

SECOND REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
CONFERENCE COMMITTEE SUBSTITUTE NO. 2 FOR
HOUSE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 693

97TH GENERAL ASSEMBLY

2014

5185S.05T

AN ACT

To repeal sections 99.845, 135.700, 143.041, 143.071, 143.191, 143.451, 144.030, 144.044, 144.610, 285.230, 285.232, 285.233, and 285.234, RSMo, and to enact in lieu thereof twenty-two new sections relating to taxation, with existing penalty provisions.

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

Section A. Sections 99.845, 135.700, 143.041, 143.071, 143.191, 143.451, 144.030, 144.044, 144.610, 285.230, 285.232, 285.233, and 285.234, RSMo, are repealed and twenty-two new sections enacted in lieu thereof, to be known as sections 67.585, 67.1367, 99.845, 135.700, 137.133, 143.041, 143.071, 143.191, 143.451, 144.030, 144.044, 144.610, 144.1030, 190.270, 190.275, 190.280, 190.285, 190.286, 285.230, 285.232, 285.233, and 285.234, to read as follows:

67.585. 1. The governing body of any county of the first classification with more than two hundred thousand but fewer than two hundred sixty thousand inhabitants, through the creation of a recreational and community center district which shall include only the area encompassed by the portion of a school district located within that county having an average daily attendance for the 2012-2013 school year between eleven thousand and twelve thousand students and any public park located wholly or partially within that portion of the school district, upon voter approval as outlined in subsections 2 and 3 of this section, shall impose, by order or ordinance, a sales tax on all retail sales made within the recreational and community center district

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

12 which are subject to sales tax under chapter 144. The tax authorized
13 in this section shall not exceed one half of one percent and shall be
14 imposed for the purpose of funding the construction, maintenance, and
15 operation of and the purchase of equipment for community centers and
16 other purposes of recreation and wellness as determined by the board
17 which is established in subsection 8 of this section. The tax authorized
18 in this section shall be in addition to all other sales taxes imposed by
19 law and shall be stated separately from all other charges and taxes.

20 2. (1) No such order or ordinance adopted under subsection 1 of
21 this section shall become effective unless the governing body of the
22 county submits to the voters residing within the recreational and
23 community center district on any date available for elections in the
24 county, a proposal to authorize the governing body of the county to
25 impose a tax under this section; or

26 (2) If the governing body of the county receives a petition signed
27 by at least ten percent of the registered voters of the county within the
28 recreational and community center district who voted in the last
29 gubernatorial election calling for an election to impose a tax under this
30 section, the governing body shall submit to the voters of the county
31 within the recreational and community center district on any date
32 available for elections in the county, a proposal to authorize the
33 governing body of the county to impose a tax under this section; or

34 (3) If the governing body of a special charter city with more than
35 twenty-nine thousand but fewer than thirty-two thousand inhabitants,
36 and a governing body of a home rule city with more than four hundred
37 thousand inhabitants and located in more than one county, jointly
38 request, the governing body of the county shall submit to the voters of
39 the county within the recreational and community center district on
40 any date available for elections in the county, a proposal to authorize
41 the governing body of the county to impose a tax under this section.

42 All costs associated with placing such a question to the voters within
43 the recreational and community center district shall be borne by the
44 cities referenced in subdivision (3) of subsection 2 of this section. If
45 such tax is authorized by the voters of the recreational and community
46 center district, the cost may be reimbursed to such cities upon
47 implementation of the tax.

48 3. The ballot of submission shall contain, but need not be limited

49 to, the following language:

50 Shall the county of (county's name) impose a sales tax of
51 (insert amount) within the boundaries of the (insert name) school
52 district for the purpose of funding the construction, repair,
53 improvement, maintenance, and operation of and purchase of
54 equipment for community centers and other recreational facilities and
55 programs?

56 If a majority of the votes cast on the question by the qualified voters
57 voting thereon are in favor of the question, then the tax shall become
58 effective on the first day of the second calendar quarter. If a majority
59 of the votes cast on the question by the qualified voters voting thereon
60 are opposed to the question, then the tax shall not become effective
61 unless and until the question is resubmitted under this section to the
62 qualified voters and such question is approved by the requisite
63 majority of the qualified voters voting on the question. In no event
64 shall a proposal under this section be submitted to the voters sooner
65 than twelve months from the date of the last proposal under this
66 section.

67 4. Except as modified in this section, all provisions of sections
68 32.085 and 32.087 shall apply to the tax imposed under this section.

69 5. All revenue collected under this section by the director of the
70 department of revenue on behalf of any county, except for one percent
71 for the cost of collection which shall be deposited in the state's general
72 revenue fund after payment of premiums for surety bonds as provided
73 in section 32.087, shall be deposited in a special trust fund, which is
74 hereby created and shall be known as the "Recreational and Community
75 Center District Sales Tax Trust Fund", and shall be used solely for the
76 designated purposes. Moneys in the fund shall not be deemed to be
77 state funds and shall not be commingled with any funds of the
78 state. The director may make refunds from the amounts in the fund
79 and credited to the county for erroneous payments and overpayments
80 made and may redeem dishonored checks and drafts deposited to the
81 credit of such county.

82 6. A question of repeal of the sales tax authorized in this section
83 shall be submitted to the voters on any date available for elections in
84 the county, of the recreational and community center district by the
85 governing body of any county that has adopted the sales tax authorized

86 in this section if:

87 (1) The board authorized in subsection 8 of this section requests
88 such; or

89 (2) A petition signed by a number of registered voters of the
90 county within the recreational and community center district equal to
91 at least ten percent of the number of registered voters of the county
92 within the recreational and community center district voting in the last
93 gubernatorial election is received requesting such.

94 If a majority of the votes cast on the question by the qualified voters
95 voting thereon are in favor of the repeal, that repeal shall become
96 effective on December thirty-first of the calendar year in which such
97 repeal was approved. If less than a majority of the votes cast on the
98 question by the qualified voters voting thereon are in favor of the
99 repeal, then the sales tax authorized in this section shall remain
100 effective until the question is resubmitted under this section to the
101 qualified voters. In no event shall a proposal under this section be
102 submitted to the voters sooner than twelve months from the date of the
103 last proposal under this section. No tax imposed pursuant to this
104 section for the purpose of retiring bonds, as authorized in subsection
105 8 in this section, may be terminated until all such bonds have been
106 retired.

107 7. If the tax is repealed or terminated by any means, all funds
108 remaining in the special trust fund shall continue to be used solely for
109 the designated purposes, and the county shall notify the director of the
110 department of revenue of the action at least ninety days before the
111 effective date of the repeal, and the director may order retention in the
112 trust fund, for a period of one year, of two percent of the amount
113 collected after receipt of such notice to cover possible refunds or
114 overpayment of the tax and to redeem dishonored checks and drafts
115 deposited to the credit of such accounts. After one year has elapsed
116 after the effective date of abolition of the tax in such county, the
117 director shall remit the balance in the account to the county and close
118 the account of that county. The director shall notify each county of
119 each instance of any amount refunded or any check redeemed from
120 receipts due to the county.

121 8. A board shall be established to administer the powers and
122 duties as provided in this section. The board may issue debt for the

123 district as authorized under section 67.798. All board members shall be
124 residents of the recreational and community center district. The board
125 shall consist of eight members as follows:

126 (1) Four members appointed by the mayor of a home rule city
127 with more than four hundred thousand inhabitants and located in more
128 than one county, with two of the first members appointed for a
129 two-year term and the other two members appointed for a four-year
130 term. Thereafter, each appointment shall be for a four-year term;

131 (2) Four members appointed by the mayor of a special charter
132 city with more than twenty-nine thousand but fewer than thirty-two
133 thousand inhabitants, with two of the first members appointed for a
134 two-year term and the other two members appointed for a four-year
135 term. Thereafter, each appointment shall be for a four-year term.

136 A board member may be removed by the mayor who appointed him or
137 her, at any time during his or her term, for reasons of excessive
138 absence at regularly scheduled board meetings. The mayor shall
139 appoint a replacement member to serve for the remainder of the
140 current term. No member may serve more than two full terms. A
141 partial term shall not be considered a term.

67.1367. 1. The governing body of any county of the third
2 classification without a township form of government and with more
3 than eighteen thousand but fewer than twenty thousand inhabitants
4 and with a city of the fourth classification with more than eight
5 thousand but fewer than nine thousand inhabitants as the county seat
6 may impose a tax on the charges for all sleeping rooms paid by the
7 transient guests of hotels or motels situated in the county or a portion
8 thereof, which shall be no more than six percent per occupied room per
9 night, except that such tax shall not become effective unless the
10 governing body of the county submits to the voters of the county at a
11 state general or primary election, a proposal to authorize the governing
12 body of the county to impose a tax pursuant to this section. The tax
13 authorized by this section shall be in addition to the charge for the
14 sleeping room and shall be in addition to any and all taxes imposed by
15 law and the proceeds of such tax shall be used by the county solely for
16 the promotion of tourism. Such tax shall be stated separately from all
17 other charges and taxes.

18 2. The ballot of submission for the tax authorized in this section

19 **shall be in substantially the following form:**

20 **Shall (insert the name of the county) impose a tax on the charges**
21 **for all sleeping rooms paid by the transient guests of hotels and motels**
22 **situated in (name of county) at a rate of (insert rate of percent) percent**
23 **for the sole purpose of promoting tourism?**

24 **YES** **NO**

25 **3. As used in this section, "transient guests" means a person or**
26 **persons who occupy a room or rooms in a hotel or motel for thirty-one**
27 **days or less during any calendar quarter.**

99.845. 1. A municipality, either at the time a redevelopment project is
2 approved or, in the event a municipality has undertaken acts establishing a
3 redevelopment plan and redevelopment project and has designated a
4 redevelopment area after the passage and approval of sections 99.800 to 99.865
5 but prior to August 13, 1982, which acts are in conformance with the procedures
6 of sections 99.800 to 99.865, may adopt tax increment allocation financing by
7 passing an ordinance providing that after the total equalized assessed valuation
8 of the taxable real property in a redevelopment project exceeds the certified total
9 initial equalized assessed valuation of the taxable real property in the
10 redevelopment project, the ad valorem taxes, and payments in lieu of taxes, if
11 any, arising from the levies upon taxable real property in such redevelopment
12 project by taxing districts and tax rates determined in the manner provided in
13 subsection 2 of section 99.855 each year after the effective date of the ordinance
14 until redevelopment costs have been paid shall be divided as follows:

15 (1) That portion of taxes, penalties and interest levied upon each taxable
16 lot, block, tract, or parcel of real property which is attributable to the initial
17 equalized assessed value of each such taxable lot, block, tract, or parcel of real
18 property in the area selected for the redevelopment project shall be allocated to
19 and, when collected, shall be paid by the county collector to the respective
20 affected taxing districts in the manner required by law in the absence of the
21 adoption of tax increment allocation financing;

22 (2) (a) Payments in lieu of taxes attributable to the increase in the
23 current equalized assessed valuation of each taxable lot, block, tract, or parcel of
24 real property in the area selected for the redevelopment project and any
25 applicable penalty and interest over and above the initial equalized assessed
26 value of each such unit of property in the area selected for the redevelopment
27 project shall be allocated to and, when collected, shall be paid to the municipal

28 treasurer who shall deposit such payment in lieu of taxes into a special fund
29 called the "Special Allocation Fund" of the municipality for the purpose of paying
30 redevelopment costs and obligations incurred in the payment thereof. **Beginning**
31 **August 28, 2014, if the voters in a taxing district vote to approve an**
32 **increase in such taxing district's levy rate for ad valorem tax on real**
33 **property, any additional revenues generated within an existing**
34 **redevelopment project area that are directly attributable to the newly**
35 **voter-approved incremental increase in such taxing district's levy rate**
36 **shall not be considered payments in lieu of taxes subject to deposit into**
37 **a special allocation fund without the consent of such taxing**
38 **district. Revenues will be considered directly attributable to a newly**
39 **voter-approved incremental increase to the extent that they are**
40 **generated from the difference between the taxing district's actual levy**
41 **rate currently imposed and the maximum voter-approved levy rate at**
42 **the time that the redevelopment project was adopted.** Payments in lieu
43 of taxes which are due and owing shall constitute a lien against the real estate
44 of the redevelopment project from which they are derived and shall be collected
45 in the same manner as the real property tax, including the assessment of
46 penalties and interest where applicable. The municipality may, in the ordinance,
47 pledge the funds in the special allocation fund for the payment of such costs and
48 obligations and provide for the collection of payments in lieu of taxes, the lien of
49 which may be foreclosed in the same manner as a special assessment lien as
50 provided in section 88.861. No part of the current equalized assessed valuation
51 of each lot, block, tract, or parcel of property in the area selected for the
52 redevelopment project attributable to any increase above the total initial
53 equalized assessed value of such properties shall be used in calculating the
54 general state school aid formula provided for in section 163.031 until such time
55 as all redevelopment costs have been paid as provided for in this section and
56 section 99.850;

57 (b) Notwithstanding any provisions of this section to the contrary, for
58 purposes of determining the limitation on indebtedness of local government
59 pursuant to Article VI, Section 26(b) of the Missouri Constitution, the current
60 equalized assessed value of the property in an area selected for redevelopment
61 attributable to the increase above the total initial equalized assessed valuation
62 shall be included in the value of taxable tangible property as shown on the last
63 completed assessment for state or county purposes;

64 (c) The county assessor shall include the current assessed value of all
65 property within the taxing district in the aggregate valuation of assessed property
66 entered upon the assessor's book and verified pursuant to section 137.245, and
67 such value shall be utilized for the purpose of the debt limitation on local
68 government pursuant to Article VI, Section 26(b) of the Missouri Constitution;

69 (3) For purposes of this section, "levies upon taxable real property in such
70 redevelopment project by taxing districts" shall not include the blind pension fund
71 tax levied under the authority of Article III, Section 38(b) of the Missouri
72 Constitution, or the merchants' and manufacturers' inventory replacement tax
73 levied under the authority of subsection 2 of Section 6 of Article X of the Missouri
74 Constitution, except in redevelopment project areas in which tax increment
75 financing has been adopted by ordinance pursuant to a plan approved by vote of
76 the governing body of the municipality taken after August 13, 1982, and before
77 January 1, 1998.

78 2. In addition to the payments in lieu of taxes described in subdivision (2)
79 of subsection 1 of this section, for redevelopment plans and projects adopted or
80 redevelopment projects approved by ordinance after July 12, 1990, and prior to
81 August 31, 1991, fifty percent of the total additional revenue from taxes, penalties
82 and interest imposed by the municipality, or other taxing districts, which are
83 generated by economic activities within the area of the redevelopment project over
84 the amount of such taxes generated by economic activities within the area of the
85 redevelopment project in the calendar year prior to the adoption of the
86 redevelopment project by ordinance, while tax increment financing remains in
87 effect, but excluding taxes imposed on sales or charges for sleeping rooms paid by
88 transient guests of hotels and motels, taxes levied pursuant to section 70.500,
89 licenses, fees or special assessments other than payments in lieu of taxes and any
90 penalty and interest thereon, or, effective January 1, 1998, taxes levied pursuant
91 to section 94.660, for the purpose of public transportation, shall be allocated to,
92 and paid by the local political subdivision collecting officer to the treasurer or
93 other designated financial officer of the municipality, who shall deposit such
94 funds in a separate segregated account within the special allocation fund. Any
95 provision of an agreement, contract or covenant entered into prior to July 12,
96 1990, between a municipality and any other political subdivision which provides
97 for an appropriation of other municipal revenues to the special allocation fund
98 shall be and remain enforceable.

99 3. In addition to the payments in lieu of taxes described in subdivision (2)

100 of subsection 1 of this section, for redevelopment plans and projects adopted or
101 redevelopment projects approved by ordinance after August 31, 1991, fifty percent
102 of the total additional revenue from taxes, penalties and interest which are
103 imposed by the municipality or other taxing districts, and which are generated
104 by economic activities within the area of the redevelopment project over the
105 amount of such taxes generated by economic activities within the area of the
106 redevelopment project in the calendar year prior to the adoption of the
107 redevelopment project by ordinance, while tax increment financing remains in
108 effect, but excluding personal property taxes, taxes imposed on sales or charges
109 for sleeping rooms paid by transient guests of hotels and motels, taxes levied
110 pursuant to section 70.500, taxes levied for the purpose of public transportation
111 pursuant to section 94.660, taxes imposed on sales pursuant to subsection 2 of
112 section 67.1712 for the purpose of operating and maintaining a metropolitan park
113 and recreation district, licenses, fees or special assessments other than payments
114 in lieu of taxes and penalties and interest thereon, any sales tax imposed by a
115 county with a charter form of government and with more than six hundred
116 thousand but fewer than seven hundred thousand inhabitants, for the purpose of
117 sports stadium improvement or levied by such county under section 238.410 for
118 the purpose of the county transit authority operating transportation facilities, or
119 for redevelopment plans and projects adopted or redevelopment projects approved
120 by ordinance after August 28, 2013, taxes imposed on sales under and pursuant
121 to section **67.700 or** 650.399 for the purpose of emergency communication
122 systems, shall be allocated to, and paid by the local political subdivision collecting
123 officer to the treasurer or other designated financial officer of the municipality,
124 who shall deposit such funds in a separate segregated account within the special
125 allocation fund. **Beginning August 28, 2014, if the voters in a taxing**
126 **district vote to approve an increase in such taxing district's sales tax**
127 **or use tax, other than the renewal of an expiring sales or use tax, any**
128 **additional revenues generated within an existing redevelopment**
129 **project area that are directly attributable to the newly voter-approved**
130 **incremental increase in such taxing district's levy rate shall not be**
131 **considered economic activity taxes subject to deposit into a special**
132 **allocation fund without the consent of such taxing district.**

133 4. Beginning January 1, 1998, for redevelopment plans and projects
134 adopted or redevelopment projects approved by ordinance and which have
135 complied with subsections 4 to 12 of this section, in addition to the payments in

136 lieu of taxes and economic activity taxes described in subsections 1, 2 and 3 of
137 this section, up to fifty percent of the new state revenues, as defined in subsection
138 8 of this section, estimated for the businesses within the project area and
139 identified by the municipality in the application required by subsection 10 of this
140 section, over and above the amount of such taxes reported by businesses within
141 the project area as identified by the municipality in their application prior to the
142 approval of the redevelopment project by ordinance, while tax increment
143 financing remains in effect, may be available for appropriation by the general
144 assembly as provided in subsection 10 of this section to the department of
145 economic development supplemental tax increment financing fund, from the
146 general revenue fund, for distribution to the treasurer or other designated
147 financial officer of the municipality with approved plans or projects.

148 5. The treasurer or other designated financial officer of the municipality
149 with approved plans or projects shall deposit such funds in a separate segregated
150 account within the special allocation fund established pursuant to section 99.805.

151 6. No transfer from the general revenue fund to the Missouri
152 supplemental tax increment financing fund shall be made unless an appropriation
153 is made from the general revenue fund for that purpose. No municipality shall
154 commit any state revenues prior to an appropriation being made for that
155 project. For all redevelopment plans or projects adopted or approved after
156 December 23, 1997, appropriations from the new state revenues shall not be
157 distributed from the Missouri supplemental tax increment financing fund into the
158 special allocation fund unless the municipality's redevelopment plan ensures that
159 one hundred percent of payments in lieu of taxes and fifty percent of economic
160 activity taxes generated by the project shall be used for eligible redevelopment
161 project costs while tax increment financing remains in effect. This account shall
162 be separate from the account into which payments in lieu of taxes are deposited,
163 and separate from the account into which economic activity taxes are deposited.

164 7. In order for the redevelopment plan or project to be eligible to receive
165 the revenue described in subsection 4 of this section, the municipality shall
166 comply with the requirements of subsection 10 of this section prior to the time the
167 project or plan is adopted or approved by ordinance. The director of the
168 department of economic development and the commissioner of the office of
169 administration may waive the requirement that the municipality's application be
170 submitted prior to the redevelopment plan's or project's adoption or the
171 redevelopment plan's or project's approval by ordinance.

172 8. For purposes of this section, "new state revenues" means:

173 (1) The incremental increase in the general revenue portion of state sales
174 tax revenues received pursuant to section 144.020, excluding sales taxes that are
175 constitutionally dedicated, taxes deposited to the school district trust fund in
176 accordance with section 144.701, sales and use taxes on motor vehicles, trailers,
177 boats and outboard motors and future sales taxes earmarked by law. In no event
178 shall the incremental increase include any amounts attributable to retail sales
179 unless the municipality or authority has proven to the Missouri development
180 finance board and the department of economic development and such entities
181 have made a finding that the sales tax increment attributable to retail sales is
182 from new sources which did not exist in the state during the baseline year. The
183 incremental increase in the general revenue portion of state sales tax revenues
184 for an existing or relocated facility shall be the amount that current state sales
185 tax revenue exceeds the state sales tax revenue in the base year as stated in the
186 redevelopment plan as provided in subsection 10 of this section; or

187 (2) The state income tax withheld on behalf of new employees by the
188 employer pursuant to section 143.221 at the business located within the project
189 as identified by the municipality. The state income tax withholding allowed by
190 this section shall be the municipality's estimate of the amount of state income tax
191 withheld by the employer within the redevelopment area for new employees who
192 fill new jobs directly created by the tax increment financing project.

193 9. Subsection 4 of this section shall apply only to blighted areas located
194 in enterprise zones, pursuant to sections 135.200 to 135.256, blighted areas
195 located in federal empowerment zones, or to blighted areas located in central
196 business districts or urban core areas of cities which districts or urban core areas
197 at the time of approval of the project by ordinance, provided that the enterprise
198 zones, federal empowerment zones or blighted areas contained one or more
199 buildings at least fifty years old; and

200 (1) Suffered from generally declining population or property taxes over the
201 twenty-year period immediately preceding the area's designation as a project area
202 by ordinance; or

203 (2) Was a historic hotel located in a county of the first classification
204 without a charter form of government with a population according to the most
205 recent federal decennial census in excess of one hundred fifty thousand and
206 containing a portion of a city with a population according to the most recent
207 federal decennial census in excess of three hundred fifty thousand.

208 10. The initial appropriation of up to fifty percent of the new state
209 revenues authorized pursuant to subsections 4 and 5 of this section shall not be
210 made to or distributed by the department of economic development to a
211 municipality until all of the following conditions have been satisfied:

212 (1) The director of the department of economic development or his or her
213 designee and the commissioner of the office of administration or his or her
214 designee have approved a tax increment financing application made by the
215 municipality for the appropriation of the new state revenues. The municipality
216 shall include in the application the following items in addition to the items in
217 section 99.810:

218 (a) The tax increment financing district or redevelopment area, including
219 the businesses identified within the redevelopment area;

220 (b) The base year of state sales tax revenues or the base year of state
221 income tax withheld on behalf of existing employees, reported by existing
222 businesses within the project area prior to approval of the redevelopment project;

223 (c) The estimate of the incremental increase in the general revenue
224 portion of state sales tax revenue or the estimate for the state income tax
225 withheld by the employer on behalf of new employees expected to fill new jobs
226 created within the redevelopment area after redevelopment;

227 (d) The official statement of any bond issue pursuant to this subsection
228 after December 23, 1997;

229 (e) An affidavit that is signed by the developer or developers attesting
230 that the provisions of subdivision (1) of subsection 1 of section 99.810 have been
231 met and specifying that the redevelopment area would not be reasonably
232 anticipated to be developed without the appropriation of the new state revenues;

233 (f) The cost-benefit analysis required by section 99.810 includes a study
234 of the fiscal impact on the state of Missouri; and

235 (g) The statement of election between the use of the incremental increase
236 of the general revenue portion of the state sales tax revenues or the state income
237 tax withheld by employers on behalf of new employees who fill new jobs created
238 in the redevelopment area;

239 (h) The name, street and mailing address, and phone number of the mayor
240 or chief executive officer of the municipality;

241 (i) The street address of the development site;

242 (j) The three-digit North American Industry Classification System number
243 or numbers characterizing the development project;

- 244 (k) The estimated development project costs;
- 245 (l) The anticipated sources of funds to pay such development project costs;
- 246 (m) Evidence of the commitments to finance such development project
247 costs;
- 248 (n) The anticipated type and term of the sources of funds to pay such
249 development project costs;
- 250 (o) The anticipated type and terms of the obligations to be issued;
- 251 (p) The most recent equalized assessed valuation of the property within
252 the development project area;
- 253 (q) An estimate as to the equalized assessed valuation after the
254 development project area is developed in accordance with a development plan;
- 255 (r) The general land uses to apply in the development area;
- 256 (s) The total number of individuals employed in the development area,
257 broken down by full-time, part-time, and temporary positions;
- 258 (t) The total number of full-time equivalent positions in the development
259 area;
- 260 (u) The current gross wages, state income tax withholdings, and federal
261 income tax withholdings for individuals employed in the development area;
- 262 (v) The total number of individuals employed in this state by the
263 corporate parent of any business benefitting from public expenditures in the
264 development area, and all subsidiaries thereof, as of December thirty-first of the
265 prior fiscal year, broken down by full-time, part-time, and temporary positions;
- 266 (w) The number of new jobs to be created by any business benefitting from
267 public expenditures in the development area, broken down by full-time, part-time,
268 and temporary positions;
- 269 (x) The average hourly wage to be paid to all current and new employees
270 at the project site, broken down by full-time, part-time, and temporary positions;
- 271 (y) For project sites located in a metropolitan statistical area, as defined
272 by the federal Office of Management and Budget, the average hourly wage paid
273 to nonmanagerial employees in this state for the industries involved at the
274 project, as established by the United States Bureau of Labor Statistics;
- 275 (z) For project sites located outside of metropolitan statistical areas, the
276 average weekly wage paid to nonmanagerial employees in the county for
277 industries involved at the project, as established by the United States
278 Department of Commerce;
- 279 (aa) A list of other community and economic benefits to result from the

280 project;

281 (bb) A list of all development subsidies that any business benefitting from
282 public expenditures in the development area has previously received for the
283 project, and the name of any other granting body from which such subsidies are
284 sought;

285 (cc) A list of all other public investments made or to be made by this state
286 or units of local government to support infrastructure or other needs generated
287 by the project for which the funding pursuant to this section is being sought;

288 (dd) A statement as to whether the development project may reduce
289 employment at any other site, within or without the state, resulting from
290 automation, merger, acquisition, corporate restructuring, relocation, or other
291 business activity;

292 (ee) A statement as to whether or not the project involves the relocation
293 of work from another address and if so, the number of jobs to be relocated and the
294 address from which they are to be relocated;

295 (ff) A list of competing businesses in the county containing the
296 development area and in each contiguous county;

297 (gg) A market study for the development area;

298 (hh) A certification by the chief officer of the applicant as to the accuracy
299 of the development plan;

300 (2) The methodologies used in the application for determining the base
301 year and determining the estimate of the incremental increase in the general
302 revenue portion of the state sales tax revenues or the state income tax withheld
303 by employers on behalf of new employees who fill new jobs created in the
304 redevelopment area shall be approved by the director of the department of
305 economic development or his or her designee and the commissioner of the office
306 of administration or his or her designee. Upon approval of the application, the
307 director of the department of economic development or his or her designee and
308 the commissioner of the office of administration or his or her designee shall issue
309 a certificate of approval. The department of economic development may request
310 the appropriation following application approval;

311 (3) The appropriation shall be either a portion of the estimate of the
312 incremental increase in the general revenue portion of state sales tax revenues
313 in the redevelopment area or a portion of the estimate of the state income tax
314 withheld by the employer on behalf of new employees who fill new jobs created
315 in the redevelopment area as indicated in the municipality's application,

316 approved by the director of the department of economic development or his or her
317 designee and the commissioner of the office of administration or his or her
318 designee. At no time shall the annual amount of the new state revenues
319 approved for disbursements from the Missouri supplemental tax increment
320 financing fund exceed thirty-two million dollars;

321 (4) Redevelopment plans and projects receiving new state revenues shall
322 have a duration of up to fifteen years, unless prior approval for a longer term is
323 given by the director of the department of economic development or his or her
324 designee and the commissioner of the office of administration or his or her
325 designee; except that, in no case shall the duration exceed twenty-three years.

326 11. In addition to the areas authorized in subsection 9 of this section, the
327 funding authorized pursuant to subsection 4 of this section shall also be available
328 in a federally approved levee district, where construction of a levee begins after
329 December 23, 1997, and which is contained within a county of the first
330 classification without a charter form of government with a population between
331 fifty thousand and one hundred thousand inhabitants which contains all or part
332 of a city with a population in excess of four hundred thousand or more
333 inhabitants.

334 12. There is hereby established within the state treasury a special fund
335 to be known as the "Missouri Supplemental Tax Increment Financing Fund", to
336 be administered by the department of economic development. The department
337 shall annually distribute from the Missouri supplemental tax increment financing
338 fund the amount of the new state revenues as appropriated as provided in the
339 provisions of subsections 4 and 5 of this section if and only if the conditions of
340 subsection 10 of this section are met. The fund shall also consist of any gifts,
341 contributions, grants or bequests received from federal, private or other
342 sources. Moneys in the Missouri supplemental tax increment financing fund shall
343 be disbursed per project pursuant to state appropriations.

344 13. Redevelopment project costs may include, at the prerogative of the
345 state, the portion of salaries and expenses of the department of economic
346 development and the department of revenue reasonably allocable to each
347 redevelopment project approved for disbursements from the Missouri
348 supplemental tax increment financing fund for the ongoing administrative
349 functions associated with such redevelopment project. Such amounts shall be
350 recovered from new state revenues deposited into the Missouri supplemental tax
351 increment financing fund created under this section.

352 14. For redevelopment plans or projects approved by ordinance that result
353 in net new jobs from the relocation of a national headquarters from another state
354 to the area of the redevelopment project, the economic activity taxes and new
355 state tax revenues shall not be based on a calculation of the incremental increase
356 in taxes as compared to the base year or prior calendar year for such
357 redevelopment project, rather the incremental increase shall be the amount of
358 total taxes generated from the net new jobs brought in by the national
359 headquarters from another state. In no event shall this subsection be construed
360 to allow a redevelopment project to receive an appropriation in excess of up to
361 fifty percent of the new state revenues.

135.700. **1.** For all tax years beginning on or after January 1, 1999, a
2 grape grower or wine producer shall be allowed a tax credit against the state tax
3 liability incurred pursuant to chapter 143, exclusive of the provisions relating to
4 the withholding of tax as provided in sections 143.191 to 143.265, in an amount
5 equal to twenty-five percent of the purchase price of all new **and used** equipment
6 and materials used directly in the growing of grapes or the production of wine in
7 the state. Each grower or producer shall apply to the department of economic
8 development and specify the total amount of such new equipment and materials
9 purchased during the calendar year. The department of economic development
10 shall certify to the department of revenue the amount of such tax credit to which
11 a grape grower or wine producer is entitled pursuant to this section. The
12 provisions of this section notwithstanding, a grower or producer may only apply
13 for and receive the credit authorized by this section for five tax periods.

14 **2. For the taxable years beginning on or after August 28, 2014,**
15 **the total amount of tax credits allowed under subsection 1 of this**
16 **section shall not exceed two hundred thousand dollars annually.**

137.133. **In any county with a charter form of government and**
2 **with more than nine hundred fifty thousand inhabitants, any**
3 **correspondence by the assessor with a taxpayer requesting information**
4 **from the taxpayer shall include the following statement in bold,**
5 **fourteen point font: "Disclosure of information requested on this**
6 **document is voluntary and not required by law. Any information**
7 **disclosed may become public record.".** The provisions of this section
8 **shall not apply to requests for information required to be disclosed**
9 **under sections 137.092 and 137.155.**

143.041. **1.** A tax is hereby imposed for every taxable year on the income

2 of every nonresident individual which is derived from sources within this
3 state. The tax shall be that amount which bears the same ratio to the tax
4 applicable to the individual if he would have been a resident as (A) his Missouri
5 nonresident adjusted gross income as determined under section 143.181 (Missouri
6 adjusted gross income derived from sources within this state) bears to (B) his
7 Missouri adjusted gross income derived from all sources.

8 **2. The provisions of this section shall not apply to out-of-state**
9 **businesses or out-of-state employees operating under sections 190.270**
10 **to 190.285.**

143.071. 1. For all tax years beginning before September 1, 1993, a tax
2 is hereby imposed upon the Missouri taxable income of corporations in an amount
3 equal to five percent of Missouri taxable income.

4 2. For all tax years beginning on or after September 1, 1993, a tax is
5 hereby imposed upon the Missouri taxable income of corporations in an amount
6 equal to six and one-fourth percent of Missouri taxable income.

7 **3. The provisions of this section shall not apply to out-of-state**
8 **businesses operating under sections 190.270 to 190.285.**

143.191. 1. Every employer maintaining an office or transacting any
2 business within this state and making payment of any wages taxable under
3 sections 143.011 to 143.998 to a resident or nonresident individual shall deduct
4 and withhold from such wages for each payroll period the amount provided in
5 subsection 3 of this section.

6 2. The term "wages" referred to in subsection 1 of this section means
7 wages as defined by section 3401(a) of the Internal Revenue Code of 1986, as
8 amended. The term "employer" means any person, firm, corporation, association,
9 fiduciary of any kind, or other type of organization for whom an individual
10 performs service as an employee, except that if the person or organization for
11 whom the individual performs service does not have control of the payment of
12 compensation for such service, the term "employer" means the person having
13 control of the payment of the compensation. The term includes the United States,
14 this state, other states, and all agencies, instrumentalities, and subdivisions of
15 any of them.

16 3. The method of determining the amount to be withheld shall be
17 prescribed by regulations of the director of revenue. The prescribed table,
18 percentages, or other method shall result, so far as practicable, in withholding
19 from the employee's wages during each calendar year an amount substantially

20 equivalent to the tax reasonably estimated to be due from the employee under
21 sections 143.011 to 143.998 with respect to the amount of such wages included in
22 his Missouri adjusted gross income during the calendar year.

23 4. For purposes of this section an employee shall be entitled to the same
24 number of personal and dependency withholding exemptions as the number of
25 exemptions to which he is entitled for federal income tax withholding purposes.
26 An employer may rely upon the number of federal withholding exemptions
27 claimed by the employee, except where the employee provides the employer with
28 a form claiming a different number of withholding exemptions in this state.

29 5. The director of revenue may enter into agreements with the tax
30 departments of other states (which require income tax to be withheld from the
31 payment of wages) so as to govern the amounts to be withheld from the wages of
32 residents of such states under this section. Such agreements may provide for
33 recognition of anticipated tax credits in determining the amounts to be withheld
34 and, under regulations prescribed by the director of revenue, may relieve
35 employers in this state from withholding income tax on wages paid to nonresident
36 employees. The agreements authorized by this subsection are subject to the
37 condition that the tax department of such other states grant similar treatment
38 to residents of this state.

39 6. The director of revenue shall enter into agreements with the Secretary
40 of the Treasury of the United States or with the appropriate secretaries of the
41 respective branches of the Armed Forces of the United States for the withholding,
42 as required by subsections 1 and 2 of this section, of income taxes due the state
43 of Missouri on wages or other payments for service in the armed services of the
44 United States or on payments received as retirement or retainer pay of any
45 member or former member of the Armed Forces entitled to such pay.

46 7. Subject to appropriations for the purpose of implementing this section,
47 the director of revenue shall comply with provisions of the laws of the United
48 States as amended and the regulations promulgated thereto in order that all
49 residents of this state receiving monthly retirement income as a civil service
50 annuitant from the federal government taxable by this state may have withheld
51 monthly from any such moneys, whether pension, annuities or otherwise, an
52 amount for payment of state income taxes as required by state law, but such
53 withholding shall not be less than twenty-five dollars per quarter.

54 **8. The provisions of this section shall not apply to out-of-state**
55 **businesses operating under sections 190.270 to 190.285.**

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

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

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

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

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

20 (b) The amount of sales which are transactions wholly in this state shall
21 be added to one-half of the amount of sales which are transactions partly within
22 this state and partly without this state, and the amount thus obtained shall be
23 divided by the total sales or in cases where sales do not express the volume of
24 business, the amount of business transacted wholly in this state shall be added
25 to one-half of the amount of business transacted partly in this state and partly
26 outside this state and the amount thus obtained shall be divided by the total
27 amount of business transacted, and the net income shall be multiplied by the
28 fraction thus obtained, to determine the proportion of income to be used to arrive
29 at the amount of Missouri taxable income. The investment or reinvestment of its
30 own funds, or sale of any such investment or reinvestment, shall not be
31 considered as sales or other business transacted for the determination of said
32 fraction.

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

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

37 b. "Partly within this state and partly without this state" if the seller's
38 shipping point is in this state and the purchaser's destination point is outside
39 this state, or the seller's shipping point is outside this state and the purchaser's
40 destination point is in this state;

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

44 (d) For purposes of this subdivision:

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

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

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

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

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

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

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

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

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

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

73 for sales is in this state:

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

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

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

80 d. In the case of intangible property:

81 (i) That is rented, leased, or licensed, if and to the extent the
82 property is used in this state by the rentee, lessee, or licensee, provided
83 that intangible property utilized in marketing a good or service to a
84 consumer is "used in this state" if that good or service is purchased by
85 a consumer who is in this state. Franchise fees or royalties received
86 for the rent, lease, license, or use of a trade name, trademark, service
87 mark, or franchise system or provides a right to conduct business
88 activity in a specific geographic area are "used in this state" to the
89 extent the franchise location is in this state; and

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

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

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

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

102 (f) If the state or states of assignment under paragraph (e) of this
103 subdivision cannot be determined, the state or states of assignment
104 shall be reasonably approximated;

105 (g) If the state of assignment cannot be determined under
106 paragraph (e) of this subdivision or reasonably approximated under
107 paragraph (f) of this subdivision, such sales shall be excluded from the
108 denominator of the sales factor;

109 (h) The director may prescribe such rules and regulations as

110 **necessary or appropriate to carry out the purposes of this section.**

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

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

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

119 (c) "Distribution services" include, but are not limited to, the services of
120 advertising, servicing, marketing, underwriting or selling shares of an investment
121 company, but, in the case of advertising, servicing or marketing shares, only
122 where such service is performed by a person who is, or in the case of a closed end
123 company, was, either engaged in the services of underwriting or selling
124 investment company shares or affiliated with a person that is engaged in the
125 service of underwriting or selling investment company shares. In the case of an
126 open end company, such service of underwriting or selling shares must be
127 performed pursuant to a contract entered into pursuant to 15 U.S.C. Section 80a-
128 15(b), as from time to time amended;

129 (d) "Investment company", any person registered under the federal
130 Investment Company Act of 1940, as amended from time to time, (the act) or a
131 company which would be required to register as an investment company under
132 the act except that such person is exempt to such registration pursuant to Section
133 80a-3(c)(1) of the act;

134 (e) "Investment funds service corporation" includes any corporation or S
135 corporation doing business in the state which derives more than fifty percent of
136 its gross income in the ordinary course of business from the provision directly or
137 indirectly of management, distribution or administration services to or on behalf
138 of an investment company or from trustees, sponsors and participants of employee
139 benefit plans which have accounts in an investment company. An investment
140 funds service corporation shall include any corporation or S corporation providing
141 management services as an investment advisory firm registered under Section
142 203 of the Investment Advisors Act of 1940, as amended from time to time,
143 regardless of the percentage of gross revenues consisting of fees from
144 management services provided to or on behalf of an investment company;

145 (f) "Management services" include but are not limited to, the rendering of

146 investment advice directly or indirectly to an investment company making
147 determinations as to when sales and purchases of securities are to be made on
148 behalf of the investment company, or the selling or purchasing of securities
149 constituting assets of an investment company, and related activities, but only
150 where such activity or activities are performed:

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

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

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

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

164 (h) "Residence", presumptively the fund shareholder's mailing address on
165 the records of the investment company. If, however, the investment company or
166 the investment funds service corporation has actual knowledge that the fund
167 shareholder's primary residence or principal place of business is different than
168 the fund shareholder's mailing address such presumption shall not control. To
169 the extent an investment funds service corporation does not have access to the
170 records of the investment company, the investment funds service corporation may
171 employ reasonable methods to determine the investment company fund
172 shareholder's residence.

173 (5) Notwithstanding other provisions of law to the contrary, qualifying
174 sales of an investment funds service corporation, or S corporation, shall be
175 considered wholly in this state only to the extent that the fund shareholders of
176 the investment companies, to which the investment funds service corporation, or
177 S corporation, provide services, are resided in this state. Wholly in this state
178 qualifying sales of an investment funds service corporation, or S corporation, shall
179 be determined as follows:

180 (a) By multiplying the investment funds service corporation's total dollar
181 amount of qualifying sales from services provided to each investment company by

182 a fraction, the numerator of which shall be the average of the number of shares
183 owned by the investment company's fund shareholders resided in this state
184 at the beginning of and at the end of the investment company's taxable year that
185 ends with or within the investment funds service corporation's taxable year, and
186 the denominator of which shall be the average of the number of shares owned by
187 the investment company's fund shareholders everywhere at the beginning of and
188 at the end of the investment company's taxable year that ends with or within the
189 investment funds service corporation's taxable year;

190 (b) A separate computation shall be made to determine the wholly in this
191 state qualifying sales from each investment company. The qualifying sales for
192 each investment company shall be multiplied by the respective percentage of each
193 fund, as calculated pursuant to paragraph (a) of this subdivision. The product of
194 this equation shall result in the wholly in this state qualifying sales. The
195 qualifying sales for each investment company which are not wholly in this state
196 will be considered wholly without this state;

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

201 3. Any corporation described in subdivision (1) of subsection 1 of section
202 143.441 organized in this state or granted a permit to operate in this state for the
203 transportation or care of passengers shall report its gross earnings within the
204 state on intrastate business and shall also report its gross earnings on all
205 interstate business done in this state which report shall be subject to inquiry for
206 the purpose of determining the amount of income to be included in Missouri
207 taxable income. The previous sentence shall not apply to a railroad.

208 4. A corporation described in subdivision (2) of subsection 1 of section
209 143.441 shall include in its Missouri taxable income all income arising from all
210 sources in this state and all income from each transportation service wholly
211 within this state, from each service where the only lines of such corporation used
212 are those in this state, and such proportion of revenue from each service where
213 the facilities of such corporation in this state and in another state or states are
214 used, as the mileage used over the lines of such corporation in the state shall
215 bear to the total mileage used over the lines of such corporation. The taxpayer
216 may elect to compute the portion of income from all sources within this state in
217 the following manner:

218 (1) The income from all sources shall be determined as provided;
219 (2) The amount of investment of such corporation on December thirty-first
220 of each year in this state in fixed transportation facilities, real estate and
221 improvements, plus the value on December thirty-first of each year of any fixed
222 transportation facilities, real estate and improvements in this state leased from
223 any other railroad shall be divided by the sum of the total amount of investment
224 of such corporation on December thirty-first of each year in fixed transportation
225 facilities, real estate and improvements, plus the value on December thirty-first
226 of each year, of any fixed transportation facilities, real estate and improvements
227 leased from any other railroad. Where any fixed transportation facilities, real
228 estate or improvements are leased by more than one railroad, such portion of the
229 value shall be used by each railroad as the rental paid by each shall bear to the
230 rental paid by all lessees. The income shall be multiplied by the fraction thus
231 obtained to determine the proportion to be used to arrive at the amount of
232 Missouri taxable income.

233 5. A corporation described in subdivision (3) of subsection 1 of section
234 143.441 shall include in its Missouri taxable income one-half of the net income
235 from the operation of a bridge between this and another state. If any such bridge
236 is owned or operated by a railroad corporation or corporations, or by a corporation
237 owning a railroad corporation using such bridge, then the figures for operation
238 of such bridge may be included in the return of such railroad or railroads; or if
239 such bridge is owned or operated by any other corporation which may now or
240 hereafter be required to file an income tax return, one-half of the income or loss
241 to such corporation from such bridge may be included in such return by adding
242 or subtracting same to or from another net income or loss shown by the return.

243 6. A corporation described in subdivision (4) of subsection 1 of section
244 143.441 shall include in its Missouri taxable income all income arising from all
245 sources within this state. Income shall include revenue from each telephonic or
246 telegraphic service rendered wholly within this state; from each service rendered
247 for which the only facilities of such corporation used are those in this state; and
248 from each service rendered over the facilities of such corporation in this state and
249 in other state or states, such proportion of such revenue as the mileage involved
250 in this state shall bear to the total mileage involved over the lines of said
251 company in all states. The taxpayer may elect to compute the portion of income
252 from all sources within this state in the following manner:

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

254 (2) The amount of investment of such corporation on December thirty-first
255 of each year in this state in telephonic or telegraphic facilities, real estate and
256 improvements thereon, shall be divided by the amount of the total investment of
257 such corporation on December thirty-first of each year in telephonic or telegraphic
258 facilities, real estate and improvements. The income of the taxpayer shall be
259 multiplied by fraction thus obtained to determine the proportion to be used to
260 arrive at the amount of Missouri taxable income.

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

266 8. If a corporation derives only part of its income from sources within
267 Missouri, its Missouri taxable income shall only reflect the effect of the following
268 listed deductions to the extent applicable to Missouri. The deductions are: (a)
269 its deduction for federal income taxes pursuant to section 143.171, and (b) the
270 effect on Missouri taxable income of the deduction for net operating loss allowed
271 by Section 172 of the Internal Revenue Code. The extent applicable to Missouri
272 shall be determined by multiplying the amount that would otherwise affect
273 Missouri taxable income by the ratio for the year of the Missouri taxable income
274 of the corporation for the year divided by the Missouri taxable income for the year
275 as though the corporation had derived all of its income from sources within
276 Missouri. For the purpose of the preceding sentence, Missouri taxable income
277 shall not reflect the listed deductions.

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

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

10 2. There are also specifically exempted from the provisions of the local
11 sales tax law as defined in section 32.085, section 238.235, and sections 144.010
12 to 144.525 and 144.600 to 144.761 and from the computation of the tax levied,
13 assessed or payable pursuant to the local sales tax law as defined in section
14 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.745:

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

29 (2) Materials, manufactured goods, machinery and parts which when used
30 in manufacturing, processing, compounding, mining, producing or fabricating
31 become a component part or ingredient of the new personal property resulting
32 from such manufacturing, processing, compounding, mining, producing or
33 fabricating and which new personal property is intended to be sold ultimately for
34 final use or consumption; and materials, including without limitation, gases and
35 manufactured goods, including without limitation slagging materials and
36 firebrick, which are ultimately consumed in the manufacturing process by
37 blending, reacting or interacting with or by becoming, in whole or in part,
38 component parts or ingredients of steel products intended to be sold ultimately
39 for final use or consumption;

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

44 (4) Motor vehicles registered in excess of fifty-four thousand pounds, and
45 the trailers pulled by such motor vehicles, that are actually used in the normal

46 course of business to haul property on the public highways of the state, and that
47 are capable of hauling loads commensurate with the motor vehicle's registered
48 weight; and the materials, replacement parts, and equipment purchased for use
49 directly upon, and for the repair and maintenance or manufacture of such
50 vehicles. For purposes of this subdivision "motor vehicle" and "public highway"
51 shall have the meaning as ascribed in section 390.020;

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

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

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

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

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

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

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

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

94 (13) Electrical energy used in the actual primary manufacture, processing,
95 compounding, mining or producing of a product, or electrical energy used in the
96 actual secondary processing or fabricating of the product, or a material recovery
97 processing plant as defined in subdivision (5) of this subsection, in facilities
98 owned or leased by the taxpayer, if the total cost of electrical energy so used
99 exceeds ten percent of the total cost of production, either primary or secondary,
100 exclusive of the cost of electrical energy so used or if the raw materials used in
101 such processing contain at least twenty-five percent recovered materials as
102 defined in section 260.200. There shall be a rebuttable presumption that the raw
103 materials used in the primary manufacture of automobiles contain at least
104 twenty-five percent recovered materials. For purposes of this subdivision,
105 "processing" means any mode of treatment, act or series of acts performed upon
106 materials to transform and reduce them to a different state or thing, including
107 treatment necessary to maintain or preserve such processing by the producer at
108 the production facility;

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

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

116 (16) Machinery, equipment, appliances and devices purchased or leased
117 and used solely for the purpose of preventing, abating or monitoring water

118 pollution, and materials and supplies solely required for the installation,
119 construction or reconstruction of such machinery, equipment, appliances and
120 devices;

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

122 (18) All amounts paid or charged for admission or participation or other
123 fees paid by or other charges to individuals in or for any place of amusement,
124 entertainment or recreation, games or athletic events, including museums, fairs,
125 zoos and planetariums, owned or operated by a municipality or other political
126 subdivision where all the proceeds derived therefrom benefit the municipality or
127 other political subdivision and do not inure to any private person, firm, or
128 corporation, provided, however, that a municipality or other political subdivision
129 may enter into revenue-sharing agreements with private persons, firms, or
130 corporations providing goods or services, including management services, in or for
131 the place of amusement, entertainment or recreation, games or athletic events,
132 and provided further that nothing in this subdivision shall exempt from tax any
133 amounts retained by any private person, firm, or corporation under such
134 revenue-sharing agreement;

135 (19) All sales of insulin and prosthetic or orthopedic devices as defined on
136 January 1, 1980, by the federal Medicare program pursuant to Title XVIII of the
137 Social Security Act of 1965, including the items specified in Section 1862(a)(12)
138 of that act, and also specifically including hearing aids and hearing aid supplies
139 and all sales of drugs which may be legally dispensed by a licensed pharmacist
140 only upon a lawful prescription of a practitioner licensed to administer those
141 items, including samples and materials used to manufacture samples which may
142 be dispensed by a practitioner authorized to dispense such samples and all sales
143 or rental of medical oxygen, home respiratory equipment and accessories, hospital
144 beds and accessories and ambulatory aids, all sales or rental of manual and
145 powered wheelchairs, stairway lifts, Braille writers, electronic Braille equipment
146 and, if purchased or rented by or on behalf of a person with one or more physical
147 or mental disabilities to enable them to function more independently, all sales or
148 rental of scooters, reading machines, electronic print enlargers and magnifiers,
149 electronic alternative and augmentative communication devices, and items used
150 solely to modify motor vehicles to permit the use of such motor vehicles by
151 individuals with disabilities or sales of over-the-counter or nonprescription drugs
152 to individuals with disabilities, and drugs required by the Food and Drug
153 Administration to meet the over-the-counter drug product labeling requirements

154 in 21 CFR 201.66, or its successor, as prescribed by a health care practitioner
155 licensed to prescribe;

156 (20) All sales made by or to religious and charitable organizations and
157 institutions in their religious, charitable or educational functions and activities
158 and all sales made by or to all elementary and secondary schools operated at
159 public expense in their educational functions and activities;

160 (21) All sales of aircraft to common carriers for storage or for use in
161 interstate commerce and all sales made by or to not-for-profit civic, social, service
162 or fraternal organizations, including fraternal organizations which have been
163 declared tax-exempt organizations pursuant to Section 501(c)(8) or (10) of the
164 1986 Internal Revenue Code, as amended, in their civic or charitable functions
165 and activities and all sales made to eleemosynary and penal institutions and
166 industries of the state, and all sales made to any private not-for-profit institution
167 of higher education not otherwise excluded pursuant to subdivision (20) of this
168 subsection or any institution of higher education supported by public funds, and
169 all sales made to a state relief agency in the exercise of relief functions and
170 activities;

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

179 (23) All sales made to any private not-for-profit elementary or secondary
180 school, all sales of feed additives, medications or vaccines administered to
181 livestock or poultry in the production of food or fiber, all sales of pesticides used
182 in the production of crops, livestock or poultry for food or fiber, all sales of
183 bedding used in the production of livestock or poultry for food or fiber, all sales
184 of propane or natural gas, electricity or diesel fuel used exclusively for drying
185 agricultural crops, natural gas used in the primary manufacture or processing of
186 fuel ethanol as defined in section 142.028, natural gas, propane, and electricity
187 used by an eligible new generation cooperative or an eligible new generation
188 processing entity as defined in section 348.432, and all sales of farm machinery
189 and equipment, other than airplanes, motor vehicles and trailers, and any freight

190 charges on any exempt item. As used in this subdivision, the term "feed
191 additives" means tangible personal property which, when mixed with feed for
192 livestock or poultry, is to be used in the feeding of livestock or poultry. As used
193 in this subdivision, the term "pesticides" includes adjuvants such as crop oils,
194 surfactants, wetting agents and other assorted pesticide carriers used to improve
195 or enhance the effect of a pesticide and the foam used to mark the application of
196 pesticides and herbicides for the production of crops, livestock or poultry. As
197 used in this subdivision, the term "farm machinery and equipment" means new
198 or used farm tractors and such other new or used farm machinery and equipment
199 and repair or replacement parts thereon and any accessories for and upgrades to
200 such farm machinery and equipment, rotary mowers used exclusively for
201 agricultural purposes, and supplies and lubricants used exclusively, solely, and
202 directly for producing crops, raising and feeding livestock, fish, poultry,
203 pheasants, chukar, quail, or for producing milk for ultimate sale at retail,
204 including field drain tile, and one-half of each purchaser's purchase of diesel fuel
205 therefor which is:

206 (a) Used exclusively for agricultural purposes;

207 (b) Used on land owned or leased for the purpose of producing farm
208 products; and

209 (c) Used directly in producing farm products to be sold ultimately in
210 processed form or otherwise at retail or in producing farm products to be fed to
211 livestock or poultry to be sold ultimately in processed form at retail;

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

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

225 (b) Regulated utility sellers shall determine whether individual purchases

226 are exempt or nonexempt based upon the seller's utility service rate
227 classifications as contained in tariffs on file with and approved by the Missouri
228 public service commission. Sales and purchases made pursuant to the rate
229 classification "residential" and sales to and purchases made by or on behalf of the
230 occupants of residential apartments or condominiums through a single or master
231 meter, including service for common areas and facilities and vacant units, shall
232 be considered as sales made for domestic use and such sales shall be exempt from
233 sales tax. Sellers shall charge sales tax upon the entire amount of purchases
234 classified as nondomestic use. The seller's utility service rate classification and
235 the provision of service thereunder shall be conclusive as to whether or not the
236 utility must charge sales tax;

237 (c) Each person making domestic use purchases of services or property
238 and who uses any portion of the services or property so purchased for a
239 nondomestic use shall, by the fifteenth day of the fourth month following the year
240 of purchase, and without assessment, notice or demand, file a return and pay
241 sales tax on that portion of nondomestic purchases. Each person making
242 nondomestic purchases of services or property and who uses any portion of the
243 services or property so purchased for domestic use, and each person making
244 domestic purchases on behalf of occupants of residential apartments or
245 condominiums through a single or master meter, including service for common
246 areas and facilities and vacant units, under a nonresidential utility service rate
247 classification may, between the first day of the first month and the fifteenth day
248 of the fourth month following the year of purchase, apply for credit or refund to
249 the director of revenue and the director shall give credit or make refund for taxes
250 paid on the domestic use portion of the purchase. The person making such
251 purchases on behalf of occupants of residential apartments or condominiums shall
252 have standing to apply to the director of revenue for such credit or refund;

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

257 (26) Excise taxes, collected on sales at retail, imposed by Sections 4041,
258 4061, 4071, 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United
259 States Code. The director of revenue shall promulgate rules pursuant to chapter
260 536 to eliminate all state and local sales taxes on such excise taxes;

261 (27) Sales of fuel consumed or used in the operation of ships, barges, or

262 waterborne vessels which are used primarily in or for the transportation of
263 property or cargo, or the conveyance of persons for hire, on navigable rivers
264 bordering on or located in part in this state, if such fuel is delivered by the seller
265 to the purchaser's barge, ship, or waterborne vessel while it is afloat upon such
266 river;

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

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

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

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

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

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

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

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

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

296 (37) All purchases by a contractor on behalf of an entity located in another
297 state, provided that the entity is authorized to issue a certificate of exemption for

298 purchases to a contractor under the provisions of that state's laws. For purposes
299 of this subdivision, the term "certificate of exemption" shall mean any document
300 evidencing that the entity is exempt from sales and use taxes on purchases
301 pursuant to the laws of the state in which the entity is located. Any contractor
302 making purchases on behalf of such entity shall maintain a copy of the entity's
303 exemption certificate as evidence of the exemption. If the exemption certificate
304 issued by the exempt entity to the contractor is later determined by the director
305 of revenue to be invalid for any reason and the contractor has accepted the
306 certificate in good faith, neither the contractor or the exempt entity shall be liable
307 for the payment of any taxes, interest and penalty due as the result of use of the
308 invalid exemption certificate. Materials shall be exempt from all state and local
309 sales and use taxes when purchased by a contractor for the purpose of fabricating
310 tangible personal property which is used in fulfilling a contract for the purpose
311 of constructing, repairing or remodeling facilities for the following:

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

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

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

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

330 (40) All purchases by a sports complex authority created under section
331 64.920, and all sales of utilities by such authority at the authority's cost that are
332 consumed in connection with the operation of a sports complex leased to a
333 professional sports team;

334 (41) Beginning January 1, 2009, but not after January 1, 2015, materials,
335 replacement parts, and equipment purchased for use directly upon, and for the
336 modification, replacement, repair, and maintenance of aircraft, aircraft power
337 plants, and aircraft accessories;

338 (42) Sales of sporting clays, wobble, skeet, and trap targets to any
339 shooting range or similar places of business for use in the normal course of
340 business and money received by a shooting range or similar places of business
341 from patrons and held by a shooting range or similar place of business for
342 redistribution to patrons at the conclusion of a shooting event.

343 3. Any ruling, agreement, or contract, whether written or oral, express or
344 implied, between a person and this state's executive branch, or any other state
345 agency or department, stating, agreeing, or ruling that such person is not
346 required to collect sales and use tax in this state despite the presence of a
347 warehouse, distribution center, or fulfillment center in this state that is owned
348 or operated by the person or an affiliated person shall be null and void unless it
349 is specifically approved by a majority vote of each of the houses of the general
350 assembly. For purposes of this subsection, an "affiliated person" means any
351 person that is a member of the same controlled group of corporations as defined
352 in Section 1563(a) of the Internal Revenue Code of 1986, as amended, as the
353 vendor or any other entity that, notwithstanding its form of organization, bears
354 the same ownership relationship to the vendor as a corporation that is a member
355 of the same controlled group of corporations as defined in Section 1563(a) of the
356 Internal Revenue Code, as amended.

357 **4. There shall be no tax under the local sales tax law as defined**
358 **in section 32.085, section 238.235, and sections 144.010 to 144.525 and**
359 **144.600 to 144.745 on the titling of motor vehicles with a model year of**
360 **at least ten years prior to the year in which the motor vehicle is being**
361 **titled. The exemption authorized under this subsection shall not apply**
362 **to the titling of motor vehicles with a sale price over fifteen thousand**
363 **dollars.**

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
3 section 700.010;

4 (2) "Sale of a new manufactured home", a transfer of a manufactured
5 home, as defined in section 700.010, which involves the delivery of the document
6 known as the manufacturer's statement of origin to a person other than a

7 manufactured home dealer, as dealer is defined in section 700.010, for purposes
8 of allowing such person to obtain a title to the manufactured home from the
9 department of revenue of this state or the appropriate agency or officer of any
10 other state;

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

14 2. In the event of the sale of a new manufactured home, forty percent of
15 the purchase price, as defined in section 700.320, shall be considered the sale of
16 a service and not the sale of tangible personal property. In addition to the
17 exemptions granted under the provisions of section 144.030, the sale of services
18 as defined in this section shall be specifically exempted from the provisions of
19 sections 238.235 and 238.410, the local sales tax law as defined in section 32.085,
20 sections 144.010 to 144.525 and 144.600 to [144.745] **144.761**, and from the
21 computation of the tax levied, assessed or payable under sections 238.235 and
22 238.410, the local sales tax law as defined in section 32.085, sections 144.010 to
23 144.525 and 144.600 to [144.745] **144.761**, and section 238.235.

24 3. In the event of the sale of a new modular unit, forty percent of the
25 retail sale of the unit or forty percent of the manufacturer's sales price of the unit
26 if the manufacturer makes a sale to a consumer that is not a retail sale, plus any
27 carrier charge and freight charges shall be considered the sale of a service and
28 sixty percent shall be the retail sale of tangible personal property. In addition
29 to the exemptions granted under the provisions of section 144.030, the sale of
30 services as defined in this section shall be specifically exempted from the
31 provisions of sections 238.235 and 238.410, the local sales tax law as defined in
32 section 32.085, sections 144.010 to 144.525 and 144.600 to [144.745] **144.761**, and
33 from the computation of the tax levied, assessed, or payable under sections
34 238.235 and 238.410, the local sales tax law as defined in section 32.085, sections
35 144.010 to 144.525 and 144.600 to [144.745] **144.761**, and section 238.235.

36 **4. In addition to the exemptions granted under the provisions of**
37 **section 144.030, the sale of a used manufactured home as defined in this**
38 **section shall be specifically exempted from the provisions of sections**
39 **238.235 and 238.410, the local sales tax law as defined in section 32.085,**
40 **sections 144.010 to 144.525 and 144.600 to 144.761, and from the**
41 **computation of the tax levied, assessed, or payable under sections**
42 **238.235 and 238.410, the local sales tax law as defined in section 32.085,**

43 **sections 144.010 to 144.525 and 144.600 to 144.761, and section 238.235.**

144.610. 1. A tax is imposed for the privilege of storing, using or
2 consuming within this state any article of tangible personal property, excluding
3 motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats, and outboard
4 motors required to be titled under the laws of the state of Missouri and subject
5 to tax under subdivision (9) of subsection 1 of section 144.020, purchased on or
6 after the effective date of sections 144.600 to 144.745 in an amount equivalent to
7 the percentage imposed on the sales price in the sales tax law in section
8 144.020. This tax does not apply with respect to the storage, use or consumption
9 of any article of tangible personal property purchased, produced or manufactured
10 outside this state until the transportation of the article has finally come to rest
11 within this state or until the article has become commingled with the general
12 mass of property of this state.

13 2. Every person storing, using or consuming in this state tangible
14 personal property subject to the tax in subsection 1 of this section is liable for the
15 tax imposed by this law, and the liability shall not be extinguished until the tax
16 is paid to this state, but a receipt from a vendor authorized by the director of
17 revenue under the rules and regulations that he prescribes to collect the tax,
18 given to the purchaser in accordance with the provisions of section 144.650,
19 relieves the purchaser from further liability for the tax to which receipt refers.

20 3. Because this section no longer imposes a Missouri use tax on the
21 storage, use, or consumption of motor vehicles, trailers, motorcycles, mopeds,
22 motortricycles, boats, and outboard motors required to be titled under the laws
23 of the state of Missouri, in that the state sales tax is now imposed on the titling
24 of such property, the local sales tax, rather than the local use tax, applies.

25 **4. The provisions of this section shall not apply to out-of-state**
26 **businesses or out-of-state employees operating under sections 190.270**
27 **to 190.285.**

144.1030. 1. **Notwithstanding sections 144.010, 144.018, and**
2 **144.020 to the contrary, in the case of a multi-use arena that:**

3 **(1) Is publicly owned, but operated under a contract with a**
4 **private company;**

5 **(2) Was originally funded in a public-private partnership that**
6 **included private investment of at least forty million dollars; and**

7 **(3) Is located in a city with a population of more than three**
8 **hundred thousand inhabitants which is located in more than one**

9 county;
10 "sales at retail" shall not include the amount paid that results in the
11 first opportunity to purchase or decline tickets for admission to events
12 at such arena, but does not itself result in admission.

190.270. Sections 190.270 to 190.285 shall be known and may be
2 cited as the "Facilitating Business Rapid Response to State Declared
3 Disasters Act".

190.275. As used in sections 190.270 to 190.285, unless the context
2 clearly indicates otherwise, the following terms mean:

3 (1) "Declared state disaster" or "emergency", a disaster or
4 emergency event for which a governor's state of emergency
5 proclamation has been issued or that the President of the United States
6 has declared to be a major disaster or emergency;

7 (2) "Disaster period", the period of time that begins ten days
8 before the governor's proclamation of a state of emergency or the
9 declaration by the President of the United States of a major disaster or
10 emergency, whichever occurs first, and extending for a period of sixty
11 calendar days following the end of the period specified in the
12 proclamation or declaration or sixty calendar days from the
13 proclamation or declaration if no end is provided. The governor may
14 extend the disaster period as warranted.

15 (3) "Infrastructure", property and equipment owned or used by
16 a public utility, communications network, broadband and internet
17 service provider, cable and video service provider, gas distribution
18 system, or water pipeline that provides service to more than one
19 customer or person, including related support facilities. Infrastructure
20 includes real and personal property such as buildings, offices, power
21 lines, cable lines, poles, communication lines, pipes, structures, and
22 equipment;

23 (4) "Out-of-state business", a business entity:

24 (a) That does not have a presence in the state;

25 (b) That does not conduct business in the state;

26 (c) That has no registrations, tax filings, or nexus in the state
27 before the declared disaster or emergency; and

28 (d) Whose assistance in repairing, renovating, installing, or
29 building infrastructure related to a declared state disaster or
30 emergency is requested by the state, a county, city, town, or other

31 **political subdivision of the state or a registered business that owns or**
32 **uses infrastructure as defined in this section.**

33 **Out-of-state business includes a business entity that is affiliated with**
34 **a registered business solely through common ownership as long as that**
35 **business entity does not have any registrations, tax filings, or nexus in**
36 **the state before the declared state disaster or emergency.**

37 **For purposes of this section, a prior registration as an out-of-state**
38 **business for a declared disaster or emergency shall not be considered**
39 **a registration in this state;**

40 **(5) "Out-of-state employee", an individual who does not work in**
41 **the state except for disaster or emergency related work during a**
42 **disaster period;**

43 **(6) "Registered business", a business entity that is registered or**
44 **licensed to do business in the state before the declared state disaster**
45 **or emergency.**

190.280. 1. **An out-of-state business that conducts operations**
2 **within the state for purposes of assisting in repairing, renovating,**
3 **installing, or building infrastructure related to a declared state**
4 **disaster or emergency during the disaster period shall not be**
5 **considered to have established a level of presence that would subject**
6 **the business or any of its out-of-state employees to any of the following**
7 **state or local employment, licensing, or registration requirements:**

8 **(1) Except as set forth in section 190.285, registration with the**
9 **secretary of state;**

10 **(2) Withholding or income tax registration, filing, or remitting**
11 **requirements; and**

12 **(3) Use tax on equipment used or consumed during the disaster**
13 **period if such equipment does not remain in the state after the disaster**
14 **period.**

15 **2. An out-of-state employee shall not be considered to have**
16 **established residency or a presence in the state that would require that**
17 **person or that person's employer to file and pay income taxes, to be**
18 **subjected to tax withholdings, or to file and pay any other state or local**
19 **income or withholding tax or fee for work repairing, renovating,**
20 **installing, or building infrastructure during the disaster period.**

21 **3. After the conclusion of a disaster period, an out-of-state**
22 **business or out-of-state employee that remains in the state is fully**

23 subject to the state or local employment, licensing, or registration
24 requirements listed in this section or that were otherwise suspended
25 under sections 190.270 through 190.285 during the disaster period.

190.285. 1. An out-of-state business shall provide notification to
2 the secretary of state within ten days after entry to the state during a
3 disaster period that the out-of-state business is in the state for
4 purposes of responding to the declared state disaster or
5 emergency. The out-of-state business shall provide to the secretary of
6 state information related to the out-of-state business including, but not
7 limited to, the following:

8 (1) Name;
9 (2) State of domicile;
10 (3) Principal business address;
11 (4) Federal employer identification number;
12 (5) The date when the out-of-state business entered the state; and
13 (6) Contact information while the out-of-state business is in this
14 state.

15 2. A registered business shall provide the notification required
16 in subsection 1 of this section for an affiliate of the registered business
17 that enters the state as an out-of-state business. The notification under
18 this subsection also must include contact information for the registered
19 business in the state.

20 3. An out-of-state business that remains in the state after a
21 disaster period shall notify the secretary of state within ten days after
22 the end of the disaster period and shall meet all registration, licensing,
23 and filing requirements resulting from any business presence or
24 activity in the state.

25 4. The secretary of state shall provide information received from
26 out-of-state businesses or registered businesses under this section to
27 the department of revenue within thirty days after receipt of
28 notification.

190.286. The provisions of sections 190.270 to 190.285 shall not
2 grant exemptions authorized by such sections to any out-of-state
3 business performing work pursuant to a request for bid or request for
4 proposal by a state agency or political subdivision.

285.230. 1. As used in this section, "transient employer" means an
2 employer as defined in sections 143.191, 287.030, and 288.032 making payment

3 of wages taxable under chapters 143, 287, and 288 who is not domiciled in this
4 state and who temporarily transacts any business within the state, but shall not
5 include any employer who is not subject to Missouri income tax because of the
6 provisions of 15 U.S.C. 381. The transaction of business shall be considered
7 temporary at any time it cannot be reasonably expected to continue for a period
8 of twenty-four consecutive months. Professional athletic teams and professional
9 entertainers domiciled in a state other than Missouri shall be deemed a
10 "transient employer" for the purposes of this section, unless the person or entity
11 who pays compensation to the nonresident entertainer has fully complied with the
12 provisions of section 143.183 in which case the nonresident entertainer shall not
13 be considered a transient employer.

14 2. Employers meeting the following criteria shall not be required to file
15 a financial assurance instrument as required by this section:

16 (1) The principal place of business of the employer must be in a county of
17 another state which is contiguous to the state of Missouri; and

18 (2) The employer must have been under contract to perform work in
19 Missouri for at least sixty days cumulatively out of twelve months during each of
20 the two calendar years immediately preceding the employer's initial application
21 for exemption from the provisions of this section; and

22 (3) The employer must have in his possession a tax clearance from the
23 department of revenue and the division of employment security stating that the
24 employer has faithfully complied with the tax laws of this state during the period
25 set out in subdivision (2) of this subsection.

26 Within ninety days of August 13, 1988, such employers must obtain initial tax
27 clearances in accordance with subdivision (3) of this subsection. Any tax
28 clearance issued under the provisions of this section by the division of
29 employment security shall be submitted to the department of revenue. On or
30 before January thirty-first of each year, except January thirty-first following the
31 year during which the employer first meets these criteria, the employer shall
32 submit application to the department of revenue and division of employment
33 security for a renewed tax clearance. Failure to submit such renewal applications
34 or failure to comply with applicable Missouri taxing and employment security
35 laws during the period between annual renewal dates or removal of the
36 employer's principal place of business from a county in another state which is
37 contiguous to Missouri to a state other than Missouri shall immediately subject
38 the employer to all provisions of this section. An employer meeting the

39 requirements of this subsection shall still be subject to the provisions of
40 subsection 5 of this section.

41 3. Every transient employer shall file with the director of revenue a
42 financial assurance instrument including, but not limited to, a cash bond, a
43 surety bond, or an irrevocable letter of credit as defined in section 400.5-103
44 issued by any state or federal financial institution. The financial assurance
45 instrument shall be in an amount not less than the average estimated quarterly
46 withholding tax liability of the applicant, but in no case less than five thousand
47 dollars nor more than twenty-five thousand dollars. Any corporate surety shall
48 be licensed to do such business in this state and approved by the director of
49 revenue to act as a surety. The transient employer shall be the principal obligor
50 and the state of Missouri shall be the obligee. The financial assurance
51 instrument shall be conditioned upon the prompt filing of true reports and the
52 payment by such employer to the director of revenue of any and all withholding
53 taxes which are now or which hereafter may be levied or imposed by the state of
54 Missouri, upon the employer, together with any and all penalties and interest
55 thereon, and generally upon the faithful compliance with the provisions of
56 chapters 143, 287, and 288.

57 4. Any transient employer who is already otherwise required to file a
58 financial assurance instrument as a condition of any contract, provided said
59 financial assurance instrument guarantees payment of all applicable state taxes
60 and all withholding taxes levied or imposed by the state and provided that such
61 financial assurance instrument is delivered by certified mail to the department
62 of revenue by the applicable awarding entity at least fourteen days before the
63 execution of the contract for the performance of work, may use the same financial
64 assurance instrument to comply with the provisions of this section. Before such
65 financial assurance instrument is approved by the awarding entity, the director
66 of revenue shall be satisfied that such financial assurance instrument is sufficient
67 to cover all taxes imposed by this state and the director shall so notify the
68 awarding entity of the decision within the fourteen days prior to the execution of
69 the contract. Failure to do so by the director shall waive any right to disapprove
70 such financial assurance instrument. Before a financial assurance instrument is
71 released by the entity awarding the contract, a tax clearance shall be obtained
72 from the director of revenue that such transient employer has faithfully complied
73 with all the tax laws of this state.

74 5. Every transient employer shall certify to the director of revenue that

75 such employer has sufficient workers' compensation insurance either through a
76 self-insurance program or a policy of workers' compensation insurance issued by
77 an approved workers' compensation carrier. The self-insurance program shall be
78 approved by the division of workers' compensation pursuant to section
79 287.280. The insurance policy shall be in a contract form approved by the
80 department of insurance, financial institutions and professional registration.

81 6. In the event that liability upon the financial assurance instrument thus
82 filed by the transient employer shall be discharged or reduced, whether by
83 judgment rendered, payment made or otherwise, or if in the opinion of the
84 director of revenue any surety on a bond theretofore given or financial institution
85 shall have become unsatisfactory or unacceptable, then the director of revenue
86 may require the employer to file a new financial assurance instrument in the
87 same form and amount. If such new financial assurance instrument shall be
88 furnished by such employer as above provided, the director of revenue shall upon
89 satisfaction of any liability that has accrued, release the surety on the old bond
90 or financial institution issuing the irrevocable letter of credit.

91 7. Any surety on any bond or financial institution issuing an irrevocable
92 letter of credit furnished by any transient employer as provided in this section
93 shall be released and discharged from any and all liability to the state of Missouri
94 accruing on such bond or irrevocable letter of credit after the expiration of sixty
95 days from the date upon which such surety or financial institution shall have
96 lodged with the director of revenue a written request to be released and
97 discharged; but the request shall not operate to relieve, release or discharge such
98 surety or financial institution from any liability already accrued or which shall
99 accrue during and before the expiration of said sixty-day period. The director of
100 revenue shall promptly on receipt of notice of such request notify the employer
101 who furnished such bond or irrevocable letter of credit and such employer shall
102 on or before the expiration of such sixty-day period file with the director of
103 revenue a new financial assurance instrument satisfactory to the director of
104 revenue in the amount and form provided in this section.

105 8. Notwithstanding the limitation as to the amount of any financial
106 assurance instrument fixed by this section, if a transient employer becomes
107 delinquent in the payment of any tax or tenders a check in payment of tax which
108 check is returned unpaid because of insufficient funds, the director may demand
109 an additional instrument of such employer in an amount necessary, in the
110 judgment of the director, to protect the revenue of the state. The penal sum of

111 the additional instrument and the instrument furnished under the provisions of
112 the law requiring such instrument may not exceed two quarters' estimated tax
113 liability.

114 9. For any period when a transient employer fails to meet the
115 requirements of this section, there shall be added to any deficiency assessed
116 against a transient employer, in addition to any other addition, interest, and
117 penalties, an amount equal to twenty-five percent of the deficiency.

118 10. A taxpayer commits the crime of failure to file a financial assurance
119 instrument if he knowingly fails to comply with the provisions of this section.

120 11. Failure to file a financial assurance instrument is a class A
121 misdemeanor. Pursuant to section 560.021, a corporation found guilty of failing
122 to file a financial assurance instrument may be fined up to five thousand dollars
123 or any higher amount not exceeding twice the amount the employer profited from
124 the commission of the offense.

125 12. Failing to register with the department of revenue and execute the
126 financial assurance instrument herein provided, prior to beginning the
127 performance of any contract, shall prohibit the employer from performing on such
128 contract until he complies with such requirements.

129 13. Each employer shall keep full and accurate records clearly indicating
130 the names, occupations, and crafts, if applicable, of every person employed by him
131 together with an accurate record of the number of hours worked by each employee
132 and the actual wages paid. The payroll records required to be so kept shall be
133 open to inspection by any authorized representative of the department of revenue
134 at any reasonable time and as often as may be necessary and such records shall
135 not be destroyed or removed from the state for a period of one year following the
136 completion of the contract in connection with which the records are made.

137 14. The entering into of any contract for the performance of work in the
138 state of Missouri by any such employer shall be deemed to constitute an
139 appointment of the secretary of state as registered agent of such employer for
140 purposes of accepting service of any process, or of any notice or demand required
141 or permitted by law. The service of any such process, notice or demand, when
142 served on the secretary of state shall have the same legal force and validity as if
143 served upon the employer personally within the state.

144 15. In addition, any employer who fails to file a financial assurance
145 instrument as required by this section shall be prohibited from contracting for or
146 performing labor on any public works project in this state for a period of one year.

147 16. Whenever a transient employer ceases to engage in activity within the
148 state it shall be the duty of such transient employer to notify the director of
149 revenue in writing at least ten days prior to the time the discontinuance takes
150 effect.

151 **17. The provisions of this section shall not apply to out-of-state**
152 **businesses operating under sections 190.270 to 190.285.**

 285.232. 1. Subject to the provisions of section 285.230, any county, city,
2 town, village or any other political subdivision which requires a building permit
3 for a person to perform certain construction projects shall require a transient
4 employer to show proof that the employer has been issued a tax clearance and has
5 filed a financial assurance instrument as required by section 285.230 before such
6 entity issues a building permit to the transient employer. If any transient
7 employer obtains a building permit without providing such proof, provides a
8 fraudulently obtained tax clearance or a fraudulent financial assurance
9 instrument or through any misrepresentation or any other fraudulent act or in
10 any way violates the provisions of sections 285.230 to 285.234, the Missouri
11 department of revenue shall request a temporary restraining order or seek
12 injunctive relief to immediately prohibit further performance of work by the
13 transient employer on such contract or project. The court may direct that any
14 payments due such transient employer be equitably distributed in satisfaction of
15 the transient employer's obligations pursuant to sections 285.230 to
16 285.234. Upon issuance of such order by a court of competent jurisdiction, the
17 person for whom the work is being performed may engage another contractor as
18 provided by law or any provision of contract and the person shall not be deemed
19 to be in violation of the contract with such transient employer removed by the
20 court. Nothing in this section shall be construed to create or constitute a liability
21 to or a cause of action against a city or county in regard to the issuance of any
22 license pursuant to this section.

23 2. Any contractor for private or public construction work in this state
24 which contracts with or otherwise engages a subcontractor, which is deemed a
25 transient employer as defined in section 285.230, to perform any portion of such
26 work, shall require such subcontractor to show proof of having filed a financial
27 assurance instrument with the director of revenue as required by section 285.230
28 and to show proof that the subcontractor holds a current valid certificate of
29 insurance for workers' compensation coverage in this state, prior to the
30 subcontractor performing any work on the project. If the subcontractor is self-

31 insured for purposes of workers' compensation, the contractor shall require proof
32 that such self-insurance by the subcontractor has been approved by the division
33 of workers' compensation. The contractor shall not allow the subcontractor to
34 perform on such contract until proof of compliance as required by this section has
35 been provided to the contractor. If a subcontractor which is deemed to be a
36 transient employer has previously submitted proof of compliance as required by
37 this section to a state agency or political subdivision for which the contract is
38 being performed as a condition of being qualified to perform work for such agency
39 or political subdivision, the general contractor shall not be required to obtain the
40 proofs required by this section. If at any time prior to final payment to a
41 subcontractor for work performed on a project, a contractor is notified in writing
42 by the director of revenue or the director of the division of workers' compensation
43 that a subcontractor is in violation of sections 285.230 to 285.234, the contractor
44 shall withhold all or part of any payment to the subcontractor under the contract
45 for payment in satisfaction of the subcontractor's obligations as a transient
46 employer if so directed by the director of revenue or the director of the division
47 of workers' compensation. Any contractor withholding payment and paying such
48 funds in satisfaction of the subcontractor's obligations as a transient employer if
49 so directed by the director of revenue or the director of the division of workers'
50 compensation. Any contractor withholding payment and paying such funds in
51 satisfaction of the subcontractor's obligations as a transient employer shall be
52 deemed in compliance with the contract with the subcontractor to the extent of
53 the amount paid to fulfill such obligation and with the laws of this state
54 regarding timely payment under construction contracts and shall not be subject
55 to any civil or criminal penalty for withholding such payment.

56 3. Notwithstanding the provision of section 32.057, the Missouri
57 department of revenue shall at least quarterly submit for publication in the
58 Missouri Register a list of construction contractors performing work on
59 construction projects in Missouri who are known by the department to be deemed
60 transient employers pursuant to section 285.230. The department shall also
61 update such list monthly and make such list available upon request without cost
62 to any person.

63 **4. The provisions of this section shall not apply to out-of-state**
64 **businesses operating under sections 190.270 to 190.285.**

285.233. 1. Any transient employer, as defined in this chapter, failing to
2 conclusively show at any time that he has complied with the provisions of section

3 285.230, relating to the filing of a financial assurance instrument, shall, before
4 beginning performance on any contract made with a political subdivision, deposit
5 with that political subdivision an amount equal to twenty percent of labor costs
6 as specified in such contract which will be held in escrow by the political
7 subdivision and payable only to the department of revenue, the division of
8 employment security or the division of workers' compensation after the actual
9 amount of tax liability is determined. In the event that labor costs are not
10 separately stated in the contract, the amount to be held in escrow shall be ten
11 percent of the contract amount. Any amount remaining in the escrow fund after
12 payments are made shall be refunded to the contractor. Failure of a political
13 subdivision to properly escrow funds required under this section will make it
14 ineligible to receive state funds for public works projects for a period of one year
15 from the date the infraction is discovered.

16 2. Any transient employer failing to conclusively show at any time that
17 he has complied with the provisions of section 285.230, relating to the filing of a
18 financial assurance instrument, shall, before beginning performance on any
19 contract made with a private entity deposit with that private entity an amount
20 equal to twenty percent of labor costs as specified in such contract which will be
21 held in escrow by the private entity and payable only to the department of
22 revenue, the division of employment security or the division of workers'
23 compensation after the actual amount of tax liability is determined. In the event
24 that labor costs are not separately stated in the contract, the amount to be held
25 in escrow shall be ten percent of the contract amount. Any amount remaining in
26 the escrow fund after payments are made shall be refunded to the
27 contractor. Failure of a private entity to properly escrow funds required under
28 this section shall make such entity liable for the full amount of the state
29 withholding, workers' compensation, and employment security tax liability
30 resulting from the transient employers' contract with that private entity.

31 3. In addition to any other penalty, interest, or remedy imposed by this
32 section, any transient employer that fails to post a financial assurance
33 instrument or escrow funds as provided for in this section shall be subject to a
34 writ of attachment as provided for in chapter 521 or any other injunctive relief
35 provided for by law.

36 **4. The provisions of this section shall not apply to out-of-state**
37 **businesses or out-of-state employees operating under sections 190.270**
38 **to 190.285.**

285.234. 1. Every transient employer, as defined in section 285.230 shall
2 post in a prominent and easily accessible place at the work site a clearly legible
3 copy of the following:

4 (1) The notice of registration for employer withholding issued to such
5 transient employer by the director of revenue;

6 (2) Proof of coverage for workers' compensation insurance or self-
7 insurance signed by the transient employer and verified by the department of
8 revenue through the records of the division of workers' compensation; and

9 (3) The notice of registration for unemployment insurance issued to such
10 transient employer by the division of employment security.

11 2. Any transient employer failing to comply with the provisions of this
12 section shall be liable for a penalty of five hundred dollars per day until the
13 notices required by this section are posted as provided by this section.

14 **3. The provisions of this section shall not apply to out-of-state**
15 **businesses operating under sections 190.270 to 190.285.**

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Bill

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