

FIRST REGULAR SESSION

# SENATE BILL NO. 383

96TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR RICHARD.

Read 1st time February 28, 2011, and ordered printed.

TERRY L. SPIELER, Secretary.

1854S.011

## AN ACT

To repeal section 144.054, RSMo, and to enact in lieu thereof one new section relating to sales and use tax exemptions for manufacturing.

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

Section A. Section 144.054, RSMo, is repealed and one new section  
2 enacted in lieu thereof, to be known as section 144.054, to read as follows:

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

2 (1) **"Manufacturing, processing, compounding, mining, or**  
3 **producing", includes testing, installing, calibrating, maintaining,**  
4 **repairing, restoring, and all other activities essential to manufacturing,**  
5 **processing, compounding, mining, or producing;**

6 (2) "Processing", any mode of treatment, act, or series of acts performed  
7 upon materials to transform or reduce them to a different state or thing,  
8 including treatment necessary to maintain or preserve such processing by the  
9 producer at the production facility;

10 [(2)] (3) "Recovered materials", those materials which have been diverted  
11 or removed from the solid waste stream for sale, use, reuse, or recycling, whether  
12 or not they require subsequent separation and processing.

13 2. In addition to all other exemptions granted under this chapter, there  
14 is hereby specifically exempted from the provisions of sections 144.010 to 144.525  
15 and 144.600 to 144.761, and from the computation of the tax levied, assessed, or  
16 payable under sections 144.010 to 144.525 and 144.600 to 144.761, electrical  
17 energy and gas, whether natural, artificial, or propane, water, coal, and energy  
18 sources, chemicals, machinery, equipment, and materials used or consumed in the  
19 manufacturing, processing, compounding, mining, or producing of any product, or

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

20 used or consumed in the processing of recovered materials, or used in research  
21 and development related to manufacturing, processing, compounding, mining, or  
22 producing any product. The exemptions granted in this subsection shall not  
23 apply to local sales taxes as defined in section 32.085 and the provisions of this  
24 subsection shall be in addition to any state and local sales tax exemption  
25 provided in section 144.030.

26         3. In addition to all other exemptions granted under this chapter, there  
27 is hereby specifically exempted from the provisions of sections 144.010 to 144.525  
28 and 144.600 to 144.761, and section 238.235, and the local sales tax law as  
29 defined in section 32.085, and from the computation of the tax levied, assessed,  
30 or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and section  
31 238.235, and the local sales tax law as defined in section 32.085, all utilities,  
32 machinery, and equipment used or consumed directly in television or radio  
33 broadcasting and all sales and purchases of tangible personal property, utilities,  
34 services, or any other transaction that would otherwise be subject to the state or  
35 local sales or use tax when such sales are made to or purchases are made by a  
36 contractor for use in fulfillment of any obligation under a defense contract with  
37 the United States government, and all sales and leases of tangible personal  
38 property by any county, city, incorporated town, or village, provided such sale or  
39 lease is authorized under chapter 100, and such transaction is certified for sales  
40 tax exemption by the department of economic development, and tangible personal  
41 property used for railroad infrastructure brought into this state for processing,  
42 fabrication, or other modification for use outside the state in the regular course  
43 of business.

44         4. In addition to all other exemptions granted under this chapter, there  
45 is hereby specifically exempted from the provisions of sections 144.010 to 144.525  
46 and 144.600 to 144.761, and section 238.235, and the local sales tax law as  
47 defined in section 32.085, and from the computation of the tax levied, assessed,  
48 or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and section  
49 238.235, and the local sales tax law as defined in section 32.085, all sales and  
50 purchases of tangible personal property, utilities, services, or any other  
51 transaction that would otherwise be subject to the state or local sales or use tax  
52 when such sales are made to or purchases are made by a private partner for use  
53 in completing a project under sections 227.600 to 227.669.

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