

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE NO. 2 FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 777
97TH GENERAL ASSEMBLY

5406H.06C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 137.100, 143.451, 144.030, 144.044, 144.083, 144.087, 546.902, and 578.120, RSMo, and to enact in lieu thereof fifteen new sections relating to business incentives, with penalty provisions and an emergency clause for certain sections.

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

Section A. Sections 137.100, 143.451, 144.030, 144.044, 144.083, 144.087, 546.902, and 578.120, RSMo, are repealed and fifteen new sections enacted in lieu thereof, to be known as sections 67.2050, 135.1670, 137.100, 143.451, 144.030, 144.044, 144.083, 144.087, 144.810, 546.902, 578.120, 620.1650, 620.1915, 620.2425, and 620.2650, to read as follows:

67.2050. 1. As used in this section, unless the context clearly indicates otherwise, the following terms mean:

(1) "Facility", a location composed of real estate, buildings, fixtures, machinery, and equipment;

(2) "Municipality", any county, city, incorporated town, village of the state, or any utilities board thereof;

(3) "NAICS", the 2007 edition of the North American Industry Classification System developed under the direction and guidance of the federal Office of Management and Budget. Any NAICS sector, subsector, industry group, or industry identified in this section shall include its corresponding classification in previous and subsequent federal industry classification systems;

(4) "Technology business facility", a facility purchased, constructed, extended, or improved under this section, provided that such business facility is engaged in:

(a) Data processing, hosting, and related services (NAICS 518210);

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

15 **(b) Internet publishing and broadcasting and web search portals (NAICS 519130)**
16 **at the business facility; or**

17 **(c) The transmission of voice, data, text, sound, and video using wired**
18 **telecommunication networks (NAICS 517110);**

19 **(5) "Technology business facility project" or "project", the purchase, sale, lease,**
20 **construction, extension, and improvement of technology business facilities, whether of the**
21 **facility as a whole or of any one or more of the facility's components of real estate,**
22 **buildings, fixtures, machinery, and equipment.**

23 **2. The governing body of any municipality may:**

24 **(1) Carry out technology business facility projects for economic development under**
25 **this section;**

26 **(2) Accept grants from the federal and state governments for technology business**
27 **facility project purposes, and may enter into such agreements as are not contrary to the**
28 **laws of this state and which may be required as a condition of grants by the federal**
29 **government or its agencies; and**

30 **(3) Receive gifts and donations from private sources to be used for technology**
31 **business facility project purposes.**

32 **3. The governing body of the municipality may enter into loan agreements, sell,**
33 **lease, or mortgage to private persons, partnerships, or corporations any one or more of the**
34 **components of a facility received, purchased, constructed, or extended by the municipality**
35 **for development of a technology business facility project. The loan agreement, installment**
36 **sale agreement, lease, or other such document shall contain such other terms as are agreed**
37 **upon between the municipality and the obligor, provided that such terms shall be**
38 **consistent with this section. When, in the judgment of the governing body of the**
39 **municipality, the technology business facility project will result in economic benefits to the**
40 **municipality, the governing body may lawfully enter into an agreement that includes**
41 **nominal monetary consideration to the municipality in exchange for the use of one or more**
42 **components of the facility.**

43 **4. Transactions involving the lease or rental of any components of a project under**
44 **this section shall be specifically exempted from the provisions of local sales tax law as**
45 **defined in sections 32.085, 238.235, 144.010 to 144.525, and 144.600 to 144.761 and from**
46 **the computation of the tax levied, assessed, or payable under local sales tax law as defined**
47 **in sections 32.085, 144.010 to 144.525, 144.600 to 144.745, and 238.235.**

48 **5. Leasehold interests granted and held under this section shall not be subject to**
49 **property taxes.**

50 **6. Any payments in lieu of taxes expected to be made by any lessee of the project**
51 **shall be applied in accordance with this section. The lessee may reimburse the municipality**
52 **for its actual costs of administering the plan. All amounts paid in excess of such actual**
53 **costs shall, immediately upon receipt thereof, be disbursed by the municipality's treasurer**
54 **or other financial officer to each affected taxing entity in proportion to the current ad**
55 **valorem tax levy of each affected taxing entity.**

56 **7. The county assessor shall include the current assessed value of all property**
57 **within the affected taxing entities in the aggregate valuation of assessed property entered**
58 **upon the assessor's book and verified under section 137.245, and such value shall be used**
59 **for the purpose of the debt limitation on local government under article VI, section 26(b),**
60 **Constitution of Missouri.**

61 **8. The governing body of any municipality may sell or otherwise dispose of the**
62 **property, buildings, or plants acquired under this section to private persons or**
63 **corporations for technology business facility project purposes upon approval by the**
64 **governing body. The terms and method of the sale or other disposal shall be established**
65 **by the governing body so as to reasonably protect the economic well-being of the**
66 **municipality and to promote the development of technology business facility projects. A**
67 **private person or corporation that initially transfers property to the municipality for the**
68 **purposes of a technology business facility project and does not charge a purchase price to**
69 **the municipality shall retain the right, upon request to the municipality, to have the**
70 **municipality retransfer the donated property to the person or corporation at no cost.**

71 **9. The provisions of this section shall not be construed to allow political**
72 **subdivisions to provide telecommunications services or telecommunications facilities to the**
73 **extent that they are prohibited from doing so by section 392.410.**

135.1670. 1. As used in this section, the following terms mean:

2 **(1) "Kansas border county", Douglas, Johnson, Miami, or Wyandotte County in**
3 **Kansas;**

4 **(2) "Missouri border county", any county with a charter form of government and**
5 **with more than six hundred thousand but fewer than seven hundred thousand inhabitants,**
6 **any county of the first classification with more than eighty-three thousand but fewer than**
7 **ninety-two thousand inhabitants and with a city of the fourth classification with more than**
8 **four thousand five hundred but fewer than five thousand inhabitants as the county seat,**
9 **any county of the first classification with more than two hundred thousand but fewer than**
10 **two hundred sixty thousand inhabitants, or any county of the first classification with more**
11 **than ninety-two thousand but fewer than one hundred one thousand inhabitants in**
12 **Missouri.**

13 **2. If any job that qualifies for a tax credit under sections 100.700 to 100.850 or**
14 **under sections 135.100 to 135.258, for funding under section 620.1023, or for a tax credit**
15 **or retention of state withholding taxes under sections 620.2000 to 620.2020, relocates to a**
16 **Missouri border county from a Kansas border county, no tax credits shall be issued,**
17 **funding provided, or retention of withholding taxes authorized for such job under such**
18 **sections.**

19 **3. If the director of the Missouri department of economic development determines**
20 **that the state of Kansas has enacted legislation or the governor of Kansas issued an**
21 **executive order or similar action which prohibits the Kansas Department of Commerce or**
22 **any other Kansas executive department from providing economic incentives for jobs that**
23 **are relocated from a Missouri border county to a Kansas border county, then the director**
24 **shall execute and deliver to the governor, the speaker of the house of representatives, and**
25 **the president pro tempore of the senate a written certification of such determination. Upon**
26 **the execution and delivery of such written certification and the parties receiving such**
27 **certification providing a unanimous written affirmation, the provisions of subsection 2 of**
28 **this section shall be effective unless otherwise provided in this section. The provisions of**
29 **subsection 2 of this section shall not apply to incentives reserved on behalf of and awarded**
30 **to Missouri employers prior to the provisions of subsection 2 of this section taking effect.**

31 **4. If the director of the Missouri department of economic development determines**
32 **that the Kansas Department of Commerce or any other Kansas executive department is**
33 **providing economic incentives for jobs that relocate from a Missouri border county to a**
34 **Kansas border county, then the director shall execute and deliver to the governor, the**
35 **speaker of the house of representatives, and the president pro tempore of the senate a**
36 **written certification of such determination. Upon the execution and delivery of such**
37 **written certification and the parties receiving such certification providing a unanimous**
38 **written affirmation, the provisions of subsection 2 of this section shall not be effective until**
39 **such time as the director determines that the Kansas Department of Commerce, or any**
40 **other Kansas executive department is not providing economic incentives for jobs that**
41 **relocate from a Missouri border county to a Kansas border county, and the director has**
42 **executed and delivered to the governor, the speaker of the house of representative, and the**
43 **president pro tempore of the senate a written certification of such determination and the**
44 **parties receiving such certification provide an unanimous written affirmation.**

45 **5. The director of the Missouri department of economic development shall notify**
46 **the revisor of statutes of all changes in whether subsection 2 of this section is effective.**

47 **6. The provisions of this section shall expire August 28, 2016, unless at such time**
48 **the provisions of subsection 2 of this section are in effect. If the provisions of this section**

49 **do not expire on August 28, 2016, the provisions of this section shall expire on August 28,**
50 **2020.**

137.100. The following subjects are exempt from taxation for state, county or local
2 purposes:

3 (1) Lands and other property belonging to this state;

4 (2) Lands and other property belonging to any city, county or other political subdivision
5 in this state, including market houses, town halls and other public structures, with their furniture
6 and equipments, and on public squares and lots kept open for health, use or ornament;

7 (3) Nonprofit cemeteries;

8 (4) The real estate and tangible personal property which is used exclusively for
9 agricultural or horticultural societies organized in this state, including not-for-profit agribusiness
10 associations;

11 (5) All property, real and personal, actually and regularly used exclusively for religious
12 worship, for schools and colleges, or for purposes purely charitable and not held for private or
13 corporate profit, except that the exemption herein granted does not include real property not
14 actually used or occupied for the purpose of the organization but held or used as investment even
15 though the income or rentals received therefrom is used wholly for religious, educational or
16 charitable purposes. **For purposes of this section, property used for charitable purposes**
17 **includes residential facilities for the aged which are owned by an organization that is**
18 **exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as**
19 **amended, and which are operated consistent with the criteria for tax exemption set forth**
20 **in Internal Revenue Service Revenue Ruling 72-124;**

21 (6) Household goods, furniture, wearing apparel and articles of personal use and
22 adornment, as defined by the state tax commission, owned and used by a person in his home or
23 dwelling place;

24 (7) Motor vehicles leased for a period of at least one year to this state or to any city,
25 county, or political subdivision or to any religious, educational, or charitable organization which
26 has obtained an exemption from the payment of federal income taxes, provided the motor
27 vehicles are used exclusively for religious, educational, or charitable purposes;

28 (8) Real or personal property leased or otherwise transferred by an interstate compact
29 agency created pursuant to sections 70.370 to 70.430 or sections 238.010 to 238.100 to another
30 for which or whom such property is not exempt when immediately after the lease or transfer, the
31 interstate compact agency enters into a leaseback or other agreement that directly or indirectly
32 gives such interstate compact agency a right to use, control, and possess the property; provided,
33 however, that in the event of a conveyance of such property, the interstate compact agency must
34 retain an option to purchase the property at a future date or, within the limitations period for

35 reverters, the property must revert back to the interstate compact agency. Property will no longer
36 be exempt under this subdivision in the event of a conveyance as of the date, if any, when:

37 (a) The right of the interstate compact agency to use, control, and possess the property
38 is terminated;

39 (b) The interstate compact agency no longer has an option to purchase or otherwise
40 acquire the property; and

41 (c) There are no provisions for reverter of the property within the limitation period for
42 reverters;

43 (9) All property, real and personal, belonging to veterans' organizations. As used in this
44 section, "veterans' organization" means any organization of veterans with a congressional charter,
45 that is incorporated in this state, and that is exempt from taxation under section 501(c)(19) of the
46 Internal Revenue Code of 1986, as amended;

47 (10) Solar energy systems not held for resale.

143.451. 1. Missouri taxable income of a corporation shall include all income derived
2 from sources within this state.

3 2. A corporation described in subdivision (1) of subsection 1 of section 143.441 shall
4 include in its Missouri taxable income all income from sources within this state, including that
5 from the transaction of business in this state and that from the transaction of business partly done
6 in this state and partly done in another state or states. However:

7 (1) Where income results from a transaction partially in this state and partially in another
8 state or states, and income and deductions of the portion in the state cannot be segregated, then
9 such portions of income and deductions shall be allocated in this state and the other state or
10 states as will distribute to this state a portion based upon the portion of the transaction in this
11 state and the portion in such other state or states.

12 (2) The taxpayer may elect to compute the portion of income from all sources in this
13 state in the following manner, or the manner set forth in subdivision (3) of this subsection:

14 (a) The income from all sources shall be determined as provided, excluding therefrom
15 the figures for the operation of any bridge connecting this state with another state.

16 (b) The amount of sales which are transactions wholly in this state shall be added to one-
17 half of the amount of sales which are transactions partly within this state and partly without this
18 state, and the amount thus obtained shall be divided by the total sales or in cases where sales do
19 not express the volume of business, the amount of business transacted wholly in this state shall
20 be added to one-half of the amount of business transacted partly in this state and partly outside
21 this state and the amount thus obtained shall be divided by the total amount of business
22 transacted, and the net income shall be multiplied by the fraction thus obtained, to determine the
23 proportion of income to be used to arrive at the amount of Missouri taxable income. The

24 investment or reinvestment of its own funds, or sale of any such investment or reinvestment,
25 shall not be considered as sales or other business transacted for the determination of said
26 fraction.

27 (c) For the purposes of this subdivision, a transaction involving the sale of tangible
28 property is:

29 a. "Wholly in this state" if both the seller's shipping point and the purchaser's destination
30 point are in this state;

31 b. "Partly within this state and partly without this state" if the seller's shipping point is
32 in this state and the purchaser's destination point is outside this state, or the seller's shipping point
33 is outside this state and the purchaser's destination point is in this state;

34 c. Not "wholly in this state" or not "partly within this state and partly without this state"
35 only if both the seller's shipping point and the purchaser's destination point are outside this state.

36 (d) For purposes of this subdivision:

37 a. The purchaser's destination point shall be determined without regard to the FOB point
38 or other conditions of the sale; and

39 b. The seller's shipping point is determined without regard to the location of the seller's
40 principle office or place of business.

41 (3) The taxpayer may elect to compute the portion of income from all sources in this
42 state in the following manner:

43 (a) The income from all sources shall be determined as provided, excluding therefrom
44 the figures for the operation of any bridge connecting this state with another state;

45 (b) The amount of sales which are transactions in this state shall be divided by the total
46 sales, and the net income shall be multiplied by the fraction thus obtained, to determine the
47 proportion of income to be used to arrive at the amount of Missouri taxable income. The
48 investment or reinvestment of its own funds, or sale of any such investment or reinvestment,
49 shall not be considered as sales or other business transacted for the determination of said
50 fraction;

51 (c) For the purposes of this subdivision, a transaction involving the sale of tangible
52 property is:

53 a. "In this state" if the purchaser's destination point is in this state;

54 b. Not "in this state" if the purchaser's destination point is outside this state;

55 (d) For purposes of this subdivision, the purchaser's destination point shall be determined
56 without regard to the FOB point or other conditions of the sale and shall not be in this state if the
57 purchaser received the tangible personal property from the seller in this state for delivery to the
58 purchaser's location outside this state;

59 **(e) For the purposes of this subdivision, a transaction involving the sale other than**
60 **the sale of tangible property is "in this state" if the taxpayer's market for the sales is in this**
61 **state. The taxpayer's market for sales is in this state:**

62 **a. In the case of sale, rental, lease, or license of real property, if and to the extent**
63 **the property is located in this state;**

64 **b. In the case of rental, lease, or license of tangible personal property, if and to the**
65 **extent the property is located in this state;**

66 **c. In the case of sale of a service, if and to the extent the benefit of the service is**
67 **delivered to a purchaser location in this state; and**

68 **d. In the case of intangible property:**

69 **(i) That is rented, leased, or licensed, if and to the extent the property is used in this**
70 **state by the rentee, lessee, or licensee, provided that intangible property utilized in**
71 **marketing a good or service to a consumer is "used in this state" if that good or service is**
72 **purchased by a consumer who is in this state. Franchise fees or royalties received for the**
73 **rent, lease, license, or use of a trade name, trademark, service mark, or franchise system**
74 **or provides a right to conduct business activity in a specific geographic area are "used in**
75 **this state" to the extent the franchise location is in this state; and**

76 **(ii) That is sold, if and to the extent the property is used in this state, provided that:**

77 **i. A contract right, government license, or similar intangible property that**
78 **authorizes the holder to conduct a business activity in a specific geographic area is "used**
79 **in this state" if the geographic area includes all or part of this state;**

80 **ii. Receipts from intangible property sales that are contingent on the productivity,**
81 **use, or disposition of the intangible property shall be treated as receipts from the rental,**
82 **lease, or licensing of such intangible property under item (i) of this subparagraph; and**

83 **iii. All other receipts from a sale of intangible property shall be excluded from the**
84 **numerator and denominator of the sales factor;**

85 **(f) If the state or states of assignment under paragraph (e) of this subdivision**
86 **cannot be determined, the state or states of assignment shall be reasonably approximated;**

87 **(g) If the state of assignment cannot be determined under paragraph (e) of this**
88 **subdivision or reasonably approximated under paragraph (f) of this subdivision, such sales**
89 **shall be excluded from the denominator of the sales factor;**

90 **(h) The director may prescribe such rules and regulations as necessary or**
91 **appropriate to carry out the purposes of this section.**

92 **(4) For purposes of this subsection, the following words shall, unless the context**
93 **otherwise requires, have the following meaning:**

94 (a) "Administration services" include, but are not limited to, clerical, fund or shareholder
95 accounting, participant record keeping, transfer agency, bookkeeping, data processing, custodial,
96 internal auditing, legal and tax services performed for an investment company;

97 (b) "Affiliate", the meaning as set forth in 15 U.S.C. Section 80a-2(a)(3)(C), as may be
98 amended from time to time;

99 (c) "Distribution services" include, but are not limited to, the services of advertising,
100 servicing, marketing, underwriting or selling shares of an investment company, but, in the case
101 of advertising, servicing or marketing shares, only where such service is performed by a person
102 who is, or in the case of a closed end company, was, either engaged in the services of
103 underwriting or selling investment company shares or affiliated with a person that is engaged in
104 the service of underwriting or selling investment company shares. In the case of an open end
105 company, such service of underwriting or selling shares must be performed pursuant to a contract
106 entered into pursuant to 15 U.S.C. Section 80a-15(b), as from time to time amended;

107 (d) "Investment company", any person registered under the federal Investment Company
108 Act of 1940, as amended from time to time, (the act) or a company which would be required to
109 register as an investment company under the act except that such person is exempt to such
110 registration pursuant to Section 80a-3(c)(1) of the act;

111 (e) "Investment funds service corporation" includes any corporation or S corporation
112 doing business in the state which derives more than fifty percent of its gross income in the
113 ordinary course of business from the provision directly or indirectly of management, distribution
114 or administration services to or on behalf of an investment company or from trustees, sponsors
115 and participants of employee benefit plans which have accounts in an investment company. An
116 investment funds service corporation shall include any corporation or S corporation providing
117 management services as an investment advisory firm registered under Section 203 of the
118 Investment Advisors Act of 1940, as amended from time to time, regardless of the percentage
119 of gross revenues consisting of fees from management services provided to or on behalf of an
120 investment company;

121 (f) "Management services" include but are not limited to, the rendering of investment
122 advice directly or indirectly to an investment company making determinations as to when sales
123 and purchases of securities are to be made on behalf of the investment company, or the selling
124 or purchasing of securities constituting assets of an investment company, and related activities,
125 but only where such activity or activities are performed:

126 a. Pursuant to a contract with the investment company entered into pursuant to 15 U.S.C.
127 Section 80a-15(a), as from time to time amended;

128 b. For a person that has entered into such contract with the investment company; or

129 c. For a person that is affiliated with a person that has entered into such contract with an
130 investment company;

131 (g) "Qualifying sales", gross income derived from the provision directly or indirectly of
132 management, distribution or administration services to or on behalf of an investment company
133 or from trustees, sponsors and participants of employee benefit plans which have accounts in an
134 investment company. For purposes of this section, "gross income" is defined as that amount of
135 income earned from qualifying sources without deduction of expenses related to the generation
136 of such income;

137 (h) "Residence", presumptively the fund shareholder's mailing address on the records of
138 the investment company. If, however, the investment company or the investment funds service
139 corporation has actual knowledge that the fund shareholder's primary residence or principal place
140 of business is different than the fund shareholder's mailing address such presumption shall not
141 control. To the extent an investment funds service corporation does not have access to the
142 records of the investment company, the investment funds service corporation may employ
143 reasonable methods to determine the investment company fund shareholder's residence.

144 (5) Notwithstanding other provisions of law to the contrary, qualifying sales of an
145 investment funds service corporation, or S corporation, shall be considered wholly in this state
146 only to the extent that the fund shareholders of the investment companies, to which the
147 investment funds service corporation, or S corporation, provide services, are resided in this
148 state. Wholly in this state qualifying sales of an investment funds service corporation, or S
149 corporation, shall be determined as follows:

150 (a) By multiplying the investment funds service corporation's total dollar amount of
151 qualifying sales from services provided to each investment company by a fraction, the numerator
152 of which shall be the average of the number of shares owned by the investment company's fund
153 shareholders resided in this state at the beginning of and at the end of the investment
154 company's taxable year that ends with or within the investment funds service corporation's
155 taxable year, and the denominator of which shall be the average of the number of shares owned
156 by the investment company's fund shareholders everywhere at the beginning of and at the end
157 of the investment company's taxable year that ends with or within the investment funds service
158 corporation's taxable year;

159 (b) A separate computation shall be made to determine the wholly in this state qualifying
160 sales from each investment company. The qualifying sales for each investment company shall
161 be multiplied by the respective percentage of each fund, as calculated pursuant to paragraph (a)
162 of this subdivision. The product of this equation shall result in the wholly in this state qualifying
163 sales. The qualifying sales for each investment company which are not wholly in this state will
164 be considered wholly without this state;

165 (c) To the extent an investment funds service corporation has sales which are not
166 qualifying sales, those nonqualified sales shall be apportioned to this state based on the
167 methodology utilized by the investment funds service corporation without regard to this
168 subdivision.

169 3. Any corporation described in subdivision (1) of subsection 1 of section 143.441
170 organized in this state or granted a permit to operate in this state for the transportation or care
171 of passengers shall report its gross earnings within the state on intrastate business and shall also
172 report its gross earnings on all interstate business done in this state which report shall be subject
173 to inquiry for the purpose of determining the amount of income to be included in Missouri
174 taxable income. The previous sentence shall not apply to a railroad.

175 4. A corporation described in subdivision (2) of subsection 1 of section 143.441 shall
176 include in its Missouri taxable income all income arising from all sources in this state and all
177 income from each transportation service wholly within this state, from each service where the
178 only lines of such corporation used are those in this state, and such proportion of revenue from
179 each service where the facilities of such corporation in this state and in another state or states are
180 used, as the mileage used over the lines of such corporation in the state shall bear to the total
181 mileage used over the lines of such corporation. The taxpayer may elect to compute the portion
182 of income from all sources within this state in the following manner:

183 (1) The income from all sources shall be determined as provided;

184 (2) The amount of investment of such corporation on December thirty-first of each year
185 in this state in fixed transportation facilities, real estate and improvements, plus the value on
186 December thirty-first of each year of any fixed transportation facilities, real estate and
187 improvements in this state leased from any other railroad shall be divided by the sum of the total
188 amount of investment of such corporation on December thirty-first of each year in fixed
189 transportation facilities, real estate and improvements, plus the value on December thirty-first
190 of each year, of any fixed transportation facilities, real estate and improvements leased from any
191 other railroad. Where any fixed transportation facilities, real estate or improvements are leased
192 by more than one railroad, such portion of the value shall be used by each railroad as the rental
193 paid by each shall bear to the rental paid by all lessees. The income shall be multiplied by the
194 fraction thus obtained to determine the proportion to be used to arrive at the amount of Missouri
195 taxable income.

196 5. A corporation described in subdivision (3) of subsection 1 of section 143.441 shall
197 include in its Missouri taxable income one-half of the net income from the operation of a bridge
198 between this and another state. If any such bridge is owned or operated by a railroad corporation
199 or corporations, or by a corporation owning a railroad corporation using such bridge, then the
200 figures for operation of such bridge may be included in the return of such railroad or railroads;

201 or if such bridge is owned or operated by any other corporation which may now or hereafter be
202 required to file an income tax return, one-half of the income or loss to such corporation from
203 such bridge may be included in such return by adding or subtracting same to or from another net
204 income or loss shown by the return.

205 6. A corporation described in subdivision (4) of subsection 1 of section 143.441 shall
206 include in its Missouri taxable income all income arising from all sources within this state.
207 Income shall include revenue from each telephonic or telegraphic service rendered wholly within
208 this state; from each service rendered for which the only facilities of such corporation used are
209 those in this state; and from each service rendered over the facilities of such corporation in this
210 state and in other state or states, such proportion of such revenue as the mileage involved in this
211 state shall bear to the total mileage involved over the lines of said company in all states. The
212 taxpayer may elect to compute the portion of income from all sources within this state in the
213 following manner:

214 (1) The income from all sources shall be determined as provided;

215 (2) The amount of investment of such corporation on December thirty-first of each year
216 in this state in telephonic or telegraphic facilities, real estate and improvements thereon, shall be
217 divided by the amount of the total investment of such corporation on December thirty-first of
218 each year in telephonic or telegraphic facilities, real estate and improvements. The income of
219 the taxpayer shall be multiplied by fraction thus obtained to determine the proportion to be used
220 to arrive at the amount of Missouri taxable income.

221 7. From the income determined in subsections 2, 3, 4, 5 and 6 of this section to be from
222 all sources within this state shall be deducted such of the deductions for expenses in determining
223 Missouri taxable income as were incurred in this state to produce such income and all losses
224 actually sustained in this state in the business of the corporation.

225 8. If a corporation derives only part of its income from sources within Missouri, its
226 Missouri taxable income shall only reflect the effect of the following listed deductions to the
227 extent applicable to Missouri. The deductions are: (a) its deduction for federal income taxes
228 pursuant to section 143.171, and (b) the effect on Missouri taxable income of the deduction for
229 net operating loss allowed by Section 172 of the Internal Revenue Code. The extent applicable
230 to Missouri shall be determined by multiplying the amount that would otherwise affect Missouri
231 taxable income by the ratio for the year of the Missouri taxable income of the corporation for the
232 year divided by the Missouri taxable income for the year as though the corporation had derived
233 all of its income from sources within Missouri. For the purpose of the preceding sentence,
234 Missouri taxable income shall not reflect the listed deductions.

235 9. Any investment funds service corporation organized as a corporation or S corporation
236 which has any shareholders resided in this state shall be subject to Missouri income tax as
237 provided in this chapter.

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

9 2. There are also specifically exempted from the provisions of the local sales tax law as
10 defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to
11 144.761 and from the computation of the tax levied, assessed or payable pursuant to the local
12 sales tax law as defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and
13 144.600 to 144.745:

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

26 (2) Materials, manufactured goods, machinery and parts which when used in
27 manufacturing, processing, compounding, mining, producing or fabricating become a component
28 part or ingredient of the new personal property resulting from such manufacturing, processing,
29 compounding, mining, producing or fabricating and which new personal property is intended to
30 be sold ultimately for final use or consumption; and materials, including without limitation,
31 gases and manufactured goods, including without limitation slagging materials and firebrick,
32 which are ultimately consumed in the manufacturing process by blending, reacting or interacting

33 with or by becoming, in whole or in part, component parts or ingredients of steel products
34 intended to be sold ultimately for final use or consumption;

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

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

45 (5) Replacement machinery, equipment, and parts and the materials and supplies solely
46 required for the installation or construction of such replacement machinery, equipment, and
47 parts, used directly in manufacturing, mining, fabricating or producing a product which is
48 intended to be sold ultimately for final use or consumption; and machinery and equipment, and
49 the materials and supplies required solely for the operation, installation or construction of such
50 machinery and equipment, purchased and used to establish new, or to replace or expand existing,
51 material recovery processing plants in this state. For the purposes of this subdivision, a "material
52 recovery processing plant" means a facility that has as its primary purpose the recovery of
53 materials into a useable product or a different form which is used in producing a new product and
54 shall include a facility or equipment which are used exclusively for the collection of recovered
55 materials for delivery to a material recovery processing plant but shall not include motor vehicles
56 used on highways. For purposes of this section, the terms motor vehicle and highway shall have
57 the same meaning pursuant to section 301.010. Material recovery is not the reuse of materials
58 within a manufacturing process or the use of a product previously recovered. The material
59 recovery processing plant shall qualify under the provisions of this section regardless of
60 ownership of the material being recovered;

61 (6) Machinery and equipment, and parts and the materials and supplies solely required
62 for the installation or construction of such machinery and equipment, purchased and used to
63 establish new or to expand existing manufacturing, mining or fabricating plants in the state if
64 such machinery and equipment is used directly in manufacturing, mining or fabricating a product
65 which is intended to be sold ultimately for final use or consumption;

66 (7) Tangible personal property which is used exclusively in the manufacturing,
67 processing, modification or assembling of products sold to the United States government or to
68 any agency of the United States government;

69 (8) Animals or poultry used for breeding or feeding purposes, or captive wildlife;

70 (9) Newsprint, ink, computers, photosensitive paper and film, toner, printing plates and
71 other machinery, equipment, replacement parts and supplies used in producing newspapers
72 published for dissemination of news to the general public;

73 (10) The rentals of films, records or any type of sound or picture transcriptions for public
74 commercial display;

75 (11) Pumping machinery and equipment used to propel products delivered by pipelines
76 engaged as common carriers;

77 (12) Railroad rolling stock for use in transporting persons or property in interstate
78 commerce and motor vehicles licensed for a gross weight of twenty-four thousand pounds or
79 more or trailers used by common carriers, as defined in section 390.020, in the transportation of
80 persons or property;

81 (13) Electrical energy used in the actual primary manufacture, processing, compounding,
82 mining or producing of a product, or electrical energy used in the actual secondary processing
83 or fabricating of the product, or a material recovery processing plant as defined in subdivision
84 (5) of this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical
85 energy so used exceeds ten percent of the total cost of production, either primary or secondary,
86 exclusive of the cost of electrical energy so used or if the raw materials used in such processing
87 contain at least twenty-five percent recovered materials as defined in section 260.200. There
88 shall be a rebuttable presumption that the raw materials used in the primary manufacture of
89 automobiles contain at least twenty-five percent recovered materials. For purposes of this
90 subdivision, "processing" means any mode of treatment, act or series of acts performed upon
91 materials to transform and reduce them to a different state or thing, including treatment necessary
92 to maintain or preserve such processing by the producer at the production facility;

93 (14) Anodes which are used or consumed in manufacturing, processing, compounding,
94 mining, producing or fabricating and which have a useful life of less than one year;

95 (15) Machinery, equipment, appliances and devices purchased or leased and used solely
96 for the purpose of preventing, abating or monitoring air pollution, and materials and supplies
97 solely required for the installation, construction or reconstruction of such machinery, equipment,
98 appliances and devices;

99 (16) Machinery, equipment, appliances and devices purchased or leased and used solely
100 for the purpose of preventing, abating or monitoring water pollution, and materials and supplies
101 solely required for the installation, construction or reconstruction of such machinery, equipment,
102 appliances and devices;

103 (17) Tangible personal property purchased by a rural water district;

104 (18) All amounts paid or charged for admission or participation or other fees paid by or
105 other charges to individuals in or for any place of amusement, entertainment or recreation, games
106 or athletic events, including museums, fairs, zoos and planetariums, owned or operated by a
107 municipality or other political subdivision where all the proceeds derived therefrom benefit the
108 municipality or other political subdivision and do not inure to any private person, firm, or
109 corporation, provided, however, that a municipality or other political subdivision may enter into
110 revenue-sharing agreements with private persons, firms, or corporations providing goods or
111 services, including management services, in or for the place of amusement, entertainment or
112 recreation, games or athletic events, and provided further that nothing in this subdivision shall
113 exempt from tax any amounts retained by any private person, firm, or corporation under such
114 revenue-sharing agreement;

115 (19) All sales of insulin and prosthetic or orthopedic devices as defined on January 1,
116 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of
117 1965, including the items specified in Section 1862(a)(12) of that act, and also specifically
118 including hearing aids and hearing aid supplies and all sales of drugs which may be legally
119 dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to
120 administer those items, including samples and materials used to manufacture samples which may
121 be dispensed by a practitioner authorized to dispense such samples and all sales or rental of
122 medical oxygen, home respiratory equipment and accessories, hospital beds and accessories and
123 ambulatory aids, all sales or rental of manual and powered wheelchairs, stairway lifts, Braille
124 writers, electronic Braille equipment and, if purchased or rented by or on behalf of a person with
125 one or more physical or mental disabilities to enable them to function more independently, all
126 sales or rental of scooters, reading machines, electronic print enlargers and magnifiers, electronic
127 alternative and augmentative communication devices, and items used solely to modify motor
128 vehicles to permit the use of such motor vehicles by individuals with disabilities or sales of
129 over-the-counter or nonprescription drugs to individuals with disabilities, and drugs required by
130 the Food and Drug Administration to meet the over-the-counter drug product labeling
131 requirements in 21 CFR 201.66, or its successor, as prescribed by a health care practitioner
132 licensed to prescribe;

133 (20) All sales made by or to religious and charitable organizations and institutions in
134 their religious, charitable or educational functions and activities and all sales made by or to all
135 elementary and secondary schools operated at public expense in their educational functions and
136 activities;

137 (21) All sales of aircraft to common carriers for storage or for use in interstate commerce
138 and all sales made by or to not-for-profit civic, social, service or fraternal organizations,
139 including fraternal organizations which have been declared tax-exempt organizations pursuant

140 to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or
141 charitable functions and activities and all sales made to eleemosynary and penal institutions and
142 industries of the state, and all sales made to any private not-for-profit institution of higher
143 education not otherwise excluded pursuant to subdivision (20) of this subsection or any
144 institution of higher education supported by public funds, and all sales made to a state relief
145 agency in the exercise of relief functions and activities;

146 (22) All ticket sales made by benevolent, scientific and educational associations which
147 are formed to foster, encourage, and promote progress and improvement in the science of
148 agriculture and in the raising and breeding of animals, and by nonprofit summer theater
149 organizations if such organizations are exempt from federal tax pursuant to the provisions of the
150 Internal Revenue Code and all admission charges and entry fees to the Missouri state fair or any
151 fair conducted by a county agricultural and mechanical society organized and operated pursuant
152 to sections 262.290 to 262.530;

153 (23) All sales made to any private not-for-profit elementary or secondary school, all sales
154 of feed additives, medications or vaccines administered to livestock or poultry in the production
155 of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for
156 food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber,
157 all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying
158 agricultural crops, natural gas used in the primary manufacture or processing of fuel ethanol as
159 defined in section 142.028, natural gas, propane, and electricity used by an eligible new
160 generation cooperative or an eligible new generation processing entity as defined in section
161 348.432, and all sales of farm machinery and equipment, other than airplanes, motor vehicles and
162 trailers, and any freight charges on any exempt item. As used in this subdivision, the term "feed
163 additives" means tangible personal property which, when mixed with feed for livestock or
164 poultry, is to be used in the feeding of livestock or poultry. As used in this subdivision, the term
165 "pesticides" includes adjuvants such as crop oils, surfactants, wetting agents and other assorted
166 pesticide carriers used to improve or enhance the effect of a pesticide and the foam used to mark
167 the application of pesticides and herbicides for the production of crops, livestock or poultry. As
168 used in this subdivision, the term "farm machinery and equipment" means new or used farm
169 tractors and such other new or used farm machinery and equipment and repair or replacement
170 parts thereon and any accessories for and upgrades to such farm machinery and equipment, rotary
171 mowers used exclusively for agricultural purposes, and supplies and lubricants used exclusively,
172 solely, and directly for producing crops, raising and feeding livestock, fish, poultry, pheasants,
173 chukar, quail, or for producing milk for ultimate sale at retail, including field drain tile, and
174 one-half of each purchaser's purchase of diesel fuel therefor which is:

175 (a) Used exclusively for agricultural purposes;

176 (b) Used on land owned or leased for the purpose of producing farm products; and
177 (c) Used directly in producing farm products to be sold ultimately in processed form or
178 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold
179 ultimately in processed form at retail;

180 (24) Except as otherwise provided in section 144.032, all sales of metered water service,
181 electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil
182 for domestic use and in any city not within a county, all sales of metered or unmetered water
183 service for domestic use:

184 (a) "Domestic use" means that portion of metered water service, electricity, electrical
185 current, natural, artificial or propane gas, wood, coal or home heating oil, and in any city not
186 within a county, metered or unmetered water service, which an individual occupant of a
187 residential premises uses for nonbusiness, noncommercial or nonindustrial purposes. Utility
188 service through a single or master meter for residential apartments or condominiums, including
189 service for common areas and facilities and vacant units, shall be deemed to be for domestic use.
190 Each seller shall establish and maintain a system whereby individual purchases are determined
191 as exempt or nonexempt;

192 (b) Regulated utility sellers shall determine whether individual purchases are exempt or
193 nonexempt based upon the seller's utility service rate classifications as contained in tariffs on file
194 with and approved by the Missouri public service commission. Sales and purchases made
195 pursuant to the rate classification "residential" and sales to and purchases made by or on behalf
196 of the occupants of residential apartments or condominiums through a single or master meter,
197 including service for common areas and facilities and vacant units, shall be considered as sales
198 made for domestic use and such sales shall be exempt from sales tax. Sellers shall charge sales
199 tax upon the entire amount of purchases classified as nondomestic use. The seller's utility
200 service rate classification and the provision of service thereunder shall be conclusive as to
201 whether or not the utility must charge sales tax;

202 (c) Each person making domestic use purchases of services or property and who uses any
203 portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day
204 of the fourth month following the year of purchase, and without assessment, notice or demand,
205 file a return and pay sales tax on that portion of nondomestic purchases. Each person making
206 nondomestic purchases of services or property and who uses any portion of the services or
207 property so purchased for domestic use, and each person making domestic purchases on behalf
208 of occupants of residential apartments or condominiums through a single or master meter,
209 including service for common areas and facilities and vacant units, under a nonresidential utility
210 service rate classification may, between the first day of the first month and the fifteenth day of
211 the fourth month following the year of purchase, apply for credit or refund to the director of

212 revenue and the director shall give credit or make refund for taxes paid on the domestic use
213 portion of the purchase. The person making such purchases on behalf of occupants of residential
214 apartments or condominiums shall have standing to apply to the director of revenue for such
215 credit or refund;

216 (25) All sales of handicraft items made by the seller or the seller's spouse if the seller or
217 the seller's spouse is at least sixty-five years of age, and if the total gross proceeds from such
218 sales do not constitute a majority of the annual gross income of the seller;

219 (26) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071,
220 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of
221 revenue shall promulgate rules pursuant to chapter 536 to eliminate all state and local sales taxes
222 on such excise taxes;

223 (27) Sales of fuel consumed or used in the operation of ships, barges, or waterborne
224 vessels which are used primarily in or for the transportation of property or cargo, or the
225 conveyance of persons for hire, on navigable rivers bordering on or located in part in this state,
226 if such fuel is delivered by the seller to the purchaser's barge, ship, or waterborne vessel while
227 it is afloat upon such river;

228 (28) All sales made to an interstate compact agency created pursuant to sections 70.370
229 to 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities of such
230 agency as provided pursuant to the compact;

231 (29) Computers, computer software and computer security systems purchased for use
232 by architectural or engineering firms headquartered in this state. For the purposes of this
233 subdivision, "headquartered in this state" means the office for the administrative management
234 of at least four integrated facilities operated by the taxpayer is located in the state of Missouri;

235 (30) All livestock sales when either the seller is engaged in the growing, producing or
236 feeding of such livestock, or the seller is engaged in the business of buying and selling, bartering
237 or leasing of such livestock;

238 (31) All sales of barges which are to be used primarily in the transportation of property
239 or cargo on interstate waterways;

240 (32) Electrical energy or gas, whether natural, artificial or propane, water, or other
241 utilities which are ultimately consumed in connection with the manufacturing of cellular glass
242 products or in any material recovery processing plant as defined in subdivision (5) of this
243 subsection;

244 (33) Notwithstanding other provisions of law to the contrary, all sales of pesticides or
245 herbicides used in the production of crops, aquaculture, livestock or poultry;

246 (34) Tangible personal property and utilities purchased for use or consumption directly
247 or exclusively in the research and development of agricultural/biotechnology and plant genomics
248 products and prescription pharmaceuticals consumed by humans or animals;

249 (35) All sales of grain bins for storage of grain for resale;

250 (36) All sales of feed which are developed for and used in the feeding of pets owned by
251 a commercial breeder when such sales are made to a commercial breeder, as defined in section
252 273.325, and licensed pursuant to sections 273.325 to 273.357;

253 (37) All purchases by a contractor on behalf of an entity located in another state,
254 provided that the entity is authorized to issue a certificate of exemption for purchases to a
255 contractor under the provisions of that state's laws. For purposes of this subdivision, the term
256 "certificate of exemption" shall mean any document evidencing that the entity is exempt from
257 sales and use taxes on purchases pursuant to the laws of the state in which the entity is located.
258 Any contractor making purchases on behalf of such entity shall maintain a copy of the entity's
259 exemption certificate as evidence of the exemption. If the exemption certificate issued by the
260 exempt entity to the contractor is later determined by the director of revenue to be invalid for any
261 reason and the contractor has accepted the certificate in good faith, neither the contractor or the
262 exempt entity shall be liable for the payment of any taxes, interest and penalty due as the result
263 of use of the invalid exemption certificate. Materials shall be exempt from all state and local
264 sales and use taxes when purchased by a contractor for the purpose of fabricating tangible
265 personal property which is used in fulfilling a contract for the purpose of constructing, repairing
266 or remodeling facilities for the following:

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

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

272 (38) All sales or other transfers of tangible personal property to a lessor who leases the
273 property under a lease of one year or longer executed or in effect at the time of the sale or other
274 transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections
275 238.010 to 238.100;

276 (39) Sales of tickets to any collegiate athletic championship event that is held in a facility
277 owned or operated by a governmental authority or commission, a quasi-governmental agency,
278 a state university or college or by the state or any political subdivision thereof, including a
279 municipality, and that is played on a neutral site and may reasonably be played at a site located
280 outside the state of Missouri. For purposes of this subdivision, "neutral site" means any site that
281 is not located on the campus of a conference member institution participating in the event;

282 (40) All purchases by a sports complex authority created under section 64.920, and all
283 sales of utilities by such authority at the authority's cost that are consumed in connection with
284 the operation of a sports complex leased to a professional sports team;

285 (41) [Beginning January 1, 2009, but not after January 1, 2015,] All materials,
286 replacement parts, and equipment purchased for use directly upon, and for the modification,
287 replacement, repair, and maintenance of aircraft, aircraft power plants, and aircraft accessories;

288 (42) Sales of sporting clays, wobble, skeet, and trap targets to any shooting range or
289 similar places of business for use in the normal course of business and money received by a
290 shooting range or similar places of business from patrons and held by a shooting range or similar
291 place of business for redistribution to patrons at the conclusion of a shooting event;

292 (43) **Any new or used aircraft sold or delivered in this state to an individual who**
293 **is not a resident of this state or a business entity that is not domiciled in this state, and such**
294 **aircraft is not to be based in this state and shall not remain in this state more than ten**
295 **business days subsequent to the last to occur of:**

296 (a) **The transfer of title to the aircraft to a bona fide person who is not a resident**
297 **of this state; or**

298 (b) **The date of the return to service of the aircraft in accordance with 14 CFR**
299 **91.407 for any maintenance, preventive maintenance, rebuilding, alterations, repairs, or**
300 **installations that are completed contemporaneously with the transfer of title to the aircraft**
301 **to an individual who is not a resident of this state or a business entity that is not domiciled**
302 **in this state.**

303 3. Any ruling, agreement, or contract, whether written or oral, express or implied,
304 between a person and this state's executive branch, or any other state agency or department,
305 stating, agreeing, or ruling that such person is not required to collect sales and use tax in this
306 state despite the presence of a warehouse, distribution center, or fulfillment center in this state
307 that is owned or operated by the person or an affiliated person shall be null and void unless it is
308 specifically approved by a majority vote of each of the houses of the general assembly. For
309 purposes of this subsection, an "affiliated person" means any person that is a member of the same
310 controlled group of corporations as defined in Section 1563(a) of the Internal Revenue Code of
311 1986, as amended, as the vendor or any other entity that, notwithstanding its form of
312 organization, bears the same ownership relationship to the vendor as a corporation that is a
313 member of the same controlled group of corporations as defined in Section 1563(a) of the
314 Internal Revenue Code, as amended.

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

2 (1) "Sale of a modular unit", a transfer of a modular unit as defined in section 700.010;

3 (2) "Sale of a new manufactured home", a transfer of a manufactured home, as defined
4 in section 700.010, which involves the delivery of the document known as the manufacturer's
5 statement of origin to a person other than a manufactured home dealer, as dealer is defined in
6 section 700.010, for purposes of allowing such person to obtain a title to the manufactured home
7 from the department of revenue of this state or the appropriate agency or officer of any other
8 state;

9 **(3) "Sale of a used manufactured home", any subsequent sale of a manufactured**
10 **home as defined in section 700.010, which does not qualify as "new" as defined in**
11 **subdivision (9) of section 700.010.**

12 2. In the event of the sale of a new manufactured home, forty percent of the purchase
13 price, as defined in section 700.320, shall be considered the sale of a service and not the sale of
14 tangible personal property. In addition to the exemptions granted under the provisions of section
15 144.030, the sale of services as defined in this section shall be specifically exempted from the
16 provisions of sections 238.235 and 238.410, the local sales tax law as defined in section 32.085,
17 sections 144.010 to 144.525 and 144.600 to [144.745] **144.761**, and from the computation of the
18 tax levied, assessed or payable under sections 238.235 and 238.410, the local sales tax law as
19 defined in section 32.085, sections 144.010 to 144.525 and 144.600 to [144.745] **144.761**, and
20 section 238.235.

21 3. In the event of the sale of a new modular unit, forty percent of the retail sale of the unit
22 or forty percent of the manufacturer's sales price of the unit if the manufacturer makes a sale to
23 a consumer that is not a retail sale, plus any carrier charge and freight charges shall be considered
24 the sale of a service and sixty percent shall be the retail sale of tangible personal property. In
25 addition to the exemptions granted under the provisions of section 144.030, the sale of services
26 as defined in this section shall be specifically exempted from the provisions of sections 238.235
27 and 238.410, the local sales tax law as defined in section 32.085, sections 144.010 to 144.525
28 and 144.600 to [144.745] **144.761**, and from the computation of the tax levied, assessed, or
29 payable under sections 238.235 and 238.410, the local sales tax law as defined in section 32.085,
30 sections 144.010 to 144.525 and 144.600 to [144.745] **144.761**, and section 238.235.

31 **4. In addition to the exemptions granted under the provisions of section 144.030,**
32 **the sale of a used manufactured home as defined in this section shall be specifically**
33 **exempted from the provisions of sections 238.235 and 238.410, the local sales tax law as**
34 **defined in section 32.085, sections 144.010 to 144.525 and 144.600 to 144.761, and from the**
35 **computation of the tax levied, assessed, or payable under sections 238.235 and 238.410, the**
36 **local sales tax law as defined in section 32.085, sections 144.010 to 144.525 and 144.600 to**
37 **144.761, and section 238.235.**

144.083. 1. The director of revenue shall require all persons who are responsible for the collection of taxes under the provisions of section 144.080 to procure a retail sales license at no cost to the licensee which shall be prominently displayed at the licensee's place of business, and the license is valid until revoked by the director or surrendered by the person to whom issued when sales are discontinued. The director shall issue the retail sales license within ten working days following the receipt of a properly completed application. Any person applying for a retail sales license or reinstatement of a revoked sales tax license who owes any tax under sections 144.010 to 144.510 or sections 143.191 to 143.261 must pay the amount due plus interest and penalties before the department may issue the applicant a license or reinstate the revoked license. All persons beginning business subsequent to August 13, 1986, and who are required to collect the sales tax shall secure a retail sales license prior to making sales at retail. Such license may, after ten days' notice, be revoked by the director of revenue only in the event the licensee shall be in default for a period of sixty days in the payment of any taxes levied under section 144.020 or sections 143.191 to 143.261. Notwithstanding the provisions of section 32.057 in the event of revocation, the director of revenue may publish the status of the business account including the date of revocation in a manner as determined by the director.

2. The possession of a retail sales license and a statement from the department of revenue that the licensee owes no tax due under sections 144.010 to 144.510, **sections 144.600 to 144.745**, or sections 143.191 to [143.261] **143.265** shall be a prerequisite to the issuance or renewal of any city or county occupation license or any state license which is required for conducting any business where goods are sold at retail. The date of issuance on the statement that the licensee owes no tax due shall be no more than ninety days before the date of submission for application or renewal of the local license. The revocation of a retailer's license by the director shall render the occupational license or the state license null and void.

3. No person responsible for the collection of taxes under section 144.080 shall make sales at retail unless such person is the holder of a valid retail sales license. After all appeals have been exhausted, the director of revenue may notify the county or city law enforcement agency representing the area in which the former licensee's business is located that the retail sales license of such person has been revoked, and that any county or city occupation license of such person is also revoked. The county or city may enforce the provisions of this section, and may prohibit further sales at retail by such person.

4. In addition to the provisions of subsection 2 of this section, beginning January 1, [2009] **2018**, the possession of a statement from the department of revenue stating no tax is due **for any individual or corporation subject to the tax** under sections [143.191 to 143.265 or sections 144.010 to 144.510] **143.011 to 143.071** shall also be a prerequisite to the issuance or renewal of any city or county occupation license or any state license required for conducting any

37 business where goods are sold at retail. The statement of no tax due shall be dated no [longer]
38 **more** than ninety days before the date of submission for application or renewal of the city or
39 county license.

40 5. Notwithstanding any law or rule to the contrary, sales tax shall only apply to the sale
41 price paid by the final purchaser and not to any off-invoice discounts or other pricing discounts
42 or mechanisms negotiated between manufacturers, wholesalers, and retailers.

144.087. 1. **(1) Except as provided in subdivision (2) of this subsection,** the director
2 of revenue shall require all applicants for retail sales licenses and all licensees in default in filing
3 a return and paying their taxes when due to file a bond in an amount to be determined by the
4 director, which may be a corporate surety bond or a cash bond, but such bond shall not be more
5 than three times the average monthly tax liability of the taxpayer, estimated in the case of a new
6 applicant, otherwise based on the previous twelve months' experience. At such time as the
7 director of revenue shall deem the amount of a bond required by this section to be insufficient
8 to cover the average monthly tax liability of a given taxpayer, [he] **the director** may require such
9 taxpayer to adjust the amount of the bond to the level satisfactory to the director which will cover
10 the amount of such liability. The director shall, after a reasonable period of satisfactory tax
11 compliance for two years from the initial date of bonding, release such taxpayer from the
12 bonding requirement as set forth in this section. All itinerant or temporary businesses shall be
13 required to procure the license and post the bond required under the provisions of sections
14 144.083 and 144.087 prior to the selling of goods at retail, and in the event that such business
15 is to be conducted for less than one month, the amount of the bond shall be determined by the
16 director.

17 **(2) For all years beginning on or after January 1, 2015, no new business that**
18 **applies for a retail sales license under this section shall be required to file any bond under**
19 **this section, but the director may require such business to file a bond as set forth in**
20 **subdivision (1) of subsection 1 of this section after a default.**

21 2. All cash bonds shall be deposited by the director of revenue into the state general
22 revenue fund, and shall be released to the taxpayer pursuant to subsection 1 of this section from
23 funds appropriated by the general assembly for such purpose. If appropriated funds are available,
24 the commissioner of administration and the state treasurer shall cause such refunds to be paid
25 within thirty days of the receipt of a warrant request for such payment from the director of the
26 department of revenue.

27 3. An applicant or licensee in default may, in lieu of filing any bond required under this
28 section, provide the director of revenue with an irrevocable letter of credit, as defined in section
29 400.5-103, issued by any state or federally chartered financial institution, in an amount to be
30 determined by the director or may obtain a certificate of deposit issued by any state or federally

31 chartered financial institution, in an amount to be determined by the director, where such
32 certificate of deposit is pledged to the department of revenue until released by the director in the
33 same manner as bonds are released pursuant to subsection 1 of this section. As used in this
34 subsection, the term "certificate of deposit" means a certificate representing any deposit of funds
35 in a state or federally chartered financial institution for a specified period of time which earns
36 interest at a fixed or variable rate, where such funds cannot be withdrawn prior to a specified
37 time without forfeiture of some or all of the earned interest.

**144.810. 1. As used in this section, unless the context clearly indicates otherwise,
2 the following terms mean:**

3 **(1) "Commencement of commercial operations", shall be deemed to occur during**
4 **the first calendar year for which the data storage center is first available for use by the**
5 **operating taxpayer or first capable of being used by the operating taxpayer as a data**
6 **storage center;**

7 **(2) "Constructing taxpayer", if more than one taxpayer is responsible for a project,**
8 **a taxpayer responsible for the construction of the facility, as opposed to a taxpayer**
9 **responsible for the equipping and ongoing operations of the facility;**

10 **(3) "County average wage", the average wage in each county as determined by the**
11 **department for the most recently completed full calendar year. However, if the computed**
12 **county average wage is above the statewide average wage, the statewide average wage shall**
13 **be deemed the county average wage for such county for the purpose of determining**
14 **eligibility;**

15 **(4) "Data storage center" or "facility", a facility constructed, extended, improved,**
16 **or operating under this section, provided that such business facility is engaged primarily**
17 **in:**

18 **(a) Data processing, hosting, and related services (NAICS 518210);**

19 **(b) Internet publishing and broadcasting and web search portals (NAICS 519130),**
20 **at the business facility; or**

21 **(c) Customer service, customer contact, or customer support operations through**
22 **the use of computer databases and telecommunications services at the business facility;**

23 **(5) "Existing facility", a data storage center in this state as it existed prior to**
24 **August 28, 2014, as determined by the department;**

25 **(6) "Expanding facility" or "expanding data storage center", an existing facility**
26 **or replacement facility that expands its operations in this state on or after August 28, 2014,**
27 **and has a net new investment related to the expansion of operations in this state of at least**
28 **two million dollars during a period of up to twelve consecutive months and results in the**
29 **creation of at least two new jobs during a period of up to twenty-four consecutive months**

30 from the date of conditional approval for an exemption under this section if the average
31 wage of the new jobs equals or exceeds one hundred and fifty percent of the county average
32 wage. An expanding facility shall continue to be an expanding facility regardless of a
33 subsequent change in or addition of operating taxpayers or constructing taxpayers;

34 (7) "Expanding facility project" or "expanding data storage center project", the
35 construction, extension, improvement, equipping, and operation of an expanding facility;

36 (8) "Investment" shall include the value of real and depreciable personal property
37 acquired as part of the new or expanding facility project which is used in the operation of
38 the facility following conditional approval of an exemption under this section;

39 (9) "NAICS", the 2007 edition of the North American Industry Classification
40 System as prepared by the Executive Office of the President, Office of Management and
41 Budget. Any NAICS sector, subsector, industry group, or industry identified in this section
42 shall include its corresponding classification in previous and subsequent federal industry
43 classification systems;

44 (10) "New facility" or "new data storage center", a facility in this state meeting the
45 following requirements:

46 (a) The facility is acquired by or leased to an operating taxpayer on or after August
47 28, 2014. A facility shall be deemed to have been acquired by or leased to an operating
48 taxpayer on or after August 28, 2014, if the transfer of title to an operating taxpayer, the
49 transfer of possession under a binding contract to transfer title to an operating taxpayer,
50 or the commencement of the term of the lease to an operating taxpayer occurs on or after
51 August 28, 2014, or, if the facility is constructed, erected, or installed by or on behalf of an
52 operating taxpayer, such construction, erection, or installation is commenced on or after
53 August 28, 2014;

54 (b) If such facility was acquired by an operating or constructing taxpayer from
55 another person or persons on or after August 28, 2014, and such facility was employed
56 prior to August 28, 2014, by any other person or persons in the operation of a data storage
57 center the facility shall not be considered a new facility;

58 (c) Such facility is not an expanding or replacement facility, as defined in this
59 section;

60 (d) The new facility project investment is at least five million dollars during a
61 period of up to thirty-six consecutive months from the date of the conditional approval for
62 an exemption under this section. If more than one taxpayer is responsible for a project,
63 the investment requirement may be met by an operating taxpayer, a constructing taxpayer,
64 or a combination of constructing taxpayers and operating taxpayers;

65 (e) At least five new jobs are created at the new facility during a period of up to
66 thirty-six consecutive months from the date of conditional approval for an exemption
67 under this section if the average wage of the new jobs equals or exceeds one hundred fifty
68 percent of the county average wage; and

69 (f) A new facility shall continue to be a new facility regardless of a subsequent
70 change in or addition of operating taxpayers or constructing taxpayers;

71 (11) "New data storage center project" or "new facility project", the construction,
72 extension, improvement, equipping, and operation of a new facility;

73 (12) "New job" in the case of a new data center project, the total number of full-
74 time employees located at a new data storage center for a period of up to thirty-six
75 consecutive months from the date of conditional approval for an exemption under this
76 section. In the case of an expanding data storage center project, the total number of full-
77 time employees located at the expanding data storage center that exceeds the greater of the
78 number of full-time employees located at the project facility on the date of the submission
79 of a project plan under this section or for the twelve-month period prior to the date of the
80 submission of a project plan, the average number of full-time employees located at the
81 expanding data storage center facility. In the event the expanding data storage center
82 facility has not been in operation for a full twelve-month period at the time of the
83 submission of a project plan, the average number of full-time employees for the number
84 of months the expanding data storage center facility has been in operation prior to the date
85 of the submission of the project plan;

86 (13) "Notice of intent", a form developed by the department of economic
87 development, completed by the project taxpayer, and submitted to the department which
88 states the project taxpayer's intent to construct or expand a data center and requests the
89 exemptions under this program;

90 (14) "Operating taxpayer", if more than one taxpayer is responsible for a project,
91 a taxpayer responsible for the equipping and ongoing operations of the facility, as opposed
92 to a taxpayer responsible for the purchasing or construction of the facility;

93 (15) "Project taxpayers", each constructing taxpayer and each operating taxpayer
94 for a data storage center project;

95 (16) "Replacement facility", a facility in this state otherwise described in
96 subdivision (7) of this subsection, but which replaces another facility located within the
97 state, which the taxpayer or a related taxpayer previously operated but discontinued
98 operating within one year prior to the commencement of commercial operations at the new
99 facility;

100 **(17) "Taxpayer", the purchaser of tangible personal property or a service that is**
101 **subject to state or local sales or use tax and from whom state or local sales or use tax is**
102 **owed. Taxpayer shall not mean the seller charged by law with collecting the sales tax from**
103 **the purchaser.**

104 **2. In addition to the exemptions granted under chapter 144, project taxpayers for**
105 **a new data storage center project shall be entitled, for a project period not to exceed fifteen**
106 **years from the date of conditional approval under this section and subject to the**
107 **requirements of subsection 3 of this section, to an exemption of one hundred percent of the**
108 **state and local sales and use taxes defined, levied, or calculated under section 32.085,**
109 **sections 144.010 to 144.525, sections 144.600 to 144.761, or section 238.235, limited to the**
110 **net fiscal benefit of the state calculated over a ten year period, on:**

111 **(1) All electrical energy, gas, water, and other utilities including telecommunication**
112 **and internet services used in a new data storage center;**

113 **(2) All machinery, equipment, and computers used in any new data storage center;**
114 **and**

115 **(3) All sales at retail of tangible personal property and materials for the purpose**
116 **of constructing any new data storage center.**

117

118 **The amount of any exemption provided under this subsection shall not exceed the**
119 **projected net fiscal benefit to the state over a period of ten years as determined by the**
120 **department of economic development.**

121 **3. (1) Any data storage center project seeking a tax exemption under subsection**
122 **2 of this section shall submit a notice of intent and a project plan to the department of**
123 **economic development, which shall identify each known constructing taxpayer and known**
124 **operating taxpayer for the project and include any additional information the department**
125 **of economic development may require to determine eligibility for the exemption. The**
126 **department of economic development shall review the project plan and determine whether**
127 **the project is eligible for the exemption under subsection 2 of this section, conditional upon**
128 **subsequent verification by the department that the project meets the requirements in**
129 **subsection 1 of this section for a new facility project. The department shall make such**
130 **conditional determination within thirty days of submission by the operating taxpayer.**
131 **Failure of the department to respond within thirty days shall result in a project plan being**
132 **deemed conditionally approved.**

133 **(2) The department of economic development shall convey conditional approvals**
134 **to the department of revenue and the identified project taxpayers. After a conditionally**
135 **approved new facility has met the requirements in subsection 1 of this section for a new**

136 facility and the execution of the agreement specified in subsection 6 of this section, the
137 project taxpayers shall provide proof of the same to the department of economic
138 development. Upon verification of such proof, the department of economic development
139 shall certify the new facility to the department of revenue as being eligible for the
140 exemption dating retroactively to the first day of construction on the new facility. The
141 department of revenue, upon receipt of adequate proof of the amount of sales taxes paid
142 since the first day of construction, shall issue a refund of taxes paid but eligible for
143 exemption under subsection 2 of this section to each operating taxpayer and each
144 constructing taxpayer and issue a certificate of exemption to each new project taxpayer for
145 ongoing exemptions under subsection 2 of this section. The department of revenue shall
146 issue such a refund within thirty days of receipt of certification from the department of
147 economic development.

148 (3) Any project that does not meet the minimum investment or new job
149 requirements of subsection 1 of this section may still be eligible for the exemption under
150 subsection 2 of this section, as long as the exemptions for such project plan do not exceed
151 the projected net fiscal benefit to the state over a period of ten years.

152 (4) The commencement of the exemption period may be delayed at the option of the
153 operating taxpayer but not more than twenty-four months after the execution of the
154 agreement required under subsection 6 of this section.

155 4. In addition to the exemptions granted under chapter 144, upon approval by the
156 department of economic development, project taxpayers for expanding data center projects
157 may for a period not to exceed ten years be specifically exempted from state and local sales
158 and use taxes defined, levied, or calculated under section 32.085, sections 144.010 to
159 144.525, sections 144.600 to 144.761, or section 238.235 on:

160 (1) All electrical energy, gas, water, and other utilities including telecommunication
161 and internet services used in an expanding data storage center which, on an annual basis,
162 exceeds the amount of electrical energy, gas, water, and other utilities including
163 telecommunication and internet services used in the existing facility or the replaced facility
164 prior to the expansion. For purposes of this subdivision only, "amount" shall be measured
165 in kilowatt hours, gallons, cubic feet, or other measures applicable to a utility service as
166 opposed to in dollars to account for increases in utility rates;

167 (2) All machinery, equipment, and computers used in any expanding data storage
168 center; and

169 (3) All sales at retail of tangible personal property and materials for the purpose
170 of constructing, repairing, or remodeling any expanding data storage center.

171

172 **The amount of any exemption provided under this subsection shall not exceed the**
173 **projected net fiscal benefit to the state over a period of ten years as determined by the**
174 **department of economic development.**

175 **5. (1) Any data storage center project seeking a tax exemption under subsection**
176 **4 of this section shall submit a notice of intent and a project plan to the department of**
177 **economic development which shall identify each known constructing taxpayer and each**
178 **known operating taxpayer for the project and include any additional information the**
179 **department of economic development may reasonably require to determine eligibility for**
180 **the exemption. The department of economic development shall review the project plan and**
181 **determine whether the project is eligible for the exemption under subsection 4 of this**
182 **section, conditional upon subsequent verification by the department that the project meets**
183 **the requirements in subsection 1 of this section for an expanding facility project and the**
184 **execution of the agreement specified in subsection 6 of this section. The department shall**
185 **make such conditional determination within thirty days of submission by the operating**
186 **taxpayer. Failure of the department to respond within thirty days shall result in a project**
187 **plan being deemed conditionally approved.**

188 **(2) The department of economic development shall convey such conditional**
189 **approval to the department of revenue and the identified project taxpayers. After a**
190 **conditional approved facility has met the requirements in subsection 1 of this section, the**
191 **project taxpayers shall provide proof of the same to the department of economic**
192 **development. Upon verification of such proof, the department of economic development**
193 **shall certify the project to the department of revenue as being eligible for the exemption**
194 **dating retroactively to the first day of the expansion of the facility. The department of**
195 **revenue, upon receipt of adequate proof of the amount of sales taxes paid since the first day**
196 **of the expansion of the facility, shall issue a refund of taxes paid but eligible for exemption**
197 **under subsection 4 of this section to any applicable project taxpayer and issue a certificate**
198 **of exemption to any applicable project taxpayer for ongoing exemptions under subsection**
199 **4 of this section. The department of revenue shall issue such a refund within thirty days**
200 **of receipt of certification from the department of economic development.**

201 **(3) Any project that does not meet the minimum investment or new job**
202 **requirements of subsection 1 of this section may still be eligible for the exemption under**
203 **subsection 4 of this section, as long as the exemptions for such project plan do not exceed**
204 **the projected net fiscal benefit to the state over a period of ten years.**

205 **(4) The commencement of the exemption period may be delayed at the option of the**
206 **operating taxpayer, but not more than twenty-four months after the execution of the**
207 **agreement required under subsection 6 of this section.**

208 **6. (1) The exemptions in subsections 2 and 4 of this section shall be tied to the new**
209 **or expanding facility project. A certificate of exemption in the hands of a taxpayer that is**
210 **no longer an operating or constructing taxpayer of the new or expanding facility project**
211 **shall be invalid as of the date the taxpayer was no longer an operating or constructing**
212 **taxpayer of the new or expanding facility project. New certificates of exemption shall be**
213 **issued to successor constructing taxpayers and operating taxpayers at such new or**
214 **expanding facility projects. The right to the exemption by successor taxpayers shall exist**
215 **without regard to subsequent levels of investment in the new or expanding facility by**
216 **successor taxpayers.**

217 **(2) As a condition of receiving an exemption under subsection 2 or 4 of this section,**
218 **the project taxpayers shall enter into an agreement with the department of economic**
219 **development providing for repayment penalties in the event the data storage center project**
220 **fails to comply with any of the requirements of this section.**

221 **(3) The department of revenue shall credit any amounts remitted by the project**
222 **taxpayers under this subsection to the fund to which the sales and use taxes exempted**
223 **would have otherwise been credited.**

224 **7. The department of economic development and the department of revenue shall**
225 **cooperate in conducting random audits to ensure that the intent of this section is followed.**

226 **8. Notwithstanding any other provision of law to the contrary, no recipient of an**
227 **exemption under this section shall be eligible for benefits under any business recruitment**
228 **tax credit, as defined in section 135.800.**

229 **9. The department of economic development and the department of revenue shall**
230 **jointly prescribe such rules and regulations necessary to carry out the provisions of this**
231 **section. Any rule or portion of a rule, as that term is defined in section 536.010, that is**
232 **created under the authority delegated in this section shall become effective only if it**
233 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**
234 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**
235 **vested with the general assembly under chapter 536 to review, to delay the effective date,**
236 **or to disapprove and annul a rule are subsequently held unconstitutional, then the grant**
237 **of rulemaking authority and any rule proposed or adopted after August 28, 2014, shall be**
238 **invalid and void.**

239 **10. This section shall terminate on September 1, 2020. The termination of this**
240 **section shall not be construed to limit or in any way impair the exemption for any project**
241 **approved prior to the termination of this section.**

 546.902. Any municipality located within any county of the first classification with a
2 population in excess of nine hundred thousand, **and any city of the fourth classification**

3 **located in any county with a charter form of government and with more than six hundred**
4 **thousand but fewer than seven hundred thousand inhabitants**, for any purpose or purposes
5 mentioned in this chapter, may enact and make all necessary ordinances, rules and regulations;
6 and they may enact and make all such ordinances and rules, not inconsistent with the laws of the
7 state, as may be expedient for maintaining the peace and good government and welfare of the
8 city and its trade and commerce; and all ordinances may be enforced by prescribing and inflicting
9 upon its inhabitants, or other persons violating the same, such fine not exceeding one thousand
10 dollars, and such imprisonment not exceeding three months, or both such fine and imprisonment,
11 as may be just for any offense, recoverable with costs of suit, together with judgment of
12 imprisonment, until the fine and costs are paid or satisfied; and any person committed for the
13 nonpayment of fine and costs, or either, may be compelled to work out the same as herein
14 provided; but, in any case wherein the penalty for an offense is fixed by any statute, the council
15 shall affix the same penalty by ordinance for the punishment of such offense, except that
16 imprisonments, when made under city ordinances, may be in the city prison or workhouse
17 instead of the county jail.

578.120. 1. Notwithstanding any provision in this chapter to the contrary, no dealer,
2 distributor or manufacturer licensed under section 301.559 may keep open, operate, or assist in
3 keeping open or operating any established place of business for the purpose of buying, selling,
4 bartering or exchanging, or offering for sale, barter or exchange, any motor vehicle, whether new
5 or used, on Sunday. However, this section does not apply to the sale of manufactured housing;
6 the sale of recreational motor vehicles; **the sale of motorcycles as defined in section 301.010;**
7 **the sale of motortricycles, motorized bicycles, all-terrain vehicles, recreational off-highway**
8 **vehicles, utility vehicles, personal watercraft, or other motorized vehicles customarily sold**
9 **by powersport dealers licensed pursuant to section 301.550 et. seq.;** washing, towing,
10 wrecking or repairing operations; the sale of petroleum products, tires, and repair parts and
11 accessories; or new vehicle shows or displays participated in by five or more franchised dealers
12 or in towns or cities with five or fewer dealers, a majority.

13 2. No association consisting of motor vehicle dealers, distributors or manufacturers
14 licensed under section 301.559 shall be in violation of antitrust or restraint of trade statutes under
15 chapter 416 or regulation promulgated thereunder solely because it encourages its members not
16 to open or operate on Sunday a place of business for the purpose of buying, selling, bartering or
17 exchanging any motor vehicle.

18 3. Any person who violates the provisions of this section shall be guilty of a class C
19 misdemeanor.

620.1650. 1. This section shall be known and may be cited as the “Missouri Startup
2 **Cloud” program, the purpose of which is to facilitate the dissemination of business**

3 financial products from business financing providers to Missouri-based businesses and
4 provide information regarding the benefits of starting, expanding, or relocating a business
5 to Missouri.

6 2. The department of economic development may create and maintain an internet
7 website, independent from the department's website, on which business financing
8 providers may post any available financial products or services that assist Missouri
9 businesses free of charge, and the website shall clearly explain the benefits of starting,
10 expanding, or relocating a business to Missouri and any pertinent business start up
11 information. If the department fails to create such a website within ninety days of the
12 effective date of this act, the department shall be required to contract with an internet
13 website development company to create the exchange.

14 3. In the event the department fails to create the exchange website in accordance
15 with subsection 2 of this section:

16 (1) The department shall review all applications of internet website developers for
17 the purposes of awarding an annual contract for the development, design, marketing, and
18 maintenance of the exchange website with annual renewals for continuing upgrades,
19 marketing, and maintenance of the website.

20 (2) The awarded website developer shall be solely responsible for all costs
21 associated with the development, marketing, and maintenance of the exchange website, and
22 shall receive no compensation from the department. In order to offset potential expenses,
23 such website developer shall be authorized to sell and retain any funds obtained from
24 advertising space on the website, subject to the restriction that no advertising space shall
25 be sold or licensed to any entity which has not been approved by the director of the
26 department of economic development.

27 4. The department shall have the authority to terminate any contract entered into
28 under this section at the department's discretion or if the website developer fails to operate
29 under the department's rules for the exchange website. If the contract is terminated, the
30 department shall immediately assume ownership of all site-related domain names and
31 begin searching for a new website developer to contract with under the terms established
32 in this section.

33 5. The state shall retain and have exclusive rights of ownership of all content
34 produced on the exchange website, including, but not limited to, all creative materials,
35 copyrights, photographs, and illustrations.

36 6. The department of economic development may promulgate rules necessary to
37 implement the provisions of this section. Any rule or portion of a rule, as that term is
38 defined in section 536.010, that is created under the authority delegated in this section shall

39 become effective only if it complies with and is subject to all of the provisions of chapter
40 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and
41 if any of the powers vested with the general assembly pursuant to chapter 536 to review,
42 to delay the effective date, or to disapprove and annul a rule are subsequently held
43 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted
44 after August 28, 2014, shall be invalid and void.

620.1915. 1. There is hereby created in the state treasury the "Missouri
2 International Business Advertising Fund", which shall consist of appropriated moneys,
3 gifts, contributions, grants, or bequests to be used solely for the purpose of attracting
4 international businesses to Missouri. The fund shall be used for advertising the benefits
5 of relocating an international business to Missouri and may be used to advertise in
6 international business magazines, international social media sites, or any search engine that
7 receives international traffic. The fund may be used to promote the existence and purpose
8 of the fund. The state treasurer shall be custodian of the fund and may approve
9 disbursements from the fund in accordance with sections 30.170 and 30.180. Upon
10 appropriation, money in the fund shall be used solely for the administration of this section.
11 Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining
12 in the fund at the end of the biennium shall not revert to the credit of the general revenue
13 fund. The state treasurer shall invest moneys in the fund in the same manner as other
14 funds are invested. Any interest and moneys earned on such investments shall be credited
15 to the fund.

16 2. The Missouri international advertising fund shall be administered and managed
17 by the Missouri small business technology and development center and its coordinator,
18 with the primary goal of encouraging any business located outside of the United States to
19 relocate to Missouri.

20 3. The Missouri small business technology and development center shall establish
21 a committee consisting of no fewer than three but no more than five persons for the
22 purpose of reviewing which international markets are seeing an increase in businesses
23 relocating to the United States and specifically use the funds that are deposited into the
24 Missouri international advertising fund to create a marketing campaign directed toward
25 the international companies in these markets. The coordinator shall establish its own rules
26 of procedure.

620.2425. 1. This section shall be known and may be cited as the "Bring Jobs
2 Home Act".

3 2. As used in this section, the following terms shall mean:

4 (1) "Business unit":

5 (a) Any trade or business; and

6 (b) Any line of business or function unit which is part of any trade or business;

7 (2) "Department", the department of economic development;

8 (3) "Eligible expense", any amount paid or incurred by the taxpayer in connection
9 with the elimination of any business unit of the taxpayer for the purpose of relocating said
10 business unit to Missouri from outside the state for which a deduction is allowed to the
11 taxpayer under Section 162 of the Internal Revenue Code of 1986, as amended, excluding
12 any severance pay or other compensation paid or incurred in connection with severance
13 from employment.

14

15 For purposes of this subdivision, a relocation shall not be treated as failing to occur if such
16 elimination occurs in a different taxable year than such relocation. Eligible expenses must
17 be paid or incurred under a written plan to carry out the relocation;

18 (4) "Full-time equivalent employee", the same meaning as ascribed to the term
19 under Sections 45R(d) and 45R(e) of the Internal Revenue Code of 1986, as amended;

20 (5) "Tax credit", a credit against the tax otherwise due under chapter 143,
21 excluding withholding tax imposed by sections 143.191 to 143.265;

22 (6) "Taxpayer", any individual, firm, a partner in a firm, corporation, partnership,
23 shareholder in an S-corporation, or limited liability company subject to the income tax
24 imposed under chapter 143, excluding withholding tax imposed by sections 143.191 to
25 143.265.

26 3. For all taxable years beginning on or after January 1, 2014, a taxpayer shall be
27 allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal
28 to twenty percent of the eligible expenses incurred if approved by the department of
29 economic development, which shall issue a tax credit to the taxpayer upon a determination
30 that the taxpayer meets the requirements of this section and is eligible for such credit. The
31 amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax
32 liability for the taxable year for which the credit is claimed. Any tax credit that cannot be
33 claimed in the taxable year the eligible expenses were incurred may be carried over to the
34 next three succeeding taxable years until the credit has been fully claimed. Any amount
35 of credit that the taxpayer is prohibited by this section from claiming in a tax year shall not
36 be refundable. Tax credits issued under this section shall not be transferred, sold, or
37 assigned.

38 4. No credit shall be allowed under this section until the department determines the
39 number of full-time equivalent employees of the taxpayer for the taxable year for which
40 the credit is claimed exceeds the number of full-time equivalent employees of the taxpayer

41 for the last taxable year ending before the first taxable year in which such eligible expenses
42 were paid or incurred. For the purposes of this section, any consideration of wages shall
43 only be with respect to those paid for services performed within Missouri.

44 5. Notwithstanding any other provision of law to the contrary, no credit shall be
45 allowed for any expenses incurred when dissolving a business unit in Missouri and
46 relocating such business unit to another state.

47 6. The total amount of tax credits authorized under this section shall not exceed ten
48 million dollars in any taxable year. In the event that more than ten million dollars in
49 credits are claimed in a taxable year, credits shall be issued on a first-come, first-served
50 filing basis.

51 7. A taxpayer that receives tax credits under the provisions of this section shall be
52 ineligible to receive tax credits under the provisions of any other state tax credit program
53 for the same expenses incurred.

54 8. Any taxpayer allowed a tax credit under this section who, within ten years of
55 receiving the tax credit, eliminates the business unit for which the tax credit was allowed
56 shall repay the state an amount equal to the amount of the tax credit allowed.

57 9. The department of economic development and the department of revenue shall
58 promulgate rules to implement the provisions of this section. Any rule or portion of a rule,
59 as that term is defined in section 536.010, that is created under the authority delegated in
60 this section shall become effective only if it complies with and is subject to all the provisions
61 of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
62 nonseverable and if any of the powers vested with the general assembly under chapter 536
63 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
64 held unconstitutional, then the grant of rulemaking authority and any rule proposed or
65 adopted after August 28, 2014, shall be invalid and void.

66 10. Under section 23.253 of the Missouri sunset act:

67 (1) The provisions of the new program authorized under this section shall
68 automatically sunset six years after the effective date, unless reauthorized by an act of the
69 general assembly; and

70 (2) If such program is reauthorized, the program authorized under this section
71 shall automatically sunset twelve years after the effective date of the reauthorization of this
72 section; and

73 (3) This section shall terminate on December thirty-first of the calendar year
74 immediately following the calendar year in which the program authorized under this
75 section is sunset.

620.2650. 1. As used in this section, the following terms mean:

2 **(1) “Accelerated technology education program”, a program conducted apart from**
3 **the regular course of study for a certification or degree administered by any institution in**
4 **this state or sponsored and funded by any qualified organization in this state that focuses**
5 **on the development of computer programming skills that may be completed in under a**
6 **year. An accelerated technology education program shall be offered free of charge to all**
7 **eligible participants and at a rate not to exceed two hundred fifty dollars to any other**
8 **person;**

9 **(2) “Committee”, the committee for entrepreneurs established under this section;**

10 **(3) “Department”, the department of economic development;**

11 **(4) “Director”, the director of the department of economic development;**

12 **(5) “Eligible participant”, low and moderate income persons as defined in 42 U.S.C.**
13 **5302(a)(20);**

14 **(6) “Institution”, any college, university, business, trade, or other technical school**
15 **in this state;**

16 **(7) “Qualified organization”, any business incubator or investment fund**
17 **specializing in the development of new businesses.**

18 **2. There is hereby established in the department of economic development the**
19 **“Committee for Entrepreneurs”, which shall be appointed by the director of the**
20 **department and consist of nine members as follows:**

21 **(1) Two members of the house of representatives, one from the majority party and**
22 **one from the minority party, appointed by the speaker of the house of representatives;**

23 **(2) Two members of the senate, one from the majority party and one from the**
24 **minority party, appointed by the president pro tempore;**

25 **(3) One member with experience managing a small business incubator program,**
26 **appointed by the director;**

27 **(4) One member with experience managing a venture capital fund, appointed by the**
28 **director;**

29 **(5) Two members with experience conducting technology education, appointed by**
30 **the director; and**

31 **(6) One member with experience as a successful entrepreneur, appointed by the**
32 **director.**

33 **3. A chair of the committee shall be selected by the members of the committee. The**
34 **four members of the general assembly shall be appointed for a term of five years. The**
35 **members appointed under subdivisions (3), (4), and (6) of subsection 2 of this section by**
36 **the director shall serve an initial term of one year, and thereafter members shall serve a**
37 **term of three years. The members appointed under subdivision (5) of subsection 2 of this**

38 section shall serve for a term of three years. Any vacancy on the committee shall be filled
39 in the same manner as the original appointment. Members shall serve without
40 compensation, but may be reimbursed for their actual and necessary expenses from
41 moneys appropriated to the department for that purpose. The department shall provide
42 technical, actuarial, and administrative support services as required by the committee.

43 **4. The committee shall:**

44 **(1) Meet on at least four occasions annually, including at least four before the end**
45 **of December of the first year the committee is established. Meetings may be held by**
46 **telephone or video conference at the discretion of the committee;**

47 **(2) Determine the criteria necessary for an adequate curriculum for an accelerated**
48 **technology education program;**

49 **(3) Approve grant applications to institutions and qualified organizations for the**
50 **development, expansion, or continuance of an accelerated technology education program;**
51 **and**

52 **(4) Present an annual report detailing the committee's findings regarding the**
53 **performance of the grant program authorized under this section, feedback from graduates**
54 **of an accelerated technology education program and their employers, areas for**
55 **improvement, possible curriculum changes, and graduate placement statistics to the**
56 **general assembly on or before the fifteenth of March.**

57 **5. Subject to appropriation, the committee shall award ten grants of up to fifteen**
58 **thousand dollars to institutions or qualified organizations annually.**

59 **6. There is hereby created in the state treasury for use by the department of**
60 **economic development a fund to be known as the "Accelerated Technology Education**
61 **Fund". The fund shall consist of money collected pursuant to this section, private**
62 **donations, and the appropriation of the general assembly. Upon appropriation, money in**
63 **the fund shall be used solely for the administration of section 620.2650. Notwithstanding**
64 **the provisions of section 33.080, RSMo, to the contrary, any moneys remaining in the fund**
65 **at the end of the biennium shall not revert to the credit of the general revenue fund. The**
66 **state treasurer shall invest moneys in the fund in the same manner as other funds are**
67 **invested. Any interest and moneys earned on such investments shall be credited to the**
68 **fund.**

69 **7. The provisions of this section shall expire on August 28, 2019.**

Section B. Because a technologically educated workforce is vital to the economic future
2 of Missouri, section 620.2650 is deemed necessary for the immediate preservation of the public
3 health, welfare, peace, and safety, and is hereby declared to be an emergency act within the

4 meaning of the constitution, and section 620.2650 shall be in full force and effect upon its
5 passage and approval.

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