenue generated by real property
21 assessment growth. Annual reductions shall be made pursuant
22 to this subdivision until December 31, 2075. Thereafter,
23 the percentage of true value in money at which personal
24 property is assessed shall be equal to the percentage in
25 effect on December 31, 2075.

26 (2) The provisions of subdivision (1) of this
27 subsection shall not be construed to relieve a political
28 subdivision from adjustments to property tax levies as
29 required by section 137.073.

30 (3) For the purposes of subdivision (1) of this
31 subsection, "real property assessment growth" shall mean the
32 growth in revenue from increases in the total assessed
33 valuation of all real property in a political subdivision
34 over the revenue generated from the assessed valuation of
35 such real property from the previous calendar year. Real
36 property assessment growth shall not include any revenue in

37 excess of the percent increase in the consumer price index,
38 as described in subsection 2 of section 137.073.

39 (4) Notwithstanding the provisions of subdivisions (1)
40 to (4) of this subsection to the contrary, for the purposes
41 of the tax levied pursuant to Article III, Section 38(b) of
42 the Missouri Constitution, all personal property shall be
43 assessed at thirty-three and one-third percent of its true
44 value in money as of January first of each calendar year.

45 (5) The provisions of subdivisions (1) to (4) of this
46 subsection shall apply to the following counties:

47 (a) Any county with more than four hundred thousand
48 but fewer than five hundred thousand inhabitants;

49 (b) Any county with more than one hundred thousand but
50 fewer than one hundred twenty thousand inhabitants and with
51 a county seat with more than nine thousand but fewer than
52 eleven thousand inhabitants;

53 (c) Any county with more than eleven thousand but
54 fewer than twelve thousand five hundred inhabitants and with
55 a county seat with more than four thousand but fewer than
56 five thousand inhabitants;

57 (d) Any county with more than fifteen thousand seven
58 hundred but fewer than seventeen thousand six hundred
59 inhabitants and with a county seat with more than four
60 thousand two hundred ten but fewer than six thousand
61 inhabitants;

62 (e) Any county with more than nineteen thousand but
63 fewer than twenty-two thousand inhabitants and with a county
64 seat with more than eight thousand five hundred but fewer
65 than ten thousand inhabitants; and

66 (f) Any county with more than nineteen thousand but
67 fewer than twenty-two thousand inhabitants and with a county

68 **seat with more than six thousand but fewer than eight**
69 **thousand five hundred inhabitants.**

70 **2.** The assessor shall annually assess all real
71 property, including any new construction and improvements to
72 real property, and possessory interests in real property at
73 the percent of its true value in money set in subsection [5]
74 **6** of this section. The true value in money of any
75 possessory interest in real property in subclass (3), where
76 such real property is on or lies within the ultimate airport
77 boundary as shown by a federal airport layout plan, as
78 defined by 14 CFR 151.5, of a commercial airport having a
79 FAR Part 139 certification and owned by a political
80 subdivision, shall be the otherwise applicable true value in
81 money of any such possessory interest in real property, less
82 the total dollar amount of costs paid by a party, other than
83 the political subdivision, towards any new construction or
84 improvements on such real property completed after January
85 1, 2008, and which are included in the above-mentioned
86 possessory interest, regardless of the year in which such
87 costs were incurred or whether such costs were considered in
88 any prior year. The assessor shall annually assess all real
89 property in the following manner: new assessed values shall
90 be determined as of January first of each odd-numbered year
91 and shall be entered in the assessor's books; those same
92 assessed values shall apply in the following even-numbered
93 year, except for new construction and property improvements
94 which shall be valued as though they had been completed as
95 of January first of the preceding odd-numbered year,
96 **provided that no real residential property shall be assessed**
97 **at a value that exceeds the previous assessed value for such**
98 **property, exclusive of new construction and improvements, by**
99 **more than the percentage increase in the consumer price**

100 **index or ten percent, whichever is greater.** The assessor
101 may call at the office, place of doing business, or
102 residence of each person required by this chapter to list
103 property, and require the person to make a correct statement
104 of all taxable tangible personal property owned by the
105 person or under his or her care, charge or management,
106 taxable in the county. On or before January first of each
107 even-numbered year, the assessor shall prepare and submit a
108 two-year assessment maintenance plan to the county governing
109 body and the state tax commission for their respective
110 approval or modification. The county governing body shall
111 approve and forward such plan or its alternative to the plan
112 to the state tax commission by February first. If the
113 county governing body fails to forward the plan or its
114 alternative to the plan to the state tax commission by
115 February first, the assessor's plan shall be considered
116 approved by the county governing body. If the state tax
117 commission fails to approve a plan and if the state tax
118 commission and the assessor and the governing body of the
119 county involved are unable to resolve the differences, in
120 order to receive state cost-share funds outlined in section
121 137.750, the county or the assessor shall petition the
122 administrative hearing commission, by May first, to decide
123 all matters in dispute regarding the assessment maintenance
124 plan. Upon agreement of the parties, the matter may be
125 stayed while the parties proceed with mediation or
126 arbitration upon terms agreed to by the parties. The final
127 decision of the administrative hearing commission shall be
128 subject to judicial review in the circuit court of the
129 county involved. In the event a valuation of subclass (1)
130 real property within any county with a charter form of
131 government, or within a city not within a county, is made by

132 a computer, computer-assisted method or a computer program,
133 the burden of proof, supported by clear, convincing and
134 cogent evidence to sustain such valuation, shall be on the
135 assessor at any hearing or appeal. In any such county,
136 unless the assessor proves otherwise, there shall be a
137 presumption that the assessment was made by a computer,
138 computer-assisted method or a computer program. Such
139 evidence shall include, but shall not be limited to, the
140 following:

141 (1) The findings of the assessor based on an appraisal
142 of the property by generally accepted appraisal techniques;
143 and

144 (2) The purchase prices from sales of at least three
145 comparable properties and the address or location thereof.
146 As used in this subdivision, the word "comparable" means
147 that:

148 (a) Such sale was closed at a date relevant to the
149 property valuation; and

150 (b) Such properties are not more than one mile from
151 the site of the disputed property, except where no similar
152 properties exist within one mile of the disputed property,
153 the nearest comparable property shall be used. Such
154 property shall be within five hundred square feet in size of
155 the disputed property, and resemble the disputed property in
156 age, floor plan, number of rooms, and other relevant
157 characteristics.

158 [2.] 3. Assessors in each county of this state and the
159 City of St. Louis may send personal property assessment
160 forms through the mail.

161 [3.] 4. The following items of personal property shall
162 each constitute separate subclasses of tangible personal
163 property and shall be assessed and valued for the purposes

164 of taxation at the following percentages of their true value
165 in money:

- 166 (1) Grain and other agricultural crops in an
167 unmanufactured condition, one-half of one percent;
- 168 (2) Livestock, twelve percent;
- 169 (3) Farm machinery, twelve percent;
- 170 (4) Motor vehicles which are eligible for registration
171 as and are registered as historic motor vehicles pursuant to
172 section 301.131 and aircraft which are at least twenty-five
173 years old and which are used solely for noncommercial
174 purposes and are operated less than two hundred hours per
175 year or aircraft that are home built from a kit, five
176 percent;
- 177 (5) Poultry, twelve percent; and
- 178 (6) Tools and equipment used for pollution control and
179 tools and equipment used in retooling for the purpose of
180 introducing new product lines or used for making
181 improvements to existing products by any company which is
182 located in a state enterprise zone and which is identified
183 by any standard industrial classification number cited in
184 subdivision (7) of section 135.200, twenty-five percent.

185 [4.] 5. The person listing the property shall enter a
186 true and correct statement of the property, in a printed
187 blank prepared for that purpose. The statement, after being
188 filled out, shall be signed and either affirmed or sworn to
189 as provided in section 137.155. The list shall then be
190 delivered to the assessor.

191 [5.] 6. (1) All subclasses of real property, as such
192 subclasses are established in Section 4(b) of Article X of
193 the Missouri Constitution and defined in section 137.016,
194 shall be assessed at the following percentages of true value:

195 (a) For real property in subclass (1), nineteen
196 percent;

197 (b) For real property in subclass (2), twelve percent;
198 and

199 (c) For real property in subclass (3), thirty-two
200 percent.

201 (2) A taxpayer may apply to the county assessor, or,
202 if not located within a county, then the assessor of such
203 city, for the reclassification of such taxpayer's real
204 property if the use or purpose of such real property is
205 changed after such property is assessed under the provisions
206 of this chapter. If the assessor determines that such
207 property shall be reclassified, he or she shall determine
208 the assessment under this subsection based on the percentage
209 of the tax year that such property was classified in each
210 subclassification.

211 [6.] 7. Manufactured homes, as defined in section
212 700.010, which are actually used as dwelling units shall be
213 assessed at the same percentage of true value as residential
214 real property for the purpose of taxation. The percentage
215 of assessment of true value for such manufactured homes
216 shall be the same as for residential real property. If the
217 county collector cannot identify or find the manufactured
218 home when attempting to attach the manufactured home for
219 payment of taxes owed by the manufactured home owner, the
220 county collector may request the county commission to have
221 the manufactured home removed from the tax books, and such
222 request shall be granted within thirty days after the
223 request is made; however, the removal from the tax books
224 does not remove the tax lien on the manufactured home if it
225 is later identified or found. For purposes of this section,
226 a manufactured home located in a manufactured home rental

227 park, rental community or on real estate not owned by the
228 manufactured home owner shall be considered personal
229 property. For purposes of this section, a manufactured home
230 located on real estate owned by the manufactured home owner
231 may be considered real property.

232 [7.] 8. Each manufactured home assessed shall be
233 considered a parcel for the purpose of reimbursement
234 pursuant to section 137.750, unless the manufactured home is
235 deemed to be real estate as defined in subsection 7 of
236 section 442.015 and assessed as a realty improvement to the
237 existing real estate parcel.

238 [8.] 9. Any amount of tax due and owing based on the
239 assessment of a manufactured home shall be included on the
240 personal property tax statement of the manufactured home
241 owner unless the manufactured home is deemed to be real
242 estate as defined in subsection 7 of section 442.015, in
243 which case the amount of tax due and owing on the assessment
244 of the manufactured home as a realty improvement to the
245 existing real estate parcel shall be included on the real
246 property tax statement of the real estate owner.

247 [9.] 10. The assessor of each county and each city not
248 within a county shall use the trade-in value published in
249 the October issue of the National Automobile Dealers'
250 Association Official Used Car Guide, or its successor
251 publication, as the recommended guide of information for
252 determining the true value of motor vehicles described in
253 such publication. The assessor shall not use a value that
254 is greater than the average trade-in value in determining
255 the true value of the motor vehicle without performing a
256 physical inspection of the motor vehicle. For vehicles two
257 years old or newer from a vehicle's model year, the assessor
258 may use a value other than average without performing a

259 physical inspection of the motor vehicle. In the absence of
260 a listing for a particular motor vehicle in such
261 publication, the assessor shall use such information or
262 publications which in the assessor's judgment will fairly
263 estimate the true value in money of the motor vehicle.

264 [10.] 11. Before the assessor may increase the
265 assessed valuation of any parcel of subclass (1) real
266 property by more than fifteen percent since the last
267 assessment, excluding increases due to new construction or
268 improvements, the assessor shall conduct a physical
269 inspection of such property.

270 [11.] 12. If a physical inspection is required,
271 pursuant to subsection [10] 11 of this section, the assessor
272 shall notify the property owner of that fact in writing and
273 shall provide the owner clear written notice of the owner's
274 rights relating to the physical inspection. If a physical
275 inspection is required, the property owner may request that
276 an interior inspection be performed during the physical
277 inspection. The owner shall have no less than thirty days
278 to notify the assessor of a request for an interior physical
279 inspection.

280 [12.] 13. A physical inspection, as required by
281 subsection [10] 11 of this section, shall include, but not
282 be limited to, an on-site personal observation and review of
283 all exterior portions of the land and any buildings and
284 improvements to which the inspector has or may reasonably
285 and lawfully gain external access, and shall include an
286 observation and review of the interior of any buildings or
287 improvements on the property upon the timely request of the
288 owner pursuant to subsection [11] 12 of this section. Mere
289 observation of the property via a drive-by inspection or the

290 like shall not be considered sufficient to constitute a
291 physical inspection as required by this section.

292 [13.] 14. A county or city collector may accept credit
293 cards as proper form of payment of outstanding property tax
294 or license due. No county or city collector may charge
295 surcharge for payment by credit card which exceeds the fee
296 or surcharge charged by the credit card bank, processor, or
297 issuer for its service. A county or city collector may
298 accept payment by electronic transfers of funds in payment
299 of any tax or license and charge the person making such
300 payment a fee equal to the fee charged the county by the
301 bank, processor, or issuer of such electronic payment.

302 [14.] 15. Any county or city not within a county in
303 this state may, by an affirmative vote of the governing body
304 of such county, opt out of the provisions of this section
305 and sections 137.073, 138.060, and 138.100 as enacted by
306 house bill no. 1150 of the ninety-first general assembly,
307 second regular session and section 137.073 as modified by
308 house committee substitute for senate substitute for senate
309 committee substitute for senate bill no. 960, ninety-second
310 general assembly, second regular session, for the next year
311 of the general reassessment, prior to January first of any
312 year. No county or city not within a county shall exercise
313 this opt-out provision after implementing the provisions of
314 this section and sections 137.073, 138.060, and 138.100 as
315 enacted by house bill no. 1150 of the ninety-first general
316 assembly, second regular session and section 137.073 as
317 modified by house committee substitute for senate substitute
318 for senate committee substitute for senate bill no. 960,
319 ninety-second general assembly, second regular session, in a
320 year of general reassessment. For the purposes of applying
321 the provisions of this subsection, a political subdivision

322 contained within two or more counties where at least one of
323 such counties has opted out and at least one of such
324 counties has not opted out shall calculate a single tax rate
325 as in effect prior to the enactment of house bill no. 1150
326 of the ninety-first general assembly, second regular
327 session. A governing body of a city not within a county or
328 a county that has opted out under the provisions of this
329 subsection may choose to implement the provisions of this
330 section and sections 137.073, 138.060, and 138.100 as
331 enacted by house bill no. 1150 of the ninety-first general
332 assembly, second regular session, and section 137.073 as
333 modified by house committee substitute for senate substitute
334 for senate committee substitute for senate bill no. 960,
335 ninety-second general assembly, second regular session, for
336 the next year of general reassessment, by an affirmative
337 vote of the governing body prior to December thirty-first of
338 any year.

339 [15.] 16. The governing body of any city of the third
340 classification with more than twenty-six thousand three
341 hundred but fewer than twenty-six thousand seven hundred
342 inhabitants located in any county that has exercised its
343 authority to opt out under subsection [14] 15 of this
344 section may levy separate and differing tax rates for real
345 and personal property only if such city bills and collects
346 its own property taxes or satisfies the entire cost of the
347 billing and collection of such separate and differing tax
348 rates. Such separate and differing rates shall not exceed
349 such city's tax rate ceiling.

350 [16.] 17. Any portion of real property that is
351 available as reserve for strip, surface, or coal mining for
352 minerals for purposes of excavation for future use or sale
353 to others that has not been bonded and permitted under

354 chapter 444 shall be assessed based upon how the real
355 property is currently being used. Any information provided
356 to a county assessor, state tax commission, state agency, or
357 political subdivision responsible for the administration of
358 tax policies shall, in the performance of its duties, make
359 available all books, records, and information requested,
360 except such books, records, and information as are by law
361 declared confidential in nature, including individually
362 identifiable information regarding a specific taxpayer or
363 taxpayer's mine property. For purposes of this subsection,
364 "mine property" shall mean all real property that is in use
365 or readily available as a reserve for strip, surface, or
366 coal mining for minerals for purposes of excavation for
367 current or future use or sale to others that has been bonded
368 and permitted under chapter 444.

143.121. 1. The Missouri adjusted gross income of a
2 resident individual shall be the taxpayer's federal adjusted
3 gross income subject to the modifications in this section.

4 2. There shall be added to the taxpayer's federal
5 adjusted gross income:

6 (1) The amount of any federal income tax refund
7 received for a prior year which resulted in a Missouri
8 income tax benefit. The amount added pursuant to this
9 subdivision shall not include any amount of a federal income
10 tax refund attributable to a tax credit reducing a
11 taxpayer's federal tax liability pursuant to Public Law 116-
12 136 or 116-260, enacted by the 116th United States Congress,
13 for the tax year beginning on or after January 1, 2020, and
14 ending on or before December 31, 2020, and deducted from
15 Missouri adjusted gross income pursuant to section 143.171.
16 The amount added under this subdivision shall also not
17 include any amount of a federal income tax refund

18 attributable to a tax credit reducing a taxpayer's federal
19 tax liability under any other federal law that provides
20 direct economic impact payments to taxpayers to mitigate
21 financial challenges related to the COVID-19 pandemic, and
22 deducted from Missouri adjusted gross income under section
23 143.171;

24 (2) Interest on certain governmental obligations
25 excluded from federal gross income by 26 U.S.C. Section 103
26 of the Internal Revenue Code, as amended. The previous
27 sentence shall not apply to interest on obligations of the
28 state of Missouri or any of its political subdivisions or
29 authorities and shall not apply to the interest described in
30 subdivision (1) of subsection 3 of this section. The amount
31 added pursuant to this subdivision shall be reduced by the
32 amounts applicable to such interest that would have been
33 deductible in computing the taxable income of the taxpayer
34 except only for the application of 26 U.S.C. Section 265 of
35 the Internal Revenue Code, as amended. The reduction shall
36 only be made if it is at least five hundred dollars;

37 (3) The amount of any deduction that is included in
38 the computation of federal taxable income pursuant to 26
39 U.S.C. Section 168 of the Internal Revenue Code as amended
40 by the Job Creation and Worker Assistance Act of 2002 to the
41 extent the amount deducted relates to property purchased on
42 or after July 1, 2002, but before July 1, 2003, and to the
43 extent the amount deducted exceeds the amount that would
44 have been deductible pursuant to 26 U.S.C. Section 168 of
45 the Internal Revenue Code of 1986 as in effect on January 1,
46 2002;

47 (4) The amount of any deduction that is included in
48 the computation of federal taxable income for net operating
49 loss allowed by 26 U.S.C. Section 172 of the Internal

50 Revenue Code of 1986, as amended, other than the deduction
51 allowed by 26 U.S.C. Section 172(b)(1)(G) and 26 U.S.C.
52 Section 172(i) of the Internal Revenue Code of 1986, as
53 amended, for a net operating loss the taxpayer claims in the
54 tax year in which the net operating loss occurred or carries
55 forward for a period of more than twenty years and carries
56 backward for more than two years. Any amount of net
57 operating loss taken against federal taxable income but
58 disallowed for Missouri income tax purposes pursuant to this
59 subdivision after June 18, 2002, may be carried forward and
60 taken against any income on the Missouri income tax return
61 for a period of not more than twenty years from the year of
62 the initial loss; and

63 (5) For nonresident individuals in all taxable years
64 ending on or after December 31, 2006, the amount of any
65 property taxes paid to another state or a political
66 subdivision of another state for which a deduction was
67 allowed on such nonresident's federal return in the taxable
68 year unless such state, political subdivision of a state, or
69 the District of Columbia allows a subtraction from income
70 for property taxes paid to this state for purposes of
71 calculating income for the income tax for such state,
72 political subdivision of a state, or the District of
73 Columbia;

74 (6) For all tax years beginning on or after January 1,
75 2018, any interest expense paid or accrued in a previous
76 taxable year, but allowed as a deduction under 26 U.S.C.
77 Section 163, as amended, in the current taxable year by
78 reason of the carryforward of disallowed business interest
79 provisions of 26 U.S.C. Section 163(j), as amended. For the
80 purposes of this subdivision, an interest expense is
81 considered paid or accrued only in the first taxable year

82 the deduction would have been allowable under 26 U.S.C.
83 Section 163, as amended, if the limitation under 26 U.S.C.
84 Section 163(j), as amended, did not exist.

85 3. There shall be subtracted from the taxpayer's
86 federal adjusted gross income the following amounts to the
87 extent included in federal adjusted gross income:

88 (1) Interest received on deposits held at a federal
89 reserve bank or interest or dividends on obligations of the
90 United States and its territories and possessions or of any
91 authority, commission or instrumentality of the United
92 States to the extent exempt from Missouri income taxes
93 pursuant to the laws of the United States. The amount
94 subtracted pursuant to this subdivision shall be reduced by
95 any interest on indebtedness incurred to carry the described
96 obligations or securities and by any expenses incurred in
97 the production of interest or dividend income described in
98 this subdivision. The reduction in the previous sentence
99 shall only apply to the extent that such expenses including
100 amortizable bond premiums are deducted in determining the
101 taxpayer's federal adjusted gross income or included in the
102 taxpayer's Missouri itemized deduction. The reduction shall
103 only be made if the expenses total at least five hundred
104 dollars;

105 (2) The portion of any gain, from the sale or other
106 disposition of property having a higher adjusted basis to
107 the taxpayer for Missouri income tax purposes than for
108 federal income tax purposes on December 31, 1972, that does
109 not exceed such difference in basis. If a gain is
110 considered a long-term capital gain for federal income tax
111 purposes, the modification shall be limited to one-half of
112 such portion of the gain;

113 (3) The amount necessary to prevent the taxation
114 pursuant to this chapter of any annuity or other amount of
115 income or gain which was properly included in income or gain
116 and was taxed pursuant to the laws of Missouri for a taxable
117 year prior to January 1, 1973, to the taxpayer, or to a
118 decedent by reason of whose death the taxpayer acquired the
119 right to receive the income or gain, or to a trust or estate
120 from which the taxpayer received the income or gain;

121 (4) Accumulation distributions received by a taxpayer
122 as a beneficiary of a trust to the extent that the same are
123 included in federal adjusted gross income;

124 (5) The amount of any state income tax refund for a
125 prior year which was included in the federal adjusted gross
126 income;

127 (6) The portion of capital gain specified in section
128 135.357 that would otherwise be included in federal adjusted
129 gross income;

130 (7) The amount that would have been deducted in the
131 computation of federal taxable income pursuant to 26 U.S.C.
132 Section 168 of the Internal Revenue Code as in effect on
133 January 1, 2002, to the extent that amount relates to
134 property purchased on or after July 1, 2002, but before July
135 1, 2003, and to the extent that amount exceeds the amount
136 actually deducted pursuant to 26 U.S.C. Section 168 of the
137 Internal Revenue Code as amended by the Job Creation and
138 Worker Assistance Act of 2002;

139 (8) For all tax years beginning on or after January 1,
140 2005, the amount of any income received for military service
141 while the taxpayer serves in a combat zone which is included
142 in federal adjusted gross income and not otherwise excluded
143 therefrom. As used in this section, "combat zone" means any
144 area which the President of the United States by Executive

145 Order designates as an area in which Armed Forces of the
146 United States are or have engaged in combat. Service is
147 performed in a combat zone only if performed on or after the
148 date designated by the President by Executive Order as the
149 date of the commencing of combat activities in such zone,
150 and on or before the date designated by the President by
151 Executive Order as the date of the termination of combatant
152 activities in such zone;

153 (9) For all tax years ending on or after July 1, 2002,
154 with respect to qualified property that is sold or otherwise
155 disposed of during a taxable year by a taxpayer and for
156 which an additional modification was made under subdivision
157 (3) of subsection 2 of this section, the amount by which
158 additional modification made under subdivision (3) of
159 subsection 2 of this section on qualified property has not
160 been recovered through the additional subtractions provided
161 in subdivision (7) of this subsection;

162 (10) For all tax years beginning on or after January
163 1, 2014, the amount of any income received as payment from
164 any program which provides compensation to agricultural
165 producers who have suffered a loss as the result of a
166 disaster or emergency, including the:

- 167 (a) Livestock Forage Disaster Program;
- 168 (b) Livestock Indemnity Program;
- 169 (c) Emergency Assistance for Livestock, Honeybees, and
170 Farm-Raised Fish;
- 171 (d) Emergency Conservation Program;
- 172 (e) Noninsured Crop Disaster Assistance Program;
- 173 (f) Pasture, Rangeland, Forage Pilot Insurance Program;
- 174 (g) Annual Forage Pilot Program;
- 175 (h) Livestock Risk Protection Insurance Plan;
- 176 (i) Livestock Gross Margin Insurance Plan;

177 (11) For all tax years beginning on or after January
178 1, 2018, any interest expense paid or accrued in the current
179 taxable year, but not deducted as a result of the limitation
180 imposed under 26 U.S.C. Section 163(j), as amended. For the
181 purposes of this subdivision, an interest expense is
182 considered paid or accrued only in the first taxable year
183 the deduction would have been allowable under 26 U.S.C.
184 Section 163, as amended, if the limitation under 26 U.S.C.
185 Section 163(j), as amended, did not exist; **[and]**

186 (12) One hundred percent of any retirement benefits
187 received by any taxpayer as a result of the taxpayer's
188 service in the Armed Forces of the United States, including
189 reserve components and the National Guard of this state, as
190 defined in 32 U.S.C. Sections 101(3) and 109, and any other
191 military force organized under the laws of this state; **and**

192 **(13) For taxpayers authorized to do business pursuant**
193 **to article XIV of the Missouri Constitution, the amount**
194 **equal to any expenditure otherwise allowable as a federal**
195 **income tax deduction, but that is disallowed pursuant to 26**
196 **U.S.C. Section 280E, as in effect on January 1, 2022,**
197 **because cannabis is a controlled substance under federal law.**

198 4. There shall be added to or subtracted from the
199 taxpayer's federal adjusted gross income the taxpayer's
200 share of the Missouri fiduciary adjustment provided in
201 section 143.351.

202 5. There shall be added to or subtracted from the
203 taxpayer's federal adjusted gross income the modifications
204 provided in section 143.411.

205 6. In addition to the modifications to a taxpayer's
206 federal adjusted gross income in this section, to calculate
207 Missouri adjusted gross income there shall be subtracted
208 from the taxpayer's federal adjusted gross income any gain

209 recognized pursuant to 26 U.S.C. Section 1033 of the
210 Internal Revenue Code of 1986, as amended, arising from
211 compulsory or involuntary conversion of property as a result
212 of condemnation or the imminence thereof.

213 7. (1) As used in this subsection, "qualified health
214 insurance premium" means the amount paid during the tax year
215 by such taxpayer for any insurance policy primarily
216 providing health care coverage for the taxpayer, the
217 taxpayer's spouse, or the taxpayer's dependents.

218 (2) In addition to the subtractions in subsection 3 of
219 this section, one hundred percent of the amount of qualified
220 health insurance premiums shall be subtracted from the
221 taxpayer's federal adjusted gross income to the extent the
222 amount paid for such premiums is included in federal taxable
223 income. The taxpayer shall provide the department of
224 revenue with proof of the amount of qualified health
225 insurance premiums paid.

226 8. (1) Beginning January 1, 2014, in addition to the
227 subtractions provided in this section, one hundred percent
228 of the cost incurred by a taxpayer for a home energy audit
229 conducted by an entity certified by the department of
230 natural resources under section 640.153 or the
231 implementation of any energy efficiency recommendations made
232 in such an audit shall be subtracted from the taxpayer's
233 federal adjusted gross income to the extent the amount paid
234 for any such activity is included in federal taxable
235 income. The taxpayer shall provide the department of
236 revenue with a summary of any recommendations made in a
237 qualified home energy audit, the name and certification
238 number of the qualified home energy auditor who conducted
239 the audit, and proof of the amount paid for any activities
240 under this subsection for which a deduction is claimed. The

241 taxpayer shall also provide a copy of the summary of any
242 recommendations made in a qualified home energy audit to the
243 department of natural resources.

244 (2) At no time shall a deduction claimed under this
245 subsection by an individual taxpayer or taxpayers filing
246 combined returns exceed one thousand dollars per year for
247 individual taxpayers or cumulatively exceed two thousand
248 dollars per year for taxpayers filing combined returns.

249 (3) Any deduction claimed under this subsection shall
250 be claimed for the tax year in which the qualified home
251 energy audit was conducted or in which the implementation of
252 the energy efficiency recommendations occurred. If
253 implementation of the energy efficiency recommendations
254 occurred during more than one year, the deduction may be
255 claimed in more than one year, subject to the limitations
256 provided under subdivision (2) of this subsection.

257 (4) A deduction shall not be claimed for any otherwise
258 eligible activity under this subsection if such activity
259 qualified for and received any rebate or other incentive
260 through a state-sponsored energy program or through an
261 electric corporation, gas corporation, electric cooperative,
262 or municipally owned utility.

263 9. The provisions of subsection 8 of this section
264 shall expire on December 31, 2020.

144.030. 1. There is hereby specifically exempted
2 from the provisions of sections 144.010 to 144.525 and from
3 the computation of the tax levied, assessed or payable
4 pursuant to sections 144.010 to 144.525 such retail sales as
5 may be made in commerce between this state and any other
6 state of the United States, or between this state and any
7 foreign country, and any retail sale which the state of
8 Missouri is prohibited from taxing pursuant to the

9 Constitution or laws of the United States of America, and
10 such retail sales of tangible personal property which the
11 general assembly of the state of Missouri is prohibited from
12 taxing or further taxing by the constitution of this state.

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

20 (1) Motor fuel or special fuel subject to an excise
21 tax of this state, unless all or part of such excise tax is
22 refunded pursuant to section 142.824; or upon the sale at
23 retail of fuel to be consumed in manufacturing or creating
24 gas, power, steam, electrical current or in furnishing water
25 to be sold ultimately at retail; or feed for livestock or
26 poultry; or grain to be converted into foodstuffs which are
27 to be sold ultimately in processed form at retail; or seed,
28 limestone or fertilizer which is to be used for seeding,
29 liming or fertilizing crops which when harvested will be
30 sold at retail or will be fed to livestock or poultry to be
31 sold ultimately in processed form at retail; economic
32 poisons registered pursuant to the provisions of the
33 Missouri pesticide registration law, sections 281.220 to
34 281.310, which are to be used in connection with the growth
35 or production of crops, fruit trees or orchards applied
36 before, during, or after planting, the crop of which when
37 harvested will be sold at retail or will be converted into
38 foodstuffs which are to be sold ultimately in processed form
39 at retail;

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

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

59 (4) Replacement machinery, equipment, and parts and
60 the materials and supplies solely required for the
61 installation or construction of such replacement machinery,
62 equipment, and parts, used directly in manufacturing,
63 mining, fabricating or producing a product which is intended
64 to be sold ultimately for final use or consumption; and
65 machinery and equipment, and the materials and supplies
66 required solely for the operation, installation or
67 construction of such machinery and equipment, purchased and
68 used to establish new, or to replace or expand existing,
69 material recovery processing plants in this state. For the
70 purposes of this subdivision, a "material recovery
71 processing plant" means a facility that has as its primary

72 purpose the recovery of materials into a usable product or a
73 different form which is used in producing a new product and
74 shall include a facility or equipment which are used
75 exclusively for the collection of recovered materials for
76 delivery to a material recovery processing plant but shall
77 not include motor vehicles used on highways. For purposes
78 of this section, the terms motor vehicle and highway shall
79 have the same meaning pursuant to section 301.010. For the
80 purposes of this subdivision, subdivision (5) of this
81 subsection, and section 144.054, as well as the definition
82 in subdivision (9) of subsection 1 of section 144.010, the
83 term "product" includes telecommunications services and the
84 term "manufacturing" shall include the production, or
85 production and transmission, of telecommunications
86 services. The preceding sentence does not make a
87 substantive change in the law and is intended to clarify
88 that the term "manufacturing" has included and continues to
89 include the production and transmission of
90 "telecommunications services", as enacted in this
91 subdivision and subdivision (5) of this subsection, as well
92 as the definition in subdivision (9) of subsection 1 of
93 section 144.010. The preceding two sentences reaffirm
94 legislative intent consistent with the interpretation of
95 this subdivision and subdivision (5) of this subsection in
96 *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d
97 763 (Mo. banc 2002) and *Southwestern Bell Tel. Co. v.*
98 *Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), and
99 accordingly abrogates the Missouri supreme court's
100 interpretation of those exemptions in *IBM Corporation v.*
101 *Director of Revenue*, 491 S.W.3d 535 (Mo. banc 2016) to the
102 extent inconsistent with this section and *Southwestern Bell*
103 *Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc

104 2002) and *Southwestern Bell Tel. Co. v. Director of Revenue*,
105 182 S.W.3d 226 (Mo. banc 2005). The construction and
106 application of this subdivision as expressed by the Missouri
107 supreme court in *DST Systems, Inc. v. Director of Revenue*,
108 43 S.W.3d 799 (Mo. banc 2001); *Southwestern Bell Tel. Co. v.*
109 *Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and
110 *Southwestern Bell Tel. Co. v. Director of Revenue*, 182
111 S.W.3d 226 (Mo. banc 2005), is hereby affirmed. Material
112 recovery is not the reuse of materials within a
113 manufacturing process or the use of a product previously
114 recovered. The material recovery processing plant shall
115 qualify under the provisions of this section regardless of
116 ownership of the material being recovered;

117 (5) Machinery and equipment, and parts and the
118 materials and supplies solely required for the installation
119 or construction of such machinery and equipment, purchased
120 and used to establish new or to expand existing
121 manufacturing, mining or fabricating plants in the state if
122 such machinery and equipment is used directly in
123 manufacturing, mining or fabricating a product which is
124 intended to be sold ultimately for final use or
125 consumption. The construction and application of this
126 subdivision as expressed by the Missouri supreme court in
127 *DST Systems, Inc. v. Director of Revenue*, 43 S.W.3d 799 (Mo.
128 banc 2001); *Southwestern Bell Tel. Co. v. Director of*
129 *Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and *Southwestern*
130 *Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo.
131 banc 2005), is hereby affirmed;

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

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

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

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

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

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

153 (12) Electrical energy used in the actual primary
154 manufacture, processing, compounding, mining or producing of
155 a product, or electrical energy used in the actual secondary
156 processing or fabricating of the product, or a material
157 recovery processing plant as defined in subdivision (4) of
158 this subsection, in facilities owned or leased by the
159 taxpayer, if the total cost of electrical energy so used
160 exceeds ten percent of the total cost of production, either
161 primary or secondary, exclusive of the cost of electrical
162 energy so used or if the raw materials used in such
163 processing contain at least twenty-five percent recovered
164 materials as defined in section 260.200. There shall be a
165 rebuttable presumption that the raw materials used in the
166 primary manufacture of automobiles contain at least twenty-
167 five percent recovered materials. For purposes of this

168 subdivision, "processing" means any mode of treatment, act
169 or series of acts performed upon materials to transform and
170 reduce them to a different state or thing, including
171 treatment necessary to maintain or preserve such processing
172 by the producer at the production facility;

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

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

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

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

191 (17) All amounts paid or charged for admission or
192 participation or other fees paid by or other charges to
193 individuals in or for any place of amusement, entertainment
194 or recreation, games or athletic events, including museums,
195 fairs, zoos and planetariums, owned or operated by a
196 municipality or other political subdivision where all the
197 proceeds derived therefrom benefit the municipality or other
198 political subdivision and do not inure to any private
199 person, firm, or corporation, provided, however, that a

200 municipality or other political subdivision may enter into
201 revenue-sharing agreements with private persons, firms, or
202 corporations providing goods or services, including
203 management services, in or for the place of amusement,
204 entertainment or recreation, games or athletic events, and
205 provided further that nothing in this subdivision shall
206 exempt from tax any amounts retained by any private person,
207 firm, or corporation under such revenue-sharing agreement;

208 (18) All sales of insulin, and all sales, rentals,
209 repairs, and parts of durable medical equipment, prosthetic
210 devices, and orthopedic devices as defined on January 1,
211 1980, by the federal Medicare program pursuant to Title
212 XVIII of the Social Security Act of 1965, including the
213 items specified in Section 1862(a)(12) of that act, and also
214 specifically including hearing aids and hearing aid supplies
215 and all sales of drugs which may be legally dispensed by a
216 licensed pharmacist only upon a lawful prescription of a
217 practitioner licensed to administer those items, including
218 samples and materials used to manufacture samples which may
219 be dispensed by a practitioner authorized to dispense such
220 samples and all sales or rental of medical oxygen, home
221 respiratory equipment and accessories including parts, and
222 hospital beds and accessories and ambulatory aids including
223 parts, and all sales or rental of manual and powered
224 wheelchairs including parts, and stairway lifts, Braille
225 writers, electronic Braille equipment and, if purchased or
226 rented by or on behalf of a person with one or more physical
227 or mental disabilities to enable them to function more
228 independently, all sales or rental of scooters including
229 parts, and reading machines, electronic print enlargers and
230 magnifiers, electronic alternative and augmentative
231 communication devices, and items used solely to modify motor

232 vehicles to permit the use of such motor vehicles by
233 individuals with disabilities or sales of over-the-counter
234 or nonprescription drugs to individuals with disabilities,
235 and drugs required by the Food and Drug Administration to
236 meet the over-the-counter drug product labeling requirements
237 in 21 CFR 201.66, or its successor, as prescribed by a
238 health care practitioner licensed to prescribe;

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

245 (20) All sales of aircraft to common carriers for
246 storage or for use in interstate commerce and all sales made
247 by or to not-for-profit civic, social, service or fraternal
248 organizations, including fraternal organizations which have
249 been declared tax-exempt organizations pursuant to Section
250 501(c) (8) or (10) of the 1986 Internal Revenue Code, as
251 amended, in their civic or charitable functions and
252 activities and all sales made to eleemosynary and penal
253 institutions and industries of the state, and all sales made
254 to any private not-for-profit institution of higher
255 education not otherwise excluded pursuant to subdivision
256 (19) of this subsection or any institution of higher
257 education supported by public funds, and all sales made to a
258 state relief agency in the exercise of relief functions and
259 activities;

260 (21) All ticket sales made by benevolent, scientific
261 and educational associations which are formed to foster,
262 encourage, and promote progress and improvement in the
263 science of agriculture and in the raising and breeding of

264 animals, and by nonprofit summer theater organizations if
265 such organizations are exempt from federal tax pursuant to
266 the provisions of the Internal Revenue Code and all
267 admission charges and entry fees to the Missouri state fair
268 or any fair conducted by a county agricultural and
269 mechanical society organized and operated pursuant to
270 sections 262.290 to 262.530;

271 (22) All sales made to any private not-for-profit
272 elementary or secondary school, all sales of feed additives,
273 medications or vaccines administered to livestock or poultry
274 in the production of food or fiber, all sales of pesticides
275 used in the production of crops, livestock or poultry for
276 food or fiber, all sales of bedding used in the production
277 of livestock or poultry for food or fiber, all sales of
278 propane or natural gas, electricity or diesel fuel used
279 exclusively for drying agricultural crops, natural gas used
280 in the primary manufacture or processing of fuel ethanol as
281 defined in section 142.028, natural gas, propane, and
282 electricity used by an eligible new generation cooperative
283 or an eligible new generation processing entity as defined
284 in section 348.432, and all sales of farm machinery and
285 equipment, other than airplanes, motor vehicles and
286 trailers, and any freight charges on any exempt item. As
287 used in this subdivision, the term "feed additives" means
288 tangible personal property which, when mixed with feed for
289 livestock or poultry, is to be used in the feeding of
290 livestock or poultry. As used in this subdivision, the term
291 "pesticides" includes adjuvants such as crop oils,
292 surfactants, wetting agents and other assorted pesticide
293 carriers used to improve or enhance the effect of a
294 pesticide and the foam used to mark the application of
295 pesticides and herbicides for the production of crops,

296 livestock or poultry. As used in this subdivision, the term
297 "farm machinery and equipment" [means] shall mean:

298 (a) New or used farm tractors and such other new or
299 used farm machinery and equipment, **including utility**
300 **vehicles used for any agricultural use**, and repair or
301 replacement parts thereon and any accessories for and
302 upgrades to such farm machinery and equipment[,] **and** rotary
303 mowers used [exclusively] for **any** agricultural purposes[,]
304 **and**;

305 (b) Supplies and lubricants used exclusively, solely,
306 and directly for producing crops, raising and feeding
307 livestock, fish, poultry, pheasants, chukar, quail, or for
308 producing milk for ultimate sale at retail, including field
309 drain tile[,]; and

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

312 [(a)] a. Used exclusively for agricultural purposes;

313 [(b)] b. Used on land owned or leased for the purpose
314 of producing farm products; and

315 [(c)] c. Used directly in producing farm products to
316 be sold ultimately in processed form or otherwise at retail
317 or in producing farm products to be fed to livestock or
318 poultry to be sold ultimately in processed form at retail;

319 **For the purposes of this subdivision, "utility vehicle"**
320 **shall mean any motorized vehicle manufactured and used**
321 **exclusively for off-highway use which is more than fifty**
322 **inches but no more than eighty inches in width, measured**
323 **from outside of tire rim to outside of tire rim, with an**
324 **unladen dry weight of three thousand five hundred pounds or**
325 **less, traveling on four or six wheels.**

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

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

344 (b) Regulated utility sellers shall determine whether
345 individual purchases are exempt or nonexempt based upon the
346 seller's utility service rate classifications as contained
347 in tariffs on file with and approved by the Missouri public
348 service commission. Sales and purchases made pursuant to
349 the rate classification "residential" and sales to and
350 purchases made by or on behalf of the occupants of
351 residential apartments or condominiums through a single or
352 master meter, including service for common areas and
353 facilities and vacant units, shall be considered as sales
354 made for domestic use and such sales shall be exempt from
355 sales tax. Sellers shall charge sales tax upon the entire
356 amount of purchases classified as nondomestic use. The
357 seller's utility service rate classification and the

358 provision of service thereunder shall be conclusive as to
359 whether or not the utility must charge sales tax;

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

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

387 (25) Excise taxes, collected on sales at retail,
388 imposed by Sections 4041, 4071, 4081, 4091, 4161, 4181,
389 4251, 4261 and 4271 of Title 26, United States Code. The

390 director of revenue shall promulgate rules pursuant to
391 chapter 536 to eliminate all state and local sales taxes on
392 such excise taxes;

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

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

405 (28) Computers, computer software and computer
406 security systems purchased for use by architectural or
407 engineering firms headquartered in this state. For the
408 purposes of this subdivision, "headquartered in this state"
409 means the office for the administrative management of at
410 least four integrated facilities operated by the taxpayer is
411 located in the state of Missouri;

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

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

419 (31) Electrical energy or gas, whether natural,
420 artificial or propane, water, or other utilities which are
421 ultimately consumed in connection with the manufacturing of

422 cellular glass products or in any material recovery
423 processing plant as defined in subdivision (4) of this
424 subsection;

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

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

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

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

440 (36) All purchases by a contractor on behalf of an
441 entity located in another state, provided that the entity is
442 authorized to issue a certificate of exemption for purchases
443 to a contractor under the provisions of that state's laws.
444 For purposes of this subdivision, the term "certificate of
445 exemption" shall mean any document evidencing that the
446 entity is exempt from sales and use taxes on purchases
447 pursuant to the laws of the state in which the entity is
448 located. Any contractor making purchases on behalf of such
449 entity shall maintain a copy of the entity's exemption
450 certificate as evidence of the exemption. If the exemption
451 certificate issued by the exempt entity to the contractor is
452 later determined by the director of revenue to be invalid
453 for any reason and the contractor has accepted the

454 certificate in good faith, neither the contractor or the
455 exempt entity shall be liable for the payment of any taxes,
456 interest and penalty due as the result of use of the invalid
457 exemption certificate. Materials shall be exempt from all
458 state and local sales and use taxes when purchased by a
459 contractor for the purpose of fabricating tangible personal
460 property which is used in fulfilling a contract for the
461 purpose of constructing, repairing or remodeling facilities
462 for the following:

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

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

472 (37) All sales or other transfers of tangible personal
473 property to a lessor who leases the property under a lease
474 of one year or longer executed or in effect at the time of
475 the sale or other transfer to an interstate compact agency
476 created pursuant to sections 70.370 to 70.441 or sections
477 238.010 to 238.100;

478 (38) Sales of tickets to any collegiate athletic
479 championship event that is held in a facility owned or
480 operated by a governmental authority or commission, a quasi-
481 governmental agency, a state university or college or by the
482 state or any political subdivision thereof, including a
483 municipality, and that is played on a neutral site and may
484 reasonably be played at a site located outside the state of
485 Missouri. For purposes of this subdivision, "neutral site"

486 means any site that is not located on the campus of a
487 conference member institution participating in the event;

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

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

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

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

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

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

516 (b) The date of the return to service of the aircraft
517 in accordance with 14 CFR 91.407 for any maintenance,

518 preventive maintenance, rebuilding, alterations, repairs, or
519 installations that are completed contemporaneously with the
520 transfer of title to the aircraft to a person who is not a
521 resident of this state or a corporation that is not
522 incorporated in this state;

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

534 (45) All internet access or the use of internet access
535 regardless of whether the tax is imposed on a provider of
536 internet access or a buyer of internet access. For purposes
537 of this subdivision, the following terms shall mean:

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

546 (b) "Internet", computer and telecommunications
547 facilities, including equipment and operating software, that
548 comprises the interconnected worldwide network that employ
549 the transmission control protocol or internet protocol, or

550 any predecessor or successor protocols to that protocol, to
551 communicate information of all kinds by wire or radio;

552 (c) "Internet access", a service that enables users to
553 connect to the internet to access content, information, or
554 other services without regard to whether the service is
555 referred to as telecommunications, communications,
556 transmission, or similar services, and without regard to
557 whether a provider of the service is subject to regulation
558 by the Federal Communications Commission as a common carrier
559 under 47 U.S.C. Section 201, et seq. For purposes of this
560 subdivision, internet access also includes: the purchase,
561 use, or sale of communications services, including
562 telecommunications services as defined in section 144.010,
563 to the extent the communications services are purchased,
564 used, or sold to provide the service described in this
565 subdivision or to otherwise enable users to access content,
566 information, or other services offered over the internet;
567 services that are incidental to the provision of a service
568 described in this subdivision, when furnished to users as
569 part of such service, including a home page, electronic
570 mail, and instant messaging, including voice-capable and
571 video-capable electronic mail and instant messaging, video
572 clips, and personal electronic storage capacity; a home page
573 electronic mail and instant messaging, including voice-
574 capable and video-capable electronic mail and instant
575 messaging, video clips, and personal electronic storage
576 capacity that are provided independently or that are not
577 packed with internet access. As used in this subdivision,
578 internet access does not include voice, audio, and video
579 programming or other products and services, except services
580 described in this paragraph or this subdivision, that use
581 internet protocol or any successor protocol and for which

582 there is a charge, regardless of whether the charge is
583 separately stated or aggregated with the charge for services
584 described in this paragraph or this subdivision;

585 (d) "Tax", any charge imposed by the state or a
586 political subdivision of the state for the purpose of
587 generating revenues for governmental purposes and that is
588 not a fee imposed for a specific privilege, service, or
589 benefit conferred, except as described as otherwise under
590 this subdivision, or any obligation imposed on a seller to
591 collect and to remit to the state or a political subdivision
592 of the state any gross retail tax, sales tax, or use tax
593 imposed on a buyer by such a governmental entity. The term
594 tax shall not include any franchise fee or similar fee
595 imposed or authorized under section 67.1830 or 67.2689;
596 Section 622 or 653 of the Communications Act of 1934, 47
597 U.S.C. Section 542 and 47 U.S.C. Section 573; or any other
598 fee related to obligations of telecommunications carriers
599 under the Communications Act of 1934, 47 U.S.C. Section 151,
600 et seq., except to the extent that:

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

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

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

614 **(46) All purchases of solar photovoltaic energy**
615 **distributed generation systems and all purchases of supplies**
616 **used directly to make improvements to such systems, provided**
617 **that such systems:**

618 **(a) Allow for energy storage;**

619 **(b) Include advanced or smart meter inverter capacity;**

620 **or**

621 **(c) Allow for utility scale projects greater than**
622 **twenty megawatts;**

623 **(47) All purchases of electrical energy and gas,**
624 **whether natural, artificial, or propane; water, coal, and**
625 **energy sources; chemicals, machinery, equipment, parts, and**
626 **material used or consumed in connection with or to**
627 **facilitate the generation, transmission, distribution, sale,**
628 **or furnishing of electricity for light, heat, or power; and**
629 **any conduits, ducts, or other devices, materials, apparatus,**
630 **or property for containing, holding, or carrying conductors**
631 **used or to be used for the transmission of electricity for**
632 **light, heat, or power service to consumers.**

633 3. Any ruling, agreement, or contract, whether written
634 or oral, express or implied, between a person and this
635 state's executive branch, or any other state agency or
636 department, stating, agreeing, or ruling that such person is
637 not required to collect sales and use tax in this state
638 despite the presence of a warehouse, distribution center, or
639 fulfillment center in this state that is owned or operated
640 by the person or an affiliated person shall be null and void
641 unless it is specifically approved by a majority vote of
642 each of the houses of the general assembly. For purposes of

643 this subsection, an "affiliated person" means any person
644 that is a member of the same controlled group of
645 corporations as defined in Section 1563(a) of the Internal
646 Revenue Code of 1986, as amended, as the vendor or any other
647 entity that, notwithstanding its form of organization, bears
648 the same ownership relationship to the vendor as a
649 corporation that is a member of the same controlled group of
650 corporations as defined in Section 1563(a) of the Internal
651 Revenue Code, as amended.

**144.059. In addition to all other exemptions granted
2 under this chapter, there is hereby specifically exempted
3 from the provisions of and the computation of the tax
4 levied, assessed, or payable under this chapter, all sales
5 of diapers. For the purposes of this section, "diapers"
6 means absorbent garments worn by infants or toddlers who are
7 not toilet-trained or by individuals who are incapable of
8 controlling their bladder or bowel movements.**

144.190. 1. If a tax has been incorrectly computed by
2 reason of a clerical error or mistake on the part of the
3 director of revenue, such fact shall be set forth in the
4 records of the director of revenue, and the amount of the
5 overpayment shall be credited on any taxes then due from the
6 person legally obligated to remit the tax under chapter 144,
7 and the balance shall be refunded to the person legally
8 obligated to remit the tax, such person's administrators or
9 executors, as provided for in section 144.200.

10 2. If any tax, penalty or interest has been paid more
11 than once, or has been erroneously or illegally collected,
12 or has been erroneously or illegally computed, such sum
13 shall be credited on any taxes then due from the person
14 legally obligated to remit the tax under chapter 144, and
15 the balance, with interest as determined by section 32.065,

16 shall be refunded to the person legally obligated to remit
17 the tax, but no such credit or refund shall be allowed
18 unless duplicate copies of a claim for refund are filed
19 within ten years from date of overpayment, **except as**
20 **provided in subsection 11 of this section.**

21 3. Every claim for refund must be in writing and
22 signed by the applicant, and must state the specific grounds
23 upon which the claim is founded. Any refund or any portion
24 thereof which is erroneously made, and any credit or any
25 portion thereof which is erroneously allowed, may be
26 recovered in any action brought by the director of revenue
27 against the person legally obligated to remit the tax. In
28 the event that a tax has been illegally imposed against a
29 person legally obligated to remit the tax, the director of
30 revenue shall authorize the cancellation of the tax upon the
31 director's record.

32 4. Notwithstanding the provisions of section 32.057, a
33 purchaser that originally paid sales or use tax to a vendor
34 or seller may submit a refund claim directly to the director
35 of revenue for such sales or use taxes paid to such vendor
36 or seller and remitted to the director, provided no sum
37 shall be refunded more than once, any such claim shall be
38 subject to any offset, defense, or other claim the director
39 otherwise would have against either the purchaser or vendor
40 or seller, and such claim for refund is accompanied by
41 either:

42 (1) A notarized assignment of rights statement by the
43 vendor or seller to the purchaser allowing the purchaser to
44 seek the refund on behalf of the vendor or seller. An
45 assignment of rights statement shall contain the Missouri
46 sales or use tax registration number of the vendor or
47 seller, a list of the transactions covered by the

48 assignment, the tax periods and location for which the
49 original sale was reported to the director of revenue by the
50 vendor or seller, and a notarized statement signed by the
51 vendor or seller affirming that the vendor or seller has not
52 received a refund or credit, will not apply for a refund or
53 credit of the tax collected on any transactions covered by
54 the assignment, and authorizes the director to amend the
55 seller's return to reflect the refund; or

56 (2) In the event the vendor or seller fails or refuses
57 to provide an assignment of rights statement within sixty
58 days from the date of such purchaser's written request to
59 the vendor or seller, or the purchaser is not able to locate
60 the vendor or seller or the vendor or seller is no longer in
61 business, the purchaser may provide the director a notarized
62 statement confirming the efforts that have been made to
63 obtain an assignment of rights from the vendor or seller.
64 Such statement shall contain a list of the transactions
65 covered by the assignment, the tax periods and location for
66 which the original sale was reported to the director of
67 revenue by the vendor or seller.

68 The director shall not require such vendor, seller, or
69 purchaser to submit amended returns for refund claims
70 submitted under the provisions of this subsection.
71 Notwithstanding the provisions of section 32.057, if the
72 seller is registered with the director for collection and
73 remittance of sales tax, the director shall notify the
74 seller at the seller's last known address of the claim for
75 refund. If the seller objects to the refund within thirty
76 days of the date of the notice, the director shall not pay
77 the refund. If the seller agrees that the refund is
78 warranted or fails to respond within thirty days, the

79 director may issue the refund and amend the seller's return
80 to reflect the refund. For purposes of section 32.069, the
81 refund claim shall not be considered to have been filed
82 until the seller agrees that the refund is warranted or
83 thirty days after the date the director notified the seller
84 and the seller failed to respond.

85 5. Notwithstanding the provisions of section 32.057,
86 when a vendor files a refund claim on behalf of a purchaser
87 and such refund claim is denied by the director, notice of
88 such denial and the reason for the denial shall be sent by
89 the director to the vendor and each purchaser whose name and
90 address is submitted with the refund claim form filed by the
91 vendor. A purchaser shall be entitled to appeal the denial
92 of the refund claim within sixty days of the date such
93 notice of denial is mailed by the director as provided in
94 section 144.261. The provisions of this subsection shall
95 apply to all refund claims filed after August 28, 2012. The
96 provisions of this subsection allowing a purchaser to appeal
97 the director's decision to deny a refund claim shall also
98 apply to any refund claim denied by the director on or after
99 January 1, 2007, if an appeal of the denial of the refund
100 claim is filed by the purchaser no later than September 28,
101 2012, and if such claim is based solely on the issue of the
102 exemption of the electronic transmission or delivery of
103 computer software.

104 6. Notwithstanding the provisions of this section, the
105 director of revenue shall authorize direct-pay agreements to
106 purchasers which have annual purchases in excess of seven
107 hundred fifty thousand dollars pursuant to rules and
108 regulations adopted by the director of revenue. For the
109 purposes of such direct-pay agreements, the taxes authorized
110 under chapters 66, 67, 70, 92, 94, 162, 190, 238, 321, and

111 644 shall be remitted based upon the location of the place
112 of business of the purchaser.

113 7. Special rules applicable to error corrections
114 requested by customers of mobile telecommunications service
115 are as follows:

116 (1) For purposes of this subsection, the terms
117 "customer", "home service provider", "place of primary use",
118 "electronic database", and "enhanced zip code" shall have
119 the same meanings as defined in the Mobile
120 Telecommunications Sourcing Act incorporated by reference in
121 section 144.013;

122 (2) Notwithstanding the provisions of this section, if
123 a customer of mobile telecommunications services believes
124 that the amount of tax, the assignment of place of primary
125 use or the taxing jurisdiction included on a billing is
126 erroneous, the customer shall notify the home service
127 provider, in writing, within three years from the date of
128 the billing statement. The customer shall include in such
129 written notification the street address for the customer's
130 place of primary use, the account name and number for which
131 the customer seeks a correction of the tax assignment, a
132 description of the error asserted by the customer and any
133 other information the home service provider reasonably
134 requires to process the request;

135 (3) Within sixty days of receiving the customer's
136 notice, the home service provider shall review its records
137 and the electronic database or enhanced zip code to
138 determine the customer's correct taxing jurisdiction. If
139 the home service provider determines that the review shows
140 that the amount of tax, assignment of place of primary use
141 or taxing jurisdiction is in error, the home service
142 provider shall correct the error and, at its election,

143 either refund or credit the amount of tax erroneously
144 collected to the customer for a period of up to three years
145 from the last day of the home service provider's sixty-day
146 review period. If the home service provider determines that
147 the review shows that the amount of tax, the assignment of
148 place of primary use or the taxing jurisdiction is correct,
149 the home service provider shall provide a written
150 explanation of its determination to the customer.

151 8. For all refund claims submitted to the department
152 of revenue on or after September 1, 2003, notwithstanding
153 any provision of this section to the contrary, if a person
154 legally obligated to remit the tax levied under chapter 144
155 has received a refund of such taxes for a specific issue and
156 submits a subsequent claim for refund of such taxes on the
157 same issue for a tax period beginning on or after the date
158 the original refund check issued to such person, no refund
159 shall be allowed. This subsection shall not apply and a
160 refund shall be allowed if the refund claim is filed by a
161 purchaser under the provisions of subsection 4 of this
162 section, the refund claim is for use tax remitted by the
163 purchaser, or an additional refund claim is filed by a
164 person legally obligated to remit the tax due to any of the
165 following:

- 166 (1) Receipt of additional information or an exemption
167 certificate from the purchaser of the item at issue;
- 168 (2) A decision of a court of competent jurisdiction or
169 the administrative hearing commission; or
- 170 (3) Changes in regulations or policy by the department
171 of revenue.

172 9. Notwithstanding any provision of law to the
173 contrary, the director of revenue shall respond to a request
174 for a binding letter ruling filed in accordance with section

175 536.021 within sixty days of receipt of such request. If
176 the director of revenue fails to respond to such letter
177 ruling request within sixty days of receipt by the director,
178 the director of revenue shall be barred from pursuing
179 collection of any assessment of sales or use tax with
180 respect to the issue which is the subject of the letter
181 ruling request. For purposes of this subsection, the term
182 "letter ruling" means a written interpretation of law by the
183 director to a specific set of facts provided by a specific
184 taxpayer or his or her agent.

185 10. If any tax was paid more than once, was
186 incorrectly collected, or was incorrectly computed, such sum
187 shall be credited on any taxes then due from the person
188 legally obligated to remit the tax under chapter 144 against
189 any deficiency or tax due discovered through an audit of the
190 person by the department of revenue through adjustment
191 during the same tax filing period for which the audit
192 applied.

193 11. (1) **The provisions of this subsection are**
194 **intended to reject and abrogate the Missouri supreme court's**
195 **interpretation of the provisions of section 144.020 in**
196 **Michael Jaudes Fitness Edge, Inc. v. Dir. of Revenue, 248**
197 **S.W.3d 606 (Mo. banc 2008) and Wilson's Total Fitness**
198 **Center, Inc. v. Director of Revenue, 38 S.W.3d (Mo. banc**
199 **2001), and the administrative hearing commission's decision**
200 **in Joseph and Brenda Crews v. Dir. of Revenue, 17-0210.**

201 (2) **Any taxpayer that paid sales and use tax**
202 **assessments as a result of an audit by the department of**
203 **revenue and who failed to receive a refund of sales or use**
204 **tax as a result of the decisions described in subdivision**
205 **(1) of this section may apply to the department of revenue**
206 **by no later than July 1, 2026, to receive such refund. The**

207 refund shall be allowed in an amount equal to the amount
208 actually paid on such assessment by the taxpayer, plus
209 interest calculated using the Applicable Federal Rates as
210 published by the Internal Revenue Service under 26 U.S.C.
211 Section 274. The total amount of refund claims paid under
212 this subsection shall not exceed one hundred thousand
213 dollars and shall be issued on a first-come, first-served
214 basis. If the total amount of refund claims exceeds one
215 hundred thousand dollars, the department shall request an
216 appropriation from the general assembly in later fiscal
217 years to satisfy such unpaid claims.

218 (3) The provisions of subsection 2 of this section
219 requiring a person legally obligated to remit the tax to
220 file a claim for refund within ten years from date of
221 overpayment shall not apply to the provisions of this
222 subsection.

144.813. In addition to all other exemptions granted
2 under this chapter, there is hereby specifically exempted
3 from the provisions of sections 144.010 to 144.525 and
4 144.600 to 144.761, and section 238.235, and the local sales
5 tax law as defined in section 32.085, and from the
6 computation of the tax levied, assessed, or payable under
7 sections 144.010 to 144.525 and 144.600 to 144.761, and
8 section 238.235, and the local sales tax law as defined in
9 section 32.085, all sales of class III medical devices as
10 described in 21 U.S.C. 360c(a)(1)(C) that use electric
11 fields for the purposes of the treatment of cancer including
12 components and repair parts and the disposable or single
13 patient use supplies required for the use of such devices.

190.800. 1. Each ground ambulance service, except for
2 any ambulance service owned and operated by an entity owned
3 and operated by the state of Missouri, including but not

4 limited to any hospital owned or operated by the board of
5 curators, as defined in chapter 172, or any department of
6 the state, shall, in addition to all other fees and taxes
7 now required or paid, pay an ambulance service reimbursement
8 allowance tax for the privilege of engaging in the business
9 of providing ambulance services in this state.

10 2. For the purpose of this section, the following
11 terms shall mean:

12 (1) "Ambulance", the same meaning as such term is
13 defined in section 190.100;

14 (2) "Ambulance service", the same meaning as such term
15 is defined in section 190.100;

16 (3) "Engaging in the business of providing ambulance
17 services in this state", accepting payment for such services;

18 (4) "Gross receipts", all amounts received by an
19 ambulance service licensed under section 190.109 for its own
20 account from the provision of all emergency services, as
21 defined in section 190.100, to the public in the state of
22 Missouri, but shall not include revenue from taxes collected
23 under law, grants, subsidies received from governmental
24 agencies, **[or]** the value of charity care, **or revenues**
25 **received from supplemental reimbursement for ground**
26 **emergency medical transportation under section 208.1030.**

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