

FIRST REGULAR SESSION

# SENATE BILL NO. 197

92ND GENERAL ASSEMBLY

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INTRODUCED BY SENATOR DePASCO.

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Pre-filed December 13, 2002, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

0624S.011

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## AN ACT

To repeal sections 144.010, 144.020, 144.030, 144.036, 144.039, 144.041, 144.043, 144.044, 144.045, 144.046, 144.047, 144.048, 144.062, 144.514, 144.517, 144.518, 144.805, 144.809, 144.811, 144.815, 209.255, 306.016, and 313.821, RSMo, relating to sales and use taxes, and to enact in lieu thereof twenty-one new sections relating to the same subject, with a referendum clause and effective dates for certain sections.

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

Section A. Sections 144.010, 144.020, 144.030, 144.036, 144.039, 144.041, 144.043, 144.044, 144.045, 144.046, 144.047, 144.048, 144.062, 144.514, 144.517, 144.518, 144.805, 144.809, 144.811, 144.815, 209.255, 306.016, and 313.821, RSMo, are repealed and twenty-one new sections enacted in lieu thereof, to be known as sections 144.010, 144.020, 144.030, 144.036, 144.039, 144.043, 144.044, 144.045, 144.046, 144.047, 144.048, 144.062, 144.517, 144.518, 144.805, 144.809, 144.811, 144.815, 209.255, 306.016, and 313.821, to read as follows:

144.010. 1. **The following words, terms, and phrases when used in sections 144.010 to 144.525 have the meanings ascribed to them in this section, except when the context indicates a different meaning:**

(1) "Admission" includes seats and tables, reserved or otherwise, and other similar accommodations and charges made therefor and amount paid for admission, exclusive of any admission tax imposed by the federal government or by sections 144.010 to 144.525;

(2) "Business" includes any activity engaged in by any person, or caused to be engaged in by him, with the object of gain, benefit or advantage, either direct or

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

indirect, and the classification of which business is of such character as to be subject to the terms of sections 144.010 to 144.525. The provisions of this subdivision shall not be construed to make any sale of property which is exempt from sales tax or use tax on June 1, 1977, subject to that tax thereafter;

(3) "Gross receipts", except as provided in section 144.012, means the total amount of the sale price of the sales at retail including any services other than charges incident to the extension of credit that are a part of such sales made by the businesses herein referred to, capable of being valued in money, whether received in money or otherwise; except that, the term "gross receipts" shall not include the sale price of property returned by customers when the full sale price thereof is refunded either in cash or by credit. In determining any tax due under sections 144.010 to 144.525 on the gross receipts, charges incident to the extension of credit shall be specifically exempted. For the purposes of sections 144.010 to 144.525, the total amount of the sale price above mentioned shall be deemed to be the amount received; it shall also include the lease or rental consideration where the right to continuous possession or use of any article of tangible personal property is granted under a lease or contract and such transfer of possession would be taxable if outright sale were made and, in such cases, the same shall be taxable as if outright sale were made and considered as a sale of such article, and the tax shall be computed and paid by the lessee upon the rentals paid;

(4) "Livestock", cattle, calves, sheep, swine, ratite birds, including but not limited to, ostrich and emu, aquatic products as defined in section 277.024, RSMo, elk, goats, horses, other equine, or rabbits;

(5) "Motor vehicle leasing company" shall be a company obtaining a permit from the director of revenue to operate as a motor vehicle leasing company. Not all persons renting or leasing trailers or motor vehicles need to obtain such a permit; however, no person failing to obtain such a permit may avail itself of the optional tax provisions of subsection 5 of section 144.070, as hereinafter provided;

(6) "Person" includes any individual, firm, copartnership, joint adventure, association, corporation, municipal or private, and whether organized for profit or not, state, county, political subdivision, state department, commission, board, bureau or agency, estate, trust, business trust, receiver, or trustee appointed by the state or federal court, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular number;

(7) "Purchaser" means a person who purchases tangible personal property or to whom are rendered services, receipts from which are taxable under sections 144.010 to 144.525;

(8) "Research or experimentation activities", are the development of an experimental or pilot model, plant process, formula, invention, or similar property, and the improvement of existing property of such type. Research or experimentation activities do not include activities such as ordinary testing or inspection of materials or products for quality control, efficiency surveys, advertising promotions, or research in connection with literary, historical, or similar projects;

(9) "Sale" or "sales" includes installment and credit sales, and the exchange of properties as well as the sale thereof for money, every closed transaction constituting a sale, and means any transfer, exchange, or barter, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property for valuable consideration and the rendering, furnishing, or selling for a valuable consideration any of the substances, things, and services herein designated and defined as taxable under the terms of sections 144.010 to 144.525;

(10) "Sale at retail" means any transfer made by any person engaged in business as defined herein of the ownership of, or title to, tangible personal property to the purchaser, for use or consumption and not for resale in any form as tangible personal property, for a valuable consideration; except that, for the purposes of sections 144.010 to 144.525 and the tax imposed thereby, purchases of tangible personal property made by duly licensed physicians, dentists, optometrists, and veterinarians and used in the practice of their professions shall be deemed to be purchases for use or consumption and not for resale. Where necessary to conform to the context of sections 144.010 to 144.525 and the tax imposed thereby, the term "sale at retail" shall be construed to embrace:

(a) Sales of admission tickets, cash admissions, charges, and fees to or in places of amusement, entertainment and recreation, games, and athletic events;

(b) Sales of electricity, electrical current, water, and gas, natural or artificial, to domestic, commercial, or industrial consumers;

(c) Sales of local and long distance telecommunications service to telecommunications subscribers and to others through equipment of telecommunications subscribers for the transmission of messages and conversations, and the sale, rental, or leasing of all equipment or services pertaining or incidental thereto;

(d) Sales of service for transmission of messages by telegraph companies;

(e) Sales or charges for all rooms, meals, and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore, dining car, tourist camp, tourist cabin, or other place in which rooms, meals, or drinks are regularly served to the public;

(f) Sales of tickets by every person operating a railroad, sleeping car, dining car, express car, boat, airplane, and such buses and trucks as are licensed by the division of motor carrier and railroad safety of the department of economic development of Missouri, engaged in the transportation of persons for hire;

(11) "Seller" means a person selling or furnishing tangible personal property or rendering services, on the receipts from which a tax is imposed pursuant to section 144.020;

(12) The noun "tax" means either the tax payable by the purchaser of a commodity or service subject to tax, or the aggregate amount of taxes due from the vendor of such commodities or services during the period for which he or she is required to report his or her collections, as the context may require;

(13) "Telecommunications service", for the purpose of this chapter, the transmission of information by wire, radio, optical cable, coaxial cable, electronic impulses, or other similar means. As used in this definition, "information" means knowledge or intelligence represented by any form of writing, signs, signals, pictures, sounds, or any other symbols. Telecommunications service does not include the following if such services are separately stated on the customer's bill or on records of the seller maintained in the ordinary course of business:

(a) Access to the Internet, access to interactive computer services or electronic publishing services, except the amount paid for the telecommunications service used to provide such access;

(b) Answering services and one-way paging services;

(c) Private mobile radio services which are not two-way commercial mobile radio services such as wireless telephone, personal communications services, or enhanced specialized mobile radio services as defined pursuant to federal law; or

(d) Cable or satellite television or music services; and

(14) "Product which is intended to be sold ultimately for final use or consumption" means tangible personal property, or any service that is subject to state or local sales or use taxes, or any tax that is substantially equivalent thereto, in this state or any other state.

2. For purposes of the taxes imposed under sections 144.010 to 144.525, and any other provisions of law pertaining to sales or use taxes which incorporate the provisions of sections 144.010 to 144.525 by reference, the term "manufactured homes" shall have the same meaning given it in section 700.010, RSMo.

3. Sections 144.010 to 144.525 may be known and quoted as the "Sales Tax Law".

4. The provisions of subsection 1 to 3 of this section shall apply after June 30, 2003, and before July 1, 2005.

5. The following words, terms, and phrases when used in sections 144.010 to 144.525 have the meanings ascribed to them in this section, except when the context indicates a different meaning:

(1) "Admission" includes seats and tables, reserved or otherwise, and other similar accommodations and charges made therefor and amount paid for admission, exclusive of any admission tax imposed by the federal government or by sections 144.010 to 144.525;

(2) "Business" includes any activity engaged in by any person, or caused to be engaged in by him, with the object of gain, benefit or advantage, either direct or indirect, and the classification of which business is of such character as to be subject to the terms of sections 144.010 to 144.525. The isolated or occasional sale of tangible personal property, service, substance, or thing, by a person not engaged in such business, does not constitute engaging in business within the meaning of sections 144.010 to 144.525 unless the total amount of the gross receipts from such sales, exclusive of receipts from the sale of tangible personal property by persons which property is sold in the course of the partial or complete liquidation of a household, farm or nonbusiness enterprise, exceeds three thousand dollars in any calendar year. The provisions of this subdivision shall not be construed to make any sale of property which is exempt from sales tax or use tax on June 1, 1977, subject to that tax thereafter;

(3) "Gross receipts", except as provided in section 144.012, means the total amount of the sale price of the sales at retail including any services other than charges incident to the extension of credit that are a part of such sales made by the businesses herein referred to, capable of being valued in money, whether received in money or otherwise; except that, the term "gross receipts" shall not include the sale price of property returned by customers when the full sale price thereof is refunded either in cash or by credit. In determining any tax due under sections 144.010 to 144.525 on the gross receipts, charges incident to the extension of credit shall be specifically exempted. For the purposes of sections 144.010 to 144.525 the total amount of the sale price above mentioned shall be deemed to be the amount received. It shall also include the lease or rental consideration where the right to continuous possession or use of any article of tangible personal property is granted under a lease or contract and such transfer of possession would be taxable if outright sale were made and, in such cases, the same shall be taxable as if outright sale were made and considered as a sale of such article, and the tax shall be computed and paid by the lessee upon the rentals paid;

(4) "Livestock", cattle, calves, sheep, swine, ratite birds, including but not limited to, ostrich and emu, aquatic products as defined in section 277.024, RSMo, elk documented as obtained from a legal source and not from the wild, goats, horses, other equine, or rabbits raised in confinement for human consumption;

(5) "Motor vehicle leasing company" shall be a company obtaining a permit from the director of revenue to operate as a motor vehicle leasing company. Not all persons renting or

leasing trailers or motor vehicles need to obtain such a permit; however, no person failing to obtain such a permit may avail itself of the optional tax provisions of subsection 5 of section 144.070, as hereinafter provided;

(6) "Person" includes any individual, firm, copartnership, joint adventure, association, corporation, municipal or private, and whether organized for profit or not, state, county, political subdivision, state department, commission, board, bureau or agency, except the state transportation department, estate, trust, business trust, receiver or trustee appointed by the state or federal court, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular number;

(7) "Purchaser" means a person who purchases tangible personal property or to whom are rendered services, receipts from which are taxable under sections 144.010 to 144.525;

(8) "Research or experimentation activities", are the development of an experimental or pilot model, plant process, formula, invention or similar property, and the improvement of existing property of such type. Research or experimentation activities do not include activities such as ordinary testing or inspection of materials or products for quality control, efficiency surveys, advertising promotions or research in connection with literary, historical or similar projects;

(9) "Sale" or "sales" includes installment and credit sales, and the exchange of properties as well as the sale thereof for money, every closed transaction constituting a sale, and means any transfer, exchange or barter, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property for valuable consideration and the rendering, furnishing or selling for a valuable consideration any of the substances, things and services herein designated and defined as taxable under the terms of sections 144.010 to 144.525;

(10) "Sale at retail" means any transfer made by any person engaged in business as defined herein of the ownership of, or title to, tangible personal property to the purchaser, for use or consumption and not for resale in any form as tangible personal property, for a valuable consideration; except that, for the purposes of sections 144.010 to 144.525 and the tax imposed thereby: (i) purchases of tangible personal property made by duly licensed physicians, dentists, optometrists and veterinarians and used in the practice of their professions shall be deemed to be purchases for use or consumption and not for resale; and (ii) the selling of computer printouts, computer output or microfilm or microfiche and computer-assisted photo compositions to a purchaser to enable the purchaser to obtain for his or her own use the desired information contained in such computer printouts, computer output on microfilm or microfiche and computer-assisted photo compositions shall be considered as the sale of a service and not as the sale of tangible personal property. Where necessary to conform to the context of sections 144.010 to 144.525 and the tax imposed thereby, the term "sale at retail" shall be construed to embrace:

(a) Sales of admission tickets, cash admissions, charges and fees to or in places of amusement, entertainment and recreation, games and athletic events;

(b) Sales of electricity, electrical current, water and gas, natural or artificial, to domestic, commercial or industrial consumers;

(c) Sales of local and long distance telecommunications service to telecommunications subscribers and to others through equipment of telecommunications subscribers for the transmission of messages and conversations, and the sale, rental or leasing of all equipment or services pertaining or incidental thereto;

(d) Sales of service for transmission of messages by telegraph companies;

(e) Sales or charges for all rooms, meals and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore, dining car, tourist camp, tourist cabin, or other place in which rooms, meals or drinks are regularly served to the public;

(f) Sales of tickets by every person operating a railroad, sleeping car, dining car, express car, boat, airplane, and such buses and trucks as are licensed by the division of motor carrier and railroad safety of the department of economic development of Missouri, engaged in the transportation of persons for hire;

(11) "Seller" means a person selling or furnishing tangible personal property or rendering services, on the receipts from which a tax is imposed pursuant to section 144.020;

(12) The noun "tax" means either the tax payable by the purchaser of a commodity or service subject to tax, or the aggregate amount of taxes due from the vendor of such commodities or services during the period for which he or she is required to report his or her collections, as the context may require;

(13) "Telecommunications service", for the purpose of this chapter, the transmission of information by wire, radio, optical cable, coaxial cable, electronic impulses, or other similar means. As used in this definition, "information" means knowledge or intelligence represented by any form of writing, signs, signals, pictures, sounds, or any other symbols. Telecommunications service does not include the following if such services are separately stated on the customer's bill or on records of the seller maintained in the ordinary course of business:

(a) Access to the Internet, access to interactive computer services or electronic publishing services, except the amount paid for the telecommunications service used to provide such access;

(b) Answering services and one-way paging services;

(c) Private mobile radio services which are not two-way commercial mobile radio services such as wireless telephone, personal communications services or enhanced specialized mobile radio services as defined pursuant to federal law; or

(d) Cable or satellite television or music services; and

(14) "Product which is intended to be sold ultimately for final use or consumption" means tangible personal property, or any service that is subject to state or local sales or use taxes, or any tax that is substantially equivalent thereto, in this state or any other state.

[2.] 6. For purposes of the taxes imposed under sections 144.010 to 144.525, and any

other provisions of law pertaining to sales or use taxes which incorporate the provisions of sections 144.010 to 144.525 by reference, the term "manufactured homes" shall have the same meaning given it in section 700.010, RSMo.

[3.] 7. Sections 144.010 to 144.525 may be known and quoted as the "Sales Tax Law".

8. The provisions of subsections 5 to 7 of this section shall apply before July 1, 2003, and after June 30, 2005.

144.020. 1. A tax is hereby levied and imposed upon all sellers for the privilege of engaging in the business of selling tangible personal property or rendering taxable service at retail in this state. The rate of tax shall be as follows:

(1) Upon every retail sale in this state of tangible personal property, including but not limited to motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats, and outboard motors, a tax equivalent to four percent of the purchase price paid or charged, or in case such sale involves the exchange of property, a tax equivalent to four percent of the consideration paid or charged, including the fair market value of the property exchanged at the time and place of the exchange, except as otherwise provided in section 144.025;

(2) A tax equivalent to four percent of the amount paid for admission and seating accommodations, or fees paid to, or in any place of amusement, entertainment or recreation, games, and athletic events;

(3) A tax equivalent to four percent of the basic rate paid or charged on all sales of electricity or electrical current, water, and gas, natural or artificial, to domestic, commercial, or industrial consumers;

(4) A tax equivalent to four percent on the basic rate paid or charged on all sales of local and long distance telecommunications service to telecommunications subscribers and to others through equipment of telecommunications subscribers for the transmission of messages and conversations and upon the sale, rental or leasing of all equipment or services pertaining or incidental thereto; except that, the payment made by telecommunications subscribers or others, pursuant to section 144.060, and any amounts paid for access to the Internet or interactive computer services shall not be considered as amounts paid for telecommunications services;

(5) A tax equivalent to four percent of the basic rate paid or charged for all sales of services for transmission of messages of telegraph companies;

(6) A tax equivalent to four percent on the amount of sales or charges for all rooms, meals, and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore, dining car, tourist cabin, tourist camp, or other place in which rooms, meals, or drinks are regularly served to the public;

(7) A tax equivalent to four percent of the amount paid or charged for



intrastate tickets by every person operating a railroad, sleeping car, dining car, express car, boat, airplane, and such buses and trucks as are licensed by the division of motor carrier and railroad safety of the department of economic development of Missouri, engaged in the transportation of persons for hire;

(8) A tax equivalent to four percent of the amount paid or charged for rental or lease of tangible personal property, provided that if the lessor or renter of any tangible personal property had previously purchased the property under the conditions of "sale at retail" as defined in subdivision (8) of section 144.010 or leased or rented the property and the tax was paid at the time of purchase, lease, or rental, the lessor, sublessor, renter, or subrenter shall not apply or collect the tax on the subsequent lease, sublease, rental, or subrental receipts from that property. The purchase, rental, or lease of motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats, and outboard motors shall be taxed and the tax paid as provided in this section and section 144.070.

2. All tickets sold which are sold under the provisions of sections 144.010 to 144.525 which are subject to the sales tax shall have printed, stamped, or otherwise endorsed thereon, the words "This ticket is subject to a sales tax."

3. The provisions of subsections 1 to 2 of this section shall apply after June 30, 2003, and before July 1, 2005.

4. A tax is hereby levied and imposed upon all sellers for the privilege of engaging in the business of selling tangible personal property or rendering taxable service at retail in this state. The rate of tax shall be as follows:

(1) Upon every retail sale in this state of tangible personal property, including but not limited to motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats and outboard motors, a tax equivalent to four percent of the purchase price paid or charged, or in case such sale involves the exchange of property, a tax equivalent to four percent of the consideration paid or charged, including the fair market value of the property exchanged at the time and place of the exchange, except as otherwise provided in section 144.025;

(2) A tax equivalent to four percent of the amount paid for admission and seating accommodations, or fees paid to, or in any place of amusement, entertainment or recreation, games and athletic events;

(3) A tax equivalent to four percent of the basic rate paid or charged on all sales of electricity or electrical current, water and gas, natural or artificial, to domestic, commercial or industrial consumers;

(4) A tax equivalent to four percent on the basic rate paid or charged on all sales of local and long distance telecommunications service to telecommunications subscribers and to others through equipment of telecommunications subscribers for the transmission of messages and

conversations and upon the sale, rental or leasing of all equipment or services pertaining or incidental thereto; except that, the payment made by telecommunications subscribers or others, pursuant to section 144.060, and any amounts paid for access to the Internet or interactive computer services shall not be considered as amounts paid for telecommunications services;

(5) A tax equivalent to four percent of the basic rate paid or charged for all sales of services for transmission of messages of telegraph companies;

(6) A tax equivalent to four percent on the amount of sales or charges for all rooms, meals and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore, dining car, tourist cabin, tourist camp or other place in which rooms, meals or drinks are regularly served to the public;

(7) A tax equivalent to four percent of the amount paid or charged for intrastate tickets by every person operating a railroad, sleeping car, dining car, express car, boat, airplane and such buses and trucks as are licensed by the division of motor carrier and railroad safety of the department of economic development of Missouri, engaged in the transportation of persons for hire;

(8) A tax equivalent to four percent of the amount paid or charged for rental or lease of tangible personal property, provided that if the lessor or renter of any tangible personal property had previously purchased the property under the conditions of "sale at retail" as defined in subdivision (8) of section 144.010 or leased or rented the property and the tax was paid at the time of purchase, lease or rental, the lessor, sublessor, renter or subrenter shall not apply or collect the tax on the subsequent lease, sublease, rental or subrental receipts from that property. The purchase, rental or lease of motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats, and outboard motors shall be taxed and the tax paid as provided in this section and section 144.070. In no event shall the rental or lease of boats and outboard motors be considered a sale, charge, or fee to, for or in places of amusement, entertainment or recreation nor shall any such rental or lease be subject to any tax imposed to, for, or in such places of amusement, entertainment or recreation. Rental and leased boats or outboard motors shall be taxed under the provisions of the sales tax laws as provided under such laws for motor vehicles and trailers. Tangible personal property which is exempt from the sales or use tax under section 144.030 upon a sale thereof is likewise exempt from the sales or use tax upon the lease or rental thereof.

[2.] 5. All tickets sold which are sold under the provisions of sections 144.010 to 144.525 which are subject to the sales tax shall have printed, stamped or otherwise endorsed thereon, the words "This ticket is subject to a sales tax."

**6. The provisions of subsection 4 to 5 of this section shall apply before July 1, 2003, and after June 30, 2005.**

144.030. 1. **There is hereby specifically exempted from the provisions of**

sections 144.010 to 144.525 and from the computation of the tax levied, assessed, or payable pursuant to sections 144.010 to 144.525 such retail sales as may be made in commerce between this state and any other state of the United States, or between this state and any foreign country, and any retail sale which the state of Missouri is prohibited from taxing pursuant to the Constitution or laws of the United States of America, and such retail sales of tangible personal property which the general assembly of the state of Missouri is prohibited from taxing or further taxing by the constitution of this state.

2. There are also specifically exempted from the provisions of the local sales tax law as defined in section 32.085, RSMo, section 238.235, RSMo, and sections 144.010 to 144.525 and 144.600 to 144.745 and from the computation of the tax levied, assessed, or payable pursuant to the local sales tax law as defined in section 32.085, RSMo, section 238.235, RSMo, and sections 144.010 to 144.525 and 144.600 to 144.745 all sales of insulin and prosthetic or orthopedic devices as defined on January 1, 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of 1965, including the items specified in Section 1862(a)(12) of that act, and also specifically including hearing aids and hearing aid supplies and all sales of drugs which may be legally dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to administer those items, including samples and materials used to manufacture samples which may be dispensed by a practitioner authorized to dispense such samples and all sales of medical oxygen, home respiratory equipment and accessories, hospital beds and accessories, and ambulatory aids, all sales of manual and powered wheelchairs, stairway lifts, Braille writers, electronic Braille equipment and, if purchased by or on behalf of a person with one or more physical or mental disabilities to enable them to function more independently, all sales of scooters, reading machines, electronic print enlargers and magnifiers, electronic alternative and augmentative communication devices, and items used solely to modify motor vehicles to permit the use of such motor vehicles by individuals with disabilities or sales of over-the-counter or nonprescription drugs to individuals with disabilities.

3. The provisions of subsections 1 to 2 of this section shall apply after June 30, 2003, and before July 1, 2005.

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

general assembly of the state of Missouri is prohibited from taxing or further taxing by the constitution of this state.

[2.] 5. There are also specifically exempted from the provisions of the local sales tax law as defined in section 32.085, RSMo, section 238.235, RSMo, and sections 144.010 to 144.525 and 144.600 to 144.745 and from the computation of the tax levied, assessed or payable pursuant to the local sales tax law as defined in section 32.085, RSMo, section 238.235, RSMo, and sections 144.010 to 144.525 and 144.600 to 144.745:

(1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of such excise tax is refunded pursuant to section 142.584, RSMo; or upon the sale at retail of fuel to be consumed in manufacturing or creating gas, power, steam, electrical current or in furnishing water to be sold ultimately at retail; or feed for livestock or poultry; or grain to be converted into foodstuffs which are to be sold ultimately in processed form at retail; or seed, limestone or fertilizer which is to be used for seeding, liming or fertilizing crops which when harvested will be sold at retail or will be fed to livestock or poultry to be sold ultimately in processed form at retail; economic poisons registered pursuant to the provisions of the Missouri pesticide registration law (sections 281.220 to 281.310, RSMo) which are to be used in connection with the growth or production of crops, fruit trees or orchards applied before, during, or after planting, the crop of which when harvested will be sold at retail or will be converted into foodstuffs which are to be sold ultimately in processed form at retail;

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

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

(4) Replacement machinery, equipment, and parts and the materials and supplies solely required for the installation or construction of such replacement machinery, equipment, and parts, used directly in manufacturing, mining, fabricating or producing a product which is intended to be sold ultimately for final use or consumption; and machinery and equipment, and the materials and supplies required solely for the operation, installation or construction of such machinery and equipment, purchased and used to establish new, or to replace or expand existing,

material recovery processing plants in this state. For the purposes of this subdivision, a "material recovery processing plant" means a facility which converts recovered materials into a new product, or a different form which is used in producing a new product, and shall include a facility or equipment which is used exclusively for the collection of recovered materials for delivery to a material recovery processing plant but shall not include motor vehicles used on highways. For purposes of this section, the terms "motor vehicle" and "highway" shall have the same meaning pursuant to section 301.010, RSMo;

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

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

(7) Animals or poultry used for breeding or feeding purposes;

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

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

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

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

(12) Electrical energy used in the actual primary manufacture, processing, compounding, mining or producing of a product, or electrical energy used in the actual secondary processing or fabricating of the product, or a material recovery processing plant as defined in subdivision (4) of this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical energy so used exceeds ten percent of the total cost of production, either primary or secondary, exclusive of the cost of electrical energy so used or if the raw materials used in such processing contain at least twenty-five percent recovered materials as defined in section 260.200, RSMo. For purposes of this subdivision, "processing" means any mode of treatment, act or series of acts performed upon materials to transform and reduce them to a different state or thing, including treatment necessary to maintain or preserve such processing by the producer at the production

facility;

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

(14) Machinery, equipment, appliances and devices purchased or leased and used solely for the purpose of preventing, abating or monitoring air pollution, and materials and supplies solely required for the installation, construction or reconstruction of such machinery, equipment, appliances and devices, and so certified as such by the director of the department of natural resources, except that any action by the director pursuant to this subdivision may be appealed to the air conservation commission which may uphold or reverse such action;

(15) Machinery, equipment, appliances and devices purchased or leased and used solely for the purpose of preventing, abating or monitoring water pollution, and materials and supplies solely required for the installation, construction or reconstruction of such machinery, equipment, appliances and devices, and so certified as such by the director of the department of natural resources, except that any action by the director pursuant to this subdivision may be appealed to the Missouri clean water commission which may uphold or reverse such action;

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

(17) All amounts paid or charged for admission or participation or other fees paid by or other charges to individuals in or for any place of amusement, entertainment or recreation, games or athletic events, including museums, fairs, zoos and planetariums, owned or operated by a municipality or other political subdivision where all the proceeds derived therefrom benefit the municipality or other political subdivision and do not inure to any private person, firm, or corporation;

(18) All sales of insulin and prosthetic or orthopedic devices as defined on January 1, 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of 1965, including the items specified in Section 1862(a)(12) of that act, and also specifically including hearing aids and hearing aid supplies and all sales of drugs which may be legally dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to administer those items, including samples and materials used to manufacture samples which may be dispensed by a practitioner authorized to dispense such samples and all sales of medical oxygen, home respiratory equipment and accessories, hospital beds and accessories and ambulatory aids, all sales of manual and powered wheelchairs, stairway lifts, Braille writers, electronic Braille equipment and, if purchased by or on behalf of a person with one or more physical or mental disabilities to enable them to function more independently, all sales of scooters, reading machines, electronic print enlargers and magnifiers, electronic alternative and augmentative communication devices, and items used solely to modify motor vehicles to permit the use of such motor vehicles by individuals with disabilities or sales of over-the-counter or nonprescription drugs to individuals with disabilities;

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

(20) All sales of aircraft to common carriers for storage or for use in interstate commerce and all sales made by or to not-for-profit civic, social, service or fraternal organizations, including fraternal organizations which have been declared tax exempt organizations pursuant to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, solely in their civic or charitable functions and activities and all sales made to eleemosynary and penal institutions and industries of the state, and all sales made to any private not-for-profit institution of higher education not otherwise excluded pursuant to subdivision (19) of this subsection or any institution of higher education supported by public funds, and all sales made to a state relief agency in the exercise of relief functions and activities;

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

(22) All sales made to any private not-for-profit elementary or secondary school, all sales of feed additives, medications or vaccines administered to livestock or poultry in the production of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber, all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying agricultural crops, and all sales of farm machinery, other than airplanes, motor vehicles and trailers. As used in this subdivision, the term "feed additives" means tangible personal property which, when mixed with feed for livestock or poultry, is to be used in the feeding of livestock or poultry. As used in this subdivision, the term "pesticides" includes adjuvants such as crop oils, surfactants, wetting agents and other assorted pesticide carriers used to improve or enhance the effect of a pesticide and the foam used to mark the application of pesticides and herbicides for the production of crops, livestock or poultry. As used in this subdivision, the term "farm machinery" means new or used farm tractors and such other new or used farm machinery and equipment and repair or replacement parts thereon and lubricants used exclusively for such farm machinery and equipment and one-half of each purchaser's purchase of diesel fuel therefor which is:

(a) Used exclusively for agricultural purposes;

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

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

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

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

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

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



apartments or condominiums shall have standing to apply to the director of revenue for such credit or refund;

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

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

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

(27) All sales made to an interstate compact agency created pursuant to sections 70.370 to 70.430, RSMo, or sections 238.010 to 238.100, RSMo, in the exercise of the functions and activities of such agency as provided pursuant to the compact;

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

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

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

(31) Electrical energy or gas, whether natural, artificial or propane, which is ultimately consumed in connection with the manufacturing of cellular glass products;

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

(33) Tangible personal property purchased for use or consumption directly or exclusively in the research and development of prescription pharmaceuticals consumed by humans or animals;

(34) All sales of grain bins for storage of grain for resale;

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

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

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

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

(37) Tangible personal property purchased for use or consumption directly or exclusively in research or experimentation activities performed by life science companies and so certified as such by the director of the department of economic development or the director's designees; except that, the total amount of exemptions certified pursuant to this section shall not exceed one million three hundred thousand dollars in state and local taxes per fiscal year. For purposes of this subdivision, the term "life science companies" means companies whose primary research activities are in agriculture, pharmaceuticals, biomedical or food ingredients, and whose North American Industry Classification System (NAICS) Codes fall under industry 541710 (biotech research or development laboratories), 621511 (medical laboratories) or 541940 (veterinary services). The exemption provided by this subdivision shall expire on June 30, 2003.

**6. The provisions of subsections 4 to 5 of this section shall apply before July 1, 2003, and after June 30, 2005.**

144.036. 1. Beginning January 1, 1994, and ending December 31, 1994, in addition to the exemptions granted under the provisions of section 144.030, there shall also be specifically exempted from the provisions of sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745 and from the

computation of the tax levied, assessed or payable under sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745, one hundred percent of the cost of electrical energy or gas, whether natural, artificial, or propane, which is ultimately consumed in connection with basic steelmaking in Missouri and the processing and fabricating thereof by the same steelmaker at such maker's integrated plant.

2. Beginning January 1, 1995, and ending December 31, 1995, in addition to the exemptions granted under the provisions of section 144.030, there shall also be specifically exempted from the provisions of sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745 and from the computation of the tax levied, assessed or payable under sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745, ninety percent of the cost of electrical energy or gas, whether natural, artificial, or propane, which is ultimately consumed in connection with basic steelmaking in Missouri and the processing and fabricating thereof by the same steelmaker at such maker's integrated plant.

3. Beginning January 1, 1996, and ending December 31, 1996, in addition to the exemptions granted under the provisions of section 144.030, there shall also be specifically exempted from the provisions of sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745 and from the computation of the tax levied, assessed or payable under sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745, eighty percent of the cost of electrical energy or gas, whether natural, artificial, or propane, which is ultimately consumed in connection with basic steelmaking in Missouri and the processing and fabricating thereof by the same steelmaker at such maker's integrated plant.

4. Beginning January 1, 1997, and ending December 31, 1997, in addition to the exemptions granted under the provisions of section 144.030, there shall also be specifically exempted from the provisions of sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo,

sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745 and from the computation of the tax levied, assessed or payable under sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745, seventy percent of the cost of electrical energy or gas, whether natural, artificial, or propane, which is ultimately consumed in connection with basic steelmaking in Missouri and the processing and fabricating thereof by the same steelmaker at such maker's integrated plant.

5. Beginning January 1, 1998, and ending December 31, 1998, in addition to the exemptions granted under the provisions of section 144.030, there shall also be specifically exempted from the provisions of sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745 and from the computation of the tax levied, assessed or payable under sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745, sixty percent of the cost of electrical energy or gas, whether natural, artificial, or propane, which is ultimately consumed in connection with basic steelmaking in Missouri and the processing and fabricating thereof by the same steelmaker at such maker's integrated plant.

6. Beginning January 1, 1999, and ending December 31, 1999, in addition to the exemptions granted under the provisions of section 144.030, there shall also be specifically exempted from the provisions of sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745 and from the computation of the tax levied, assessed or payable under sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745, fifty percent of the cost of electrical energy or gas, whether natural, artificial, or propane, which is ultimately consumed in connection with basic steelmaking in Missouri and the processing and fabricating thereof by the same steelmaker at such maker's integrated plant.

7. Beginning January 1, 2000, and ending December 31, 2000, in addition to the exemptions granted under the provisions of section 144.030, there shall also be specifically

exempted from the provisions of sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745 and from the computation of the tax levied, assessed or payable under sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745, forty percent of the cost of electrical energy or gas, whether natural, artificial, or propane, which is ultimately consumed in connection with basic steelmaking in Missouri and the processing and fabricating thereof by the same steelmaker at such maker's integrated plant.

8. Beginning January 1, 2001, and ending December 31, 2001, in addition to the exemptions granted under the provisions of section 144.030, there shall also be specifically exempted from the provisions of sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745 and from the computation of the tax levied, assessed or payable under sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745, thirty percent of the cost of electrical energy or gas, whether natural, artificial, or propane, which is ultimately consumed in connection with basic steelmaking in Missouri and the processing and fabricating thereof by the same steelmaker at such maker's integrated plant.

9. Beginning January 1, 2002, and ending December 31, 2002, in addition to the exemptions granted under the provisions of section 144.030, there shall also be specifically exempted from the provisions of sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745 and from the computation of the tax levied, assessed or payable under sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745, twenty percent of the cost of electrical energy or gas, whether natural, artificial, or propane, which is ultimately consumed in connection with basic steelmaking in Missouri and the processing and fabricating thereof by the same steelmaker at such maker's integrated plant.

10. Beginning January 1, 2003, and ending [December 31] **June 30**, 2003, in addition to the exemptions granted [under] **pursuant to** the provisions of section 144.030, there shall also be specifically exempted from the provisions of sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745 and from the computation of the tax levied, assessed or payable under sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.750, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745, ten percent of the cost of electrical energy or gas, whether natural, artificial, or propane, which is ultimately consumed in connection with basic steelmaking in Missouri and the processing and fabricating thereof by the same steelmaker at such maker's integrated plant.

11. This section shall expire [December 31] **June 30**, 2003.

144.039. 1. In addition to the exemptions granted [under] **pursuant to** the provisions of section 144.030, there shall also be specifically exempted from the provisions of sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745 and from the computation of the tax levied, assessed or payable [under] **pursuant to** sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745, purchases of all tangible personal property made by, or on behalf of, a state senator or state representative if such purchases are made from funds in such state senator's or state representative's state expense account.

**2. The provisions of subsection 1 of this section shall apply before July 1, 2003, and after June 30, 2005.**

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

(1) "Light aircraft", a light airplane that seats no more than four persons, with a gross weight of three thousand pounds or less, which is primarily used for recreational flying or flight training;

(2) "Light aircraft kit", factory manufactured parts and components, including engine, propeller, instruments, wheels, brakes, and air frame parts which make up a complete aircraft kit or partial kit designed to be assembled into a light aircraft and then operated by a qualified purchaser for recreational and educational purposes;

(3) "Parts and components", manufactured light aircraft parts, including air frame and

engine parts, that are required by the qualified purchaser to complete a light aircraft kit, or spare or replacement parts for an already completed light aircraft;

(4) "Qualified purchaser", a purchaser of a light aircraft, light aircraft kit, parts or components who is nonresident of this state, who will transport the light aircraft, light aircraft kit, parts or components outside this state within ten days after the date of purchase, and who will register any light aircraft so purchased in another state or country. Such purchaser shall not base such aircraft in this state and such purchaser shall not be a resident of the state unless such purchaser has paid sales or use tax on such aircraft in another state.

2. In addition to the exemptions granted under the provisions of section 144.030, there shall also be specifically exempted from the provisions of sections 144.010 to 144.525, sections 144.600 to 144.748, section 238.235, RSMo, and from the provisions of any local sales tax law, as defined in section 32.085, RSMo, and from the computation of the tax levied, assessed or payable under sections 144.010 to 144.525, sections 144.600 to 144.748, section 238.235, RSMo, and under any local sales tax law, as defined in section 32.085, RSMo, all sales of new light aircraft, light aircraft kits, parts or components manufactured or substantially completed within this state, when such new light aircraft, light aircraft kits, parts or components are sold by the manufacturer to a qualified purchaser. The director of revenue shall prescribe the manner for a purchaser of a light aircraft, light aircraft kit, parts or components to establish that such person is a qualified purchaser and is eligible for the exemption established in this section.

**3. The provisions of subsections 1 to 2 of this section shall apply before July 1, 2003, and after June 30, 2005.**

144.044. 1. As used in this section, the phrase "sale of a new manufactured home" shall be defined to be a transfer of a manufactured home, as defined in section 700.010, RSMo, which involves the delivery of the document known as the manufacturer's statement of origin to a person other than a manufactured home dealer, as dealer is defined in section 700.010, RSMo, for purposes of allowing such person to obtain a title to the manufactured home from the department of revenue of this state or the appropriate agency or officer of any other state.

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

**3. The provisions of subsections 1 to 2 of this section shall apply before July**

**1, 2003, and after June 30, 2005.**

144.045. 1. Notwithstanding any other provision of law to the contrary, the department of revenue shall not consider the transfer for consideration of court transcripts, depositions, compressed transcripts, exhibits, computer disks containing any such item, or copies of any such item which are prepared by a court reporter as tangible personal property, but rather as a nontaxable service for purposes of administrative interpretation. In addition, the department of revenue shall, for purposes of administrative interpretation, consider as nontaxable any machinery or equipment meeting the definition of "farm machinery" under subdivision (22) of subsection 2 of section 144.030, whether or not such machinery or equipment is attached to a vehicle or real property.

2. In addition to the exemptions granted under the provisions of section 144.030, there shall also be specifically exempted from the provisions of sections 144.010 to 144.525, sections 144.600 to 144.748, section 238.235, RSMo, and from the provisions of any local sales tax law, as defined in section 32.085, RSMo, and from the computation of the tax levied, assessed or payable under sections 144.010 to 144.525, sections 144.600 to 144.748, section 238.235, RSMo, and under any local sales tax law, as defined in section 32.085, RSMo, all sales of court transcripts, depositions, compressed transcripts, exhibits, computer disks containing any such item, and all copies of any such item, which are prepared by a court reporter.

**3. The provisions of subsections 1 to 2 of this section shall apply before July 1, 2003, and after June 30, 2005.**

144.046. 1. In addition to the exemptions granted under the provisions of section 144.030, there is hereby specifically exempted from the provisions of sections 144.010 to 144.525 and sections 144.600 to 144.748 and from the computation of the tax levied, assessed or payable under sections 144.010 to 144.525 and sections 144.600 to 144.748, the sale at retail of separately measured electrical current to manufacturers of batteries in this state for conversion to stored chemical energy in new lead-acid storage batteries solely for the purpose of providing an initial charge in such batteries during the manufacturing process but not for the purpose of recharging any previously manufactured batteries. The sale at retail of such separately measured electrical current described in this section shall not be exempted from any local sales tax imposed under a local sales tax law, as defined in section 32.085, RSMo.

**2. The provisions of subsection 1 of this section shall apply before July 1, 2003, and after June 30, 2005.**

144.047. 1. Notwithstanding any other provision of law to the contrary, for purposes of department of revenue administrative interpretation, all sales of aircraft used solely for aerial application of agricultural chemicals shall be considered farm machinery and therefore, exempt from state and local sales and use tax, as provided for other farm machinery in subdivision (22) of subsection 2 of section 144.030.



**2. The provisions of subsection 1 of this section shall apply before July 1, 2003, and after June 30, 2005.**

144.048. 1. Notwithstanding provisions of the law to the contrary, the director of revenue shall not assess state and local sales or use taxes, penalties or interest on any sales of nondomestic game birds sold for the purpose of sport hunting prior to January 1, 1995. For the purpose of this section, "nondomestic game birds" shall include, but not limited to, pheasant, quail, dove, pigeon, prairie chicken, wild turkey and grouse.

**2. The provisions of subsection 1 of this section shall apply before July 1, 2003, and after June 30, 2005.**

144.062. 1. With respect to exempt sales at retail of tangible personal property and materials for the purpose of constructing, repairing or remodeling facilities for: (1) a county, other political subdivision or instrumentality thereof exempt from taxation under subdivision (10) of section 39 of article III of the Constitution of Missouri; or (2) an organization sales to which are exempt from taxation under the provisions of subdivision (19) of subsection 2 of section 144.030; or (3) any institution of higher education supported by public funds or any private not-for-profit institution of higher education, exempt from taxation under subdivision (20) of subsection 2 of section 144.030; or (4) any private not-for-profit elementary or secondary school exempt from taxation under subdivision (22) of subsection 2 of section 144.030, hereinafter collectively referred to as exempt entities, such exemptions shall be allowed for such purchases if the purchases are related to the entities' exempt functions and activities. In addition, the sales shall not be rendered nonexempt nor shall any material supplier or contractor be obligated to pay, collect or remit sales tax with respect to such purchases made by or on behalf of an exempt entity due to such purchases being billed to or paid for by a contractor or the exempt entity contracting with any entity to render any services in relation to such purchases, including but not limited to selection of materials, ordering, pickup, delivery, approval on delivery, taking of delivery, transportation, storage, assumption of risk of loss to materials or providing warranties on materials as specified by contract, use of materials or other purchases for construction of the building or other facility, providing labor, management services, administrative services, design or technical services or advice to the exempt entity, whether or not the contractor or other entity exercises dominion or control in any other manner over the materials in conjunction with services or labor provided to the exempt entity.

2. When any exempt entity contracts for the purpose of constructing, repairing or remodeling facilities, and purchases of tangible personal property and materials to be incorporated into or consumed in the construction of the project are to be made on a tax-exempt basis, such entity shall furnish to the contractor an exemption certificate authorizing such purchases for the construction, repair or remodeling project. The form and content of such project exemption certificate shall be approved by the director of revenue. The project exemption

certificate shall include but not be limited to:

- (1) The exempt entity's name, address, Missouri tax identification number and signature of authorized representative;
- (2) The project location, description, and unique identification number;
- (3) The date the contract is entered into, which is the earliest date materials may be purchased for the project on a tax-exempt basis;
- (4) The estimated project completion date; and
- (5) The certificate expiration date.

Such certificate is renewable for a given project at the option of the exempt entity, only for the purpose of revising the certificate expiration date as necessary to complete the project.

3. The contractor shall furnish the certificate prescribed in subsection 2 of this section to all subcontractors, and any contractor purchasing materials shall present such certificate to all material suppliers as authorization to purchase, on behalf of the exempt entity, all tangible personal property and materials to be incorporated into or consumed in the construction of that project and no other on a tax-exempt basis. Such suppliers shall execute to the purchasing contractor invoices bearing the name of the exempt entity and the project identification number. Nothing in this section shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in constructing, repairing or remodeling facilities for the exempt entity. All invoices for all personal property and materials purchased under a project exemption certificate shall be retained by the purchasing contractor for a period of five years and shall be subject to audit by the director of revenue.

4. Any excess resalable tangible personal property or materials which were purchased for the project by a contractor under a project exemption certificate but which were not incorporated into or consumed in the construction of the project shall either be returned to the supplier for credit or the appropriate sales or use tax on such excess property or materials shall be reported on a return and paid by such contractor not later than the due date of the contractor's Missouri sales or use tax return following the month in which it was determined that the materials were not to be used in the project.

5. No contractor or material supplier shall, upon audit, be required to pay tax on tangible personal property and materials incorporated into or consumed in the construction of the project, due to the failure of the exempt entity to revise the certificate expiration date as necessary to complete any work required by the contract. If it is determined that tax is owed on such property and materials due to the failure of the exempt entity to revise such certificate expiration date, the exempt entity shall be liable for the tax owed.

6. If an entity issues exemption certificates for the purchase of tangible personal property and materials which are incorporated into or consumed in the construction of its project and such entity is found not to have had the authority granted by this section to issue such exemption

certificates, then such entity shall be liable for the tax owed on such personal property and materials. In addition, if an entity which does have the authority granted by this section to issue exemption certificates issues such certificates for the purchase of tangible personal property and materials which are incorporated into or consumed in the construction of a project, or part of a project, which is found not to be related to such entity's exempt functions and activities, then such entity shall be liable for the tax owed on such personal property and materials.

**7. The provisions of subsections 1 to 6 of this section shall apply before July 1, 2003, and after June 30, 2005.**

144.517. 1. In addition to the exemptions granted pursuant to section 144.030, there shall also be exempted from state sales and use taxes all sales of textbooks, as defined by section 170.051, RSMo, when such textbook is purchased by a student who possesses proof of current enrollment at any Missouri public or private university, college or other postsecondary institution of higher learning offering a course of study leading to a degree in the liberal arts, humanities or sciences or in a professional, vocational or technical field, provided that the books which are exempt from state sales tax are those required or recommended for a class. Upon request the institution or department must provide at least one list of textbooks to the bookstore each semester. Alternately, the student may provide to the bookstore a list from the instructor, department or institution of his or her required or recommended textbooks. This exemption shall not apply to any locally imposed sales or use tax.

**2. The provisions of subsection 1 of this section shall apply before July 1, 2003, and after June 30, 2005.**

144.518. 1. In addition to the exemptions granted pursuant to section 144.030, there is hereby specifically exempted from the provisions of sections 66.600 to 66.635, RSMo, sections 67.391 to 67.395, RSMo, sections 67.500 to 67.545, RSMo, section 67.547, RSMo, sections 67.550 to 67.594, RSMo, sections 67.665 to 67.667, RSMo, sections 67.671 to 67.685, RSMo, sections 67.700 to 67.727, RSMo, section 67.729, RSMo, sections 67.730 to 67.739, RSMo, sections 67.1000 to 67.1012, RSMo, sections 92.325 to 92.340, RSMo, sections 92.400 to 92.421, RSMo, sections 94.500 to 94.570, RSMo, section 94.577, RSMo, sections 94.600 to 94.655, RSMo, section 94.660, RSMo, sections 94.700 to 94.755, RSMo, sections 94.800 to 94.825, RSMo, section 94.830, RSMo, sections 94.850 to 94.857, RSMo, sections 94.870 to 94.881, RSMo, section 94.890, RSMo, sections 144.010 to 144.525, and sections 144.600 to 144.761, sections 190.335 to 190.337, RSMo, sections 238.235 and 238.410, RSMo, section 321.242, RSMo, section 573.505, RSMo, and section 644.032, RSMo, and from the computation of the tax levied, assessed or payable pursuant to sections 66.600 to 66.635, RSMo, sections 67.391 to 67.395, RSMo, sections 67.500 to 67.545, RSMo, section 67.547, RSMo, sections 67.550 to 67.594, RSMo, sections 67.665 to 67.667, RSMo, sections 67.671 to 67.685, RSMo, sections 67.700 to 67.727, RSMo, section 67.729, RSMo, sections 67.730 to 67.739, RSMo, sections 67.1000 to 67.1012, RSMo, sections 92.325 to 92.340, RSMo,

sections 92.400 to 92.421, RSMo, sections 94.500 to 94.570, RSMo, section 94.577, RSMo, sections 94.600 to 94.655, RSMo, section 94.660, RSMo, sections 94.700 to 94.755, RSMo, sections 94.800 to 94.825, RSMo, section 94.830, RSMo, sections 94.850 to 94.857, RSMo, sections 94.870 to 94.881, RSMo, section 94.890, RSMo, sections 144.010 to 144.525, sections 144.600 to 144.761, sections 190.335 to 190.337, RSMo, sections 238.235 and 238.410, RSMo, section 321.242, RSMo, section 573.505, RSMo, and section 644.032, RSMo, machines or parts for machines used in a commercial, coin-operated amusement and vending business where sales tax is paid on the gross receipts derived from the use of commercial, coin-operated amusement and vending machines.

**2. The provisions of subsection 1 of this section shall apply before July 1, 2003, and after June 30, 2005.**

144.805. 1. In addition to the exemptions granted pursuant to the provisions of section 144.030, there shall also be specifically exempted from the provisions of sections 144.010 to 144.525, sections 144.600 to 144.748, and section 238.235, RSMo, and the provisions of any local sales tax law, as defined in section 32.085, RSMo, and from the computation of the tax levied, assessed or payable pursuant to sections 144.010 to 144.525, sections 144.600 to 144.748, and section 238.235, RSMo, and the provisions of any local sales tax law, as defined in section 32.085, RSMo, all sales of aviation jet fuel in a given calendar year to common carriers engaged in the interstate air transportation of passengers and cargo, and the storage, use and consumption of such aviation jet fuel by such common carriers, if such common carrier has first paid to the state of Missouri, in accordance with the provisions of this chapter, state sales and use taxes pursuant to the foregoing provisions and applicable to the purchase, storage, use or consumption of such aviation jet fuel in a maximum and aggregate amount of one million five hundred thousand dollars of state sales and use taxes in such calendar year.

2. To qualify for the exemption prescribed in subsection 1 of this section, the common carrier shall furnish to the seller a certificate in writing to the effect that an exemption pursuant to this section is applicable to the aviation jet fuel so purchased, stored, used and consumed. The director of revenue shall permit any such common carrier to enter into a direct-pay agreement with the department of revenue, pursuant to which such common carrier may pay directly to the department of revenue any applicable sales and use taxes on such aviation jet fuel up to the maximum aggregate amount of one million five hundred thousand dollars in each calendar year. The director of revenue shall adopt appropriate rules and regulations to implement the provisions of this section, and to permit appropriate claims for refunds of any excess sales and use taxes collected in calendar year 1993 or any subsequent year with respect to any such common carrier and aviation jet fuel.

3. The provisions of this section shall apply to all purchases and deliveries of aviation jet fuel from and after May 10, 1993.

4. All sales and use tax revenues upon aviation jet fuel received pursuant to this chapter,

less the amounts specifically designated pursuant to the constitution or pursuant to section 144.701, for other purposes, shall be deposited to the credit of the aviation trust fund established pursuant to section 305.230, RSMo; provided however, the amount of such state sales and use tax revenues deposited to the credit of such aviation trust fund shall not exceed six million dollars in each calendar year.

5. The provisions of this section and section 144.807 shall expire on [December 31] **June 30, 2008.**

144.809. 1. In addition to the exemptions granted pursuant to the provisions of section 144.030, there is hereby specifically exempted from the provisions of, and the computation of the tax levied, assessed or payable under, any state or local sales or use tax, or any increase in any state or local sales or use tax rate, which tax or increase was not in effect on December 30, 1987, the sale, storage, use or consumption of aviation jet fuel at or upon airports within the state of Missouri, which airports are recipients of federal grant funds, have submitted applications for or have been approved for federal grant funds, or which are otherwise eligible to apply for federal grant funds.

**2. The provisions of subsection 1 of this section shall apply before July 1, 2003, and after June 30, 2005.**

144.811. 1. In addition to the exemptions granted under the provisions of section 144.030, there shall also be specifically exempted from the provisions of sections 144.010 to 144.525, sections 144.600 to 144.748, section 238.235, RSMo, and from the provisions of any local sales tax law, as defined in section 32.085, RSMo, and from the computation of the tax levied, assessed or payable under sections 144.010 to 144.525, sections 144.600 to 144.748, section 238.235, RSMo, and under any local sales tax law, as defined in section 32.085, RSMo, any equipment purchased by a federally licensed commercial or public broadcast station when such equipment purchase is made as a result of federal mandate and the technological change that results. This exemption does not apply to replacement of equipment necessitated by a result of use or equipment replaced due to damage or theft.

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

(1) "Broadcast equipment", such equipment as may be necessary for the broadcast station to fulfill those obligations as set forth under federal guidelines;

(2) "Federal mandate", any action of the Congress of the United States or any federal regulatory agency having jurisdiction with regard to broadcast stations when such action requires broadcasters to alter methods of operation;

(3) "Federally licensed broadcast station", any enterprise, either commercial or noncommercial, which operates under a license granted by the Federal Communications Commission for the purpose of the free distribution of audio and/or video services when such distribution occurs by means of transmission over the public airwaves;

(4) "Technological change", those changes in the design and methods of operation of broadcast equipment which would, by virtue of these changes, require the implementation and/or installation of replacement equipment and the updating of existing equipment.

**3. The provisions of subsections 1 to 2 of this section shall apply before July 1, 2003, and after June 30, 2005.**

144.815. 1. In addition to the exemptions granted pursuant to the provisions of section 144.030, there shall also be specifically exempted from all local sales taxes, as defined in section 32.085, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.757, and from the computation of the tax levied, assessed or payable pursuant to all local sales taxes as defined in section 32.085, RSMo, and sections 144.010 to 144.525 and 144.600 to 144.811, purchases of bullion and investment coins. For purposes of this section, the following terms shall mean:

(1) "Bullion", gold, silver, platinum or palladium in a bulk state, where its value depends on its content rather than its form, with a purity of not less than nine hundred parts per one thousand; and

(2) "Investment coins", numismatic coins or other forms of money and legal tender manufactured of gold, silver, platinum, palladium or metals with a fair market value greater than the face value of the coins.

**2. The provisions of subsection 1 of this section shall apply before July 1, 2003, and after June 30, 2005.**

209.255. 1. The commission shall establish a rate recovery mechanism to recover the costs of implementing and maintaining the programs provided for in section 209.253, which shall be applied to each basic telephone access line. Any surcharge established by such rate recovery mechanism shall not be imposed upon more than one hundred basic telephone access lines per subscriber per location. Any surcharge established by such rate recovery mechanism shall not be imposed on any telephone line used to provide pay telephone service. The surcharge may appear on the bill of each local exchange telephone subscriber identified separately as a deaf relay service and equipment distribution program fund surcharge. The commission shall not vary the amount of the surcharge between telephone companies nor between the class or grade of customers of any telephone company. The surcharge provided for in this section shall not be construed as gross receipts or revenue of the company collecting such for the purpose of local taxation.

2. Each basic telephone access line subscriber is liable for the payment of any surcharge provided for in subsection 1 of this section. The local exchange telephone company shall not be liable for any uncollected surcharge, nor shall it have any obligation to initiate any action to enforce the collection of the surcharge.

**3. The provisions of subsections 1 to 2 of this section shall apply after June 30,**

**2003, and before July 1, 2005.**

4. The commission shall establish a rate recovery mechanism to recover the costs of implementing and maintaining the programs provided for in section 209.253, which shall be applied to each basic telephone access line. Any surcharge established by such rate recovery mechanism shall not be imposed upon more than one hundred basic telephone access lines per subscriber per location. Any surcharge established by such rate recovery mechanism shall not be imposed on any telephone line used to provide pay telephone service. The surcharge may appear on the bill of each local exchange telephone subscriber identified separately as a deaf relay service and equipment distribution program fund surcharge. The commission shall not vary the amount of the surcharge between telephone companies nor between the class or grade of customers of any telephone company. The surcharge provided for in this section shall be exempt from the taxes provided for in chapter 144, RSMo, and the surcharge shall not be construed as gross receipts or revenue of the company collecting such for the purpose of local taxation.

[2.] 5. Each basic telephone access line subscriber is liable for the payment of any surcharge provided for in subsection 1 of this section. The local exchange telephone company shall not be liable for any uncollected surcharge, nor shall it have any obligation to initiate any action to enforce the collection of the surcharge.

**6. The provisions of subsections 4 to 5 of this section shall apply before July 1, 2003, and after June 30, 2005.**

306.016. 1. By January 1, 1995, the owner of any vessel documented by the United States Coast Guard on August 28, 1994, and the new owner of any vessel purchased after August 28, 1994, who upon the sale or transfer of the vessel desires to document the vessel with the United States Coast Guard, shall apply for a vessel certificate of registration and pay a certification fee of seven dollars and fifty cents, an initial registration fee in an amount equal to the amount required for a certificate of number under section 306.030 and all applicable state and local or in lieu watercraft taxes as provided by law in effect on the date the vessel was documented or submit proof that all applicable registration fees have been paid to the department of revenue and all applicable taxes or in lieu watercraft taxes have been paid in this or another state. Such application shall include the county in which such vessel will be normally maintained by the new owner. A certificate of registration and a set of registration decals in a form the director shall prescribe shall be issued for a documented vessel. A Missouri resident shall make application for a vessel certificate of registration within thirty days of acquiring or bringing the vessel into this state. A nonresident shall make application for a vessel certificate of registration within sixty days after acquiring a vessel in this state or bringing a vessel into this state if the vessel will be kept in this state for a period in excess of sixty consecutive days. A

delinquency penalty fee of ten dollars shall be imposed for each thirty days of delinquency, not to exceed a total of thirty dollars. If the director of revenue learns that any person has failed to make application for a vessel certificate of registration in accordance with this section or has sold a vessel documented by the United States Coast Guard without obtaining a certificate of registration as provided in this section, the director shall cancel the registration of all vessels and outboard motors registered in the name of the person, either as sole owner or a co-owner, and shall notify the person that the cancellation will remain in force until the person pays the delinquency penalty fee together with all fees, charges, and payments which the person should have paid in connection with the vessel certificate of registration.

2. The in lieu watercraft tax shall be collected by the director of revenue and deposited in the state treasury to the credit of general revenue and shall be appropriated for use by the Missouri state water patrol. Watercraft dealers in this state shall report to the director of revenue on forms furnished by the director the sale of each watercraft sold to a resident of this state. If the watercraft is registered with the United States Coast Guard or other agency of the federal government and not under the provisions of this chapter the director shall bill the purchaser of the watercraft for the in lieu tax imposed by this subsection. Any person who fails to pay the in lieu tax due under this section, within thirty days after receipt of the bill from the director of revenue, shall be liable to the same penalties imposed by law for failure to pay sales and use taxes due the state. The in lieu tax shall be determined as follows:

PURCHASE PRICE OF WATERCRAFT	TAX DUE
\$50,000 or less	\$ 650.00
\$50,001 to \$100,000	1,250.00
\$100,001 to \$150,000	1,850.00
\$150,001 to \$200,000	2,450.00
\$200,001 and above	3,050.00

3. The registration decals for any vessel documented by the United States Coast Guard shall be in force and effect for a period of three years so long as the vessel is owned or held by the original holder of the certificate of registration and shall be renewed upon application and payment of a registration renewal fee equal to the amount required for a certificate of number under section 306.030. The owner shall attach the registration decals to both sides of the forward half of the bow of the documented vessel in a place that is fully visible.

4. The department of revenue may issue a temporary vessel certificate of registration authorizing the operation of a vessel to be documented by the United



States Coast Guard for not more than sixty days. The temporary registration shall be made available by the department of revenue and may be purchased from the department of revenue or from a dealer upon proof of purchase of a vessel. The department shall make temporary certificates of registration available to registered dealers in this state in sets of ten. The fee for the temporary certificates of registration shall be five dollars each. No dealer shall charge more than five dollars for each temporary certificate of registration issued. The temporary registration shall be valid for a period of sixty days from the date of issuance by the department of revenue to the purchaser of the vessel or from the date of sale of the vessel by a dealer from which the purchaser obtains a certificate of registration. The temporary certificate of registration shall be issued on a form prescribed by the department of revenue and issued only for the purchaser's use in the operation of the vessel purchased to enable the purchaser to legally operate the vessel while a certificate of registration is being obtained, and shall be displayed on no other vessel. Temporary certificates of registration issued under this section shall not be transferable or renewable and shall not be valid upon issuance of a proper certificate of registration. The dealer or authorized agent shall insert the date of issuance and expiration date, year, make, and the manufacturer's identification number of the vessel on the temporary registration when issued to the purchaser. The dealer shall complete the information on the temporary registration in full. Every dealer that issues a temporary certificate of registration shall keep, for inspection by authorized officers, a correct record of each temporary certificate of registration issued by the dealer by recording the registration number, purchaser's name and address, year, make, and manufacturer's identification number of the vessel on which the temporary certificate of registration is to be used and the date of issuance.

5. Upon the sale or transfer of any vessel documented by the United States Coast Guard for which a certificate of registration has been issued, the registration shall be terminated. If the new owner elects to have the vessel documented by the United States Coast Guard, the new owner shall submit, in addition to the properly assigned certificate of registration, proof of release from the documentation provided by the United States Coast Guard and shall comply with the provisions of this section. If the new owner elects not to document the vessel with the United States Coast Guard, the owner shall comply with the applicable provisions of this chapter.

6. The certificate of registration shall be available at all times for inspection on the vessel for which it is issued, whenever the vessel is in operation.

7. The provisions of subsections 1 to 6 of this section shall apply after June 30, 2003, and before July 1, 2005.

8. By January 1, 1995, the owner of any vessel documented by the United States Coast Guard on August 28, 1994, and the new owner of any vessel purchased after August 28, 1994, who upon the sale or transfer of the vessel desires to document the vessel with the United States Coast Guard, shall apply for a vessel certificate of registration and pay a certification fee of seven dollars and fifty cents, an initial registration fee in an amount equal to the amount required for a certificate of number under section 306.030 and all applicable state and local or in lieu watercraft taxes as provided by law in effect on the date the vessel was documented or submit proof that all applicable registration fees have been paid to the department of revenue and all applicable taxes or in lieu watercraft taxes have been paid in this or another state. Such application shall include the county in which such vessel will be normally maintained by the new owner. A certificate of registration and a set of registration decals in a form the director shall prescribe shall be issued for a documented vessel. A Missouri resident shall make application for a vessel certificate of registration within thirty days of acquiring or bringing the vessel into this state. A nonresident shall make application for a vessel certificate of registration within sixty days after acquiring a vessel in this state or bringing a vessel into this state if the vessel will be kept in this state for a period in excess of sixty consecutive days. A delinquency penalty fee of ten dollars shall be imposed for each thirty days of delinquency, not to exceed a total of thirty dollars. If the director of revenue learns that any person has failed to make application for a vessel certificate of registration in accordance with this section or has sold a vessel documented by the United States Coast Guard without obtaining a certificate of registration as provided in this section, the director shall cancel the registration of all vessels and outboard motors registered in the name of the person, either as sole owner or a co-owner, and shall notify the person that the cancellation will remain in force until the person pays the delinquency penalty fee together with all fees, charges, and payments which the person should have paid in connection with the vessel certificate of registration.

[2.] 9. A boat or vessel documented by the United States Coast Guard or other agency of the federal government and operated on the waters of this state shall not be liable for the payment of any state or local sales or use tax on the purchase, but shall be liable for the payment of an in lieu watercraft tax, which is hereby imposed. The in lieu watercraft tax shall be collected by the director of revenue and deposited in the state treasury to the credit of general revenue and shall be appropriated for use by the Missouri state water patrol. Watercraft dealers in this state shall report to the director of revenue on forms furnished by the director the sale of each watercraft sold to a resident of this state. If the watercraft is registered and licensed pursuant to the provisions of this chapter and all applicable sales taxes have been paid, the director shall not collect the in lieu tax imposed by this subsection. If the watercraft is registered with the United States Coast Guard or other agency of the federal government and not under the provisions of this chapter the director shall bill the purchaser of the watercraft for the in lieu

tax imposed by this subsection. Any person who fails to pay the in lieu tax due under this section, within thirty days after receipt of the bill from the director of revenue, shall be liable to the same penalties imposed by law for failure to pay sales and use taxes due the state. The in lieu tax shall be determined as follows:

PURCHASE PRICE OF WATERCRAFT	TAX DUE
\$50,000 or less	\$ 650.00
\$50,001 to \$100,000	1,250.00
\$100,001 to \$150,000	1,850.00
\$150,001 to \$200,000	2,450.00
\$200,001 and above	3,050.00

[3.] 10. The registration decals for any vessel documented by the United States Coast Guard shall be in force and effect for a period of three years so long as the vessel is owned or held by the original holder of the certificate of registration and shall be renewed upon application and payment of a registration renewal fee equal to the amount required for a certificate of number under section 306.030. The owner shall attach the registration decals to both sides of the forward half of the bow of the documented vessel in a place that is fully visible.

[4.] 11. The department of revenue may issue a temporary vessel certificate of registration authorizing the operation of a vessel to be documented by the United States Coast Guard for not more than sixty days. The temporary registration shall be made available by the department of revenue and may be purchased from the department of revenue or from a dealer upon proof of purchase of a vessel. The department shall make temporary certificates of registration available to registered dealers in this state in sets of ten. The fee for the temporary certificates of registration shall be five dollars each. No dealer shall charge more than five dollars for each temporary certificate of registration issued. The temporary registration shall be valid for a period of sixty days from the date of issuance by the department of revenue to the purchaser of the vessel or from the date of sale of the vessel by a dealer from which the purchaser obtains a certificate of registration. The temporary certificate of registration shall be issued on a form prescribed by the department of revenue and issued only for the purchaser's use in the operation of the vessel purchased to enable the purchaser to legally operate the vessel while a certificate of registration is being obtained, and shall be displayed on no other vessel. Temporary certificates of registration issued under this section shall not be transferable or renewable and shall not be valid upon issuance of a proper certificate of registration. The dealer or authorized agent shall insert the date of issuance and expiration date, year, make and the manufacturer's identification number of the vessel on the temporary registration when issued to the purchaser. The dealer shall complete the information on the temporary registration in full. Every dealer that issues a temporary certificate of registration shall keep, for inspection by authorized officers, a correct record of each temporary certificate of registration issued by the

dealer by recording the registration number, purchaser's name and address, year, make and manufacturer's identification number of the vessel on which the temporary certificate of registration is to be used and the date of issuance.

[5.] **12.** Upon the sale or transfer of any vessel documented by the United States Coast Guard for which a certificate of registration has been issued, the registration shall be terminated. If the new owner elects to have the vessel documented by the United States Coast Guard, the new owner shall submit, in addition to the properly assigned certificate of registration, proof of release from the documentation provided by the United States Coast Guard and shall comply with the provisions of this section. If the new owner elects not to document the vessel with the United States Coast Guard, the owner shall comply with the applicable provisions of this chapter.

[6.] **13.** The certificate of registration shall be available at all times for inspection on the vessel for which it is issued, whenever the vessel is in operation.

**14. The provisions of subsections 8 to 13 of this section shall apply before July 1, 2003, and after June 30, 2005.**

313.821. 1. In addition to the exemptions granted under the provisions of section 144.030, RSMo, there shall also be specifically exempted from the provisions of sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745, RSMo, and from the computation of the tax levied, assessed or payable under sections 66.600 to 66.635, RSMo, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, RSMo, sections 92.400 to 92.420, RSMo, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, RSMo, and sections 144.010 to 144.510 and 144.600 to 144.745, RSMo, any state or local admission fees imposed upon excursion gambling boat operators to be collected from each passenger boarding such excursion gambling boats.

2. Nothing in this section shall exempt from the taxes referenced in subsection 1 of this section any fees of admission voluntarily charged by excursion boat gambling operators to passengers boarding such excursion gambling boats.

**3. The provisions of subsections 1 to 2 of this section shall apply before July 1, 2003, and after June 30, 2005.**

[144.041. In addition to the exemptions granted under the provisions of section 144.030, there is hereby exempted from any sales and use taxes levied by the state and any sales taxes levied by any political subdivision of this state as otherwise authorized by law any charges for admissions, as defined in section 144.010, to any of the games of the 1994 World Cup Soccer Tournament which are held in any county of the first classification having a charter form of government which contains all or any part of a city

with a population of at least three hundred fifty thousand inhabitants.]

[144.514. In addition to the exemptions granted under the provisions of section 144.030, there is hereby exempted from any sales and use taxes levied by the state and any sales taxes levied by any political subdivision of this state as otherwise authorized by law any charges for admissions as defined in section 144.010, to any of the events of the United States Olympic Festival to be held in 1994 in the state of Missouri.]

Section B. This act is hereby submitted to the qualified voters of this state for approval or rejection at a special election which is hereby ordered and which shall be held and conducted on the first Tuesday in November, 2003, pursuant to the laws and constitutional provisions of this state applicable to general elections and the submission of referendum measures by initiative petitions, and this act shall become effective when approved by a majority of the votes cast thereon at such election and not otherwise.

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