

SECOND REGULAR SESSION

# SENATE BILL NO. 887

92ND GENERAL ASSEMBLY

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INTRODUCED BY SENATOR GOODE.

Pre-filed December 1, 2003, and ordered printed.

TERRY L. SPIELER, Secretary.

2643S.01I

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## AN ACT

To repeal section 144.025, RSMo, and to enact in lieu thereof one new section relating to sales and use taxes.

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

Section A. Section 144.025, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.025, to read as follows:

144.025. 1. Notwithstanding any other provisions of law to the contrary, in any retail sale other than retail sales governed by subsections 4 and 5 of this section, where any article on which sales or use tax has been paid, credited, or otherwise satisfied or which was exempted or excluded from sales or use tax is taken in trade as a credit or part payment on the purchase price of the article being sold, the tax imposed by sections 144.020 and 144.440 shall be computed only on that portion of the purchase price which exceeds the actual allowance made for the article traded in or exchanged, if there is a bill of sale or other record showing the actual allowance made for the article traded in or exchanged. Where the article being traded in for credit or part payment is a motor vehicle, trailer, boat, or outboard motor the person trading in the article must be the owner or holder of a properly assigned certificate of ownership. **For the purpose of determining sales or use tax liability from a sale of a motor vehicle, trailer, boat, or outboard motor, no deduction shall be allowed from the purchase price of the motor vehicle, trailer, boat, or outboard motor for the actual allowance of any article other than a motor vehicle, trailer, boat, or outboard motor traded or exchanged as a credit or partial payment for such item.** Where the purchaser of a motor vehicle, trailer, boat, or outboard motor receives a rebate from the seller or manufacturer, the tax imposed by sections 144.020 and 144.440

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

shall be computed only on that portion of the purchase price which exceeds the amount of the rebate, if there is a bill of sale or other record showing the actual rebate given by the seller or manufacturer. Where the trade-in or exchange allowance plus any applicable rebate exceeds the purchase price of the purchased article there shall be no sales or use tax owed. This section shall also apply to motor vehicles, trailers, boats, and outboard motors sold by the owner or holder of the properly assigned certificate of ownership if the seller purchases or contracts to purchase a subsequent motor vehicle, trailer, boat, or outboard motor within one hundred eighty days before or after the date of the sale of the original article and a notarized bill of sale showing the paid sale price is presented to the department of revenue at the time of licensing. A copy of the bill of sale shall be left with the licensing office. Where the subsequent motor vehicle, trailer, boat, or outboard motor is titled more than one hundred eighty days after the sale of the original motor vehicle, trailer, boat, or outboard motor, the allowance pursuant to this section shall be made if the person titling such article establishes that the purchase or contract to purchase was finalized prior to the expiration of the one hundred eighty-day period.

2. As used in this section, the term "boat" includes all motorboats and vessels, as the terms "motorboat" and "vessel" are defined in section 306.010, RSMo.

3. As used in this section, the term "motor vehicle" includes motor vehicles as defined in section 301.010, RSMo, recreational vehicles as defined in section 700.010, RSMo, or a combination of a truck as defined in section 301.010, RSMo, and a trailer as defined in section 301.010, RSMo.

4. The provisions of subsection 1 of this section shall not apply to retail sales of manufactured homes in which the purchaser receives a document known as the "Manufacturer's Statement of Origin" for purposes of obtaining a title to the manufactured home from the department of revenue of this state or from the appropriate agency or officer of any other state.

[5. Any purchaser of a motor vehicle or trailer used for agricultural use by the purchaser shall be allowed to use as an allowance to offset the sales and use tax liability towards the purchase of the motor vehicle or trailer any grain or livestock produced or raised by the purchaser. The director of revenue may prescribe forms for compliance with this subsection.]