

SECOND REGULAR SESSION

# SENATE BILL NO. 906

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR WASSON.

Read 1st time January 13, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

5747S.02I

## AN ACT

To repeal section 32.087, RSMo, and to enact in lieu thereof two new sections relating to local sales tax on motor vehicles.

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

Section A. Section 32.087, RSMo, is repealed and two new sections  
2 enacted in lieu thereof, to be known as sections 32.087 and 32.088, to read as  
3 follows:

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

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

12 3. Every retailer within the jurisdiction of one or more taxing entities  
13 which has imposed one or more local sales taxes under the local sales tax law  
14 shall add all taxes so imposed along with the tax imposed by the sales tax law of  
15 the state of Missouri to the sale price and, when added, the combined tax shall  
16 constitute a part of the price, and shall be a debt of the purchaser to the retailer  
17 until paid, and shall be recoverable at law in the same manner as the purchase  
18 price. The combined rate of the state sales tax and all local sales taxes shall be

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

19 the sum of the rates, multiplying the combined rate times the amount of the sale.

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

24 5. (1) The ordinance or order imposing a local sales tax under the local  
 25 sales tax law shall impose a tax upon all transactions upon which the Missouri  
 26 state sales tax is imposed to the extent and in the manner provided in sections  
 27 144.010 to 144.525, and the rules and regulations of the director of revenue  
 28 issued pursuant thereto; except that the rate of the tax shall be the sum of the  
 29 combined rate of the state sales tax or state highway use tax and all local sales  
 30 taxes imposed under the provisions of the local sales tax law.

31 (2) Notwithstanding any other provision of law to the contrary, local  
 32 taxing jurisdictions, except those in which voters have previously approved a local  
 33 use tax under section 144.757, shall have placed on the ballot on or after the  
 34 general election in November 2014, but no later than the general election in  
 35 November [2016] **2022**, whether to repeal application of the local sales tax to the  
 36 titling of motor vehicles, trailers, boats, and outboard motors that are subject to  
 37 state sales tax under section 144.020 and purchased from a source other than a  
 38 licensed Missouri dealer. The ballot question presented to the local voters shall  
 39 contain substantially the following language:

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

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

49  YES  NO

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

52 (3) If the ballot question set forth in subdivision (2) of this subsection  
 53 receives a majority of the votes cast in favor of the proposal, or if the local taxing  
 54 jurisdiction fails to place the ballot question before the voters on or before the

55 general election in November [2016] **2022**, the local taxing jurisdiction shall cease  
56 applying the local sales tax to the titling of motor vehicles, trailers, boats, and  
57 outboard motors that were purchased from a source other than a licensed  
58 Missouri dealer.

59 (4) In addition to the requirement that the ballot question set forth in  
60 subdivision (2) of this subsection be placed before the voters, the governing body  
61 of any local taxing jurisdiction that had previously imposed a local use tax on the  
62 use of motor vehicles, trailers, boats, and outboard motors may, at any time, place  
63 a proposal on the ballot at any election to repeal application of the local sales tax  
64 to the titling of motor vehicles, trailers, boats, and outboard motors purchased  
65 from a source other than a licensed Missouri dealer.

66 If a majority of the votes cast by the registered voters voting thereon are in favor  
67 of the proposal to repeal application of the local sales tax to such titling, then the  
68 local sales tax shall no longer be applied to the titling of motor vehicles, trailers,  
69 boats, and outboard motors purchased from a source other than a licensed  
70 Missouri dealer. If a majority of the votes cast by the registered voters voting  
71 thereon are opposed to the proposal to repeal application of the local sales tax to  
72 such titling, such application shall remain in effect.

73 (5) In addition to the requirement that the ballot question set forth in  
74 subdivision (2) of this subsection be placed before the voters on or after the  
75 general election in November 2014, and on or before the general election in  
76 November [2016] **2022**, whenever the governing body of any local taxing  
77 jurisdiction imposing a local sales tax on the sale of motor vehicles, trailers,  
78 boats, and outboard motors receives a petition, signed by fifteen percent of the  
79 registered voters of such jurisdiction voting in the last gubernatorial election, and  
80 calling for a proposal to be placed on the ballot at any election to repeal  
81 application of the local sales tax to the titling of motor vehicles, trailers, boats,  
82 and outboard motors purchased from a source other than a licensed Missouri  
83 dealer, the governing body shall submit to the voters of such jurisdiction a  
84 proposal to repeal application of the local sales tax to such titling. If a majority  
85 of the votes cast by the registered voters voting thereon are in favor of the  
86 proposal to repeal application of the local sales tax to such titling, then the local  
87 sales tax shall no longer be applied to the titling of motor vehicles, trailers, boats,  
88 and outboard motors purchased from a source other than a licensed Missouri  
89 dealer. If a majority of the votes cast by the registered voters voting thereon are  
90 opposed to the proposal to repeal application of the local sales tax to such titling,

91 such application shall remain in effect.

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

94 (7) If any local sales tax on the titling of motor vehicles, trailers, boats,  
95 and outboard motors purchased from a source other than a licensed Missouri  
96 dealer is repealed, such repeal shall take effect on the first day of the second  
97 calendar quarter after the election. If any local sales tax on the titling of motor  
98 vehicles, trailers, boats, and outboard motors purchased from a source other than  
99 a licensed Missouri dealer is required to cease to be applied or collected due to  
100 failure of a local taxing jurisdiction to hold an election pursuant to subdivision  
101 (2) of this subsection, such cessation shall take effect on March 1, [2017] 2023.

102 (8) **Notwithstanding any provision of law to the contrary, if any**  
103 **local sales tax on the titling of motor vehicles, trailers, boats, and**  
104 **outboard motors purchased from a source other than a licensed**  
105 **Missouri dealer is repealed or if the taxing jurisdiction failed to**  
106 **present the ballot to the voters at a general election on or before the**  
107 **general election in November 2016, then the governing body of such**  
108 **taxing jurisdiction may, at any election subsequent to the repeal, place**  
109 **the issue of imposing a sales tax on the titling of motor vehicles,**  
110 **trailers, boats, and outboard motors that are subject to state sales tax**  
111 **under section 144.020 and that were purchased from a source other**  
112 **than a licensed Missouri dealer. The ballot question presented to the**  
113 **local voters shall contain substantially the following language:**

114 **Shall the ..... (local jurisdiction's name) apply and collect the**  
115 **local sales tax on the titling of motor vehicles, trailers, boats, and**  
116 **outboard motors that are subject to state sales tax under section**  
117 **144.020 and purchased from a source other than a licensed Missouri**  
118 **dealer?**

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

124  YES  NO

125 **If you are in favor of the question, place an "X" in the box opposite**  
126 **"YES". If you are opposed to the question, place an "X" in the box**

127 **opposite "NO".**

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

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

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

147 8. All exemptions granted to agencies of government, organizations,  
148 persons and to the sale of certain articles and items of tangible personal property  
149 and taxable services under the provisions of sections 144.010 to 144.525, as these  
150 sections now read and as they may hereafter be amended, it being the intent of  
151 this general assembly to ensure that the same sales tax exemptions granted from  
152 the state sales tax law also be granted under the local sales tax law, are hereby  
153 made applicable to the imposition and collection of all local sales taxes imposed  
154 under the local sales tax law.

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

162 10. All discounts allowed the retailer under the provisions of the state

163 sales tax law for the collection of and for payment of taxes under the provisions  
164 of the state sales tax law are hereby allowed and made applicable to any local  
165 sales tax collected under the provisions of the local sales tax law.

166         11. The penalties provided in section 32.057 and sections 144.010 to  
167 144.525 for a violation of the provisions of those sections are hereby made  
168 applicable to violations of the provisions of the local sales tax law.

169         12. (1) For the purposes of any local sales tax imposed by an ordinance  
170 or order under the local sales tax law, all sales, except the sale of motor vehicles,  
171 trailers, boats, and outboard motors required to be titled under the laws of the  
172 state of Missouri, shall be deemed to be consummated at the place of business of  
173 the retailer unless the tangible personal property sold is delivered by the retailer  
174 or his agent to an out-of-state destination. In the event a retailer has more than  
175 one place of business in this state which participates in the sale, the sale shall  
176 be deemed to be consummated at the place of business of the retailer where the  
177 initial order for the tangible personal property is taken, even though the order  
178 must be forwarded elsewhere for acceptance, approval of credit, shipment or  
179 billing. A sale by a retailer's agent or employee shall be deemed to be  
180 consummated at the place of business from which he works.

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

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

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

198         14. The director of revenue and any of his deputies, assistants and

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

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

219         16. Within the boundaries of any taxing entity where one or more local  
220 sales taxes have been imposed, if any person is delinquent in the payment of the  
221 amount required to be paid by him under the local sales tax law or in the event  
222 a determination has been made against him for taxes and penalty under the local  
223 sales tax law, the limitation for bringing suit for the collection of the delinquent  
224 tax and penalty shall be the same as that provided in sections 144.010 to  
225 144.525. Where the director of revenue has determined that suit must be filed  
226 against any person for the collection of delinquent taxes due the state under the  
227 state sales tax law, and where such person is also delinquent in payment of taxes  
228 under the local sales tax law, the director of revenue shall notify the taxing entity  
229 in the event any person fails or refuses to pay the amount of any local sales tax  
230 due so that appropriate action may be taken by the taxing entity.

231         17. Where property is seized by the director of revenue under the  
232 provisions of any law authorizing seizure of the property of a taxpayer who is  
233 delinquent in payment of the tax imposed by the state sales tax law, and where  
234 such taxpayer is also delinquent in payment of any tax imposed by the local sales

235 tax law, the director of revenue shall permit the taxing entity to join in any sale  
236 of property to pay the delinquent taxes and penalties due the state and to the  
237 taxing entity under the local sales tax law. The proceeds from such sale shall  
238 first be applied to all sums due the state, and the remainder, if any, shall be  
239 applied to all sums due such taxing entity.

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

32.088. 1. **There is hereby created the "Missouri Task Force on  
2 Fair, Nondiscriminatory Local Taxation Concerning Motor Vehicles,  
3 Trailers, Boats, and Outboard Motors" to consist of the following  
4 members:**

5 **(1) The following six members of the general assembly:**

6 **(a) Three members of the house of representatives, with each  
7 member to be appointed by the speaker of the house of representatives;  
8 and**

9 **(b) Three members of the senate, with each member to be  
10 appointed by the president pro tempore of the senate;**

11 **(2) The director of the department of revenue or the director's  
12 designee;**

13 **(3) Two Missouri motor vehicle dealers, with one to be appointed  
14 by the speaker of the house of representatives and one to be appointed  
15 by the president pro tempore of the senate;**

16 **(4) Two representatives from Missouri county governments, with  
17 one to be appointed by the speaker of the house of representatives and  
18 one to be appointed by the president pro tempore of the senate;**

19 **(5) Two representatives from Missouri city governments, with**



20 one to be appointed by the speaker of the house of representatives and  
21 one to be appointed by the president pro tempore of the senate; and

22 (6) One Missouri marine dealer, to be appointed by the speaker  
23 of the house of representatives.

24 2. The task force shall meet within thirty days after its creation  
25 and organize by selecting a chair and a vice chair, one of whom shall  
26 be a member of the senate and the other of whom shall be a member of  
27 the house of representatives. The chair shall designate a person to  
28 keep the records of the task force. A majority of the task force  
29 constitutes a quorum and a majority vote of a quorum is required for  
30 any action.

31 3. The task force shall meet at least quarterly. However, the task  
32 force shall meet at least monthly during each term of the general  
33 assembly. Meetings may be held by telephone or video conference at  
34 the discretion of the chair.

35 4. Members shall serve on the task force without compensation  
36 but may, subject to appropriation, be reimbursed for actual and  
37 necessary expenses incurred in the performance of their official duties  
38 as members of the task force.

39 5. The goals of the task force shall address:

40 (1) The disparity in taxation that resulted from the Missouri  
41 Supreme Court's decision in *Street v. Director of Revenue*, 361 S.W.3d  
42 355 (Mo. 2012)(en banc), concerning the local taxation of motor vehicles,  
43 boats, trailers, and outboard motors if purchased from a source other  
44 than a licensed Missouri dealer;

45 (2) The need for local jurisdictions to continue to receive  
46 revenue to provide vital services restored by S.B. 23, effective July 5,  
47 2013; and

48 (3) The need to avoid placing Missouri dealers of motor vehicles,  
49 outboard motors, boats, and trailers at a competitive disadvantage to  
50 non-Missouri dealers of motor vehicles, outboard motors, boats, and  
51 trailers;

52 6. The task force shall:

53 (1) Review evidence regarding the methods to address the goals  
54 of the task force;

55 (2) Review the methods used by other states to address the goals  
56 of the task force;

57           **(3) Review the impact of the disparity of treatment on Missouri**  
58 **dealers; and**

59           **(4) Develop legislation that will not discriminate against**  
60 **Missouri dealers and will safeguard local revenue to provide vital local**  
61 **services.**

62           **7. On or before December 31, 2018, the task force shall submit a**  
63 **report on its findings to the governor and general assembly. The report**  
64 **shall include any dissenting opinions in addition to any majority**  
65 **opinions.**

66           **8. The task force shall expire on January 1, 2019, or upon**  
67 **submission of a report under subsection 7 of this section, whichever is**  
68 **earlier.**

✓

Bill

Copy