

SENATE BILL NO. 759

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOUGH.

3894S.01I

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal section 32.087, RSMo, and to enact in lieu thereof one new section relating to local sales taxes.

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

Section A. Section 32.087, RSMo, is repealed and one new
2 section enacted in lieu thereof, to be known as section 32.087,
3 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
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
136 name) 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.

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