

SECOND REGULAR SESSION

[P E R F E C T E D]

# SENATE BILL NO. 773

99TH GENERAL ASSEMBLY

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INTRODUCED BY SENATOR HOSKINS.

Pre-filed December 5, 2017, and ordered printed.

Read 2nd time January 17, 2018, and referred to the Committee on Ways and Means.

Reported from the Committee February 22, 2018, with recommendation that the bill do pass.

Taken up for Perfection March 7, 2018. Bill declared Perfected and Ordered Printed.

ADRIANE D. CROUSE, Secretary.

5294S.01P

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## AN ACT

To repeal section 143.183, RSMo, and to enact in lieu thereof one new section relating to income tax for certain nonresidents.

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

Section A. Section 143.183, RSMo, is repealed and one new section  
2 enacted in lieu thereof, to be known as section 143.183, to read as follows:

143.183. 1. As used in this section, the following terms mean:

2 (1) "Nonresident entertainer", a person residing or registered as a  
3 corporation outside this state who, for compensation, performs any vocal,  
4 instrumental, musical, comedy, dramatic, dance or other performance in this state  
5 before a live audience and any other person traveling with and performing  
6 services on behalf of a nonresident entertainer, including a nonresident  
7 entertainer who is paid compensation for providing entertainment as an  
8 independent contractor, a partnership that is paid compensation for  
9 entertainment provided by nonresident entertainers, a corporation that is paid  
10 compensation for entertainment provided by nonresident entertainers, or any  
11 other entity that is paid compensation for entertainment provided by nonresident  
12 entertainers;

13 (2) "Nonresident member of a professional athletic team", a professional  
14 athletic team member who resides outside this state, including any active player,  
15 any player on the disabled list if such player is in uniform on the day of the game  
16 at the site of the game, and any other person traveling with and performing

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

17 services on behalf of a professional athletic team;

18 (3) "Personal service income" includes exhibition and regular season  
19 salaries and wages, guaranteed payments, strike benefits, deferred payments,  
20 severance pay, bonuses, and any other type of compensation paid to the  
21 nonresident entertainer or nonresident member of a professional athletic team,  
22 but does not include prizes, bonuses or incentive money received from competition  
23 in a livestock, equine or rodeo performance, exhibition or show;

24 (4) "Professional athletic team" includes, but is not limited to, any  
25 professional baseball, basketball, football, soccer and hockey team.

26 2. Any person, venue, or entity who pays compensation to a nonresident  
27 entertainer shall deduct and withhold from such compensation as a prepayment  
28 of tax an amount equal to two percent of the total compensation if the amount of  
29 compensation is in excess of three hundred dollars paid to the nonresident  
30 entertainer. For purposes of this section, the term "person, venue, or entity who  
31 pays compensation" shall not be construed to include any person, venue, or entity  
32 that is exempt from taxation under 26 U.S.C. Section 501(c)(3), as amended, and  
33 that pays an amount to the nonresident entertainer for the entertainer's  
34 appearance but receives no benefit from the entertainer's appearance other than  
35 the entertainer's performance.

36 3. Any person, venue, or entity required to deduct and withhold tax  
37 pursuant to subsection 2 of this section shall, for each calendar quarter, on or  
38 before the last day of the month following the close of such calendar quarter,  
39 remit the taxes withheld in such form or return as prescribed by the director of  
40 revenue and pay over to the director of revenue or to a depository designated by  
41 the director of revenue the taxes so required to be deducted and withheld.

42 4. Any person, venue, or entity subject to this section shall be considered  
43 an employer for purposes of section 143.191, and shall be subject to all penalties,  
44 interest, and additions to tax provided in this chapter for failure to comply with  
45 this section.

46 5. Notwithstanding other provisions of this chapter to the contrary, the  
47 commissioner of administration, for all taxable years beginning on or after  
48 January 1, 1999, but none after December 31, [2020] **2030**, shall annually  
49 estimate the amount of state income tax revenues collected pursuant to this  
50 chapter which are received from nonresident members of professional athletic  
51 teams and nonresident entertainers. For fiscal year 2000, and for each  
52 subsequent fiscal year for a period of [twenty-one] **thirty-one** years, sixty

53 percent of the annual estimate of taxes generated from the nonresident  
54 entertainer and professional athletic team income tax shall be allocated annually  
55 to the Missouri arts council trust fund, and shall be transferred, subject to  
56 appropriations, from the general revenue fund to the Missouri arts council trust  
57 fund established in section 185.100 and any amount transferred shall be in  
58 addition to such agency's budget base for each fiscal year. The director shall by  
59 rule establish the method of determining the portion of personal service income  
60 of such persons that is allocable to Missouri.

61         6. Notwithstanding the provisions of sections 186.050 to 186.067 to the  
62 contrary, the commissioner of administration, for all taxable years beginning on  
63 or after January 1, 1999, but for none after December 31, [2020] **2030**, shall  
64 estimate annually the amount of state income tax revenues collected pursuant to  
65 this chapter which are received from nonresident members of professional athletic  
66 teams and nonresident entertainers. For fiscal year 2000, and for each  
67 subsequent fiscal year for a period of [twenty-one] **thirty-one** years, ten percent  
68 of the annual estimate of taxes generated from the nonresident entertainer and  
69 professional athletic team income tax shall be allocated annually to the Missouri  
70 humanities council trust fund, and shall be transferred, subject to appropriations,  
71 from the general revenue fund to the Missouri humanities council trust fund  
72 established in section 186.055 and any amount transferred shall be in addition  
73 to such agency's budget base for each fiscal year.

74         7. Notwithstanding other provisions of section 182.812 to the contrary, the  
75 commissioner of administration, for all taxable years beginning on or after  
76 January 1, 1999, but for none after December 31, [2020] **2030**, shall estimate  
77 annually the amount of state income tax revenues collected pursuant to this  
78 chapter which are received from nonresident members of professional athletic  
79 teams and nonresident entertainers. For fiscal year 2000, and for each  
80 subsequent fiscal year for a period of [twenty-one] **thirty-one** years, ten percent  
81 of the annual estimate of taxes generated from the nonresident entertainer and  
82 professional athletic team income tax shall be allocated annually to the Missouri  
83 state library networking fund, and shall be transferred, subject to appropriations,  
84 from the general revenue fund to the secretary of state for distribution to public  
85 libraries for acquisition of library materials as established in section 182.812 and  
86 any amount transferred shall be in addition to such agency's budget base for each  
87 fiscal year.

88         8. Notwithstanding other provisions of section 185.200 to the contrary, the

89 commissioner of administration, for all taxable years beginning on or after  
90 January 1, 1999, but for none after December 31, [2020] **2030**, shall estimate  
91 annually the amount of state income tax revenues collected pursuant to this  
92 chapter which are received from nonresident members of professional athletic  
93 teams and nonresident entertainers. For fiscal year 2000, and for each  
94 subsequent fiscal year for a period of [twenty-one] **thirty-one** years, ten percent  
95 of the annual estimate of taxes generated from the nonresident entertainer and  
96 professional athletic team income tax shall be allocated annually to the Missouri  
97 public television broadcasting corporation special fund, and shall be transferred,  
98 subject to appropriations, from the general revenue fund to the Missouri public  
99 television broadcasting corporation special fund, and any amount transferred  
100 shall be in addition to such agency's budget base for each fiscal year; provided,  
101 however, that twenty-five percent of such allocation shall be used for grants to  
102 public radio stations which were qualified by the corporation for public  
103 broadcasting as of November 1, 1996. Such grants shall be distributed to each  
104 of such public radio stations in this state after receipt of the station's certification  
105 of operating and programming expenses for the prior fiscal year. Certification  
106 shall consist of the most recent fiscal year financial statement submitted by a  
107 station to the corporation for public broadcasting. The grants shall be divided  
108 into two categories, an annual basic service grant and an operating grant. The  
109 basic service grant shall be equal to thirty-five percent of the total amount and  
110 shall be divided equally among the public radio stations receiving grants. The  
111 remaining amount shall be distributed as an operating grant to the stations on  
112 the basis of the proportion that the total operating expenses of the individual  
113 station in the prior fiscal year bears to the aggregate total of operating expenses  
114 for the same fiscal year for all Missouri public radio stations which are receiving  
115 grants.

116 9. Notwithstanding other provisions of section 253.402 to the contrary, the  
117 commissioner of administration, for all taxable years beginning on or after  
118 January 1, 1999, but for none after December 31, [2020] **2030**, shall estimate  
119 annually the amount of state income tax revenues collected pursuant to this  
120 chapter which are received from nonresident members of professional athletic  
121 teams and nonresident entertainers. For fiscal year 2000, and for each  
122 subsequent fiscal year for a period of [twenty-one] **thirty-one** years, ten percent  
123 of the annual estimate of taxes generated from the nonresident entertainer and  
124 professional athletic team income tax shall be allocated annually to the Missouri

125 department of natural resources Missouri historic preservation revolving fund,  
126 and shall be transferred, subject to appropriations, from the general revenue fund  
127 to the Missouri department of natural resources Missouri historic preservation  
128 revolving fund established in section 253.402 and any amount transferred shall  
129 be in addition to such agency's budget base for each fiscal year.

130           10. This section shall not be construed to apply to any person who makes  
131 a presentation for professional or technical education purposes or to apply to any  
132 presentation that is part of a seminar, conference, convention, school, or similar  
133 program format designed to provide professional or technical education.

Unofficial ✓

Bill

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