

# SENATE BILL NO. 967

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOUGH.

4571S.01H

ADRIANE D. CROUSE, Secretary

## AN ACT

To repeal section 144.070, RSMo, and to enact in lieu thereof one new section relating to the collection of sales tax on motor vehicles.

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

Section A. Section 144.070, RSMo, is repealed and one new  
2 section enacted in lieu thereof, to be known as section 144.070,  
3 to read as follows:

144.070. 1. At the time the owner of any new or used  
2 motor vehicle, trailer, boat, or outboard motor which was  
3 acquired in a transaction subject to sales tax under the  
4 Missouri sales tax law makes application to the director of  
5 revenue for an official certificate of title and the  
6 registration of the motor vehicle, trailer, boat, or  
7 outboard motor as otherwise provided by law, the owner shall  
8 present to the director of revenue evidence satisfactory to  
9 the director of revenue showing the purchase price exclusive  
10 of any charge incident to the extension of credit paid by or  
11 charged to the applicant in the acquisition of the motor  
12 vehicle, trailer, boat, or outboard motor, or that no sales  
13 tax was incurred in its acquisition, and if sales tax was  
14 incurred in its acquisition, the applicant shall pay or  
15 cause to be paid to the director of revenue the sales tax  
16 provided by the Missouri sales tax law in addition to the  
17 registration fees now or hereafter required according to  
18 law, and the director of revenue shall not issue a

19 certificate of title for any new or used motor vehicle,  
20 trailer, boat, or outboard motor subject to sales tax as  
21 provided in the Missouri sales tax law until the tax levied  
22 for the sale of the same under sections 144.010 to 144.510  
23 has been paid as provided in this section or is registered  
24 under the provisions of subsection 5 of this section.

25       2. As used in subsection 1 of this section, the term  
26 "purchase price" shall mean the total amount of the contract  
27 price agreed upon between the seller and the applicant in  
28 the acquisition of the motor vehicle, trailer, boat, or  
29 outboard motor, regardless of the medium of payment therefor.

30       3. In the event that the purchase price is unknown or  
31 undisclosed, or that the evidence thereof is not  
32 satisfactory to the director of revenue, the same shall be  
33 fixed by appraisalment by the director.

34       4. The director of the department of revenue shall  
35 endorse upon the official certificate of title issued by the  
36 director upon such application an entry showing that such  
37 sales tax has been paid or that the motor vehicle, trailer,  
38 boat, or outboard motor represented by such certificate is  
39 exempt from sales tax and state the ground for such  
40 exemption.

41       5. Any person, company, or corporation engaged in the  
42 business of renting or leasing motor vehicles, trailers,  
43 boats, or outboard motors, which are to be used exclusively  
44 for rental or lease purposes, and not for resale, may apply  
45 to the director of revenue for authority to operate as a  
46 leasing or rental company and pay an annual fee of two  
47 hundred fifty dollars for such authority. Any company  
48 approved by the director of revenue may pay the tax due on  
49 any motor vehicle, trailer, boat, or outboard motor as  
50 required in section 144.020 at the time of registration

51 thereof or in lieu thereof may pay a sales tax as provided  
52 in sections 144.010, 144.020, 144.070 and 144.440. A sales  
53 tax shall be charged to and paid by a leasing company which  
54 does not exercise the option of paying in accordance with  
55 section 144.020, on the amount charged for each rental or  
56 lease agreement while the motor vehicle, trailer, boat, or  
57 outboard motor is domiciled in this state. Any motor  
58 vehicle, trailer, boat, or outboard motor which is leased as  
59 the result of a contract executed in this state shall be  
60 presumed to be domiciled in this state.

61         6. Every applicant to be a registered fleet owner as  
62 described in subsections 6 to 10 of section 301.032 shall  
63 furnish with the application to operate as a registered  
64 fleet owner a corporate surety bond or irrevocable letter of  
65 credit, as defined in section 400.5-102, issued by any state  
66 or federal financial institution in the penal sum of one  
67 hundred thousand dollars, on a form approved by the  
68 department. The bond or irrevocable letter of credit shall  
69 be conditioned upon the registered fleet owner complying  
70 with the provisions of any statutes applicable to registered  
71 fleet owners, and the bond shall be an indemnity for any  
72 loss sustained by reason of the acts of the person bonded  
73 when such acts constitute grounds for the suspension or  
74 revocation of the registered fleet owner license. The bond  
75 shall be executed in the name of the state of Missouri for  
76 the benefit of all aggrieved parties or the irrevocable  
77 letter of credit shall name the state of Missouri as the  
78 beneficiary; except that, the aggregate liability of the  
79 surety or financial institution to the aggrieved parties  
80 shall, in no event, exceed the amount of the bond or  
81 irrevocable letter of credit. The proceeds of the bond or  
82 irrevocable letter of credit shall be paid upon receipt by

83 the department of a final judgment from a Missouri court of  
84 competent jurisdiction against the principal and in favor of  
85 an aggrieved party.

86 7. Any corporation may have one or more of its  
87 divisions separately apply to the director of revenue for  
88 authorization to operate as a leasing company, provided that  
89 the corporation:

90 (1) Has filed a written consent with the director  
91 authorizing any of its divisions to apply for such authority;

92 (2) Is authorized to do business in Missouri;

93 (3) Has agreed to treat any sale of a motor vehicle,  
94 trailer, boat, or outboard motor from one of its divisions  
95 to another of its divisions as a sale at retail;

96 (4) Has registered under the fictitious name  
97 provisions of sections 417.200 to 417.230 each of its  
98 divisions doing business in Missouri as a leasing company;  
99 and

100 (5) Operates each of its divisions on a basis separate  
101 from each of its other divisions. However, when the  
102 transfer of a motor vehicle, trailer, boat or outboard motor  
103 occurs within a corporation which holds a license to operate  
104 as a motor vehicle or boat dealer pursuant to sections  
105 301.550 to 301.573 the provisions in subdivision (3) of this  
106 subsection shall not apply.

107 8. If the owner of any motor vehicle, trailer, boat,  
108 or outboard motor desires to charge and collect sales tax as  
109 provided in this section, the owner shall make application  
110 to the director of revenue for a permit to operate as a  
111 motor vehicle, trailer, boat, or outboard motor leasing  
112 company. The director of revenue shall promulgate rules and  
113 regulations determining the qualifications of such a  
114 company, and the method of collection and reporting of sales

115 tax charged and collected. Such regulations shall apply  
116 only to owners of motor vehicles, trailers, boats, or  
117 outboard motors, electing to qualify as motor vehicle,  
118 trailer, boat, or outboard motor leasing companies under the  
119 provisions of subsection 5 of this section, and no motor  
120 vehicle renting or leasing, trailer renting or leasing, or  
121 boat or outboard motor renting or leasing company can come  
122 under sections 144.010, 144.020, 144.070 and 144.440 unless  
123 all motor vehicles, trailers, boats, and outboard motors  
124 held for renting and leasing are included.

125 9. Any person, company, or corporation engaged in the  
126 business of renting or leasing three thousand five hundred  
127 or more motor vehicles which are to be used exclusively for  
128 rental or leasing purposes and not for resale, and that has  
129 applied to the director of revenue for authority to operate  
130 as a leasing company may also operate as a registered fleet  
131 owner as prescribed in section 301.032.

132 10. Beginning July 1, 2010, any motor vehicle dealer  
133 licensed under section 301.560 engaged in the business of  
134 selling motor vehicles or trailers may apply to the director  
135 of revenue for authority to collect and remit the sales tax  
136 required under this section on all motor vehicles sold by  
137 the motor vehicle dealer. **Beginning January 1, 2023, every**  
138 **motor vehicle dealer licensed under section 301.560 engaged**  
139 **in the business of selling motor vehicles or trailers shall**  
140 **apply to the director of revenue for authority to collect**  
141 **and remit the sales tax required under this section on all**  
142 **motor vehicles sold by the motor vehicle dealer.** A motor  
143 vehicle dealer receiving authority to collect and remit the  
144 tax is subject to all provisions under sections 144.010 to  
145 144.525. Any motor vehicle dealer authorized to collect and  
146 remit sales taxes on motor vehicles under this subsection

147 shall be entitled to deduct and retain an amount equal to  
148 two percent of the motor vehicle sales tax pursuant to  
149 section 144.140. Any amount of the tax collected under this  
150 subsection that is retained by a motor vehicle dealer  
151 pursuant to section 144.140 shall not constitute state  
152 revenue. In no event shall revenues from the general  
153 revenue fund or any other state fund be utilized to  
154 compensate motor vehicle dealers for their role in  
155 collecting and remitting sales taxes on motor vehicles. In  
156 the event this subsection or any portion thereof is held to  
157 violate Article IV, Section 30(b) of the Missouri  
158 Constitution, no motor vehicle dealer shall be authorized to  
159 collect and remit sales taxes on motor vehicles under this  
160 section. No motor vehicle dealer shall seek compensation  
161 from the state of Missouri or its agencies if a court of  
162 competent jurisdiction declares that the retention of two  
163 percent of the motor vehicle sales tax is unconstitutional  
164 and orders the return of such revenues.

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