

FIRST REGULAR SESSION

# SENATE BILL NO. 631

## 92ND GENERAL ASSEMBLY

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INTRODUCED BY SENATORS BRAY, VOGEL AND GOODE.

Read 1st time February 26, 2003, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

1556S.011

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### AN ACT

To repeal sections 32.087, 67.576, 67.582, 67.671, 67.678, 67.1545, 67.1775, 67.1959, 94.580, 94.605, 94.660, 94.705, 144.010, 144.014, 144.030, 144.046, 144.100, 144.517, 144.625, 144.655, 144.805, 238.235, and 238.410, RSMo, and to enact in lieu thereof twenty-one new sections relating to implementation of the streamlined sales and use tax agreement.

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

Section A. Sections 32.087, 67.576, 67.582, 67.671, 67.678, 67.1545, 67.1775, 67.1959, 94.580, 94.605, 94.660, 94.705, 144.010, 144.014, 144.030, 144.046, 144.100, 144.517, 144.625, 144.655, 144.805, 238.235, and 238.410, RSMo, are repealed and twenty-one new sections enacted in lieu thereof, to be known as sections 32.087, 67.576, 67.582, 67.671, 67.678, 67.1545, 67.1775, 67.1959, 94.580, 94.605, 94.660, 94.705, 144.010, 144.014, 144.030, 144.100, 144.625, 144.655, 144.805, 238.235, and 238.410, to read as follows:

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

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

2. Any local sales tax so adopted shall become effective on the first day of the second calendar quarter after the director of revenue receives notice of adoption of the local sales tax, except as provided in subsection 18 of this section.

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

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

5. The ordinance or order imposing a local sales tax under the local sales tax law shall impose upon all sellers a tax for the privilege of engaging in the business of selling tangible personal property or rendering taxable services at retail to the extent and in the manner provided in sections 144.010 to 144.525, RSMo, and the rules and regulations of the director of revenue issued pursuant thereto; except that the rate of the tax shall be the sum of the combined rate of the state sales tax or state highway use tax and all local sales taxes imposed under the provisions of the local sales tax law.

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

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

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

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

10. All discounts allowed the retailer under the provisions of the state sales tax law for the collection of and for payment of taxes under the provisions of the state sales tax law are hereby allowed and made applicable to any local sales tax collected under the provisions of the local sales tax law.

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

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

(2) For the purposes of any local sales tax imposed by an ordinance or order under the local sales tax law, all sales of motor vehicles, trailers, boats, and outboard motors shall be deemed to be consummated at the residence of the purchaser and not

at the place of business of the retailer, or the place of business from which the retailer's agent or employee works.

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

13. Local sales taxes imposed pursuant to the local sales tax law on the purchase and sale of motor vehicles, trailers, boats, and outboard motors shall not be collected and remitted by the seller, but shall be collected by the director of revenue at the time application is made for a certificate of title, if the address of the applicant is within a taxing entity imposing a local sales tax under the local sales tax law.

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

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

16. Within the boundaries of any taxing entity where one or more local sales taxes have been imposed, if any person is delinquent in the payment of the amount required to be paid by him under the local sales tax law or in the event a determination has been made against him for taxes and penalty under the local sales tax law, the limitation for bringing suit for the collection of the delinquent tax and penalty shall be the same as that provided in sections 144.010 to 144.525,

RSMo. Where the director of revenue has determined that suit must be filed against any person for the collection of delinquent taxes due the state under the state sales tax law, and where such person is also delinquent in payment of taxes under the local sales tax law, the director of revenue shall notify the taxing entity to which delinquent taxes are due under the local sales tax law by United States registered mail or certified mail at least ten days before turning the case over to the attorney general. The taxing entity, acting through its attorney, may join in such suit as a party plaintiff to seek a judgment for the delinquent taxes and penalty due such taxing entity. In the event any person fails or refuses to pay the amount of any local sales tax due, the director of revenue shall promptly notify the taxing entity to which the tax would be due so that appropriate action may be taken by the taxing entity.

17. Where property is seized by the director of revenue under the provisions of any law authorizing seizure of the property of a taxpayer who is delinquent in payment of the tax imposed by the state sales tax law, and where such taxpayer is also delinquent in payment of any tax imposed by the local sales tax law, the director of revenue shall permit the taxing entity to join in any sale of property to pay the delinquent taxes and penalties due the state and to the taxing entity under the local sales tax law. The proceeds from such sale shall first be applied to all sums due the state, and the remainder, if any, shall be applied to all sums due such taxing entity.

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

**19. If the boundaries of a city in which a sales tax has been imposed shall be changed or altered, the city clerk shall forward to the director of revenue by United States registered mail or certified mail a certified copy of the ordinance adding or detaching territory from the city within ten days of adoption of the ordinance. The ordinance shall reflect the effective date**

**thereof, and shall be accompanied by a map of the city clearly showing the territory added thereto or detached therefrom. Upon receipt of the ordinance and map, the tax imposed under the local sales tax law shall be effective in the added territory or abolished in the detached territory on the first day of the second calendar quarter after the director of revenue receives notice of the boundary change.**

67.576. 1. The following provisions shall govern the collection of the tax imposed by the provisions of sections 67.571 to 67.577:

(1) All applicable provisions contained in sections 144.010 to 144.510, RSMo, governing the state sales tax and section 32.057, RSMo, the uniform confidentiality provision, shall apply to the collection of the tax imposed by the provisions of sections 67.571 to 67.577;

(2) All exemptions granted to agencies of government, organizations, and persons under the provisions of sections 144.010 to 144.510, RSMo, are hereby made applicable to the imposition and collection of the tax imposed by sections 67.571 to 67.577.

2. The same sales tax permit, exemption certificate and retail certificate required by sections 144.010 to 144.510, RSMo, for the administration and collection of the state sales tax shall satisfy the requirements of sections 67.571 to 67.577, and no additional permit or exemption certificate or retail certificate shall be required; except that, the director of revenue may prescribe a form of exemption certificate for an exemption from the tax imposed by sections 67.571 to 67.577.

3. All discounts allowed the retailer pursuant to the provisions of the state sales tax law for the collection of and for payment of taxes pursuant to that act are hereby allowed and made applicable to any taxes collected pursuant to the provisions of sections 67.571 to 67.577.

4. The penalties provided in section 32.057, RSMo, and sections 144.010 to 144.510, RSMo, for a violation of those acts are hereby made applicable to violations of the provisions of sections 67.571 to 67.577.

5. [For the purposes of the sales tax imposed by an order pursuant to sections 67.571 to 67.577, all retail sales shall be deemed to be consummated at the place of business of the retailer] **Except as modified in sections 67.571 to 67.577, all provisions of sections 32.085 and 32.087, RSMo, shall apply to the tax imposed pursuant to sections 67.571 to 67.577.**

67.582. 1. The governing body of any county, except a county of the first class with a charter form of government with a population of greater than four

hundred thousand inhabitants, is hereby authorized to impose, by ordinance or order, a sales tax in the amount of up to one-half of one percent on all retail sales made in such county which are subject to taxation under the provisions of sections 144.010 to 144.525, RSMo, for the purpose of providing law enforcement services for such county. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law, except that no ordinance or order imposing a sales tax under the provisions of this section shall be effective unless the governing body of the county submits to the voters of the county, at a county or state general, primary or special election, a proposal to authorize the governing body of the county to impose a tax.

2. The ballot of submission shall contain, but need not be limited to, the following language:

(1) If the proposal submitted involves only authorization to impose the tax authorized by this section the ballot shall contain substantially the following:

Shall the county of ..... (county's name) impose a countywide sales tax of ..... (insert amount) for the purpose of providing law enforcement services for the county?

G Yes

G No

If you are in favor of the question, place an "X" in the box opposite "Yes". If you are opposed to the question, place an "X" in the box opposite "No"; or

(2) If the proposal submitted involves authorization to enter into agreements to form a regional jail district and obligates the county to make payments from the tax authorized by this section the ballot shall contain substantially the following:

Shall the county of ..... (county's name) be authorized to enter into agreements for the purpose of forming a regional jail district and obligating the county to impose a countywide sales tax of ..... (insert amount) to fund ..... dollars of the costs to construct a regional jail and to fund the costs to operate a regional jail, with any funds in excess of that necessary to construct and operate such jail to be used for law enforcement purposes?

G Yes

G No

If you are in favor of the question, place an "X" in the box opposite "Yes". If you are opposed to the question, place an "X" in the box opposite "No".

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal submitted pursuant to subdivision (1) of this subsection, then the ordinance or order and any amendments thereto shall be in effect on the first day of the second quarter immediately following the election approving the

proposal. If the constitutionally required percentage of the voters voting thereon are in favor of the proposal submitted pursuant to subdivision (2) of this subsection, then the ordinance or order and any amendments thereto shall be in effect on the first day of the second quarter [immediately following the election approving the proposal] **after the director receives notification of adoption of the local sales tax.** If a proposal receives less than the required majority, then the governing body of the county shall have no power to impose the sales tax herein authorized unless and until the governing body of the county shall again have submitted another proposal to authorize the governing body of the county to impose the sales tax authorized by this section and such proposal is approved by the required majority of the qualified voters voting thereon. However, in no event shall a proposal pursuant to this section be submitted to the voters sooner than twelve months from the date of the last proposal pursuant to this section.

3. All revenue received by a county from the tax authorized under the provisions of this section shall be deposited in a special trust fund and shall be used solely for providing law enforcement services for such county for so long as the tax shall remain in effect. Revenue placed in the special trust fund may also be utilized for capital improvement projects for law enforcement facilities and for the payment of any interest and principal on bonds issued for said capital improvement projects.

4. Once the tax authorized by this section is abolished or is terminated by any means, all funds remaining in the special trust fund shall be used solely for providing law enforcement services for the county. Any funds in such special trust fund which are not needed for current expenditures may be invested by the governing body in accordance with applicable laws relating to the investment of other county funds.

5. All sales taxes collected by the director of revenue under this section on behalf of any county, less one percent for cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087, RSMo, shall be deposited in a special trust fund, which is hereby created, to be known as the "County Law Enforcement Sales Tax Trust Fund". The moneys in the county law enforcement sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state. The director of revenue shall keep accurate records of the amount of money in the trust and which was collected in each county imposing a sales tax under this section, and the records shall be open to the inspection of officers of the county and the public. Not later than the tenth day of each month the director of revenue shall



distribute all moneys deposited in the trust fund during the preceding month to the county which levied the tax; such funds shall be deposited with the county treasurer of each such county, and all expenditures of funds arising from the county law enforcement sales tax trust fund shall be by an appropriation act to be enacted by the governing body of each such county. Expenditures may be made from the fund for any law enforcement functions authorized in the ordinance or order adopted by the governing body submitting the law enforcement tax to the voters.

6. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any county for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such counties. If any county abolishes the tax, the county shall notify the director of revenue of the action at least ninety days prior to the effective date of the repeal and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such county, the director of revenue shall remit the balance in the account to the county and close the account of that county. The director of revenue shall notify each county of each instance of any amount refunded or any check redeemed from receipts due the county.

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

67.671. 1. The governing body of any county, except first class counties other than first class counties without charter form of government not adjoining any other first class county unless such first class county contains part of a city with a population over four hundred and fifty thousand, and except as otherwise provided in subsection 4 or subsection 7 of this section may, by a majority vote, impose a tourism sales tax throughout or in any portion of the county for the promotion of tourism as provided in this act, but such tax shall not become effective unless the governing body of the county submits to the voters of the county, at a public election, a proposal to authorize the county to impose a tax under the provisions of sections 67.671 to 67.685.

2. The ballot of submission shall be in substantially the following form:

Shall the county of ..... (Insert the name of the county) impose a tourism sales tax of ..... (Insert rate of percent) percent in certain areas

of the county?

G YES

G NO

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the tax shall be in effect. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the governing body of the county shall have no power to impose the tax authorized by sections 67.671 to 67.685, unless and until the governing body of the county shall again have submitted another proposal to authorize the governing body of the county to impose the tax, and such proposal is approved by a majority of the qualified voters voting thereon.

3. Except as otherwise provided in subsection 4 or subsection 7 of this section, the tourism tax may be imposed at a rate of not more than seven-eighths of one percent on the receipts from the sale at retail of certain tangible personal property or taxable services within that part of the county for which such tax has been adopted, as specified in section 67.674.

4. The governing body of any third class county which adjoins the Mississippi River and which also adjoins one or more first class counties without a charter form of government and which has a population of not more than sixteen thousand inhabitants according to the 1980 decennial census may, by a majority vote, impose:

(1) A tourism sales tax on the sale of all food and beverages sold for consumption on the premises of all restaurants, bars, taverns, or other establishments which are primarily used to provide food and beverage services;

(2) A tourism sales tax upon the rent or lease charges paid by transient guests of hotels, motels, condominiums, houseboats, and space rented in campgrounds;

(3) Or both.

The tax may be imposed throughout or in any portion of the county for the promotion of tourism as provided in sections 67.671 to 67.685 but such tax shall not become effective unless the governing body of the county submits to the voters of the county, at a public election, a proposal to authorize the county to impose the tax.

5. The ballot of submission shall be in substantially the following form:

Shall the county of ..... (Insert name of county) impose a tourism sales tax of ..... (Insert rate of percent) percent on the sale or rental of ..... (Insert type of property or service) in certain areas of the county?

G YES

G NO

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the tax shall be in effect. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the governing body of the county shall have no power to impose the tax unless and until the governing body of the county shall again have submitted another proposal to authorize the governing body of the county to impose the tax, and such proposal is approved by a majority of the qualified voters voting thereon. The tourism tax may be imposed at a rate of not more than two percent on the receipts from the sale or rental at retail of certain tangible personal property or taxable services as provided in this subsection within that part of the county for which such tax has been adopted.

6. Within ten days after a vote in favor of the adoption of a tourism sales tax by the voters of any such county, the governing body of the county shall make its order imposing the tax. The tax shall become effective on the first day of the first calendar quarter after such order is made; provided that in any first class county with a population of at least eighty thousand but less than one hundred thousand, the tax shall become effective on the first day of the first month which begins more than thirty days after such order is made, and such tax shall be collected by the department of revenue in the same manner as prescribed in section 32.087, RSMo, except as otherwise provided in this section.

7. In any county which has any part of a Corps of Engineers lake with a shoreline of at least eight hundred miles and not exceeding a shoreline of nine hundred miles, the tourism tax may be imposed at a rate of not more than two percent on the receipts from the sale at retail of certain tangible personal property or taxable services, subject to tax pursuant to chapter 144, RSMo, within that portion of the county for which such tax has been adopted. All areas in such county imposing a tourism tax eligible to do so under the provisions of this section shall be contiguous with all other areas which adopt the tax.

[8. All tourism sales tax collected pursuant to subsection 7 of this section shall be collected and administered by the county collector as provided in section 67.680 and deposited in the "County Advertising and Tourism Sales Tax Trust Fund" created in such section.]

67.678. 1. The following provisions shall govern the collection of the tax imposed by the provisions of sections 67.671 to 67.685:

(1) All applicable provisions contained in sections 144.010 to 144.510, RSMo, governing the state sales tax and section 32.057, RSMo, the uniform confidentiality

provision, shall apply to the collection of the tax imposed by the provisions of sections 67.671 to 67.685, except as modified in sections 67.671 to 67.685;

(2) All exemptions granted to agencies of government, organizations, and persons under the provisions of sections 144.010 to 144.510, RSMo, are hereby made applicable to the imposition and collection of the tax imposed by sections 67.671 to 67.685.

2. The same sales tax permit, exemption certificate and retail certificate required by sections 144.010 to 144.510, RSMo, for the administration and collection of the state sales tax shall satisfy the requirements of sections 67.671 to 67.685, and no additional permit or exemption certificate or retail certificate shall be required; except that, the director of revenue may prescribe a form of exemption certificate for an exemption from the tax imposed by sections 67.671 to 67.685.

3. All discounts allowed the retailer under the provisions of the state sales tax law for the collection of and for payment of taxes under that act are hereby allowed and made applicable to any taxes collected under the provisions of sections 67.671 to 67.685.

4. The penalties provided in sections 32.057 and 144.010 to 144.510, RSMo, for a violation of those acts are hereby made applicable to violations of the provisions of sections 67.671 to 67.685.

[5. For the purposes of the tourism sales tax imposed by an order pursuant to sections 67.671 to 67.685, all retail sales shall be deemed to be consummated at the place of business of the retailer.]

67.1545. 1. Any district in a city with a population of at least four hundred thousand located in more than one county may impose by resolution a district sales and use tax on all retail sales made in such district which are subject to taxation pursuant to sections 144.010 to 144.525, RSMo, except sales of motor vehicles, trailers, boats or outboard motors [and sales to public utilities]. Any sales and use tax imposed pursuant to this section may be imposed at a rate of one-eighth of one percent, one-fourth of one percent, three-eighths of one percent, one-half of one percent or one percent. Such district sales and use tax may be imposed for any district purpose designated by the district in its ballot of submission to its qualified voters; except that, no resolution adopted pursuant to this section shall become effective unless the board of directors of the district submits to the qualified voters of the district, by mail-in ballot, a proposal to authorize a sales and use tax pursuant to this section. If a majority of the votes cast by the qualified voters on the proposed sales tax are in favor of the sales tax, then the resolution is adopted. If a majority

of the votes cast by the qualified voters are opposed to the sales tax, then the resolution is void.

2. The ballot shall be substantially in the following form:

Shall the ..... (insert name of district) Community Improvement District impose a community improvement districtwide sales and use tax at the maximum rate of ..... (insert amount) for a period of ..... (insert number) years from the date on which such tax is first imposed for the purpose of providing revenue for ..... (insert general description of the purpose)?

G YES

G NO

If you are in favor of the question, place an "X" in the box opposite "Yes". If you are opposed to the question, place an "X" in the box opposite "No".

3. Within ten days after the qualified voters have approved the imposition of the sales and use tax, the district shall, in accordance with section 32.097, RSMo, notify the director of the department of revenue. The sales and use tax authorized by this section shall become effective on the first day of the second calendar quarter after the director of the department of revenue receives notice of the adoption of such tax.

4. The director of the department of revenue shall collect any tax adopted pursuant to this section pursuant to section 32.087, RSMo.

5. In each district in which a sales and use tax is imposed pursuant to this section, every retailer shall add such additional tax imposed by the district to such retailer's sale price, and when so added such tax shall constitute a part of the purchase price, shall be a debt of the purchaser to the retailer until paid and shall be recoverable at law in the same manner as the purchase price.

6. In order to allow retailers to collect and report the sales and use tax authorized by this section as well as all other sales and use taxes required by law in the simplest and most efficient manner possible, a district may establish appropriate brackets to be used in the district imposing a tax pursuant to this section in lieu of the brackets provided in section 144.285, RSMo.

7. The penalties provided in sections 144.010 to 144.525, RSMo, shall apply to violations of this section.

8. All revenue received by the district from a sales and use tax imposed pursuant to this section which is designated for a specific purpose shall be deposited into a special trust fund and expended solely for such purpose. Upon the expiration of any sales and use tax adopted pursuant to this section, all funds remaining in the special trust fund shall continue to be used solely for the specific purpose designated

in the resolution adopted by the qualified voters. Any funds in such special trust fund which are not needed for current expenditures may be invested by the board of directors pursuant to applicable laws relating to the investment of other district funds.

9. A district may repeal by resolution any sales and use tax imposed pursuant to this section before the expiration date of such sales and use tax unless the repeal of such sales and use tax will impair the district's ability to repay any liabilities the district has incurred, moneys the district has borrowed or obligation the district has issued to finance any improvements or services rendered for the district.

67.1775. 1. The governing body of a city not within a county, or any county of the first classification with a charter form of government with a population not less than nine hundred thousand inhabitants, or any county of the first classification with a charter form of government with a population not less than two hundred thousand inhabitants and not more than six hundred thousand inhabitants, or any noncharter county of the first classification with a population not less than one hundred seventy thousand and not more than two hundred thousand inhabitants, or any noncharter county of the first classification with a population not less than eighty thousand and not more than eighty-three thousand inhabitants, or any third classification county with a population not less than twenty-eight thousand and not more than thirty thousand inhabitants, or any county of the third classification with a population not less than nineteen thousand five hundred and not more than twenty thousand inhabitants may, after voter approval pursuant to this section, levy a sales tax not to exceed one-quarter of a cent in the county for the purpose of providing services described in section 210.861, RSMo, including counseling, family support, and temporary residential services to persons nineteen years of age or less. The question shall be submitted to the qualified voters of the county at a county or state general, primary or special election upon the motion of the governing body of the county or upon the petition of eight percent of the qualified voters of the county determined on the basis of the number of votes cast for governor in such county at the last gubernatorial election held prior to the filing of the petition. The election officials of the county shall give legal notice as provided in chapter 115, RSMo. The question shall be submitted in substantially the following form:

Shall ..... County be authorized to levy a sales tax of ..... (not to exceed one-quarter of a cent) in the county for the purpose of establishing a community children's services fund for the purpose of providing services to protect the well-being and safety of children and youth nineteen years of age or less and to

strengthen families?

G Yes

G No

If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the question, then the tax shall be levied and collected as otherwise provided by law. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the question, then the tax shall not be levied unless and until the question is again submitted to the qualified voters of the county and a majority of such voters are in favor of such a tax, and not otherwise.

2. All revenues generated by the tax prescribed in this section shall be deposited in the county treasury to the credit of a special "Community Children's Services Fund". Such fund shall be administered by a board of directors, established pursuant to section 210.861, RSMo.

**3. Except as modified in this section, all of the provisions of sections 32.085 and 32.087, RSMo, shall apply to the tax imposed pursuant to this section.**

67.1959. 1. The board, by a majority vote, may submit to the residents of such district a tax of not more than one percent on all retail sales, except sales of new or used motor vehicles, trailers, boats, or other outboard motors [and sales of funeral services], made within the district which are subject to taxation pursuant to the provisions of sections 144.010 to 144.525, RSMo. Upon the written request of the board to the election authority of the county in which a majority of the area of the district is situated, such election authority shall submit a proposition to the residents of such district at a municipal or statewide primary or general election, or at a special election called for that purpose. Such election authority shall give legal notice as provided in chapter 115, RSMo.

2. Such proposition shall be submitted to the voters of the district in substantially the following form at such election:

Shall the Tourism Community Enhancement District impose a sales tax of ..... (insert amount) for the purpose of promoting tourism and community enhancements in the (name of county, city, town or village that includes a majority of the area within the proposed district) ..... Tourism Community Enhancement District?

G Yes

G No

If you are in favor of the question, place an "X" in the box opposite "Yes". If you are opposed to the question, place an "X" in the box opposite "No".

If a majority of the votes cast on the proposal by the qualified voters of the proposed

district voting thereon are in favor of the proposal, then the order shall become effective on the first day of the second calendar quarter after the director of revenue receives notice of adoption of the tax. If the proposal receives less than the required majority, then the board shall have no power to impose the sales tax authorized pursuant to this section unless and until the board shall again have submitted another proposal to authorize the board to impose the sales tax authorized by this section and such proposal is approved by the required majority of the qualified voters of the district.

94.580. 1. The governing body of any constitutional charter city with a population of over four hundred thousand and located in four or more counties is hereby authorized to impose, by ordinance, a sales tax on all retail sales which are subject to taxation under the provisions of sections 144.010 to 144.525, RSMo, for the purpose of providing funds for flood relief projects in that city. The tax authorized by this section shall be authorized only to the extent a city may seek authority from its voters under section 94.577 to impose a capital improvements sales tax. The sum of sales taxes imposed by a city under the authority of section 94.577 and this section shall not exceed one-half of one percent. The ordinance shall become effective after the governing body of the city submits to the voters of that city a proposal to authorize the tax. Notwithstanding the provisions of chapter 115, RSMo, to the contrary, all required notice shall be provided to all entities specified in sections 115.125 and 115.127, RSMo, within one business day of adoption of the ordinance calling an election as a result of a flooding emergency, and the provisions of section 115.123, RSMo, shall not apply. However, election authorities shall provide notice one time as soon as feasible after receiving notice from the city calling the election consistent with the publication requirements of chapter 115, RSMo.

2. The ballot of submission shall contain, but need not be limited to, the following language:

Shall the city of .....(name of city) impose a sales tax of .....(insert amount) for ..... (insert term) for the purpose of funding flood relief projects?

G YES

G NO

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

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the ordinance shall be in effect, beginning the first day of the second calendar quarter [following its adoption] **after the director**



**receives notification of adoption of the local sales tax.** If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the governing body of the city shall have no power to impose the sales tax authorized in this section unless and until the governing body of the city shall again have submitted another such proposal and the proposal is approved by the requisite majority of the qualified voters voting thereon. Any subsequent election shall not be excused from the requirements of chapter 115, RSMo.

3. After the effective date of any tax imposed under the provisions of this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax in the same manner as provided in sections 94.500 to 94.550, and the director of revenue shall collect in addition to the sales tax for the state of Missouri the additional tax authorized under the authority of this section. The tax imposed pursuant to this section and the tax imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue. If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the tax shall go into effect on the first day of the [next] **second** calendar quarter beginning after [its adoption and notice to] the director of revenue[, but no sooner than thirty days after such adoption and notice] **receives notice of adoption of the local sales tax.** Except as modified in this section, all provisions of sections 32.085 and 32.087, RSMo, shall apply to the tax imposed under this section.

4. The sales tax may be approved at a rate of one-eighth of one percent, one-fourth of one percent, three-eighths of one percent or one-half of one percent, but in no event shall the sum of the tax imposed by this section and section 94.577, in one or more elections, exceed one-half of one percent of the receipts from the sale at retail of all tangible personal property and taxable services at retail within any city adopting such tax, if such property and services are subject to taxation by the state of Missouri under the provisions of sections 144.010 to 144.525, RSMo. Whether approved at one or more elections, the flood relief sales tax rate may not exceed the available taxing authority of the city.

5. All revenue generated from the tax authorized under the provisions of this section shall be deposited into the "Flood Relief Projects Fund", which is hereby created in the state treasury. The fund moneys shall be distributed to the city from which the revenue was generated for the sole purpose of funding flood relief projects. Once the tax authorized by this section is abolished or terminated by any

means, all funds remaining in the fund shall be used solely for that purpose.

6. Any sales tax imposed pursuant to this section shall expire no later than two years from the date of its inception.

94.605. 1. Any city as defined in section 94.600 may by a majority vote of its governing body impose a sales tax for transportation purposes enumerated in sections 94.600 to 94.655.

2. The sales tax may be imposed at a rate not to exceed one-half of one percent on the receipts from the sale at retail of all tangible personal property or taxable services at retail within any city adopting such tax, if such property and services are subject to taxation by the state of Missouri under the provisions of sections 144.010 to 144.525, RSMo.

[3. If the boundaries of a city in which such sales tax has been imposed shall thereafter be changed or altered, the city or county clerk shall forward to the director of revenue by United States registered mail or certified mail a certified copy of the ordinance adding or detaching territory from the city. The ordinance shall reflect the effective date thereof, and shall be accompanied by a map of the city clearly showing the territory added thereto or detached therefrom. Upon receipt of the ordinance and map, the tax imposed by sections 94.600 to 94.655 shall be effective in the added territory or abolished in the detached territory on the effective date of the change of the city boundary.]

94.660. 1. The governing body of any city not within a county and any county of the first classification having a charter form of government with a population of over nine hundred thousand inhabitants may propose, by ordinance or order, a transportation sales tax of up to one-half of one percent for submission to the voters of that city or county at an authorized election date selected by the governing body.

2. Any sales tax approved under this section shall be imposed on the receipts from the sale at retail of all tangible personal property or taxable services within the city or county adopting the tax, if such property and services are subject to taxation by the state of Missouri under sections 144.010 to 144.525, RSMo.

3. The ballot of submission shall contain, but need not be limited to, the following language:

Shall the county/city of.....(county's or city's name) impose a county/city-wide sales tax of.....percent for the purpose of providing a source of funds for public transportation purposes?

G YES

G NO

Except as provided in subsection 4 of this section, if a majority of the votes cast in that county or city not within a county on the proposal by the qualified voters voting thereon are in favor of the proposal, then the tax shall go into effect on the first day of the [next] **second** calendar quarter beginning after [its adoption and notice to] the director of revenue[, but no sooner than thirty days after such adoption and notice] **receives notice of adoption of the local sales tax**. If a majority of the votes cast in that county or city not within a county by the qualified voters voting are opposed to the proposal, then the additional sales tax shall not be imposed in that county or city not within a county unless and until the governing body of that county or city not within a county shall have submitted another proposal to authorize the local option transportation sales tax authorized in this section, and such proposal is approved by a majority of the qualified voters voting on it. In no event shall a proposal pursuant to this section be submitted to the voters sooner than twelve months from the date of the last proposal.

4. No tax shall go into effect under this section in any city not within a county or any county of the first classification having a charter form of government with a population over nine hundred thousand inhabitants unless and until both such city and such county approve the tax.

5. All sales taxes collected by the director of revenue under this section on behalf of any city or county, less one percent for cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds, shall be deposited with the state treasurer in a special trust fund, which is hereby created, to be known as the "County Public Transit Sales Tax Trust Fund". The sales taxes shall be collected as provided in section 32.087, RSMo. The moneys in the trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state. The director of revenue shall keep accurate records of the amount of money in the trust fund which was collected in each city or county approving a sales tax under this section, and the records shall be open to inspection by officers of the city or county and the public. Not later than the tenth day of each month the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the city or county which levied the tax, and such funds shall be deposited with the treasurer of each such city or county and all expenditures of funds arising from the county public transit sales tax trust fund shall be by an appropriation act to be enacted by the governing body of each such county or city not within a county.

6. The revenues derived from any transportation sales tax under this section

shall be used only for the planning, development, acquisition, construction, maintenance and operation of public transit facilities and systems other than highways.

7. The director of revenue may authorize the state treasurer to make refunds from the amount in the trust fund and credited to any city or county for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such cities or counties. If any city or county abolishes the tax, the city or county shall notify the director of revenue of the action at least ninety days prior to the effective date of the repeal and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such city or county, the director of revenue shall authorize the state treasurer to remit the balance in the account to the city or county and close the account of that city or county. The director of revenue shall notify each city or county of each instance of any amount refunded or any check redeemed from receipts due the city or county.

94.705. 1. Any city may by a majority vote of its governing body impose a sales tax for transportation purposes enumerated in sections 94.700 to 94.755, and issue bonds for transportation purposes which shall be retired by the revenues received from the sales tax authorized by this section. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law. No ordinance imposing a sales tax pursuant to the provisions of this section shall become effective unless the council or other governing body submits to the voters of the city, at a city or state general, primary, or special election, a proposal to authorize the council or other governing body of the city to impose such a sales tax and, if such tax is to be used to retire bonds authorized pursuant to this section, to authorize such bonds and their retirement by such tax; except that no vote shall be required in any city that imposed and collected such tax under sections 94.600 to 94.655, before January 5, 1984. The ballot of the submission shall contain, but is not limited to, the following language:

(1) If the proposal submitted involves only authorization to impose the tax authorized by this section, the following language:

Shall the city of ..... (city's name) impose a sales tax of .....  
(insert amount) for transportation purposes?

G Yes

G No

If you are in favor of the question, place an "X" in the box opposite "Yes". If you are opposed to the question, place an "X" in the box opposite "No";

(2) If the proposal submitted involves authorization to issue bonds and repay such bonds with revenues from the tax authorized by this section, the following language:

Shall the city of ..... (city's name) issue bonds in the amount of ..... (insert amount) for transportation purposes and impose a sales tax of ..... (insert amount) to repay such bonds?

G YES

G NO

If you are in favor of the question, place an "X" in the box opposite "Yes". If you are opposed to the question, place an "X" in the box opposite "No".

If a majority of the votes cast on the proposal, provided in subdivision (1) of this subsection, by the qualified voters voting thereon are in favor of the proposal, then the ordinance and any amendments thereto shall be in effect. If the four-sevenths majority of the votes, as required by the Missouri Constitution, article VI, section 26, cast on the proposal, provided in subdivision (2) of this subsection to issue bonds and impose a sales tax to retire such bonds, by the qualified voters voting thereon are in favor of the proposal, then the ordinance and any amendments thereto shall be in effect. If a majority of the votes cast on the proposal, as provided in subdivision (1) of this subsection, by the qualified voters voting thereon are opposed to the proposal, then the council or other governing body of the city shall have no power to impose the tax authorized in subdivision (1) of this subsection unless and until the council or other governing body of the city submits another proposal to authorize the council or other governing body of the city to impose the tax and such proposal is approved by a majority of the qualified voters voting thereon. If more than three-sevenths of the votes cast by the qualified voters voting thereon are opposed to the proposal, as provided in subdivision (2) of this subsection to issue bonds and impose a sales tax to retire such bonds, then the council or other governing body of the city shall have no power to issue any bonds or to impose the tax authorized in subdivision (2) of this subsection unless and until the council or other governing body of the city submits another proposal to authorize the council or other governing body of the city to issue such bonds or impose the tax to retire such bonds and such proposal is approved by four-sevenths of the qualified voters voting thereon.

2. No incorporated municipality located wholly or partially within any first class county operating under a charter form of government and having a population

of over nine hundred thousand inhabitants shall impose such a sales tax for that part of the city, town or village that is located within such first class county, in the event such a first class county imposes a sales tax under the provisions of sections 94.600 to 94.655.

3. The sales tax may be imposed at a rate not to exceed one-half of one percent on the receipts from the sale at retail of all tangible personal property or taxable services at retail within any city adopting such tax, if such property and services are subject to taxation by the state of Missouri under the provisions of sections 144.010 to 144.525, RSMo.

4. [If the boundaries of a city in which such sales tax has been imposed shall thereafter be changed or altered, the city clerk shall forward to the director of revenue by United States registered mail or certified mail a certified copy of the ordinance adding or detaching territory from the city. The ordinance shall reflect the effective date thereof, and shall be accompanied by a map of the city clearly showing the territory added thereto or detached therefrom. Upon receipt of the ordinance and map, the tax imposed by sections 94.700 to 94.755 shall be effective in the added territory or abolished in the detached territory on the effective date of the change of the city boundary.

5.] No tax imposed pursuant to this section for the purpose of retiring bonds issued pursuant to this section may be terminated until all of such bonds have been retired.

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 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) **"Delivery charges", charges by the seller of personal property or services for preparation and delivery to a location designated by the purchaser of personal property or services including, but not limited to, transportation, shipping, postage, handling, crating, and packing;**

(4) "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;

(5) **"Lease or rental", any transfer of possession or control of tangible personal property for a fixed or indeterminate term for consideration. A lease or rental may include future options to purchase or extend;**

(a) **Lease or rental does not include:**

a. **A transfer of possession or control of property under a security agreement or deferred payment plan that requires the transfer of title upon completion of the required payments;**

b. **A transfer or possession or control of property under an agreement that requires the transfer of title upon completion of required payments and payment of an option price does not exceed the greater of**

**one hundred dollars or one percent of the total required payments; or**

**c. Providing tangible personal property along with an operator for a fixed or indeterminate period of time. A condition of this exclusion is that the operator is necessary for the equipment to perform as designed. For the purpose of this subsection, an operator must do more than maintain, inspect, or set-up the tangible personal property.**

**(b) Lease or rental does include agreements covering motor vehicles and trailers where the amount of consideration may be increased or decreased by reference to the amount realized upon sale or disposition of the property as defined in 26 U.S.C. 7701(h)(1), as amended;**

**(c) This definition shall be used for sales and use tax purposes regardless if a transaction is characterized as a lease or rental under generally accepted accounting principles, the Internal Revenue Code, the Missouri Revised Statutes, or other provisions of federal, state or local law;**

**(d) This definition will be applied only prospectively from the date of adoption and will have no retroactive impact on existing leases or rentals;**

**[(4)] (6) "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)] (7) "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)] (8) "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;**

**(9) "Product which is intended to be sold ultimately for final use or consumption", 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;**

**(10) "Purchase price", applies to the measure subject to use tax and has the same meaning as sales price;**

[(7)] **(11)** "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)] **(12)** "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)] **(13)** "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)] **(14)** "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.], **any sale, lease, or rental for any purpose other than for resale, sublease, or subrent.** 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;

**(g) Purchases of tangible personal property made by duly licensed physicians, dentists, optometrists and veterinarians and used in the practice of their professions;**

**(15) "Sales price", applies to the measure subject to sales tax and means the total amount of consideration, including cash, credit, property, and services, for which personal property or services are sold, leased, or rented, valued in money, whether received in money or otherwise, without any deduction for the following:**

**(a) The seller's cost of the property sold;**

**(b) The cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller, and any other expense of the seller;**

**(c) Charges by the seller for any services necessary to complete the sale, other than delivery and installation charges;**

**(d) Delivery charges;**

**(e) Installation charges;**

**(f) The value of exempt personal property given to the purchaser where taxable and exempt personal property have been bundled together and sold by the seller as a single product or piece of merchandise; and**

**(g) Credit for any trade-in, as determined by state law.**

**"Sales price" shall not include:**

**a. Discounts, including cash, term, or coupons that are not reimbursed by a third party that are allowed by a seller and taken by a purchaser on a sale;**

**b. Interest, financing, and carrying charges from credit extended on the sale of personal property or services, if the amount is separately stated on the invoice, bill of sale or similar document given to the purchaser; and**

**c. Any taxes legally imposed directly on the consumer that are separately stated on the invoice, bill of sale or similar document given to the purchaser;**

[(11)] **(16)** "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;

**(17) "Tangible personal property", personal property that can be seen, weighed, measured, felt, or touched, or that is in any other manner perceptible to the senses. "Tangible personal property" includes electricity, water, gas, steam, and prewritten computer software;**

[(12) The noun] **(18)** "Tax" [means], **in noun form**, 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)] **(19)** "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".

144.014. 1. Notwithstanding other provisions of law to the contrary, beginning October 1, 1997, the tax levied and imposed pursuant to sections 144.010 to 144.525 and sections 144.600 to 144.746 on all retail sales of food shall be at the rate of one percent. The revenue derived from the one percent rate pursuant to this section shall be deposited by the state treasurer in the school district trust fund and shall be distributed as provided in section 144.701.

2. For the purposes of this section, the term "food" shall include only [those products and types of food for which food stamps may be redeemed pursuant to the provisions of the Federal Food Stamp Program as contained in 7 U.S.C. Section 2012, as that section now reads or as it may be amended hereafter, and shall include food dispensed by or through vending machines] **food and food ingredients; food sold through vending machines; and prepared food sold in an unheated state by weight or volume as a single item without eating utensils, food sold by a seller whose proper primary NAICS classification is manufacturing in sector 311 and bakery items, including bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, and tortillas. For purposes of this section, the term "food and food ingredients" means substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. "Food and food ingredients" does not include alcoholic beverages, tobacco, or dietary supplements. For purposes of this section, the term "food sold through vending machines" means food dispensed from a machine or other mechanical device that accepts payment. "Prepared food" means food sold**

**in a heated state or heated by the seller; two or more food ingredients mixed or combined by the seller for sale as a single item; or food sold with eating utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or straws. A plate does not include a container or packaging used to transport the food. "Prepared food" does not include food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the Food and Drug Administration in chapter 3, part 401.11 of its Food Code so as to prevent food borne illnesses. "Alcoholic beverages" means beverages that are suitable for human consumption and contain one-half of one percent or more of alcohol by volume. "Dietary supplement" means any product, other than tobacco, intended to supplement the diet that contains one or more of the following dietary ingredients: a vitamin; a mineral; an herb or other botanical; an amino acid; a dietary substance for use by humans to supplement the diet by increasing the total dietary intake; or a concentrate, metabolite, constituent, extract, or combination of any ingredient described above; and that is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form, or if not intended for ingestion in such a form, is not represented as a conventional food and is not represented for use as a sole item of a meal or of the diet; and that is required to be labeled as a dietary supplement, identifiable by the supplemental facts box found on the label and as required pursuant to 21 C.F.R. Section 101.36. "Tobacco" means cigarettes, cigars, chewing or pipe tobacco, or any other item that contains tobacco.** For the purpose of this section, except for vending machine sales, the term "food" shall not include food or drink sold by any establishment where the gross receipts derived from the sale of food prepared by such establishment for immediate consumption on or off the premises of the establishment constitutes more than eighty percent of the total gross receipts of that establishment, regardless of whether such prepared food is consumed on the premises of that establishment, including, but not limited to, sales of food by any restaurant, fast food restaurant, delicatessen, eating house, or cafe.

3. Any person required to collect and remit the sales or use tax on food pursuant to the provisions of this section shall be entitled to a refund from the general revenue fund equal to three percent of all state and local sales and use taxes collected by such person on or after October 1, 1997, and prior to September 30,

1998, and remitted by such person on or before the date when the same becomes due in accordance with the provisions of sections 144.080, 144.081, 144.090 and 144.655, on the retail sale of food as defined in this section. This refund shall be in addition to the amount allowed in section 144.140 and shall be made without interest. Such refund shall be made only if such person files a correctly completed claim for refund on or before September 30, 1999, accompanied by such information as the director may require. The director of revenue shall promulgate such rules and regulations pursuant to the provisions of section 144.270 as are necessary to facilitate efficient administration of the refund authorized in this section. For the purposes of this subsection, "local sales taxes" shall mean any tax levied, assessed, or payable pursuant to the provisions of the "local sales tax law" as defined in section 32.085, RSMo, "local use taxes" shall mean any tax levied, assessed, or payable pursuant to the provisions of sections 144.757 to 144.761, and "state sales and use taxes" shall mean any tax levied pursuant to the provisions of sections 144.010 to 144.525 and sections 144.600 to 144.746.

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:

(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, **prosthetic devices**, 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, **except grooming or hygiene products**, to individuals with disabilities. **For purposes of this section, "prosthetic device" means a replacement, corrective, or supportive device including repair and replacement parts for same worn on or in the body to: artificially replace a missing portion of the body; prevent or correct physical deformity or malfunction; or support a weak or deformed portion of the body. "Prosthetic device" does not include corrective eyeglasses or contact lenses. For purposes of this section, "drug" means a compound, substance or preparation, and any component of a compound, substance or preparation, other than food and food ingredients, dietary supplements, or alcoholic beverages: recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, and supplement to any of them; or intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease; or intended to affect the structure or any function of the body. For purposes of this section, "prescription" means an order, formula or recipe issued in any form of oral, written, electronic or other means of transmission by a duly licensed practitioner authorized by the laws of this state. For purposes of this section, "over-the-counter-drug" means a drug that contains a label that identifies the product as a drug as required by 21 C.F.R. Section 201.66. The over-the-counter-drug label includes: a drug facts panel; or a statement of the active ingredients with a list of those ingredients contained in the compound, substance or preparation. Over-the-counter-drug does not include grooming and hygiene products. "Grooming and hygiene products" are soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and sun tan lotions and screens, regardless of whether the items meet the definition of over-the-counter-drugs;**

(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.

144.100. 1. Every person making any taxable sales of property or service, except transactions provided for in sections 144.070 and 144.440, individually or by duly authorized officer or agent, shall make and file a written return with the director of revenue in such manner as he may prescribe.

2. The returns shall be on blanks designed and furnished by the director of the department of revenue and shall be filed at the times provided in sections 144.080 and 144.090. The returns shall show the amount of gross receipts from sales of taxable property and services by the person and the amount of tax due thereon by that person during and for the period covered by the return. With each return, the person shall remit to the director of revenue the full amount of the tax due.

3. In case of charge and time sales the gross receipts thereof shall be included as sales in the returns as and when payments are received by the person, without any deduction therefrom whatsoever.

4. If an error or omission is discovered in a return or a change be necessary to show the true facts, the error may be corrected, the omission supplied, or the change made in the return next filed with the director for the filing period immediately following the filing period in which the error was made or the omission occurred, as prescribed by law, except that no refund under this chapter shall be allowed for any amount of tax paid by a seller which is based upon charges incident to credit card discounts. Any other omission or error must be corrected by filing an amended return for the erroneously reported period if the amount of tax is less than that originally reported, or an additional return if the amount of tax is greater than that originally reported. An additional return shall be deemed filed on the date the envelope in which it is mailed is postmarked or the date it is received by the director, whichever is earlier. Any payment of tax, interest, penalty or additions to tax shall

be deemed filed on the date the envelope containing the payment is postmarked or the date the payment is received by the director, whichever is earlier. If a refund or credit results from the filing of an amended return, no refund or credit shall be allowed unless an application for refund or credit is properly completed and submitted to the director pursuant to section 144.190.

5. The amount of gross receipts from sales and the amount of tax due returned by the person, as well as all matters contained in the return, is subject to review and revision in the manner herein provided for the correction of the returns.

**6. The director of revenue may prescribe any seller to file and remit sales tax electronically.**

144.625. To secure the payment of the tax, interest and penalties, which may become due from a vendor as provided in sections 144.600 to 144.745, the director of revenue may, where necessary to secure the payment of the tax, interest, and penalties require [all vendors] a vendor to file a bond or a letter of credit in an amount to be determined by the director, under the same requirements as provided in section 144.087.

144.655. 1. Every vendor, on or before the last day of the month following each calendar quarterly period of three months, shall file with the director of revenue a return of all taxes collected for the preceding quarter in the form prescribed by the director of revenue, showing the total sales price of the tangible personal property sold by the vendor, the storage, use or consumption of which is subject to the tax levied by this law, and other information the director of revenue deems necessary. The return shall be accompanied by a remittance of the amount of the tax required to be collected by the vendor during the period covered by the return. Returns shall be signed by the vendor or the vendor's authorized agent. The director of revenue may promulgate rules or regulations changing the filing and payment requirements of vendors, but shall not require any vendor to file and pay more frequently than required in this section.

2. Where the aggregate amount of tax required to be collected by a vendor is in excess of two hundred and fifty dollars for either the first or second month of a calendar quarter, the vendor shall pay such aggregate amount for such months to the director of revenue by the twentieth day of the succeeding month. The amount so paid shall be allowed as a credit against the liability shown on the vendor's quarterly return required by this section.

3. Where the aggregate amount of tax required to be collected by a vendor is less than forty-five dollars in a calendar quarter, the director of revenue shall by



regulation permit the vendor to file a return for a calendar year. The return shall be filed and the taxes paid on or before January thirty-first of the succeeding year.

4. Except as provided in subsection 5 of this section, every person purchasing tangible personal property, the storage, use or consumption of which is subject to the tax levied by sections 144.600 to 144.748, who has not paid the tax due to a vendor registered in accordance with the provisions of section 144.650, shall file with the director of revenue a return for the preceding reporting period in the form and manner that the director of revenue prescribes, showing the total sales price of the tangible property purchased during the preceding reporting period and any other information that the director of revenue deems necessary for the proper administration of sections 144.600 to 144.748. The return shall be accompanied by a remittance of the amount of the tax required by sections 144.600 to 144.748 to be paid by the person. Returns shall be signed by the person liable for the tax or such person's duly authorized agent. For purposes of this subsection, the reporting period shall be determined by the director of revenue and may be a calendar quarter or a calendar year. Annual returns and payments required by the director pursuant to this subsection shall be due on or before April fifteenth of the year for the preceding calendar year and quarterly returns and payments shall be due on or before the last day of the month following each calendar period of three months. Upon the taxpayer's request, the director may allow the filing of such returns and payments on a monthly basis. If a taxpayer elects to file a monthly return and payment, such return and payment shall be due on or before the twentieth day of the succeeding month.

5. [Any person purchasing tangible personal property subject to the taxes imposed by sections 144.600 to 144.748 shall not be required to file a use tax return with the director of revenue if such purchases on which such taxes were not paid do not exceed in the aggregate two thousand dollars in any calendar year.

6. Nothing in subsection 5 of this section shall relieve a vendor of liability to collect the tax imposed pursuant to sections 144.600 to 144.748 on the total gross receipts of all sales of tangible personal property used, stored or consumed in this state and to remit all taxes collected to the director of revenue in accordance with the provisions of this section nor shall it relieve a purchaser from paying such taxes to a vendor registered in accordance with the provisions of section 144.650.] **Any out of state seller, not legally required to register for use tax in this state, but which chooses to collect and remit use tax pursuant to sections 144.600 to 144.761 shall file a return for a calendar year. The return shall be filed and**

**the taxes paid on or before January thirty-first of the succeeding year. In the event that any out-of-state seller, which is not legally required to register for use tax in this state, but chooses to collect and remit use tax pursuant to sections 144.600 to 144.761 has accumulated state and local use tax funds in the amount equal to one thousand dollars or more, that vendor shall file a return and remit the amount due for the month in which the accumulated state and local funds equal one thousand dollars.**

**6. The director of revenue may prescribe any seller to file and remit use tax electronically.**

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, [2008] **2005**.

238.235. 1. (1) Any transportation development district may by resolution impose a transportation development district sales tax on all retail sales made in such transportation development district which are subject to taxation pursuant to the provisions of sections 144.010 to 144.525, RSMo, except such transportation development district sales tax shall not apply to the sale or use of motor vehicles, trailers, boats or outboard motors [nor to all sales of electricity or electrical current, water and gas, natural or artificial, nor to sales of service to telephone subscribers, either local or long distance]. Such transportation development district sales tax may be imposed for any transportation development purpose designated by the transportation development district in its ballot of submission to its qualified voters, except that no resolution enacted pursuant to the authority granted by this section shall be effective unless the board of directors of the transportation development district submits to the qualified voters of the transportation development district a proposal to authorize the board of directors of the transportation development district to impose a tax pursuant to the provisions of this section.

(2) The ballot of submission shall contain, but need not be limited to, the following language:

Shall the transportation development district of ..... (transportation development district's name) impose a transportation development district-wide sales tax at the rate of ..... (insert amount) for a period of ..... (insert number) years from the date on which such tax is first imposed for the purpose of ..... (insert transportation development purpose)?

G YES

G NO

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

If a majority of the votes cast on the proposal by the qualified voters voting thereon

are in favor of the proposal, then the resolution and any amendments thereto shall be in effect. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the board of directors of the transportation development district shall have no power to impose the sales tax authorized by this section unless and until the board of directors of the transportation development district shall again have submitted another proposal to authorize it to impose the sales tax pursuant to the provisions of this section and such proposal is approved by a majority of the qualified voters voting thereon.

(3) [The sales tax authorized by this section shall become effective on the first day of the month following adoption of the tax by the qualified voters.

(4) In each transportation development district in which a sales tax has been imposed in the manner provided by this section, every retailer shall add the tax imposed by the transportation development district pursuant to this section to the retailer's sale price, and when so added such tax shall constitute a part of the price, shall be a debt of the purchaser to the retailer until paid, and shall be recoverable at law in the same manner as the purchase price.

(5) In order to permit sellers required to collect and report the sales tax authorized by this section to collect the amount required to be reported and remitted, but not to change the requirements of reporting or remitting tax or to serve as a levy of the tax, and in order to avoid fractions of pennies, the transportation development district may establish appropriate brackets which shall be used in the district imposing a tax pursuant to this section in lieu of those brackets provided in section 144.285, RSMo.

(6)] All revenue received by a transportation development district from the tax authorized by this section which has been designated for a certain transportation development purpose shall be deposited in a special trust fund and shall be used solely for such designated purpose. Upon the expiration of the period of years approved by the qualified voters pursuant to subdivision (2) of this subsection or if the tax authorized by this section is repealed pursuant to subsection 6 of this section, all funds remaining in the special trust fund shall continue to be used solely for such designated transportation development purpose. Any funds in such special trust fund which are not needed for current expenditures may be invested by the board of directors in accordance with applicable laws relating to the investment of other transportation development district funds.

[(7)] (4) The sales tax may be imposed in increments of one-eighth of one percent, up to a maximum of one percent on the receipts from the sale at retail of all

tangible personal property or taxable services at retail within the transportation development district adopting such tax, if such property and services are subject to taxation by the state of Missouri pursuant to the provisions of sections 144.010 to 144.525, RSMo, except such transportation development district sales tax shall not apply to the sale or use of motor vehicles, trailers, boats or outboard motors nor to public utilities. Any transportation development district sales tax imposed pursuant to this section shall be imposed at a rate that shall be uniform throughout the district.

2. The resolution imposing the sales tax pursuant to this section shall impose upon all sellers a tax for the privilege of engaging in the business of selling tangible personal property or rendering taxable services at retail to the extent and in the manner provided in sections 144.010 to 144.525, RSMo, and the rules and regulations of the director of revenue issued pursuant thereto; except that the rate of the tax shall be the rate imposed by the resolution as the sales tax and the tax shall be reported and returned to and collected by the transportation development district.

3. [On and after the effective date of any tax imposed pursuant to this section, the transportation development district shall perform all functions incident to the administration, collection, enforcement, and operation of the tax. The tax imposed pursuant to this section shall be collected and reported upon such forms and under such administrative rules and regulations as may be prescribed by the transportation development district.

4. (1) All applicable provisions contained in sections 144.010 to 144.525, RSMo, governing the state sales tax, sections 32.085 and 32.087, RSMo, and section 32.057, RSMo, the uniform confidentiality provision, shall apply to the collection of the tax imposed by this section, except as modified in this section.

(2) All exemptions granted to agencies of government, organizations, persons and to the sale of certain articles and items of tangible personal property and taxable services pursuant to the provisions of sections 144.010 to 144.525, RSMo, are hereby made applicable to the imposition and collection of the tax imposed by this section.

(3) The same sales tax permit, exemption certificate and retail certificate required by sections 144.010 to 144.525, RSMo, for the administration and collection of the state sales tax shall satisfy the requirements of this section, and no additional permit or exemption certificate or retail certificate shall be required; except that the transportation development district may prescribe a form of exemption certificate for an exemption from the tax imposed by this section.

(4) All discounts allowed the retailer pursuant to the provisions of the state sales tax laws for the collection of and for payment of taxes pursuant to such laws are hereby allowed and made applicable to any taxes collected pursuant to the provisions of this section.

(5) The penalties provided in section 32.057, RSMo, and sections 144.010 to 144.525, RSMo, for violation of those sections are hereby made applicable to violations of this section.

(6) For the purpose of a sales tax imposed by a resolution pursuant to this section, all retail sales except retail sales of motor vehicles shall be deemed to be consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or the retailer's agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. In the event a retailer has more than one place of business in this state which participates in the sale, the sale shall be deemed to be consummated at the place of business of the retailer where the initial order for the tangible personal property is taken, even though the order must be forwarded elsewhere for acceptance, approval of credit, shipment or billing. A sale by a retailer's employee shall be deemed to be consummated at the place of business from which the employee works.

5.] All sales taxes collected by the transportation development district shall be deposited by the transportation development district in a special fund to be expended for the purposes authorized in this section. The transportation development district shall keep accurate records of the amount of money which was collected pursuant to this section, and the records shall be open to the inspection of officers of each transportation development district and the general public.

[6.] 4. (1) No transportation development district imposing a sales tax pursuant to this section may repeal or amend such sales tax unless such repeal or amendment will not impair the district's ability to repay any liabilities which it has incurred, money which it has borrowed or revenue bonds, notes or other obligations which it has issued or which have been issued by the commission or any local transportation authority to finance any project or projects.

(2) Whenever the board of directors of any transportation development district in which a transportation development sales tax has been imposed in the manner provided by this section receives a petition, signed by ten percent of the qualified voters calling for an election to repeal such transportation development sales tax, the board of directors shall, if such repeal will not impair the district's ability to repay any liabilities which it has incurred, money which it has borrowed or revenue

bonds, notes or other obligations which it has issued or which have been issued by the commission or any local transportation authority to finance any project or projects, submit to the qualified voters of such transportation development district a proposal to repeal the transportation development sales tax imposed pursuant to the provisions of this section. If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal to repeal the transportation development sales tax, then the resolution imposing the transportation development sales tax, along with any amendments thereto, is repealed. If a majority of the votes cast by the qualified voters voting thereon are opposed to the proposal to repeal the transportation development sales tax, then the ordinance or resolution imposing the transportation development sales tax, along with any amendments thereto, shall remain in effect.

**5. All transportation development district sales taxes collected by the director of revenue under section 238.235 on behalf of any transportation development district, less one percent for cost of collection, which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087, RSMo, shall be deposited with the state treasurer in a transportation development district sales tax trust fund. The moneys in such transportation development sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state. The director of revenue shall keep accurate records of the amount of moneys in the trust fund which was collected in each transportation development district imposing a transportation development district sales tax, and the records shall be open to the inspection of officers of the district and to the public. Not later than the tenth day of each month the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month by distributing to the district treasurer, or such other officer as may be designated by the transportation development district ordinance or order, of each district imposing the tax authorized by section 238.235, the sum due the district as certified by the director of revenue.**

**6. The director of the department of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any transportation development district for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such counties. If any county abolishes the tax,**

**the transportation development district shall notify the director of the department of revenue of the action at least ninety days prior to the effective date of the repeal, and the director of the department of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such transportation development district, the director of the department of revenue shall authorize the state treasurer to remit the balance in the account to the transportation development district and close the account of that county. The director of the department of revenue shall notify each transportation development district of each instance of any amount refunded or any check redeemed from receipts due the district.**

**7. Except as modified in sections 238.235, all provisions of sections 32.085 and 32.087, RSMo, shall apply to the tax imposed under section 238.235.**

238.410. 1. Any county transit authority established pursuant to section 238.400 may impose a sales tax of up to one percent on all retail sales made in such county which are subject to taxation under the provisions of sections 144.010 to 144.525, RSMo. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law, except that no sales tax imposed under the provisions of this section shall be effective unless the governing body of the county, on behalf of the transit authority, submits to the voters of the county, at a county or state general, primary or special election, a proposal to authorize the transit authority to impose a tax.

2. The ballot of submission shall contain, but need not be limited to, the following language:

Shall the .....Transit Authority impose a countywide sales tax of .....(insert amount) in order to provide revenues for the operation of transportation facilities operated by the transit authority?

G Yes

G No

If you are in favor of the question, place an "X" in the box opposite "Yes". If you are opposed to the question, place an "X" in the box opposite "No".

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the tax shall become effective on the first day of



the second calendar quarter following notification to the department of revenue of adoption of the tax. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the transit authority shall have no power to impose the sales tax authorized by this section unless and until another proposal to authorize the transit authority to impose the sales tax authorized by this section has been submitted and such proposal is approved by a majority of the qualified voters voting thereon

3. All revenue received by the transit authority from the tax authorized under the provisions of this section shall be deposited in a special trust fund and shall be used solely by the transit authority for construction, purchase, lease, maintenance and operation of transportation facilities located within the county for so long as the tax shall remain in effect. Any funds in such special trust fund which are not needed for current expenditures may be invested by the transit authority in accordance with applicable laws relating to the investment of county funds.

4. No transit authority imposing a sales tax pursuant to this section may repeal or amend such sales tax unless such repeal or amendment is submitted to and approved by the voters of the county in the same manner as provided in subsection 1 of this section for approval of such tax. Whenever the governing body of any county in which a sales tax has been imposed in the manner provided by this section receives a petition, signed by ten percent of the registered voters of such county voting in the last gubernatorial election, calling for an election to repeal such sales tax, the governing body shall submit to the voters of such county a proposal to repeal the sales tax imposed under the provisions of this section. If a majority of the votes cast on the proposal by the registered voters voting thereon are in favor of the proposal to repeal the sales tax, then such sales tax is repealed. If a majority of the votes cast by the registered voters voting thereon are opposed to the proposal to repeal the sales tax, then such sales tax shall remain in effect.

5. The sales tax imposed under the provisions of this section shall impose upon all sellers a tax for the privilege of engaging in the business of selling tangible personal property or rendering taxable services at retail to the extent and in the manner provided in sections 144.010 to 144.525, RSMo, and the rules and regulations of the director of revenue issued pursuant thereto; except that the rate of the tax shall be the rate approved pursuant to this section. The amount reported and returned to the director of revenue by the seller shall be computed on the basis of the combined rate of the tax imposed by sections 144.010 to 144.525, RSMo, and the tax imposed by this section, plus any amounts imposed under other provisions of

law.

6. After the effective date of any tax imposed under the provisions of this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax, and the director of revenue shall collect in addition to the sales tax for the state of Missouri the additional tax authorized under the authority of this section. The tax imposed under this section and the tax imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue. In order to permit sellers required to collect and report the sales tax to collect the amount required to be reported and remitted, but not to change the requirements of reporting or remitting tax or to serve as a levy of the tax, and in order to avoid fractions of pennies, the applicable provisions of section 144.285, RSMo, shall apply to all taxable transactions.

7. All applicable provisions contained in sections 144.010 to 144.525, RSMo, governing the state sales tax and section 32.057, RSMo, the uniform confidentiality provision, shall apply to the collection of the tax imposed by this section, except as modified in this section. All exemptions granted to agencies of government, organizations, persons and to the sale of certain articles and items of tangible personal property and taxable services under the provisions of sections 144.010 to 144.525, RSMo, are hereby made applicable to the imposition and collection of the tax imposed by this section. The same sales tax permit, exemption certificate and retail certificate required by sections 144.010 to 144.525, RSMo, for the administration and collection of the state sales tax shall satisfy the requirements of this section, and no additional permit or exemption certificate or retail certificate shall be required; except that the director of revenue may prescribe a form of exemption certificate for an exemption from the tax imposed by this section. All discounts allowed the retailer under the provisions of the state sales tax law for the collection of and for payment of taxes under chapter 144, RSMo, are hereby allowed and made applicable to any taxes collected under the provisions of this section. The penalties provided in section 32.057, RSMo, and sections 144.010 to 144.525, RSMo, for a violation of those sections are hereby made applicable to violations of this section.

8. [For the purposes of a sales tax imposed pursuant to this section, all retail sales shall be deemed to be consummated at the place of business of the retailer, except for tangible personal property sold which is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an

out-of-state destination and except for the sale of motor vehicles, trailers, boats and outboard motors, which is provided for in subsection 12 of this section. In the event a retailer has more than one place of business in this state which participates in the sale, the sale shall be deemed to be consummated at the place of business of the retailer where the initial order for the tangible personal property is taken, even though the order must be forwarded elsewhere for acceptance, approval of credit, shipment or billing. A sale by a retailer's employee shall be deemed to be consummated at the place of business from which he works.

9.] All sales taxes collected by the director of revenue under this section on behalf of any transit authority, less one percent for cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in this section, shall be deposited in the state treasury in a special trust fund, which is hereby created, to be known as the "County Transit Authority Sales Tax Trust Fund". The moneys in the county transit authority sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state. The director of revenue shall keep accurate records of the amount of money in the trust fund which was collected in each transit authority imposing a sales tax under this section, and the records shall be open to the inspection of officers of the county and the public. Not later than the tenth day of each month the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the transit authority which levied the tax.

[10.] 9. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any transit authority for erroneous payments and overpayments made, and may authorize the state treasurer to redeem dishonored checks and drafts deposited to the credit of such transit authorities. If any transit authority abolishes the tax, the transit authority shall notify the director of revenue of the action at least ninety days prior to the effective date of the repeal and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such transit authority, the director of revenue shall authorize the state treasurer to remit the balance in the account to the transit authority and close the account of that transit authority. The director of revenue shall notify each transit authority of each instance of any amount refunded or any check redeemed from receipts due the transit authority. The director of

revenue shall annually report on his management of the trust fund and administration of the sales taxes authorized by this section. He shall provide each transit authority imposing the tax authorized by this section with a detailed accounting of the source of all funds received by him for the transit authority.

**[11.] 10.** The director of revenue and any of his deputies, assistants and employees, who shall have any duties or responsibilities in connection with the collection, deposit, transfer, transmittal, disbursement, safekeeping, accounting, or recording of funds which come into the hands of the director of revenue under the provisions of this section shall enter a surety bond or bonds payable to any and all transit authorities in whose behalf such funds have been collected under this section in the amount of one hundred thousand dollars; but the director of revenue may enter into a blanket bond or bonds covering himself and all such deputies, assistants and employees. The cost of the premium or premiums for the surety bond or bonds shall be paid by the director of revenue from the share of the collection retained by the director of revenue for the benefit of the state.

**[12.] 11.** Sales taxes imposed pursuant to this section and use taxes on the purchase and sale of motor vehicles, trailers, boats, and outboard motors shall not be collected and remitted by the seller, but shall be collected by the director of revenue at the time application is made for a certificate of title, if the address of the applicant is within a county where a sales tax is imposed under this section. The amounts so collected, less the one percent collection cost, shall be deposited in the county transit authority sales tax trust fund. The purchase or sale of motor vehicles, trailers, boats, and outboard motors shall be deemed to be consummated at the address of the applicant. As used in this subsection, the term "boat" shall only include motorboats and vessels as the terms "motorboat" and "vessel" are defined in section 306.010, RSMo.

**[13.] 12.** In any county where the transit authority sales tax has been imposed, if any person is delinquent in the payment of the amount required to be paid by him under this section or in the event a determination has been made against him for taxes and penalty under this section, the limitation for bringing suit for the collection of the delinquent tax and penalty shall be the same as that provided in sections 144.010 to 144.525, RSMo. Where the director of revenue has determined that suit must be filed against any person for the collection of delinquent taxes due the state under the state sales tax law, and where such person is also delinquent in payment of taxes under this section, the director of revenue shall notify the transit authority to which delinquent taxes are due under this section by United

States registered mail or certified mail at least ten days before turning the case over to the attorney general. The transit authority, acting through its attorney, may join in such suit as a party plaintiff to seek a judgment for the delinquent taxes and penalty due such transit authority. In the event any person fails or refuses to pay the amount of any sales tax due under this section, the director of revenue shall promptly notify the transit authority to which the tax would be due so that appropriate action may be taken by the transit authority.

[14.] **13.** Where property is seized by the director of revenue under the provisions of any law authorizing seizure of the property of a taxpayer who is delinquent in payment of the tax imposed by the state sales tax law, and where such taxpayer is also delinquent in payment of any tax imposed by this section, the director of revenue shall permit the transit authority to join in any sale of property to pay the delinquent taxes and penalties due the state and to the transit authority under this section. The proceeds from such sale shall first be applied to all sums due the state, and the remainder, if any, shall be applied to all sums due such transit authority under this section.

[15. The transit authority created under the provisions of sections 238.400 to 238.412 shall notify any and all affected businesses of the change in tax rate caused by the imposition of the tax authorized by sections 238.400 to 238.412.]

**14. Except as modified in sections 238.400 to 238.412, all provisions of sections 32.087, RSMo, shall apply to the tax imposed pursuant to sections 238.410 to 238.412.**

[144.046. 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.]

[144.517. 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.】

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