

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 693
97TH GENERAL ASSEMBLY

5185H.02C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 67.281, 99.845, 137.100, 143.451, and 144.030, RSMo, and to enact in lieu thereof ten new sections relating to taxation.

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

Section A. Sections 67.281, 99.845, 137.100, 143.451, and 144.030, RSMo, are repealed
2 and ten new sections enacted in lieu thereof, to be known as sections 67.281, 67.585, 67.1367,
3 99.845, 135.980, 137.100, 143.451, 144.030, 144.1030, and 407.1610, to read as follows:

67.281. 1. A builder of one- or two-family dwellings or townhouses shall offer to any
2 purchaser on or before the time of entering into the purchase contract the option, at the
3 purchaser's cost, to install or equip fire sprinklers in the dwelling or townhouse. Notwithstanding
4 any other provision of law to the contrary, no purchaser of such a one- or two-family dwelling
5 or townhouse shall be denied the right to choose or decline to install a fire sprinkler system in
6 such dwelling or townhouse being purchased by any code, ordinance, rule, regulation, order, or
7 resolution by any county or other political subdivision. Any county or other political subdivision
8 shall provide in any such code, ordinance, rule, regulation, order, or resolution the mandatory
9 option for purchasers to have the right to choose and the requirement that builders offer to
10 purchasers the option to purchase fire sprinklers in connection with the purchase of any one- or
11 two-family dwelling or townhouse. [The provisions of this section shall expire on December 31,
12 2019.]

13 2. Any governing body of any political subdivision that adopts the 2009 International
14 Residential Code for One- and Two-Family Dwellings or a subsequent edition of such code
15 without mandated automatic fire sprinkler systems in Section R313 of such code shall retain the
16 language in section R317 of the 2006 International Residential Code for two-family dwellings
17 (R317.1) and townhouses (R317.2).

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

2 **67.585. 1. The governing body of any county of the first classification with more**
3 **than two hundred thousand but fewer than two hundred sixty thousand inhabitants,**
4 **through the creation of a recreational and community center district which shall include**
5 **only the area encompassed by the portion of a school district located within that county**
6 **having an average daily attendance for the 2012-2013 school year between eleven thousand**
7 **and twelve thousand students and any public park located wholly or partially within that**
8 **portion of the school district, upon voter approval as outlined in subsections 2 and 3 of this**
9 **section, shall impose, by order or ordinance, a sales tax on all retail sales made within the**
10 **recreational and community center district which are subject to sales tax under chapter**
11 **144. The tax authorized in this section shall not exceed one half of one percent and shall**
12 **be imposed for the purpose of funding the construction, maintenance, and operation of and**
13 **the purchase of equipment for community centers and other purposes of recreation and**
14 **wellness as determined by the board which is established in subsection 8 of this section.**
15 **The tax authorized in this section shall be in addition to all other sales taxes imposed by**
16 **law and shall be stated separately from all other charges and taxes.**

17 **2. (1) No such order or ordinance adopted under subsection 1 of this section shall**
18 **become effective unless the governing body of the county submits to the voters residing**
19 **within the recreational and community center district on any date available for elections**
20 **in the county, a proposal to authorize the governing body of the county to impose a tax**
21 **under this section; or**

22 **(2) If the governing body of the county receives a petition signed by ten percent of**
23 **the registered voters of the county within the recreational and community center district**
24 **who voted in the last gubernatorial election calling for an election to impose a tax under**
25 **this section, the governing body shall submit to the voters of the county within the**
26 **recreational and community center district on any date available for elections in the**
27 **county, a proposal to authorize the governing body of the county to impose a tax under this**
28 **section; or**

29 **(3) If the governing body of a special charter city with more than twenty-nine**
30 **thousand but fewer than thirty-two thousand inhabitants, and a governing body of a home**
31 **rule city with more than four hundred thousand inhabitants and located in more than one**
32 **county, jointly request, the governing body of the county shall submit to the voters of the**
33 **county within the recreational and community center district on any date available for**
34 **elections in the county, a proposal to authorize the governing body of the county to impose**
35 **a tax under this section.**

36 All costs associated with placing such a question to the voters within the recreational and
37 community center district shall be borne by the cities referenced in subdivision (3) of
38 subsection 2 of this section. If such tax is authorized by the voters of the recreational and
39 community center district, the cost may be reimbursed to such cities upon implementation
40 of the tax.

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

43 Shall the county of (county's name) impose a sales tax of (insert amount)
44 within the boundaries of the (insert name) school district for the purpose of funding
45 the construction, repair, improvement, maintenance, and operation of and purchase of
46 equipment for community centers and other recreational facilities and programs?
47

48 If a majority of the votes cast on the question by the qualified voters voting thereon are in
49 favor of the question, then the tax shall become effective on the first day of the second
50 calendar quarter. If a majority of the votes cast on the question by the qualified voters
51 voting thereon are opposed to the question, then the tax shall not become effective unless
52 and until the question is resubmitted under this section to the qualified voters and such
53 question is approved by the requisite majority of the qualified voters voting on the
54 question. In no event shall a proposal under this section be submitted to the voters sooner
55 than twelve months from the date of the last proposal under this section.

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

58 5. All revenue collected under this section by the director of the department of
59 revenue on behalf of any county, except for one percent for the cost of collection which
60 shall be deposited in the state's general revenue fund after payment of premiums for surety
61 bonds as provided in section 32.087, shall be deposited in a special trust fund, which is
62 hereby created and shall be known as the "Recreational and Community Center District
63 Sales Tax Trust Fund", and shall be used solely for the designated purposes. Moneys in
64 the fund shall not be deemed to be state funds and shall not be commingled with any funds
65 of the state. The director may make refunds from the amounts in the fund and credited
66 to the county for erroneous payments and overpayments made and may redeem
67 dishonored checks and drafts deposited to the credit of such county.

68 6. A question of repeal of the sales tax authorized in this section shall be submitted
69 to the voters on any date available for elections in the county, of the recreational and
70 community center district by the governing body of any county that has adopted the sales
71 tax authorized in this section if:

72 (1) The board authorized in subsection 8 of this section requests such; or

73 (2) A petition signed by a number of registered voters of the county within the
74 recreational and community center district equal to at least ten percent of the number of
75 registered voters of the county within the recreational and community center district voting
76 in the last gubernatorial election is received requesting such.

77

78 If a two-thirds majority of the votes cast on the question by the qualified voters voting
79 thereon are in favor of the repeal, that repeal shall become effective on December
80 thirty-first of the calendar year in which such repeal was approved. If less than a
81 two-thirds majority of the votes cast on the question by the qualified voters voting thereon
82 are in favor of the repeal, then the sales tax authorized in this section shall remain effective
83 until the question is resubmitted under this section to the qualified voters. In no event shall
84 a proposal under this section be submitted to the voters sooner than twelve months from
85 the date of the last proposal under this section. No tax imposed pursuant to this section for
86 the purpose of retiring bonds, as authorized in subsection 8 in this section, may be
87 terminated until all such bonds have been retired.

88 7. If the tax is repealed or terminated by any means, all funds remaining in the
89 special trust fund shall continue to be used solely for the designated purposes, and the
90 county shall notify the director of the department of revenue of the action at least ninety
91 days before the effective date of the repeal, and the director may order retention in the
92 trust fund, for a period of one year, of two percent of the amount collected after receipt of
93 such notice to cover possible refunds or overpayment of the tax and to redeem dishonored
94 checks and drafts deposited to the credit of such accounts. After one year has elapsed after
95 the effective date of abolition of the tax in such county, the director shall remit the balance
96 in the account to the county and close the account of that county. The director shall notify
97 each county of each instance of any amount refunded or any check redeemed from receipts
98 due to the county.

99 8. A board shall be established to administer the powers and duties as provided in
100 this section. The board may issue debt for the district as authorized under section 67.798.
101 All board members shall be residents of the recreational and community center district.
102 The board shall consist of eight members as follows:

103 (1) Four members appointed by the mayor of a home rule city with more than four
104 hundred thousand inhabitants and located in more than one county, with two of the first
105 members appointed for a two-year term and the other two members appointed for a
106 four-year term. Thereafter, each appointment shall be for a four-year term;

107 **(2) Four members appointed by the mayor of a special charter city with more than**
108 **twenty-nine thousand but fewer than thirty-two thousand inhabitants, with two of the first**
109 **members appointed for a two-year term and the other two members appointed for a**
110 **four-year term. Thereafter, each appointment shall be for a four-year term;**

111

112 **A board member may be removed by the mayor who appointed him or her, at any time**
113 **during his or her term, for reasons of excessive absence at regularly scheduled board**
114 **meetings. The mayor shall appoint a replacement member to serve for the remainder of**
115 **the current term. No member may serve more than two full terms. A partial term shall**
116 **not be considered a term.**

67.1367. 1. The governing body of any county of the third classification without a
2 **township form of government and with more than eighteen thousand but fewer than**
3 **twenty thousand inhabitants and with a city of the fourth classification with more than**
4 **eight thousand but fewer than nine thousand inhabitants as the county seat may impose**
5 **a tax on the charges for all sleeping rooms paid by the transient guests of hotels or motels**
6 **situated in the county or a portion thereof, which shall be no more than six percent per**
7 **occupied room per night, except that such tax shall not become effective unless the**
8 **governing body of the county submits to the voters of the county at a state general or**
9 **primary election, a proposal to authorize the governing body of the county to impose a tax**
10 **pursuant to this section. The tax authorized by this section shall be in addition to the**
11 **charge for the sleeping room and shall be in addition to any and all taxes imposed by law**
12 **and the proceeds of such tax shall be used by the county solely for the promotion of**
13 **tourism. Such tax shall be stated separately from all other charges and taxes.**

14 **2. The ballot of submission for the tax authorized in this section shall be in**
15 **substantially the following form:**

16 **Shall (insert the name of the county) impose a tax on the charges for all sleeping**
17 **rooms paid by the transient guests of hotels and motels situated in (name of county) at a**
18 **rate of (insert rate of percent) percent for the sole purpose of promoting tourism?**

19 **YES** **NO**

20 **3. As used in this section, "transient guests" means a person or persons who occupy**
21 **a room or rooms in a hotel or motel for thirty-one days or less during any calendar**
22 **quarter.**

99.845. 1. A municipality, either at the time a redevelopment project is approved or, in
2 **the event a municipality has undertaken acts establishing a redevelopment plan and**
3 **redevelopment project and has designated a redevelopment area after the passage and approval**
4 **of sections 99.800 to 99.865 but prior to August 13, 1982, which acts are in conformance with**

5 the procedures of sections 99.800 to 99.865, may adopt tax increment allocation financing by
6 passing an ordinance providing that after the total equalized assessed valuation of the taxable real
7 property in a redevelopment project exceeds the certified total initial equalized assessed
8 valuation of the taxable real property in the redevelopment project, the ad valorem taxes, and
9 payments in lieu of taxes, if any, arising from the levies upon taxable real property in such
10 redevelopment project by taxing districts and tax rates determined in the manner provided in
11 subsection 2 of section 99.855 each year after the effective date of the ordinance until
12 redevelopment costs have been paid shall be divided as follows:

13 (1) That portion of taxes, penalties and interest levied upon each taxable lot, block, tract,
14 or parcel of real property which is attributable to the initial equalized assessed value of each such
15 taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment
16 project shall be allocated to and, when collected, shall be paid by the county collector to the
17 respective affected taxing districts in the manner required by law in the absence of the adoption
18 of tax increment allocation financing;

19 (2) (a) Payments in lieu of taxes attributable to the increase in the current equalized
20 assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected
21 for the redevelopment project and any applicable penalty and interest over and above the initial
22 equalized assessed value of each such unit of property in the area selected for the redevelopment
23 project shall be allocated to and, when collected, shall be paid to the municipal treasurer who
24 shall deposit such payment in lieu of taxes into a special fund called the "Special Allocation
25 Fund" of the municipality for the purpose of paying redevelopment costs and obligations incurred
26 in the payment thereof. Payments in lieu of taxes which are due and owing shall constitute a lien
27 against the real estate of the redevelopment project from which they are derived and shall be
28 collected in the same manner as the real property tax, including the assessment of penalties and
29 interest where applicable. The municipality may, in the ordinance, pledge the funds in the
30 special allocation fund for the payment of such costs and obligations and provide for the
31 collection of payments in lieu of taxes, the lien of which may be foreclosed in the same manner
32 as a special assessment lien as provided in section 88.861. No part of the current equalized
33 assessed valuation of each lot, block, tract, or parcel of property in the area selected for the
34 redevelopment project attributable to any increase above the total initial equalized assessed value
35 of such properties shall be used in calculating the general state school aid formula provided for
36 in section 163.031 until such time as all redevelopment costs have been paid as provided for in
37 this section and section 99.850;

38 (b) Notwithstanding any provisions of this section to the contrary, for purposes of
39 determining the limitation on indebtedness of local government pursuant to Article VI, Section
40 26(b) of the Missouri Constitution, the current equalized assessed value of the property in an area

41 selected for redevelopment attributable to the increase above the total initial equalized assessed
42 valuation shall be included in the value of taxable tangible property as shown on the last
43 completed assessment for state or county purposes;

44 (c) The county assessor shall include the current assessed value of all property within
45 the taxing district in the aggregate valuation of assessed property entered upon the assessor's
46 book and verified pursuant to section 137.245, and such value shall be utilized for the purpose
47 of the debt limitation on local government pursuant to Article VI, Section 26(b) of the Missouri
48 Constitution;

49 (3) For purposes of this section, "levies upon taxable real property in such redevelopment
50 project by taxing districts" shall not include the blind pension fund tax levied under the authority
51 of Article III, Section 38(b) of the Missouri Constitution, or the merchants' and manufacturers'
52 inventory replacement tax levied under the authority of subsection 2 of Section 6 of Article X
53 of the Missouri Constitution, except in redevelopment project areas in which tax increment
54 financing has been adopted by ordinance pursuant to a plan approved by vote of the governing
55 body of the municipality taken after August 13, 1982, and before January 1, 1998.

56 2. In addition to the payments in lieu of taxes described in subdivision (2) of subsection
57 1 of this section, for redevelopment plans and projects adopted or redevelopment projects
58 approved by ordinance after July 12, 1990, and prior to August 31, 1991, fifty percent of the total
59 additional revenue from taxes, penalties and interest imposed by the municipality, or other taxing
60 districts, which are generated by economic activities within the area of the redevelopment project
61 over the amount of such taxes generated by economic activities within the area of the
62 redevelopment project in the calendar year prior to the adoption of the redevelopment project by
63 ordinance, while tax increment financing remains in effect, but excluding taxes imposed on sales
64 or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant
65 to section 70.500, licenses, fees or special assessments other than payments in lieu of taxes and
66 any penalty and interest thereon, or, effective January 1, 1998, taxes levied pursuant to section
67 94.660, for the purpose of public transportation, shall be allocated to, and paid by the local
68 political subdivision collecting officer to the treasurer or other designated financial officer of the
69 municipality, who shall deposit such funds in a separate segregated account within the special
70 allocation fund. Any provision of an agreement, contract or covenant entered into prior to July
71 12, 1990, between a municipality and any other political subdivision which provides for an
72 appropriation of other municipal revenues to the special allocation fund shall be and remain
73 enforceable.

74 3. In addition to the payments in lieu of taxes described in subdivision (2) of subsection
75 1 of this section, for redevelopment plans and projects adopted or redevelopment projects
76 approved by ordinance after August 31, 1991, fifty percent of the total additional revenue from

77 taxes, penalties and interest which are imposed by the municipality or other taxing districts, and
78 which are generated by economic activities within the area of the redevelopment project over the
79 amount of such taxes generated by economic activities within the area of the redevelopment
80 project in the calendar year prior to the adoption of the redevelopment project by ordinance,
81 while tax increment financing remains in effect, but excluding personal property taxes, taxes
82 imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels,
83 taxes levied pursuant to section 70.500, taxes levied for the purpose of public transportation
84 pursuant to section 94.660, taxes imposed on sales pursuant to subsection 2 of section 67.1712
85 for the purpose of operating and maintaining a metropolitan park and recreation district, licenses,
86 fees or special assessments other than payments in lieu of taxes and penalties and interest
87 thereon, any sales tax imposed by a county with a charter form of government and with more
88 than six hundred thousand but fewer than seven hundred thousand inhabitants, for the purpose
89 of sports stadium improvement or levied by such county under section 238.410 for the purpose
90 of the county transit authority operating transportation facilities, or for redevelopment plans and
91 projects adopted or redevelopment projects approved by ordinance after August 28, 2013, taxes
92 imposed on sales under and pursuant to section **67.700** or 650.399 for the purpose of emergency
93 communication systems, shall be allocated to, and paid by the local political subdivision
94 collecting officer to the treasurer or other designated financial officer of the municipality, who
95 shall deposit such funds in a separate segregated account within the special allocation fund.

96 4. Beginning January 1, 1998, for redevelopment plans and projects adopted or
97 redevelopment projects approved by ordinance and which have complied with subsections 4 to
98 12 of this section, in addition to the payments in lieu of taxes and economic activity taxes
99 described in subsections 1, 2 and 3 of this section, up to fifty percent of the new state revenues,
100 as defined in subsection 8 of this section, estimated for the businesses within the project area and
101 identified by the municipality in the application required by subsection 10 of this section, over
102 and above the amount of such taxes reported by businesses within the project area as identified
103 by the municipality in their application prior to the approval of the redevelopment project by
104 ordinance, while tax increment financing remains in effect, may be available for appropriation
105 by the general assembly as provided in subsection 10 of this section to the department of
106 economic development supplemental tax increment financing fund, from the general revenue
107 fund, for distribution to the treasurer or other designated financial officer of the municipality
108 with approved plans or projects.

109 5. The treasurer or other designated financial officer of the municipality with approved
110 plans or projects shall deposit such funds in a separate segregated account within the special
111 allocation fund established pursuant to section 99.805.

112 6. No transfer from the general revenue fund to the Missouri supplemental tax increment
113 financing fund shall be made unless an appropriation is made from the general revenue fund for
114 that purpose. No municipality shall commit any state revenues prior to an appropriation being
115 made for that project. For all redevelopment plans or projects adopted or approved after
116 December 23, 1997, appropriations from the new state revenues shall not be distributed from the
117 Missouri supplemental tax increment financing fund into the special allocation fund unless the
118 municipality's redevelopment plan ensures that one hundred percent of payments in lieu of taxes
119 and fifty percent of economic activity taxes generated by the project shall be used for eligible
120 redevelopment project costs while tax increment financing remains in effect. This account shall
121 be separate from the account into which payments in lieu of taxes are deposited, and separate
122 from the account into which economic activity taxes are deposited.

123 7. In order for the redevelopment plan or project to be eligible to receive the revenue
124 described in subsection 4 of this section, the municipality shall comply with the requirements of
125 subsection 10 of this section prior to the time the project or plan is adopted or approved by
126 ordinance. The director of the department of economic development and the commissioner of
127 the office of administration may waive the requirement that the municipality's application be
128 submitted prior to the redevelopment plan's or project's adoption or the redevelopment plan's or
129 project's approval by ordinance.

130 8. For purposes of this section, "new state revenues" means:

131 (1) The incremental increase in the general revenue portion of state sales tax revenues
132 received pursuant to section 144.020, excluding sales taxes that are constitutionally dedicated,
133 taxes deposited to the school district trust fund in accordance with section 144.701, sales and use
134 taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes earmarked by
135 law. In no event shall the incremental increase include any amounts attributable to retail sales
136 unless the municipality or authority has proven to the Missouri development finance board and
137 the department of economic development and such entities have made a finding that the sales
138 tax increment attributable to retail sales is from new sources which did not exist in the state
139 during the baseline year. The incremental increase in the general revenue portion of state sales
140 tax revenues for an existing or relocated facility shall be the amount that current state sales tax
141 revenue exceeds the state sales tax revenue in the base year as stated in the redevelopment plan
142 as provided in subsection 10 of this section; or

143 (2) The state income tax withheld on behalf of new employees by the employer pursuant
144 to section 143.221 at the business located within the project as identified by the municipality.
145 The state income tax withholding allowed by this section shall be the municipality's estimate of
146 the amount of state income tax withheld by the employer within the redevelopment area for new
147 employees who fill new jobs directly created by the tax increment financing project.

148 9. Subsection 4 of this section shall apply only to blighted areas located in enterprise
149 zones, pursuant to sections 135.200 to 135.256, blighted areas located in federal empowerment
150 zones, or to blighted areas located in central business districts or urban core areas of cities which
151 districts or urban core areas at the time of approval of the project by ordinance, provided that the
152 enterprise zones, federal empowerment zones or blighted areas contained one or more buildings
153 at least fifty years old; and

154 (1) Suffered from generally declining population or property taxes over the twenty-year
155 period immediately preceding the area's designation as a project area by ordinance; or

156 (2) Was a historic hotel located in a county of the first classification without a charter
157 form of government with a population according to the most recent federal decennial census in
158 excess of one hundred fifty thousand and containing a portion of a city with a population
159 according to the most recent federal decennial census in excess of three hundred fifty thousand.

160 10. The initial appropriation of up to fifty percent of the new state revenues authorized
161 pursuant to subsections 4 and 5 of this section shall not be made to or distributed by the
162 department of economic development to a municipality until all of the following conditions have
163 been satisfied:

164 (1) The director of the department of economic development or his or her designee and
165 the commissioner of the office of administration or his or her designee have approved a tax
166 increment financing application made by the municipality for the appropriation of the new state
167 revenues. The municipality shall include in the application the following items in addition to the
168 items in section 99.810:

169 (a) The tax increment financing district or redevelopment area, including the businesses
170 identified within the redevelopment area;

171 (b) The base year of state sales tax revenues or the base year of state income tax withheld
172 on behalf of existing employees, reported by existing businesses within the project area prior to
173 approval of the redevelopment project;

174 (c) The estimate of the incremental increase in the general revenue portion of state sales
175 tax revenue or the estimate for the state income tax withheld by the employer on behalf of new
176 employees expected to fill new jobs created within the redevelopment area after redevelopment;

177 (d) The official statement of any bond issue pursuant to this subsection after December
178 23, 1997;

179 (e) An affidavit that is signed by the developer or developers attesting that the provisions
180 of subdivision (1) of subsection 1 of section 99.810 have been met and specifying that the
181 redevelopment area would not be reasonably anticipated to be developed without the
182 appropriation of the new state revenues;

- 183 (f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal
184 impact on the state of Missouri; and
- 185 (g) The statement of election between the use of the incremental increase of the general
186 revenue portion of the state sales tax revenues or the state income tax withheld by employers on
187 behalf of new employees who fill new jobs created in the redevelopment area;
- 188 (h) The name, street and mailing address, and phone number of the mayor or chief
189 executive officer of the municipality;
- 190 (i) The street address of the development site;
- 191 (j) The three-digit North American Industry Classification System number or numbers
192 characterizing the development project;
- 193 (k) The estimated development project costs;
- 194 (l) The anticipated sources of funds to pay such development project costs;
- 195 (m) Evidence of the commitments to finance such development project costs;
- 196 (n) The anticipated type and term of the sources of funds to pay such development
197 project costs;
- 198 (o) The anticipated type and terms of the obligations to be issued;
- 199 (p) The most recent equalized assessed valuation of the property within the development
200 project area;
- 201 (q) An estimate as to the equalized assessed valuation after the development project area
202 is developed in accordance with a development plan;
- 203 (r) The general land uses to apply in the development area;
- 204 (s) The total number of individuals employed in the development area, broken down by
205 full-time, part-time, and temporary positions;
- 206 (t) The total number of full-time equivalent positions in the development area;
- 207 (u) The current gross wages, state income tax withholdings, and federal income tax
208 withholdings for individuals employed in the development area;
- 209 (v) The total number of individuals employed in this state by the corporate parent of any
210 business benefitting from public expenditures in the development area, and all subsidiaries
211 thereof, as of December thirty-first of the prior fiscal year, broken down by full-time, part-time,
212 and temporary positions;
- 213 (w) The number of new jobs to be created by any business benefitting from public
214 expenditures in the development area, broken down by full-time, part-time, and temporary
215 positions;
- 216 (x) The average hourly wage to be paid to all current and new employees at the project
217 site, broken down by full-time, part-time, and temporary positions;

218 (y) For project sites located in a metropolitan statistical area, as defined by the federal
219 Office of Management and Budget, the average hourly wage paid to nonmanagerial employees
220 in this state for the industries involved at the project, as established by the United States Bureau
221 of Labor Statistics;

222 (z) For project sites located outside of metropolitan statistical areas, the average weekly
223 wage paid to nonmanagerial employees in the county for industries involved at the project, as
224 established by the United States Department of Commerce;

225 (aa) A list of other community and economic benefits to result from the project;

226 (bb) A list of all development subsidies that any business benefitting from public
227 expenditures in the development area has previously received for the project, and the name of
228 any other granting body from which such subsidies are sought;

229 (cc) A list of all other public investments made or to be made by this state or units of
230 local government to support infrastructure or other needs generated by the project for which the
231 funding pursuant to this section is being sought;

232 (dd) A statement as to whether the development project may reduce employment at any
233 other site, within or without the state, resulting from automation, merger, acquisition, corporate
234 restructuring, relocation, or other business activity;

235 (ee) A statement as to whether or not the project involves the relocation of work from
236 another address and if so, the number of jobs to be relocated and the address from which they
237 are to be relocated;

238 (ff) A list of competing businesses in the county containing the development area and
239 in each contiguous county;

240 (gg) A market study for the development area;

241 (hh) A certification by the chief officer of the applicant as to the accuracy of the
242 development plan;

243 (2) The methodologies used in the application for determining the base year and
244 determining the estimate of the incremental increase in the general revenue portion of the state
245 sales tax revenues or the state income tax withheld by employers on behalf of new employees
246 who fill new jobs created in the redevelopment area shall be approved by the director of the
247 department of economic development or his or her designee and the commissioner of the office
248 of administration or his or her designee. Upon approval of the application, the director of the
249 department of economic development or his or her designee and the commissioner of the office
250 of administration or his or her designee shall issue a certificate of approval. The department of
251 economic development may request the appropriation following application approval;

252 (3) The appropriation shall be either a portion of the estimate of the incremental increase
253 in the general revenue portion of state sales tax revenues in the redevelopment area or a portion

254 of the estimate of the state income tax withheld by the employer on behalf of new employees
255 who fill new jobs created in the redevelopment area as indicated in the municipality's application,
256 approved by the director of the department of economic development or his or her designee and
257 the commissioner of the office of administration or his or her designee. At no time shall the
258 annual amount of the new state revenues approved for disbursements from the Missouri
259 supplemental tax increment financing fund exceed thirty-two million dollars;

260 (4) Redevelopment plans and projects receiving new state revenues shall have a duration
261 of up to fifteen years, unless prior approval for a longer term is given by the director of the
262 department of economic development or his or her designee and the commissioner of the office
263 of administration or his or her designee; except that, in no case shall the duration exceed
264 twenty-three years.

265 11. In addition to the areas authorized in subsection 9 of this section, the funding
266 authorized pursuant to subsection 4 of this section shall also be available in a federally approved
267 levee district, where construction of a levee begins after December 23, 1997, and which is
268 contained within a county of the first classification without a charter form of government with
269 a population between fifty thousand and one hundred thousand inhabitants which contains all
270 or part of a city with a population in excess of four hundred thousand or more inhabitants.

271 12. There is hereby established within the state treasury a special fund to be known as
272 the "Missouri Supplemental Tax Increment Financing Fund", to be administered by the
273 department of economic development. The department shall annually distribute from the
274 Missouri supplemental tax increment financing fund the amount of the new state revenues as
275 appropriated as provided in the provisions of subsections 4 and 5 of this section if and only if the
276 conditions of subsection 10 of this section are met. The fund shall also consist of any gifts,
277 contributions, grants or bequests received from federal, private or other sources. Moneys in the
278 Missouri supplemental tax increment financing fund shall be disbursed per project pursuant to
279 state appropriations.

280 13. Redevelopment project costs may include, at the prerogative of the state, the portion
281 of salaries and expenses of the department of economic development and the department of
282 revenue reasonably allocable to each redevelopment project approved for disbursements from
283 the Missouri supplemental tax increment financing fund for the ongoing administrative functions
284 associated with such redevelopment project. Such amounts shall be recovered from new state
285 revenues deposited into the Missouri supplemental tax increment financing fund created under
286 this section.

287 14. For redevelopment plans or projects approved by ordinance that result in net new
288 jobs from the relocation of a national headquarters from another state to the area of the
289 redevelopment project, the economic activity taxes and new state tax revenues shall not be based

290 on a calculation of the incremental increase in taxes as compared to the base year or prior
 291 calendar year for such redevelopment project, rather the incremental increase shall be the amount
 292 of total taxes generated from the net new jobs brought in by the national headquarters from
 293 another state. In no event shall this subsection be construed to allow a redevelopment project
 294 to receive an appropriation in excess of up to fifty percent of the new state revenues.

**135.980. 1. As used in this section, the term "public financial incentive" means any
 2 economic or financial incentive offered including:**

3 **(1) Any tax reduction, credit, forgiveness, abatement, subsidy, or other tax-relieving
 4 measure;**

5 **(2) Any tax increment financing or similar financial arrangement;**

6 **(3) Any monetary or non-monetary benefit related to any bond, loan, or similar
 7 financial arrangement;**

8 **(4) Any reduction, credit, forgiveness, abatement, subsidy, or other relief related
 9 to any bond, loan, or similar financial arrangement; and**

10 **(5) The ability to form, own, direct, or receive any economic or financial benefit
 11 from any special taxation district.**

12 **2. No political subdivision of this state shall by ballot measure impose any
 13 restriction on any public financial incentive authorized by statute.**

137.100. The following subjects are exempt from taxation for state, county or local
 2 purposes:

3 (1) Lands and other property belonging to this state;

4 (2) Lands and other property belonging to any city, county or other political subdivision
 5 in this state, including market houses, town halls and other public structures, with their furniture
 6 and equipments, and on public squares and lots kept open for health, use or ornament;

7 (3) Nonprofit cemeteries;

8 (4) The real estate and tangible personal property which is used exclusively for
 9 agricultural or horticultural societies organized in this state, including not-for-profit agribusiness
 10 associations;

11 (5) All property, real and personal, actually and regularly used exclusively for religious
 12 worship, for schools and colleges, or for purposes purely charitable and not held for private or
 13 corporate profit, except that the exemption herein granted does not include real property not
 14 actually used or occupied for the purpose of the organization but held or used as investment even
 15 though the income or rentals received therefrom is used wholly for religious, educational or
 16 charitable purposes. **For purposes of this section, property used for charitable purposes
 17 includes homes for the aged operated by an organization that is exempt from taxation
 18 under section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and is consistent**

19 **with Internal Revenue Service revenue ruling 72-124, if applicable, for as long as such**
20 **ruling is in effect;**

21 (6) Household goods, furniture, wearing apparel and articles of personal use and
22 adornment, as defined by the state tax commission, owned and used by a person in his home or
23 dwelling place;

24 (7) Motor vehicles leased for a period of at least one year to this state or to any city,
25 county, or political subdivision or to any religious, educational, or charitable organization which
26 has obtained an exemption from the payment of federal income taxes, provided the motor
27 vehicles are used exclusively for religious, educational, or charitable purposes;

28 (8) Real or personal property leased or otherwise transferred by an interstate compact
29 agency created pursuant to sections 70.370 to 70.430 or sections 238.010 to 238.100 to another
30 for which or whom such property is not exempt when immediately after the lease or transfer, the
31 interstate compact agency enters into a leaseback or other agreement that directly or indirectly
32 gives such interstate compact agency a right to use, control, and possess the property; provided,
33 however, that in the event of a conveyance of such property, the interstate compact agency must
34 retain an option to purchase the property at a future date or, within the limitations period for
35 reverters, the property must revert back to the interstate compact agency. Property will no longer
36 be exempt under this subdivision in the event of a conveyance as of the date, if any, when:

37 (a) The right of the interstate compact agency to use, control, and possess the property
38 is terminated;

39 (b) The interstate compact agency no longer has an option to purchase or otherwise
40 acquire the property; and

41 (c) There are no provisions for reverter of the property within the limitation period for
42 reverters;

43 (9) All property, real and personal, belonging to veterans' organizations. As used in this
44 section, "veterans' organization" means any organization of veterans with a congressional charter,
45 that is incorporated in this state, and that is exempt from taxation under section 501(c)(19) of the
46 Internal Revenue Code of 1986, as amended;

47 (10) Solar energy systems not held for resale.

143.451. 1. Missouri taxable income of a corporation shall include all income derived
2 from sources within this state.

3 2. A corporation described in subdivision (1) of subsection 1 of section 143.441 shall
4 include in its Missouri taxable income all income from sources within this state, including that
5 from the transaction of business in this state and that from the transaction of business partly done
6 in this state and partly done in another state or states. However:

7 (1) Where income results from a transaction partially in this state and partially in another
8 state or states, and income and deductions of the portion in the state cannot be segregated, then
9 such portions of income and deductions shall be allocated in this state and the other state or
10 states as will distribute to this state a portion based upon the portion of the transaction in this
11 state and the portion in such other state or states.

12 (2) The taxpayer may elect to compute the portion of income from all sources in this
13 state in the following manner, or the manner set forth in subdivision (3) of this subsection:

14 (a) The income from all sources shall be determined as provided, excluding therefrom
15 the figures for the operation of any bridge connecting this state with another state.

16 (b) The amount of sales which are transactions wholly in this state shall be added to one-
17 half of the amount of sales which are transactions partly within this state and partly without this
18 state, and the amount thus obtained shall be divided by the total sales or in cases where sales do
19 not express the volume of business, the amount of business transacted wholly in this state shall
20 be added to one-half of the amount of business transacted partly in this state and partly outside
21 this state and the amount thus obtained shall be divided by the total amount of business
22 transacted, and the net income shall be multiplied by the fraction thus obtained, to determine the
23 proportion of income to be used to arrive at the amount of Missouri taxable income. The
24 investment or reinvestment of its own funds, or sale of any such investment or reinvestment,
25 shall not be considered as sales or other business transacted for the determination of said
26 fraction.

27 (c) For the purposes of this subdivision, a transaction involving the sale of tangible
28 property is:

29 a. "Wholly in this state" if both the seller's shipping point and the purchaser's destination
30 point are in this state;

31 b. "Partly within this state and partly without this state" if the seller's shipping point is
32 in this state and the purchaser's destination point is outside this state, or the seller's shipping point
33 is outside this state and the purchaser's destination point is in this state;

34 c. Not "wholly in this state" or not "partly within this state and partly without this state"
35 only if both the seller's shipping point and the purchaser's destination point are outside this state.

36 (d) For purposes of this subdivision:

37 a. The purchaser's destination point shall be determined without regard to the FOB point
38 or other conditions of the sale; and

39 b. The seller's shipping point is determined without regard to the location of the seller's
40 principle office or place of business.

41 (3) The taxpayer may elect to compute the portion of income from all sources in this
42 state in the following manner:

43 (a) The income from all sources shall be determined as provided, excluding therefrom
44 the figures for the operation of any bridge connecting this state with another state;

45 (b) The amount of sales which are transactions in this state shall be divided by the total
46 sales, and the net income shall be multiplied by the fraction thus obtained, to determine the
47 proportion of income to be used to arrive at the amount of Missouri taxable income. The
48 investment or reinvestment of its own funds, or sale of any such investment or reinvestment,
49 shall not be considered as sales or other business transacted for the determination of said
50 fraction;

51 (c) For the purposes of this subdivision, a transaction involving the sale of tangible
52 property is:

53 a. "In this state" if the purchaser's destination point is in this state;

54 b. Not "in this state" if the purchaser's destination point is outside this state;

55 (d) For purposes of this subdivision, the purchaser's destination point shall be determined
56 without regard to the FOB point or other conditions of the sale and shall not be in this state if the
57 purchaser received the tangible personal property from the seller in this state for delivery to the
58 purchaser's location outside this state;

59 **(e) For the purposes of this subdivision, a transaction involving the sale other than
60 the sale of tangible property is "in this state" if the taxpayer's market for the sales is in this
61 state. The taxpayer's market for sales is in this state:**

62 **a. In the case of sale, rental, lease, or license of real property, if and to the extent
63 the property is located in this state;**

64 **b. In the case of rental, lease, or license of tangible personal property, if and to the
65 extent the property is located in this state;**

66 **c. In the case of sale of a service, if and to the extent the benefit of the service is
67 delivered to a purchaser location in this state; and**

68 **d. In the case of intangible property:**

69 **(i) That is rented, leased, or licensed, if and to the extent the property is used in this
70 state by the rentee, lessee, or licensee, provided that intangible property utilized in
71 marketing a good or service to a consumer is "used in this state" if that good or service is
72 purchased by a consumer who is in this state. Franchise fees or royalties received for the
73 rent, lease, license, or use of a trade name, trademark, service mark, or franchise system
74 or provides a right to conduct business activity in a specific geographic area are "used in
75 this state" to the extent the franchise location is in this state; and**

76 **(ii) That is sold, if and to the extent the property is used in this state, provided that:**

77 **i. A contract right, government license, or similar intangible property that**
78 **authorizes the holder to conduct a business activity in a specific geographic area is "used**
79 **in this state" if the geographic area includes all or part of this state;**

80 **ii. Receipts from intangible property sales that are contingent on the productivity,**
81 **use, or disposition of the intangible property shall be treated as receipts from the rental,**
82 **lease, or licensing of such intangible property under item (i) of this subparagraph; and**

83 **iii. All other receipts from a sale of intangible property shall be excluded from the**
84 **numerator and denominator of the sales factor;**

85 **(f) If the state or states of assignment under paragraph (e) of this subdivision**
86 **cannot be determined, the state or states of assignment shall be reasonably approximated;**

87 **(g) If the state of assignment cannot be determined under paragraph (e) of this**
88 **subdivision or reasonably approximated under paragraph (f) of this subdivision, such sales**
89 **shall be excluded from the denominator of the sales factor;**

90 **(h) The director may prescribe such rules and regulations as necessary or**
91 **appropriate to carry out the purposes of this section.**

92 (4) For purposes of this subsection, the following words shall, unless the context
93 otherwise requires, have the following meaning:

94 (a) "Administration services" include, but are not limited to, clerical, fund or shareholder
95 accounting, participant record keeping, transfer agency, bookkeeping, data processing, custodial,
96 internal auditing, legal and tax services performed for an investment company;

97 (b) "Affiliate", the meaning as set forth in 15 U.S.C. Section 80a-2(a)(3)(C), as may be
98 amended from time to time;

99 (c) "Distribution services" include, but are not limited to, the services of advertising,
100 servicing, marketing, underwriting or selling shares of an investment company, but, in the case
101 of advertising, servicing or marketing shares, only where such service is performed by a person
102 who is, or in the case of a closed end company, was, either engaged in the services of
103 underwriting or selling investment company shares or affiliated with a person that is engaged in
104 the service of underwriting or selling investment company shares. In the case of an open end
105 company, such service of underwriting or selling shares must be performed pursuant to a contract
106 entered into pursuant to 15 U.S.C. Section 80a-15(b), as from time to time amended;

107 (d) "Investment company", any person registered under the federal Investment Company
108 Act of 1940, as amended from time to time, (the act) or a company which would be required to
109 register as an investment company under the act except that such person is exempt to such
110 registration pursuant to Section 80a-3(c)(1) of the act;

111 (e) "Investment funds service corporation" includes any corporation or S corporation
112 doing business in the state which derives more than fifty percent of its gross income in the

113 ordinary course of business from the provision directly or indirectly of management, distribution
114 or administration services to or on behalf of an investment company or from trustees, sponsors
115 and participants of employee benefit plans which have accounts in an investment company. An
116 investment funds service corporation shall include any corporation or S corporation providing
117 management services as an investment advisory firm registered under Section 203 of the
118 Investment Advisors Act of 1940, as amended from time to time, regardless of the percentage
119 of gross revenues consisting of fees from management services provided to or on behalf of an
120 investment company;

121 (f) "Management services" include but are not limited to, the rendering of investment
122 advice directly or indirectly to an investment company making determinations as to when sales
123 and purchases of securities are to be made on behalf of the investment company, or the selling
124 or purchasing of securities constituting assets of an investment company, and related activities,
125 but only where such activity or activities are performed:

126 a. Pursuant to a contract with the investment company entered into pursuant to 15 U.S.C.
127 Section 80a-15(a), as from time to time amended;

128 b. For a person that has entered into such contract with the investment company; or

129 c. For a person that is affiliated with a person that has entered into such contract with an
130 investment company;

131 (g) "Qualifying sales", gross income derived from the provision directly or indirectly of
132 management, distribution or administration services to or on behalf of an investment company
133 or from trustees, sponsors and participants of employee benefit plans which have accounts in an
134 investment company. For purposes of this section, "gross income" is defined as that amount of
135 income earned from qualifying sources without deduction of expenses related to the generation
136 of such income;

137 (h) "Residence", presumptively the fund shareholder's mailing address on the records of
138 the investment company. If, however, the investment company or the investment funds service
139 corporation has actual knowledge that the fund shareholder's primary residence or principal place
140 of business is different than the fund shareholder's mailing address such presumption shall not
141 control. To the extent an investment funds service corporation does not have access to the
142 records of the investment company, the investment funds service corporation may employ
143 reasonable methods to determine the investment company fund shareholder's residence.

144 (5) Notwithstanding other provisions of law to the contrary, qualifying sales of an
145 investment funds service corporation, or S corporation, shall be considered wholly in this state
146 only to the extent that the fund shareholders of the investment companies, to which the
147 investment funds service corporation, or S corporation, provide services, are resided in this

148 state. Wholly in this state qualifying sales of an investment funds service corporation, or S
149 corporation, shall be determined as follows:

150 (a) By multiplying the investment funds service corporation's total dollar amount of
151 qualifying sales from services provided to each investment company by a fraction, the numerator
152 of which shall be the average of the number of shares owned by the investment company's fund
153 shareholders resided in this state at the beginning of and at the end of the investment
154 company's taxable year that ends with or within the investment funds service corporation's
155 taxable year, and the denominator of which shall be the average of the number of shares owned
156 by the investment company's fund shareholders everywhere at the beginning of and at the end
157 of the investment company's taxable year that ends with or within the investment funds service
158 corporation's taxable year;

159 (b) A separate computation shall be made to determine the wholly in this state qualifying
160 sales from each investment company. The qualifying sales for each investment company shall
161 be multiplied by the respective percentage of each fund, as calculated pursuant to paragraph (a)
162 of this subdivision. The product of this equation shall result in the wholly in this state qualifying
163 sales. The qualifying sales for each investment company which are not wholly in this state will
164 be considered wholly without this state;

165 (c) To the extent an investment funds service corporation has sales which are not
166 qualifying sales, those nonqualified sales shall be apportioned to this state based on the
167 methodology utilized by the investment funds service corporation without regard to this
168 subdivision.

169 3. Any corporation described in subdivision (1) of subsection 1 of section 143.441
170 organized in this state or granted a permit to operate in this state for the transportation or care
171 of passengers shall report its gross earnings within the state on intrastate business and shall also
172 report its gross earnings on all interstate business done in this state which report shall be subject
173 to inquiry for the purpose of determining the amount of income to be included in Missouri
174 taxable income. The previous sentence shall not apply to a railroad.

175 4. A corporation described in subdivision (2) of subsection 1 of section 143.441 shall
176 include in its Missouri taxable income all income arising from all sources in this state and all
177 income from each transportation service wholly within this state, from each service where the
178 only lines of such corporation used are those in this state, and such proportion of revenue from
179 each service where the facilities of such corporation in this state and in another state or states are
180 used, as the mileage used over the lines of such corporation in the state shall bear to the total
181 mileage used over the lines of such corporation. The taxpayer may elect to compute the portion
182 of income from all sources within this state in the following manner:

183 (1) The income from all sources shall be determined as provided;

184 (2) The amount of investment of such corporation on December thirty-first of each year
185 in this state in fixed transportation facilities, real estate and improvements, plus the value on
186 December thirty-first of each year of any fixed transportation facilities, real estate and
187 improvements in this state leased from any other railroad shall be divided by the sum of the total
188 amount of investment of such corporation on December thirty-first of each year in fixed
189 transportation facilities, real estate and improvements, plus the value on December thirty-first
190 of each year, of any fixed transportation facilities, real estate and improvements leased from any
191 other railroad. Where any fixed transportation facilities, real estate or improvements are leased
192 by more than one railroad, such portion of the value shall be used by each railroad as the rental
193 paid by each shall bear to the rental paid by all lessees. The income shall be multiplied by the
194 fraction thus obtained to determine the proportion to be used to arrive at the amount of Missouri
195 taxable income.

196 5. A corporation described in subdivision (3) of subsection 1 of section 143.441 shall
197 include in its Missouri taxable income one-half of the net income from the operation of a bridge
198 between this and another state. If any such bridge is owned or operated by a railroad corporation
199 or corporations, or by a corporation owning a railroad corporation using such bridge, then the
200 figures for operation of such bridge may be included in the return of such railroad or railroads;
201 or if such bridge is owned or operated by any other corporation which may now or hereafter be
202 required to file an income tax return, one-half of the income or loss to such corporation from
203 such bridge may be included in such return by adding or subtracting same to or from another net
204 income or loss shown by the return.

205 6. A corporation described in subdivision (4) of subsection 1 of section 143.441 shall
206 include in its Missouri taxable income all income arising from all sources within this state.
207 Income shall include revenue from each telephonic or telegraphic service rendered wholly within
208 this state; from each service rendered for which the only facilities of such corporation used are
209 those in this state; and from each service rendered over the facilities of such corporation in this
210 state and in other state or states, such proportion of such revenue as the mileage involved in this
211 state shall bear to the total mileage involved over the lines of said company in all states. The
212 taxpayer may elect to compute the portion of income from all sources within this state in the
213 following manner:

214 (1) The income from all sources shall be determined as provided;

215 (2) The amount of investment of such corporation on December thirty-first of each year
216 in this state in telephonic or telegraphic facilities, real estate and improvements thereon, shall be
217 divided by the amount of the total investment of such corporation on December thirty-first of
218 each year in telephonic or telegraphic facilities, real estate and improvements. The income of

219 the taxpayer shall be multiplied by fraction thus obtained to determine the proportion to be used
220 to arrive at the amount of Missouri taxable income.

221 7. From the income determined in subsections 2, 3, 4, 5 and 6 of this section to be from
222 all sources within this state shall be deducted such of the deductions for expenses in determining
223 Missouri taxable income as were incurred in this state to produce such income and all losses
224 actually sustained in this state in the business of the corporation.

225 8. If a corporation derives only part of its income from sources within Missouri, its
226 Missouri taxable income shall only reflect the effect of the following listed deductions to the
227 extent applicable to Missouri. The deductions are: (a) its deduction for federal income taxes
228 pursuant to section 143.171, and (b) the effect on Missouri taxable income of the deduction for
229 net operating loss allowed by Section 172 of the Internal Revenue Code. The extent applicable
230 to Missouri shall be determined by multiplying the amount that would otherwise affect Missouri
231 taxable income by the ratio for the year of the Missouri taxable income of the corporation for the
232 year divided by the Missouri taxable income for the year as though the corporation had derived
233 all of its income from sources within Missouri. For the purpose of the preceding sentence,
234 Missouri taxable income shall not reflect the listed deductions.

235 9. Any investment funds service corporation organized as a corporation or S corporation
236 which has any shareholders resided in this state shall be subject to Missouri income tax as
237 provided in this chapter.

144.030. 1. There is hereby specifically exempted from the provisions of sections
2 144.010 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to
3 sections 144.010 to 144.525 such retail sales as may be made in commerce between this state and
4 any other state of the United States, or between this state and any foreign country, and any retail
5 sale which the state of Missouri is prohibited from taxing pursuant to the Constitution or laws
6 of the United States of America, and such retail sales of tangible personal property which the
7 general assembly of the state of Missouri is prohibited from taxing or further taxing by the
8 constitution of this state.

9 2. There are also specifically exempted from the provisions of the local sales tax law as
10 defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to
11 144.761 and from the computation of the tax levied, assessed or payable pursuant to the local
12 sales tax law as defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and
13 144.600 to 144.745:

14 (1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of
15 such excise tax is refunded pursuant to section 142.824; or upon the sale at retail of fuel to be
16 consumed in manufacturing or creating gas, power, steam, electrical current or in furnishing
17 water to be sold ultimately at retail; or feed for livestock or poultry; or grain to be converted into

18 foodstuffs which are to be sold ultimately in processed form at retail; or seed, limestone or
19 fertilizer which is to be used for seeding, liming or fertilizing crops which when harvested will
20 be sold at retail or will be fed to livestock or poultry to be sold ultimately in processed form at
21 retail; economic poisons registered pursuant to the provisions of the Missouri pesticide
22 registration law (sections 281.220 to 281.310) which are to be used in connection with the
23 growth or production of crops, fruit trees or orchards applied before, during, or after planting,
24 the crop of which when harvested will be sold at retail or will be converted into foodstuffs which
25 are to be sold ultimately in processed form at retail;

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

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

38 (4) Motor vehicles registered in excess of fifty-four thousand pounds, and the trailers
39 pulled by such motor vehicles, that are actually used in the normal course of business to haul
40 property on the public highways of the state, and that are capable of hauling loads commensurate
41 with the motor vehicle's registered weight; and the materials, replacement parts, and equipment
42 purchased for use directly upon, and for the repair and maintenance or manufacture of such
43 vehicles. For purposes of this subdivision "motor vehicle" and "public highway" shall have the
44 meaning as ascribed in section 390.020;

45 (5) Replacement machinery, equipment, and parts and the materials and supplies solely
46 required for the installation or construction of such replacement machinery, equipment, and
47 parts, used directly in manufacturing, mining, fabricating or producing a product which is
48 intended to be sold ultimately for final use or consumption; and machinery and equipment, and
49 the materials and supplies required solely for the operation, installation or construction of such
50 machinery and equipment, purchased and used to establish new, or to replace or expand existing,
51 material recovery processing plants in this state. For the purposes of this subdivision, a "material
52 recovery processing plant" means a facility that has as its primary purpose the recovery of
53 materials into a useable product or a different form which is used in producing a new product and

54 shall include a facility or equipment which are used exclusively for the collection of recovered
55 materials for delivery to a material recovery processing plant but shall not include motor vehicles
56 used on highways. For purposes of this section, the terms motor vehicle and highway shall have
57 the same meaning pursuant to section 301.010. Material recovery is not the reuse of materials
58 within a manufacturing process or the use of a product previously recovered. The material
59 recovery processing plant shall qualify under the provisions of this section regardless of
60 ownership of the material being recovered;

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

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

69 (8) Animals or poultry used for breeding or feeding purposes, or captive wildlife;

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

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

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

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

81 (13) Electrical energy used in the actual primary manufacture, processing, compounding,
82 mining or producing of a product, or electrical energy used in the actual secondary processing
83 or fabricating of the product, or a material recovery processing plant as defined in subdivision
84 (5) of this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical
85 energy so used exceeds ten percent of the total cost of production, either primary or secondary,
86 exclusive of the cost of electrical energy so used or if the raw materials used in such processing
87 contain at least twenty-five percent recovered materials as defined in section 260.200. There
88 shall be a rebuttable presumption that the raw materials used in the primary manufacture of
89 automobiles contain at least twenty-five percent recovered materials. For purposes of this

90 subdivision, "processing" means any mode of treatment, act or series of acts performed upon
91 materials to transform and reduce them to a different state or thing, including treatment necessary
92 to maintain or preserve such processing by the producer at the production facility;

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

95 (15) Machinery, equipment, appliances and devices purchased or leased and used solely
96 for the purpose of preventing, abating or monitoring air pollution, and materials and supplies
97 solely required for the installation, construction or reconstruction of such machinery, equipment,
98 appliances and devices;

99 (16) Machinery, equipment, appliances and devices purchased or leased and used solely
100 for the purpose of preventing, abating or monitoring water pollution, and materials and supplies
101 solely required for the installation, construction or reconstruction of such machinery, equipment,
102 appliances and devices;

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

104 (18) All amounts paid or charged for admission or participation or other fees paid by or
105 other charges to individuals in or for any place of amusement, entertainment or recreation, games
106 or athletic events, including museums, fairs, zoos and planetariums, owned or operated by a
107 municipality or other political subdivision where all the proceeds derived therefrom benefit the
108 municipality or other political subdivision and do not inure to any private person, firm, or
109 corporation, provided, however, that a municipality or other political subdivision may enter into
110 revenue-sharing agreements with private persons, firms, or corporations providing goods or
111 services, including management services, in or for the place of amusement, entertainment or
112 recreation, games or athletic events, and provided further that nothing in this subdivision shall
113 exempt from tax any amounts retained by any private person, firm, or corporation under such
114 revenue-sharing agreement;

115 (19) All sales of insulin and prosthetic or orthopedic devices as defined on January 1,
116 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of
117 1965, including the items specified in Section 1862(a)(12) of that act, and also specifically
118 including hearing aids and hearing aid supplies and all sales of drugs which may be legally
119 dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to
120 administer those items, including samples and materials used to manufacture samples which may
121 be dispensed by a practitioner authorized to dispense such samples and all sales or rental of
122 medical oxygen, home respiratory equipment and accessories, hospital beds and accessories and
123 ambulatory aids, all sales or rental of manual and powered wheelchairs, stairway lifts, Braille
124 writers, electronic Braille equipment and, if purchased or rented by or on behalf of a person with
125 one or more physical or mental disabilities to enable them to function more independently, all

126 sales or rental of scooters, reading machines, electronic print enlargers and magnifiers, electronic
127 alternative and augmentative communication devices, and items used solely to modify motor
128 vehicles to permit the use of such motor vehicles by individuals with disabilities or sales of
129 over-the-counter or nonprescription drugs to individuals with disabilities, and drugs required by
130 the Food and Drug Administration to meet the over-the-counter drug product labeling
131 requirements in 21 CFR 201.66, or its successor, as prescribed by a health care practitioner
132 licensed to prescribe;

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

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

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

153 (23) All sales made to any private not-for-profit elementary or secondary school, all sales
154 of feed additives, medications or vaccines administered to livestock or poultry in the production
155 of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for
156 food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber,
157 all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying
158 agricultural crops, natural gas used in the primary manufacture or processing of fuel ethanol as
159 defined in section 142.028, natural gas, propane, and electricity used by an eligible new
160 generation cooperative or an eligible new generation processing entity as defined in section
161 348.432, and all sales of farm machinery and equipment, other than airplanes, motor vehicles and

162 trailers, and any freight charges on any exempt item. As used in this subdivision, the term "feed
163 additives" means tangible personal property which, when mixed with feed for livestock or
164 poultry, is to be used in the feeding of livestock or poultry. As used in this subdivision, the term
165 "pesticides" includes adjuvants such as crop oils, surfactants, wetting agents and other assorted
166 pesticide carriers used to improve or enhance the effect of a pesticide and the foam used to mark
167 the application of pesticides and herbicides for the production of crops, livestock or poultry. As
168 used in this subdivision, the term "farm machinery and equipment" means new or used farm
169 tractors and such other new or used farm machinery and equipment and repair or replacement
170 parts thereon and any accessories for and upgrades to such farm machinery and equipment, rotary
171 mowers used exclusively for agricultural purposes, and supplies and lubricants used exclusively,
172 solely, and directly for producing crops, raising and feeding livestock, fish, poultry, pheasants,
173 chukar, quail, or for producing milk for ultimate sale at retail, including field drain tile, and
174 one-half of each purchaser's purchase of diesel fuel therefor which is:

- 175 (a) Used exclusively for agricultural purposes;
- 176 (b) Used on land owned or leased for the purpose of producing farm products; and
- 177 (c) Used directly in producing farm products to be sold ultimately in processed form or
178 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold
179 ultimately in processed form at retail;

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

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

192 (b) Regulated utility sellers shall determine whether individual purchases are exempt or
193 nonexempt based upon the seller's utility service rate classifications as contained in tariffs on file
194 with and approved by the Missouri public service commission. Sales and purchases made
195 pursuant to the rate classification "residential" and sales to and purchases made by or on behalf
196 of the occupants of residential apartments or condominiums through a single or master meter,
197 including service for common areas and facilities and vacant units, shall be considered as sales

198 made for domestic use and such sales shall be exempt from sales tax. Sellers shall charge sales
199 tax upon the entire amount of purchases classified as nondomestic use. The seller's utility
200 service rate classification and the provision of service thereunder shall be conclusive as to
201 whether or not the utility must charge sales tax;

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

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

219 (26) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071,
220 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of
221 revenue shall promulgate rules pursuant to chapter 536 to eliminate all state and local sales taxes
222 on such excise taxes;

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

228 (28) All sales made to an interstate compact agency created pursuant to sections 70.370
229 to 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities of such
230 agency as provided pursuant to the compact;

231 (29) Computers, computer software and computer security systems purchased for use
232 by architectural or engineering firms headquartered in this state. For the purposes of this

233 subdivision, "headquartered in this state" means the office for the administrative management
234 of at least four integrated facilities operated by the taxpayer is located in the state of Missouri;

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

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

240 (32) Electrical energy or gas, whether natural, artificial or propane, water, or other
241 utilities which are ultimately consumed in connection with the manufacturing of cellular glass
242 products or in any material recovery processing plant as defined in subdivision (5) of this
243 subsection;

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

246 (34) Tangible personal property and utilities purchased for use or consumption directly
247 or exclusively in the research and development of agricultural/biotechnology and plant genomics
248 products and prescription pharmaceuticals consumed by humans or animals;

249 (35) All sales of grain bins for storage of grain for resale;

250 (36) All sales of feed which are developed for and used in the feeding of pets owned by
251 a commercial breeder when such sales are made to a commercial breeder, as defined in section
252 273.325, and licensed pursuant to sections 273.325 to 273.357;

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

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

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

272 (38) All sales or other transfers of tangible personal property to a lessor who leases the
273 property under a lease of one year or longer executed or in effect at the time of the sale or other
274 transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections
275 238.010 to 238.100;

276 (39) Sales of tickets to any collegiate athletic championship event that is held in a facility
277 owned or operated by a governmental authority or commission, a quasi-governmental agency,
278 a state university or college or by the state or any political subdivision thereof, including a
279 municipality, and that is played on a neutral site and may reasonably be played at a site located
280 outside the state of Missouri. For purposes of this subdivision, "neutral site" means any site that
281 is not located on the campus of a conference member institution participating in the event;

282 (40) All purchases by a sports complex authority created under section 64.920, and all
283 sales of utilities by such authority at the authority's cost that are consumed in connection with
284 the operation of a sports complex leased to a professional sports team;

285 (41) Beginning January 1, 2009, but not after January 1, 2015, materials, replacement
286 parts, and equipment purchased for use directly upon, and for the modification, replacement,
287 repair, and maintenance of aircraft, aircraft power plants, and aircraft accessories;

288 (42) Sales of sporting clays, wobble, skeet, and trap targets to any shooting range or
289 similar places of business for use in the normal course of business and money received by a
290 shooting range or similar places of business from patrons and held by a shooting range or similar
291 place of business for redistribution to patrons at the conclusion of a shooting event;

292 **(43) All materials, manufactured goods, machinery and parts, electrical energy and**
293 **gas, whether natural, artificial or propane, water, coal, and energy sources, chemicals,**
294 **soaps, detergents, cleaning and sanitizing agents, and other ingredients and materials used**
295 **or consumed by commercial or industrial laundries to treat, clean, and sanitize textiles and**
296 **other materials.**

297 3. Any ruling, agreement, or contract, whether written or oral, express or implied,
298 between a person and this state's executive branch, or any other state agency or department,
299 stating, agreeing, or ruling that such person is not required to collect sales and use tax in this
300 state despite the presence of a warehouse, distribution center, or fulfillment center in this state
301 that is owned or operated by the person or an affiliated person shall be null and void unless it is
302 specifically approved by a majority vote of each of the houses of the general assembly. For
303 purposes of this subsection, an "affiliated person" means any person that is a member of the same
304 controlled group of corporations as defined in Section 1563(a) of the Internal Revenue Code of

305 1986, as amended, as the vendor or any other entity that, notwithstanding its form of
306 organization, bears the same ownership relationship to the vendor as a corporation that is a
307 member of the same controlled group of corporations as defined in Section 1563(a) of the
308 Internal Revenue Code, as amended.

309 **4. There shall be no tax under the local sales tax law as defined in section 32.085,**
310 **section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.745 on the titling of**
311 **motor vehicles with a model year of at least ten years prior to the year in which the motor**
312 **vehicle is being titled. The exemption authorized under this subsection shall not apply to**
313 **the titling of motor vehicles with a sale price over fifteen thousand dollars.**

144.1030. 1. Notwithstanding sections 144.010, 144.018, and 144.020 to the
2 **contrary, in the case of a multi-use arena that:**

3 **(1) Is publicly owned, but operated under a contract with a private company;**

4 **(2) Was originally funded in a public-private partnership that included private**
5 **investment of at least forty million dollars; and**

6 **(3) Is located in a city with a population of more than three hundred thousand**
7 **inhabitants which is located in more than one county;**

8

9 **“sales at retail” shall not include the amount paid that results in the first opportunity to**
10 **purchase or decline tickets for admission to events at such arena, but does not itself result**
11 **in admission.**

407.1610. It shall be unlawful for any person or entity to engage in the speculative
2 **accumulation of asphalt roofing shingles in any city not within a county. For the purposes**
3 **of this section, the term “speculative accumulation” means the collection or storage of**
4 **asphalt shingles without a showing that, during a calendar year, at least seventy-five**
5 **percent of the material accumulated during the year, either by weight or by volume, will**
6 **be recycled for other use.**

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