

FIRST REGULAR SESSION

# SENATE BILL NO. 49

95TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCOTT.

Pre-filed December 1, 2008, and ordered printed.

TERRY L. SPIELER, Secretary.

0260S.011

## AN ACT

To repeal sections 144.025 and 144.027, RSMo, and to enact in lieu thereof two new sections relating to sales tax for trade-in or exchange transactions.

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

Section A. Sections 144.025 and 144.027, RSMo, are repealed and two new  
2 sections enacted in lieu thereof, to be known as sections 144.025 and 144.027, to  
3 read as follows:

144.025. 1. Notwithstanding any other provisions of law to the contrary,  
2 in any retail sale other than retail sales governed by subsections 4 and 5 of this  
3 section, where any article on which sales or use tax has been paid, credited, or  
4 otherwise satisfied or which was exempted or excluded from sales or use tax is  
5 taken in trade as a credit or part payment on the purchase price of the article  
6 being sold, the tax imposed by sections 144.020 and 144.440 shall be computed  
7 only on that portion of the purchase price which exceeds the actual allowance  
8 made for the article traded in or exchanged, if there is a bill of sale or other  
9 record showing the actual allowance made for the article traded in or  
10 exchanged. Where the purchaser of a motor vehicle, trailer, boat or outboard  
11 motor, **hereinafter referred to as "unit"**, receives a rebate from the seller or  
12 manufacturer, the tax imposed by sections 144.020 and 144.440 shall be computed  
13 only on that portion of the purchase price which exceeds the amount of the  
14 rebate, if there is a bill of sale or other record showing the actual rebate given by  
15 the seller or manufacturer. Where the trade-in or exchange allowance plus any  
16 applicable rebate exceeds the purchase price of the purchased [article] **unit** there  
17 shall be no sales or use tax owed **and such excess trade-in or exchange**  
18 **allowance may be applied to any subsequent purchases of units made**

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

19 **within one hundred eighty days of the trade-in.** This section shall also  
20 apply to [motor vehicles, trailers, boats, and outboard motors] **units** sold by the  
21 owner or holder of the properly assigned certificate **or certificates** of ownership  
22 if the seller purchases or contracts to purchase [a] subsequent [motor vehicle,  
23 trailer, boat, or outboard motor] **units** within one hundred eighty days before or  
24 after the date of the sale of the original [article] **units** and [a bill] **bills** of sale  
25 showing the paid sale price is presented to the department of revenue [at the  
26 time of licensing. A copy of the bill of sale shall be left with the licensing office.]  
27 **If the sale price of the original unit exceeds the purchase price of**  
28 **subsequent units, such excess may only be applied to any subsequent**  
29 **units purchased within one hundred eighty days of the sale of the**  
30 **original unit.** Where the subsequent motor vehicle, trailer, boat, or outboard  
31 motor is titled more than one hundred eighty days after the sale of the original  
32 motor vehicle, trailer, boat, or outboard motor, the allowance pursuant to this  
33 section shall be made if the person titling such article establishes that the  
34 purchase or contract to purchase was finalized prior to the expiration of the one  
35 hundred eighty-day period.

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

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

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

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

144.027. 1. When a motor vehicle, trailer, boat or outboard motor,  
2 **hereinafter referred to as "unit",** for which all sales or use tax has been paid

3 is replaced due to theft or a casualty loss in excess of the value of the unit, the  
4 director shall permit the amount of the insurance proceeds plus any owner's  
5 deductible obligation, as certified by the insurance company, to be a credit  
6 against the purchase price of [another motor vehicle, trailer, boat or outboard  
7 motor which is] **subsequent units which are** purchased or [is] contracted to  
8 purchase within one hundred eighty days of the date of payment by the insurance  
9 company as a replacement motor vehicle, trailer, boat or outboard motor. **Where**  
10 **the credit exceeds the purchase price of subsequent units, there shall**  
11 **be no sales or use tax owed and such excess credit may be applied to**  
12 **any subsequent units purchased within one hundred eighty days of the**  
13 **date of payment by the insurance company as a replacement motor**  
14 **vehicle, trailer, boat, or outboard motor.** As used in this section, the term  
15 "boat" includes all motorboats and vessels, as the terms "motorboat" and "vessel"  
16 are defined in section 306.010, RSMo.

17 2. If the owner of a motor vehicle, trailer, boat or outboard motor as  
18 described in subsection 1 of this section does not have insurance coverage for the  
19 motor vehicle, trailer, boat or outboard motor, the director shall permit the fair  
20 market value of the motor vehicle, trailer, boat or outboard motor as determined  
21 by the Kelly Blue Book, NADA Used Car Guide, Abos Blue Book or the average  
22 of two appraisals from licensed motor vehicle or boat dealers to be a credit  
23 against the purchase price of [a replacement motor vehicle, trailer, boat or  
24 outboard motor which is] **subsequent units** purchased or [is] contracted to  
25 purchase within one hundred eighty days of the date of such loss as certified by  
26 a law enforcement agency or such other evidence as the director may require as  
27 proof of the date of loss of the motor vehicle, trailer, boat or outboard  
28 motor. **Where the credit exceeds the purchase price of subsequent units,**  
29 **there shall be no sales or use tax owed and such excess credit may be**  
30 **applied to any subsequent units purchased within one hundred eighty**  
31 **days of the date of such loss as certified by a law enforcement agency**  
32 **or such other evidence as the director may require as proof of the date**  
33 **of loss of the motor vehicle, trailer, boat, or outboard motor.**

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