

CONFERENCE COMMITTEE SUBSTITUTE

FOR

HOUSE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 773

AN ACT

To repeal sections 32.087, 67.3000, 67.3005, 143.183, 143.451, 253.545, 253.550, 253.559, and 620.1900, RSMo, and to enact in lieu thereof ten new sections relating to taxation.

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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AS FOLLOWS:

1           Section A. Sections 32.087, 67.3000, 67.3005, 143.183,  
2           143.451, 253.545, 253.550, 253.559, and 620.1900, RSMo, are  
3           repealed and ten new sections enacted in lieu thereof, to be  
4           known as sections 32.087, 32.315, 67.3000, 67.3005, 143.183,  
5           143.451, 253.545, 253.550, 253.559, and 620.1900, to read as  
6           follows:

7           32.087. 1. Within ten days after the adoption of any  
8           ordinance or order in favor of adoption of any local sales tax  
9           authorized under the local sales tax law by the voters of a  
10          taxing entity, the governing body or official of such taxing  
11          entity shall forward to the director of revenue by United States  
12          registered mail or certified mail a certified copy of the  
13          ordinance or order. The ordinance or order shall reflect the  
14          effective date thereof.

15          2. Any local sales tax so adopted shall become effective on  
16          the first day of the second calendar quarter after the director

1 of revenue receives notice of adoption of the local sales tax,  
2 except as provided in subsection 18 of this section, and shall be  
3 imposed on all transactions on which the Missouri state sales tax  
4 is imposed.

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

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

21 5. (1) The ordinance or order imposing a local sales tax  
22 under the local sales tax law shall impose a tax upon all  
23 transactions upon which the Missouri state sales tax is imposed  
24 to the extent and in the manner provided in sections 144.010 to  
25 144.525, and the rules and regulations of the director of revenue  
26 issued pursuant thereto; except that the rate of the tax shall be  
27 the sum of the combined rate of the state sales tax or state  
28 highway use tax and all local sales taxes imposed under the

1 provisions of the local sales tax law.

2 (2) Notwithstanding any other provision of law to the  
3 contrary, local taxing jurisdictions, except those in which  
4 voters have approved a local use tax under section 144.757, shall  
5 have placed on the ballot on or after the general election in  
6 November 2014, but no later than the general election in November  
7 ~~[2018]~~ 2022, whether to repeal application of the local sales tax  
8 to the titling of motor vehicles, trailers, boats, and outboard  
9 motors that are subject to state sales tax under section 144.020  
10 and purchased from a source other than a licensed Missouri  
11 dealer. The ballot question presented to the local voters shall  
12 contain substantially the following language:

13 Shall the \_\_\_\_\_ (local jurisdiction's name) discontinue  
14 applying and collecting the local sales tax on the titling of  
15 motor vehicles, trailers, boats, and outboard motors that were  
16 purchased from a source other than a licensed Missouri dealer?

17 Approval of this measure will result in a reduction of local  
18 revenue to provide for vital services for \_\_\_\_\_ (local  
19 jurisdiction's name) and it will place Missouri dealers of motor  
20 vehicles, outboard motors, boats, and trailers at a competitive  
21 disadvantage to non-Missouri dealers of motor vehicles, outboard  
22 motors, boats, and trailers.

23 ☐ YES

☐ NO

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

27 (3) If the ballot question set forth in subdivision (2) of  
28 this subsection receives a majority of the votes cast in favor of

1 the proposal, or if the local taxing jurisdiction fails to place  
2 the ballot question before the voters on or before the general  
3 election in November [2018] 2022, the local taxing jurisdiction  
4 shall cease applying the local sales tax to the titling of motor  
5 vehicles, trailers, boats, and outboard motors that were  
6 purchased from a source other than a licensed Missouri dealer.

7 (4) In addition to the requirement that the ballot question  
8 set forth in subdivision (2) of this subsection be placed before  
9 the voters, the governing body of any local taxing jurisdiction  
10 that had previously imposed a local use tax on the use of motor  
11 vehicles, trailers, boats, and outboard motors may, at any time,  
12 place a proposal on the ballot at any election to repeal  
13 application of the local sales tax to the titling of motor  
14 vehicles, trailers, boats, and outboard motors purchased from a  
15 source other than a licensed Missouri dealer. If a majority of  
16 the votes cast by the registered voters voting thereon are in  
17 favor of the proposal to repeal application of the local sales  
18 tax to such titling, then the local sales tax shall no longer be  
19 applied to the titling of motor vehicles, trailers, boats, and  
20 outboard motors purchased from a source other than a licensed  
21 Missouri dealer. If a majority of the votes cast by the  
22 registered voters voting thereon are opposed to the proposal to  
23 repeal application of the local sales tax to such titling, such  
24 application shall remain in effect.

25 (5) In addition to the requirement that the ballot question  
26 set forth in subdivision (2) of this subsection be placed before  
27 the voters on or after the general election in November 2014, and  
28 on or before the general election in November [2018] 2022,

1 whenever the governing body of any local taxing jurisdiction  
2 imposing a local sales tax on the sale of motor vehicles,  
3 trailers, boats, and outboard motors receives a petition, signed  
4 by fifteen percent of the registered voters of such jurisdiction  
5 voting in the last gubernatorial election, and calling for a  
6 proposal to be placed on the ballot at any election to repeal  
7 application of the local sales tax to the titling of motor  
8 vehicles, trailers, boats, and outboard motors purchased from a  
9 source other than a licensed Missouri dealer, the governing body  
10 shall submit to the voters of such jurisdiction a proposal to  
11 repeal application of the local sales tax to such titling. If a  
12 majority of the votes cast by the registered voters voting  
13 thereon are in favor of the proposal to repeal application of the  
14 local sales tax to such titling, then the local sales tax shall  
15 no longer be applied to the titling of motor vehicles, trailers,  
16 boats, and outboard motors purchased from a source other than a  
17 licensed Missouri dealer. If a majority of the votes cast by the  
18 registered voters voting thereon are opposed to the proposal to  
19 repeal application of the local sales tax to such titling, such  
20 application shall remain in effect.

21 (6) Nothing in this subsection shall be construed to  
22 authorize the voters of any jurisdiction to repeal application of  
23 any state sales or use tax.

24 (7) If any local sales tax on the titling of motor  
25 vehicles, trailers, boats, and outboard motors purchased from a  
26 source other than a licensed Missouri dealer is repealed, such  
27 repeal shall take effect on the first day of the second calendar  
28 quarter after the election. If any local sales tax on the

1 titling of motor vehicles, trailers, boats, and outboard motors  
2 purchased from a source other than a licensed Missouri dealer is  
3 required to cease to be applied or collected due to failure of a  
4 local taxing jurisdiction to hold an election pursuant to  
5 subdivision (2) of this subsection, such cessation shall take  
6 effect on March 1, [2019] 2023.

7 (8) Notwithstanding any provision of law to the contrary,  
8 if any local sales tax on the titling of motor vehicles,  
9 trailers, boats, and outboard motors purchased from a source  
10 other than a licensed Missouri dealer is repealed after the  
11 general election in November 2014, or if the taxing jurisdiction  
12 failed to present the ballot to the voters at a general election  
13 on or before November [2018] 2022, then the governing body of  
14 such taxing jurisdiction may, at any election subsequent to the  
15 repeal or after the general election in November [2018] 2022, if  
16 the jurisdiction failed to present the ballot to the voters,  
17 place before the voters the issue of imposing a sales tax on the  
18 titling of motor vehicles, trailers, boats, and outboard motors  
19 that are subject to state sales tax under section 144.020 that  
20 were purchased from a source other than a licensed Missouri  
21 dealer. The ballot question presented to the local voters shall  
22 contain substantially the following language:

23 Shall the \_\_\_\_\_ (local jurisdiction's name) apply and  
24 collect the local sales tax on the titling of motor vehicles,  
25 trailers, boats, and outboard motors that are subject to state  
26 sales tax under section 144.020 and purchased from a source other  
27 than a licensed Missouri dealer?

28 Approval of this measure will result in an increase of local

1 revenue to provide for vital services for \_\_\_\_\_ (local  
2 jurisdiction's name), and it will remove a competitive advantage  
3 that non-Missouri dealers of motor vehicles, outboard motors,  
4 boats, and trailers have over Missouri dealers of motor vehicles,  
5 outboard motors, boats, and trailers.

6 ☐ YES

☐ NO

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

10 (9) If any local sales tax on the titling of motor  
11 vehicles, trailers, boats, and outboard motors purchased from a  
12 source other than a licensed Missouri dealer is adopted, such tax  
13 shall take effect and be imposed on the first day of the second  
14 calendar quarter after the election.

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

27 7. All applicable provisions contained in sections 144.010  
28 to 144.525 governing the state sales tax and section 32.057, the

1 uniform confidentiality provision, shall apply to the collection  
2 of any local sales tax imposed under the local sales tax law  
3 except as modified by the local sales tax law.

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

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

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

27 11. The penalties provided in section 32.057 and sections  
28 144.010 to 144.525 for a violation of the provisions of those



1 sections are hereby made applicable to violations of the  
2 provisions of the local sales tax law.

3 12. (1) For the purposes of any local sales tax imposed by  
4 an ordinance or order under the local sales tax law, all sales,  
5 except the sale of motor vehicles, trailers, boats, and outboard  
6 motors required to be titled under the laws of the state of  
7 Missouri, shall be deemed to be consummated at the place of  
8 business of the retailer unless the tangible personal property  
9 sold is delivered by the retailer or his agent to an out-of-state  
10 destination. In the event a retailer has more than one place of  
11 business in this state which participates in the sale, the sale  
12 shall be deemed to be consummated at the place of business of the  
13 retailer where the initial order for the tangible personal  
14 property is taken, even though the order must be forwarded  
15 elsewhere for acceptance, approval of credit, shipment or  
16 billing. A sale by a retailer's agent or employee shall be  
17 deemed to be consummated at the place of business from which he  
18 works.

19 (2) For the purposes of any local sales tax imposed by an  
20 ordinance or order under the local sales tax law, the sales tax  
21 upon the titling of all motor vehicles, trailers, boats, and  
22 outboard motors shall be imposed at the rate in effect at the  
23 location of the residence of the purchaser, and remitted to that  
24 local taxing entity, and not at the place of business of the  
25 retailer, or the place of business from which the retailer's  
26 agent or employee works.

27 (3) For the purposes of any local tax imposed by an  
28 ordinance or under the local sales tax law on charges for mobile

1 telecommunications services, all taxes of mobile  
2 telecommunications service shall be imposed as provided in the  
3 Mobile Telecommunications Sourcing Act, 4 U.S.C. Sections 116  
4 through 124, as amended.

5 13. Local sales taxes shall not be imposed on the seller of  
6 motor vehicles, trailers, boats, and outboard motors required to  
7 be titled under the laws of the state of Missouri, but shall be  
8 collected from the purchaser by the director of revenue at the  
9 time application is made for a certificate of title, if the  
10 address of the applicant is within a taxing entity imposing a  
11 local sales tax under the local sales tax law.

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

27 15. The director of revenue shall annually report on his  
28 management of each trust fund which is created under the local

1 sales tax law and administration of each local sales tax imposed  
2 under the local sales tax law. He shall provide each taxing  
3 entity imposing one or more local sales taxes authorized by the  
4 local sales tax law with a detailed accounting of the source of  
5 all funds received by him for the taxing entity. Notwithstanding  
6 any other provisions of law, the state auditor shall annually  
7 audit each trust fund. A copy of the director's report and  
8 annual audit shall be forwarded to each taxing entity imposing  
9 one or more local sales taxes.

10 16. Within the boundaries of any taxing entity where one or  
11 more local sales taxes have been imposed, if any person is  
12 delinquent in the payment of the amount required to be paid by  
13 him under the local sales tax law or in the event a determination  
14 has been made against him for taxes and penalty under the local  
15 sales tax law, the limitation for bringing suit for the  
16 collection of the delinquent tax and penalty shall be the same as  
17 that provided in sections 144.010 to 144.525. Where the director  
18 of revenue has determined that suit must be filed against any  
19 person for the collection of delinquent taxes due the state under  
20 the state sales tax law, and where such person is also delinquent  
21 in payment of taxes under the local sales tax law, the director  
22 of revenue shall notify the taxing entity in the event any person  
23 fails or refuses to pay the amount of any local sales tax due so  
24 that appropriate action may be taken by the taxing entity.

25 17. Where property is seized by the director of revenue  
26 under the provisions of any law authorizing seizure of the  
27 property of a taxpayer who is delinquent in payment of the tax  
28 imposed by the state sales tax law, and where such taxpayer is

1 also delinquent in payment of any tax imposed by the local sales  
2 tax law, the director of revenue shall permit the taxing entity  
3 to join in any sale of property to pay the delinquent taxes and  
4 penalties due the state and to the taxing entity under the local  
5 sales tax law. The proceeds from such sale shall first be  
6 applied to all sums due the state, and the remainder, if any,  
7 shall be applied to all sums due such taxing entity.

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

23 32.315. 1. The department of revenue shall issue an annual  
24 report on or before January 1, 2019, and every January 1  
25 thereafter, listing all sales and use levies that are:

26 (1) Authorized pursuant to state law;

27 (2) Collected by the department of revenue; and

28 (3) Approved by voters at an election.

1        2. The report required under subsection 1 of this section  
2        shall indicate the provision of law authorizing such tax levy.

3        67.3000. 1. As used in this section and section 67.3005,  
4        the following words shall mean:

5        (1) "Active member", an organization located in the state  
6        of Missouri which solicits and services sports events, sports  
7        organizations, and other types of sports-related activities in  
8        that community;

9        (2) "Applicant" or "applicants", one or more certified  
10       sponsors, endorsing counties, endorsing municipalities, or a  
11       local organizing committee, acting individually or collectively;

12       (3) "Certified sponsor" or "certified sponsors", a  
13       nonprofit organization which is an active member of the National  
14       Association of Sports Commissions;

15       (4) "Department", the Missouri department of economic  
16       development;

17       (5) "Director", the director of revenue;

18       (6) "Eligible costs" shall include:

19       (a) Costs necessary for conducting the sporting event;

20       (b) Costs relating to the preparations necessary for the  
21       conduct of the sporting event; and

22       (c) An applicant's pledged obligations to the site  
23       selection organization as evidenced by the support contract for  
24       the sporting event including, but not limited to, bid fees and  
25       financial guarantees.

26  
27       "Eligible costs" shall not include any cost associated with the  
28       rehabilitation or construction of any facilities used to host the

1 sporting event or direct payments to a for-profit site selection  
2 organization, but may include costs associated with the  
3 retrofitting of a facility necessary to accommodate the sporting  
4 event;

5 (7) "Eligible donation", donations received, by a certified  
6 sponsor or local organizing committee, from a taxpayer that may  
7 include cash, publicly traded stocks and bonds, and real estate  
8 that will be valued and documented according to rules promulgated  
9 by the department. Such donations shall be used solely to  
10 provide funding to attract sporting events to this state;

11 (8) "Endorsing municipality" or "endorsing municipalities",  
12 any city, town, incorporated village, or county that contains a  
13 site selected by a site selection organization for one or more  
14 sporting events;

15 (9) "Joinder agreement", an agreement entered into by one  
16 or more applicants, acting individually or collectively, and a  
17 site selection organization setting out representations and  
18 assurances by each applicant in connection with the selection of  
19 a site in this state for the location of a sporting event;

20 (10) "Joinder undertaking", an agreement entered into by  
21 one or more applicants, acting individually or collectively, and  
22 a site selection organization that each applicant will execute a  
23 joinder agreement in the event that the site selection  
24 organization selects a site in this state for a sporting event;

25 (11) "Local organizing committee", a nonprofit corporation  
26 or its successor in interest that:

27 (a) Has been authorized by one or more certified sponsors,  
28 endorsing municipalities, or endorsing counties, acting

1 individually or collectively, to pursue an application and bid on  
2 its or the applicant's behalf to a site selection organization  
3 for selection as the host of one or more sporting events; or

4 (b) With the authorization of one or more certified  
5 sponsors, endorsing municipalities, or endorsing counties, acting  
6 individually or collectively, executes an agreement with a site  
7 selection organization regarding a bid to host one or more  
8 sporting events;

9 (12) "Site selection organization", the National Collegiate  
10 Athletic Association (NCAA); an NCAA member conference,  
11 university, or institution; the National Association of  
12 Intercollegiate Athletics (NAIA); the United States Olympic  
13 Committee (USOC); a national governing body (NGB) or  
14 international federation of a sport recognized by the USOC; the  
15 United States Golf Association (USGA); the United States Tennis  
16 Association (USTA); the Amateur [Softball Association of America  
17 (ASA)] Athletic Union (AAU); the National Christian College  
18 Athletic Association (NCCAA); the National Junior College  
19 Athletic Association (NJCAA); the United States Sports Specialty  
20 Association (USSSA); any rights holder member of the National  
21 Association of Sports Commissions (NASC); other major regional,  
22 national, and international sports associations, and amateur  
23 organizations that promote, organize, or administer sporting  
24 games or competitions; or other major regional, national, and  
25 international organizations that promote or organize sporting  
26 events;

27 (13) "Sporting event" or "sporting events", an amateur,  
28 collegiate, or Olympic sporting event that is competitively bid

1 or is awarded by a site selection organization;

2 (14) "Support contract" or "support contracts", an event  
3 award notification, joinder undertaking, joinder agreement, or  
4 contract executed by an applicant and a site selection  
5 organization;

6 (15) "Tax credit" or "tax credits", a credit or credits  
7 issued by the department against the tax otherwise due under  
8 chapter 143 or 148, excluding withholding tax imposed under  
9 sections 143.191 to 143.265;

10 (16) "Taxpayer", any of the following individuals or  
11 entities who make an eligible donation:

12 (a) A person, firm, partner in a firm, corporation, or a  
13 shareholder in an S corporation doing business in the state of  
14 Missouri and subject to the state income tax imposed under  
15 chapter 143;

16 (b) A corporation subject to the annual corporation  
17 franchise tax imposed under chapter 147;

18 (c) An insurance company paying an annual tax on its gross  
19 premium receipts in this state;

20 (d) Any other financial institution paying taxes to the  
21 state of Missouri or any political subdivision of this state  
22 under chapter 148;

23 (e) An individual subject to the state income tax imposed  
24 under chapter 143;

25 (f) Any charitable organization which is exempt from  
26 federal income tax and whose Missouri unrelated business taxable  
27 income, if any, would be subject to the state income tax imposed  
28 under chapter 143.



1           2. An applicant may submit a copy of a support contract for  
2 a sporting event to the department. Within sixty days of receipt  
3 of the sporting event support contract, the department may review  
4 the applicant's support contract and certify such support  
5 contract if it complies with the requirements of this section.  
6 Upon certification of the support contract by the department, the  
7 applicant may be authorized to receive the tax credit under  
8 subsection 4 of this section.

9           3. No more than ~~[thirty]~~ ninety days following the  
10 conclusion of the sporting event, the applicant shall submit  
11 eligible costs and documentation of the costs evidenced by  
12 receipts, paid invoices, event settlements, or other  
13 documentation in a manner prescribed by the department. Eligible  
14 costs may be paid by the applicant or an entity cohosting the  
15 event with the applicant.

16           4. (1) No later than seven days following the conclusion  
17 of the sporting event, the department, in consultation with the  
18 director, ~~[may]~~ shall determine the total number of tickets sold  
19 at face value for such event or, if such event was participant-  
20 based and did not sell admission tickets, the total number of  
21 paid participant registrations.

22           (2) No later than sixty days following the receipt of  
23 eligible costs and documentation of such costs from the applicant  
24 as required in subsection 3 of this section, the department ~~[may]~~  
25 shall, except for the limitations under subsection 5 of this  
26 section, issue a refundable tax credit to the applicant for the  
27 ~~[lesser]~~ least of:

28           (a) One hundred percent of eligible costs incurred by the

1 applicant [or];

2 (b) An amount equal to five dollars for every admission  
3 ticket sold to such event; or

4 (c) An amount equal to ten dollars for every paid  
5 participant registration if such event was participant-based and  
6 did not sell admission tickets.

7  
8 The calculations under paragraphs (b) and (c) of this subdivision  
9 shall use the actual number of tickets sold or registrations  
10 paid, not an estimated amount.

11 (3) Tax credits authorized by this section may be claimed  
12 against taxes imposed by chapters 143 and 148 and shall be  
13 claimed within one year of the close of the [taxable] tax year  
14 for which the credits were issued. Tax credits authorized by  
15 this section may be transferred, sold, or assigned by filing a  
16 notarized endorsement thereof with the department that names the  
17 transferee, the amount of tax credit transferred, and the value  
18 received for the credit, as well as any other information  
19 reasonably requested by the department.

20 5. In no event shall the amount of tax credits issued by  
21 the department under subsection 4 of this section exceed three  
22 million dollars in any fiscal year. For all events located  
23 within the following counties, the total amount of tax credits  
24 issued shall not exceed two million seven hundred thousand  
25 dollars in any fiscal year:

26 (1) A county with a charter form of government and with  
27 more than six hundred thousand inhabitants; or

28 (2) A city not within a county.

1           6. An applicant shall provide any information necessary as  
2 determined by the department for the department and the director  
3 to fulfill the duties required by this section. At any time upon  
4 the request of the state of Missouri, a certified sponsor shall  
5 subject itself to an audit conducted by the state.

6           7. This section shall not be construed as creating or  
7 requiring a state guarantee of obligations imposed on an  
8 endorsing municipality under a support contract or any other  
9 agreement relating to hosting one or more sporting events in this  
10 state.

11           8. The department shall only certify an applicant's support  
12 contract for a sporting event in which the site selection  
13 organization has yet to select a location for the sporting event  
14 as of December 1, 2012. No support contract shall be certified  
15 unless the site selection organization has chosen to use a  
16 location in this state from competitive bids, at least one of  
17 which was a bid for a location outside of this state, except that  
18 competitive bids shall not be required for any previously-awarded  
19 event whose site selection organization extends its contractual  
20 agreement with the event's certified sponsor or for any post-  
21 season collegiate football game or other neutral-site game with  
22 at least one out-of-state team. Support contracts shall not be  
23 certified by the department after August 28, [2019] 2024,  
24 provided that the support contracts may be certified on or prior  
25 to August 28, [2019] 2024, for sporting events that will be held  
26 after such date.

27           9. The department may promulgate rules as necessary to  
28 implement the provisions of this section. Any rule or portion of

1 a rule, as that term is defined in section 536.010, that is  
2 created under the authority delegated in this section shall  
3 become effective only if it complies with and is subject to all  
4 of the provisions of chapter 536 and, if applicable, section  
5 536.028. This section and chapter 536 are nonseverable and if  
6 any of the powers vested with the general assembly pursuant to  
7 chapter 536 to review, to delay the effective date, or to  
8 disapprove and annul a rule are subsequently held  
9 unconstitutional, then the grant of rulemaking authority and any  
10 rule proposed or adopted after August 28, 2013, shall be invalid  
11 and void.

12 67.3005. 1. For all **[taxable]** tax years beginning on or  
13 after January 1, 2013, any taxpayer shall be allowed a credit  
14 against the taxes otherwise due under chapter 143, 147, or 148,  
15 excluding withholding tax imposed by sections 143.191 to 143.265,  
16 in an amount equal to fifty percent of the amount of an eligible  
17 donation, subject to the restrictions in this section. The  
18 amount of the tax credit claimed shall not exceed the amount of  
19 the taxpayer's state income tax liability in the tax year for  
20 which the credit is claimed. Any amount of credit that the  
21 taxpayer is prohibited by this section from claiming in a tax  
22 year shall not be refundable, but may be carried forward to any  
23 of the taxpayer's two subsequent **[taxable]** tax years.

24 2. To claim the credit authorized in this section, a  
25 certified sponsor or local organizing committee shall submit to  
26 the department an application for the tax credit authorized by  
27 this section on behalf of taxpayers. The department shall verify  
28 that the applicant has submitted the following items accurately

1 and completely:

2 (1) A valid application in the form and format required by  
3 the department;

4 (2) A statement attesting to the eligible donation  
5 received, which shall include the name and taxpayer  
6 identification number of the individual making the eligible  
7 donation, the amount of the eligible donation, and the date the  
8 eligible donation was received; and

9 (3) Payment from the certified sponsor or local organizing  
10 committee equal to the value of the tax credit for which  
11 application is made.

12  
13 If the certified sponsor or local organizing committee applying  
14 for the tax credit meets all criteria required by this  
15 subsection, the department shall issue a certificate in the  
16 appropriate amount.

17 3. Tax credits issued under this section may be assigned,  
18 transferred, sold, or otherwise conveyed, and the new owner of  
19 the tax credit shall have the same rights in the credit as the  
20 taxpayer. Whenever a certificate is assigned, transferred, sold,  
21 or otherwise conveyed, a notarized endorsement shall be filed  
22 with the department specifying the name and address of the new  
23 owner of the tax credit or the value of the credit. In no event  
24 shall the amount of tax credits issued by the department under  
25 this section exceed ten million dollars in any fiscal year.

26 4. The department shall promulgate rules to implement the  
27 provisions of this section. Any rule or portion of a rule, as  
28 that term is defined in section 536.010, that is created under

1 the authority delegated in this section shall become effective  
2 only if it complies with and is subject to all of the provisions  
3 of chapter 536 and, if applicable, section 536.028. This section  
4 and chapter 536 are nonseverable and if any of the powers vested  
5 with the general assembly pursuant to chapter 536 to review, to  
6 delay the effective date, or to disapprove and annul a rule are  
7 subsequently held unconstitutional, then the grant of rulemaking  
8 authority and any rule proposed or adopted after August 28, 2013,  
9 shall be invalid and void.

10 5. Under section 23.253 of the Missouri sunset act:

11 (1) The provisions of the new program authorized under  
12 section 67.3000 and under this section shall automatically sunset  
13 six years after August 28, ~~[2013]~~ 2018, unless reauthorized by an  
14 act of the general assembly; and

15 (2) If such program is reauthorized, the program authorized  
16 under section 67.3000 and under this section shall automatically  
17 sunset twelve years after the effective date of the  
18 reauthorization of these sections; and

19 (3) Section 67.3000 and this section shall terminate on  
20 September first of the calendar year immediately following the  
21 calendar year in which the program authorized under these  
22 sections is sunset.

23 143.183. 1. As used in this section, the following terms  
24 mean:

25 (1) "Nonresident entertainer", a person residing or  
26 registered as a corporation outside this state who, for  
27 compensation, performs any vocal, instrumental, musical, comedy,  
28 dramatic, dance or other performance in this state before a live

1 audience and any other person traveling with and performing  
2 services on behalf of a nonresident entertainer, including a  
3 nonresident entertainer who is paid compensation for providing  
4 entertainment as an independent contractor, a partnership that is  
5 paid compensation for entertainment provided by nonresident  
6 entertainers, a corporation that is paid compensation for  
7 entertainment provided by nonresident entertainers, or any other  
8 entity that is paid compensation for entertainment provided by  
9 nonresident entertainers;

10 (2) "Nonresident member of a professional athletic team", a  
11 professional athletic team member who resides outside this state,  
12 including any active player, any player on the disabled list if  
13 such player is in uniform on the day of the game at the site of  
14 the game, and any other person traveling with and performing  
15 services on behalf of a professional athletic team;

16 (3) "Personal service income" includes exhibition and  
17 regular season salaries and wages, guaranteed payments, strike  
18 benefits, deferred payments, severance pay, bonuses, and any  
19 other type of compensation paid to the nonresident entertainer or  
20 nonresident member of a professional athletic team, but does not  
21 include prizes, bonuses or incentive money received from  
22 competition in a livestock, equine or rodeo performance,  
23 exhibition or show;

24 (4) "Professional athletic team" includes, but is not  
25 limited to, any professional baseball, basketball, football,  
26 soccer and hockey team.

27 2. Any person, venue, or entity who pays compensation to a  
28 nonresident entertainer shall deduct and withhold from such

1 compensation as a prepayment of tax an amount equal to two  
2 percent of the total compensation if the amount of compensation  
3 is in excess of three hundred dollars paid to the nonresident  
4 entertainer. For purposes of this section, the term "person,  
5 venue, or entity who pays compensation" shall not be construed to  
6 include any person, venue, or entity that is exempt from taxation  
7 under 26 U.S.C. Section 501(c)(3), as amended, and that pays an  
8 amount to the nonresident entertainer for the entertainer's  
9 appearance but receives no benefit from the entertainer's  
10 appearance other than the entertainer's performance.

11 3. Any person, venue, or entity required to deduct and  
12 withhold tax pursuant to subsection 2 of this section shall, for  
13 each calendar quarter, on or before the last day of the month  
14 following the close of such calendar quarter, remit the taxes  
15 withheld in such form or return as prescribed by the director of  
16 revenue and pay over to the director of revenue or to a  
17 depository designated by the director of revenue the taxes so  
18 required to be deducted and withheld.

19 4. Any person, venue, or entity subject to this section  
20 shall be considered an employer for purposes of section 143.191,  
21 and shall be subject to all penalties, interest, and additions to  
22 tax provided in this chapter for failure to comply with this  
23 section.

24 5. Notwithstanding other provisions of this chapter to the  
25 contrary, the commissioner of administration, for all taxable  
26 years beginning on or after January 1, 1999, but none after  
27 December 31, [2020] 2030, shall annually estimate the amount of  
28 state income tax revenues collected pursuant to this chapter



1 which are received from nonresident members of professional  
2 athletic teams and nonresident entertainers. For fiscal year  
3 2000, and for each subsequent fiscal year for a period of  
4 [twenty-one] thirty-one years, sixty percent of the annual  
5 estimate of taxes generated from the nonresident entertainer and  
6 professional athletic team income tax shall be allocated annually  
7 to the Missouri arts council trust fund, and shall be  
8 transferred, subject to appropriations, from the general revenue  
9 fund to the Missouri arts council trust fund established in  
10 section 185.100 and any amount transferred shall be in addition  
11 to such agency's budget base for each fiscal year. The director  
12 shall by rule establish the method of determining the portion of  
13 personal service income of such persons that is allocable to  
14 Missouri.

15 6. Notwithstanding the provisions of sections 186.050 to  
16 186.067 to the contrary, the commissioner of administration, for  
17 all taxable years beginning on or after January 1, 1999, but for  
18 none after December 31, [2020] 2030, shall estimate annually the  
19 amount of state income tax revenues collected pursuant to this  
20 chapter which are received from nonresident members of  
21 professional athletic teams and nonresident entertainers. For  
22 fiscal year 2000, and for each subsequent fiscal year for a  
23 period of [twenty-one] thirty-one years, ten percent of the  
24 annual estimate of taxes generated from the nonresident  
25 entertainer and professional athletic team income tax shall be  
26 allocated annually to the Missouri humanities council trust fund,  
27 and shall be transferred, subject to appropriations, from the  
28 general revenue fund to the Missouri humanities council trust

1 fund established in section 186.055 and any amount transferred  
2 shall be in addition to such agency's budget base for each fiscal  
3 year.

4 7. Notwithstanding other provisions of section 182.812 to  
5 the contrary, the commissioner of administration, for all taxable  
6 years beginning on or after January 1, 1999, but for none after  
7 December 31, ~~[2020]~~ 2030, shall estimate annually the amount of  
8 state income tax revenues collected pursuant to this chapter  
9 which are received from nonresident members of professional  
10 athletic teams and nonresident entertainers. For fiscal year  
11 2000, and for each subsequent fiscal year for a period of  
12 ~~[twenty-one]~~ thirty-one years, ten percent of the annual estimate  
13 of taxes generated from the nonresident entertainer and  
14 professional athletic team income tax shall be allocated annually  
15 to the Missouri state library networking fund, and shall be  
16 transferred, subject to appropriations, from the general revenue  
17 fund to the secretary of state for distribution to public  
18 libraries for acquisition of library materials as established in  
19 section 182.812 and any amount transferred shall be in addition  
20 to such agency's budget base for each fiscal year.

21 8. Notwithstanding other provisions of section 185.200 to  
22 the contrary, the commissioner of administration, for all taxable  
23 years beginning on or after January 1, 1999, but for none after  
24 December 31, ~~[2020]~~ 2030, shall estimate annually the amount of  
25 state income tax revenues collected pursuant to this chapter  
26 which are received from nonresident members of professional  
27 athletic teams and nonresident entertainers. For fiscal year  
28 2000, and for each subsequent fiscal year for a period of

1     ~~[twenty-one]~~ thirty-one years, ten percent of the annual estimate  
2     of taxes generated from the nonresident entertainer and  
3     professional athletic team income tax shall be allocated annually  
4     to the Missouri public television broadcasting corporation  
5     special fund, and shall be transferred, subject to  
6     appropriations, from the general revenue fund to the Missouri  
7     public television broadcasting corporation special fund, and any  
8     amount transferred shall be in addition to such agency's budget  
9     base for each fiscal year; provided, however, that twenty-five  
10    percent of such allocation shall be used for grants to public  
11    radio stations which were qualified by the corporation for public  
12    broadcasting as of November 1, 1996. Such grants shall be  
13    distributed to each of such public radio stations in this state  
14    after receipt of the station's certification of operating and  
15    programming expenses for the prior fiscal year. Certification  
16    shall consist of the most recent fiscal year financial statement  
17    submitted by a station to the corporation for public  
18    broadcasting. The grants shall be divided into two categories,  
19    an annual basic service grant and an operating grant. The basic  
20    service grant shall be equal to thirty-five percent of the total  
21    amount and shall be divided equally among the public radio  
22    stations receiving grants. The remaining amount shall be  
23    distributed as an operating grant to the stations on the basis of  
24    the proportion that the total operating expenses of the  
25    individual station in the prior fiscal year bears to the  
26    aggregate total of operating expenses for the same fiscal year  
27    for all Missouri public radio stations which are receiving  
28    grants.

1           9. Notwithstanding other provisions of section 253.402 to  
2 the contrary, the commissioner of administration, for all taxable  
3 years beginning on or after January 1, 1999, but for none after  
4 December 31, ~~[2020]~~ 2030, shall estimate annually the amount of  
5 state income tax revenues collected pursuant to this chapter  
6 which are received from nonresident members of professional  
7 athletic teams and nonresident entertainers. For fiscal year  
8 2000, and for each subsequent fiscal year for a period of  
9 ~~[twenty-one]~~ thirty-one years, ten percent of the annual estimate  
10 of taxes generated from the nonresident entertainer and  
11 professional athletic team income tax shall be allocated annually  
12 to the Missouri department of natural resources Missouri historic  
13 preservation revolving fund, and shall be transferred, subject to  
14 appropriations, from the general revenue fund to the Missouri  
15 department of natural resources Missouri historic preservation  
16 revolving fund established in section 253.402 and any amount  
17 transferred shall be in addition to such agency's budget base for  
18 each fiscal year.

19           10. This section shall not be construed to apply to any  
20 person who makes a presentation for professional or technical  
21 education purposes or to apply to any presentation that is part  
22 of a seminar, conference, convention, school, or similar program  
23 format designed to provide professional or technical education.

24           143.451. 1. Missouri taxable income of a corporation shall  
25 include all income derived from sources within this state.

26           2. A corporation described in subdivision (1) of subsection  
27 1 of section 143.441 shall include in its Missouri taxable income  
28 all income from sources within this state, including that from

1 the transaction of business in this state and that from the  
2 transaction of business partly done in this state and partly done  
3 in another state or states. However:

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

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

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

17 (b) The amount of sales which are transactions wholly in  
18 this state shall be added to one-half of the amount of sales  
19 which are transactions partly within this state and partly  
20 without this state, and the amount thus obtained shall be divided  
21 by the total sales or in cases where sales do not express the  
22 volume of business, the amount of business transacted wholly in  
23 this state shall be added to one-half of the amount of business  
24 transacted partly in this state and partly outside this state and  
25 the amount thus obtained shall be divided by the total amount of  
26 business transacted, and the net income shall be multiplied by  
27 the fraction thus obtained, to determine the proportion of income  
28 to be used to arrive at the amount of Missouri taxable income.

1 The investment or reinvestment of its own funds, or sale of any  
2 such investment or reinvestment, shall not be considered as sales  
3 or other business transacted for the determination of said  
4 fraction.

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

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

9 b. "Partly within this state and partly without this state"  
10 if the seller's shipping point is in this state and the  
11 purchaser's destination point is outside this state, or the  
12 seller's shipping point is outside this state and the purchaser's  
13 destination point is in this state;

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

18 (d) For purposes of this subdivision:

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

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

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

27 (a) The income from all sources shall be determined as  
28 provided, excluding therefrom the figures for the operation of

1 any bridge connecting this state with another state;

2 (b) The amount of sales which are transactions in this  
3 state shall be divided by the total sales, and the net income  
4 shall be multiplied by the fraction thus obtained, to determine  
5 the proportion of income to be used to arrive at the amount of  
6 Missouri taxable income. The investment or reinvestment of its  
7 own funds, or sale of any such investment or reinvestment, shall  
8 not be considered as sales or other business transacted for the  
9 determination of said fraction;

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

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

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

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

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

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

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

4           c. In the case of sale of a service, if and to the extent  
5 the ultimate beneficiary of the service is located in this state  
6 and shall not be in this state if the ultimate beneficiary of the  
7 service rendered by the taxpayer or the taxpayer's designee is  
8 located outside this state; and

9           d. In the case of intangible property:

10           (i) That is rented, leased, or licensed, if and to the  
11 extent the property is used in this state by the rentee, lessee,  
12 or licensee, provided that intangible property utilized in  
13 marketing a good or service to a consumer is "used in this state"  
14 if that good or service is purchased by a consumer who is in this  
15 state. Franchise fees or royalties received for the rent, lease,  
16 license, or use of a trade name, trademark, service mark, or  
17 franchise system or provides a right to conduct business activity  
18 in a specific geographic area are "used in this state" to the  
19 extent the franchise location is in this state; and

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

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

26           ii. Receipts from intangible property sales that are  
27 contingent on the productivity, use, or disposition of the  
28 intangible property shall be treated as receipts from the rental,



1     lease, or licensing of such intangible property under item (i) of  
2     this subparagraph; and

3             iii.    All other receipts from a sales of intangible  
4     property shall be excluded from the numerator and denominator of  
5     the sales factor;

6             (f)    If the state or states of assignment under paragraph  
7     (e) of this subdivision cannot be determined, the state or states  
8     of assignment shall be reasonably approximated;

9             (g)    If the state of assignment cannot be determined under  
10    paragraph (e) of this subdivision or reasonably approximated  
11    under paragraph (f) of this subdivision, such sales shall be  
12    excluded from the denominator of the sales factor;

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

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

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

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

26            (c)    "Distribution services" include, but are not limited  
27    to, the services of advertising, servicing, marketing,  
28    underwriting or selling shares of an investment company, but, in

1 the case of advertising, servicing or marketing shares, only  
2 where such service is performed by a person who is, or in the  
3 case of a closed end company, was, either engaged in the services  
4 of underwriting or selling investment company shares or  
5 affiliated with a person that is engaged in the service of  
6 underwriting or selling investment company shares. In the case  
7 of an open end company, such service of underwriting or selling  
8 shares must be performed pursuant to a contract entered into  
9 pursuant to 15 U.S.C. Section 80a-15(b), as from time to time  
10 amended;

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

17 (e) "Investment funds service corporation" includes any  
18 corporation or S corporation doing business in the state which  
19 derives more than fifty percent of its gross income in the  
20 ordinary course of business from the provision directly or  
21 indirectly of management, distribution or administration services  
22 to or on behalf of an investment company or from trustees,  
23 sponsors and participants of employee benefit plans which have  
24 accounts in an investment company. An investment funds service  
25 corporation shall include any corporation or S corporation  
26 providing management services as an investment advisory firm  
27 registered under Section 203 of the Investment Advisors Act of  
28 1940, as amended from time to time, regardless of the percentage

1 of gross revenues consisting of fees from management services  
2 provided to or on behalf of an investment company;

3 (f) "Management services" include but are not limited to,  
4 the rendering of investment advice directly or indirectly to an  
5 investment company making determinations as to when sales and  
6 purchases of securities are to be made on behalf of the  
7 investment company, or the selling or purchasing of securities  
8 constituting assets of an investment company, and related  
9 activities, but only where such activity or activities are  
10 performed:

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

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

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

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

26 (h) "Residence", presumptively the fund shareholder's  
27 mailing address on the records of the investment company. If,  
28 however, the investment company or the investment funds service

1 corporation has actual knowledge that the fund shareholder's  
2 primary residence or principal place of business is different  
3 than the fund shareholder's mailing address such presumption  
4 shall not control. To the extent an investment funds service  
5 corporation does not have access to the records of the investment  
6 company, the investment funds service corporation may employ  
7 reasonable methods to determine the investment company fund  
8 shareholder's residence.

9 (5) Notwithstanding other provisions of law to the  
10 contrary, qualifying sales of an investment funds service  
11 corporation, or S corporation, shall be considered wholly in this  
12 state only to the extent that the fund shareholders of the  
13 investment companies, to which the investment funds service  
14 corporation, or S corporation, provide services, are resided  
15 in this state. Wholly in this state qualifying sales of an  
16 investment funds service corporation, or S corporation, shall be  
17 determined as follows:

18 (a) By multiplying the investment funds service  
19 corporation's total dollar amount of qualifying sales from  
20 services provided to each investment company by a fraction, the  
21 numerator of which shall be the average of the number of shares  
22 owned by the investment company's fund shareholders resided in  
23 this state at the beginning of and at the end of the investment  
24 company's taxable year that ends with or within the investment  
25 funds service corporation's taxable year, and the denominator of  
26 which shall be the average of the number of shares owned by the  
27 investment company's fund shareholders everywhere at the  
28 beginning of and at the end of the investment company's taxable

1 year that ends with or within the investment funds service  
2 corporation's taxable year;

3 (b) A separate computation shall be made to determine the  
4 wholly in this state qualifying sales from each investment  
5 company. The qualifying sales for each investment company shall  
6 be multiplied by the respective percentage of each fund, as  
7 calculated pursuant to paragraph (a) of this subdivision. The  
8 product of this equation shall result in the wholly in this state  
9 qualifying sales. The qualifying sales for each investment  
10 company which are not wholly in this state will be considered  
11 wholly without this state;

12 (c) To the extent an investment funds service corporation  
13 has sales which are not qualifying sales, those nonqualified  
14 sales shall be apportioned to this state based on the methodology  
15 utilized by the investment funds service corporation without  
16 regard to this subdivision.

17 (6) Notwithstanding the Multistate Tax Compact, sections  
18 32.200 to 32.240, this section, and section 143.461 to the  
19 contrary, sales and business transactions shall not include any  
20 intercompany transactions, as that term is defined under 26  
21 C.F.R. 1.1502-13, between corporations that file a consolidated  
22 income tax return in this state.

23 3. Any corporation described in subdivision (1) of  
24 subsection 1 of section 143.441 organized in this state or  
25 granted a permit to operate in this state for the transportation  
26 or care of passengers shall report its gross earnings within the  
27 state on intrastate business and shall also report its gross  
28 earnings on all interstate business done in this state which

1 report shall be subject to inquiry for the purpose of determining  
2 the amount of income to be included in Missouri taxable income.  
3 The previous sentence shall not apply to a railroad.

4 4. A corporation described in subdivision (2) of subsection  
5 1 of section 143.441 shall include in its Missouri taxable income  
6 all income arising from all sources in this state and all income  
7 from each transportation service wholly within this state, from  
8 each service where the only lines of such corporation used are  
9 those in this state, and such proportion of revenue from each  
10 service where the facilities of such corporation in this state  
11 and in another state or states are used, as the mileage used over  
12 the lines of such corporation in the state shall bear to the  
13 total mileage used over the lines of such corporation. The  
14 taxpayer may elect to compute the portion of income from all  
15 sources within this state in the following manner:

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

18 (2) The amount of investment of such corporation on  
19 December thirty-first of each year in this state in fixed  
20 transportation facilities, real estate and improvements, plus the  
21 value on December thirty-first of each year of any fixed  
22 transportation facilities, real estate and improvements in this  
23 state leased from any other railroad shall be divided by the sum  
24 of the total amount of investment of such corporation on December  
25 thirty-first of each year in fixed transportation facilities,  
26 real estate and improvements, plus the value on December thirty-  
27 first of each year, of any fixed transportation facilities, real  
28 estate and improvements leased from any other railroad. Where

1 any fixed transportation facilities, real estate or improvements  
2 are leased by more than one railroad, such portion of the value  
3 shall be used by each railroad as the rental paid by each shall  
4 bear to the rental paid by all lessees. The income shall be  
5 multiplied by the fraction thus obtained to determine the  
6 proportion to be used to arrive at the amount of Missouri taxable  
7 income.

8 5. A corporation described in subdivision (3) of subsection  
9 1 of section 143.441 shall include in its Missouri taxable income  
10 one-half of the net income from the operation of a bridge between  
11 this and another state. If any such bridge is owned or operated  
12 by a railroad corporation or corporations, or by a corporation  
13 owning a railroad corporation using such bridge, then the figures  
14 for operation of such bridge may be included in the return of  
15 such railroad or railroads; or if such bridge is owned or  
16 operated by any other corporation which may now or hereafter be  
17 required to file an income tax return, one-half of the income or  
18 loss to such corporation from such bridge may be included in such  
19 return by adding or subtracting same to or from another net  
20 income or loss shown by the return.

21 6. A corporation described in subdivision (4) of subsection  
22 1 of section 143.441 shall include in its Missouri taxable income  
23 all income arising from all sources within this state. Income  
24 shall include revenue from each telephonic or telegraphic service  
25 rendered wholly within this state; from each service rendered for  
26 which the only facilities of such corporation used are those in  
27 this state; and from each service rendered over the facilities of  
28 such corporation in this state and in other state or states, such

1 proportion of such revenue as the mileage involved in this state  
2 shall bear to the total mileage involved over the lines of said  
3 company in all states. The taxpayer may elect to compute the  
4 portion of income from all sources within this state in the  
5 following manner:

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

8 (2) The amount of investment of such corporation on  
9 December thirty-first of each year in this state in telephonic or  
10 telegraphic facilities, real estate and improvements thereon,  
11 shall be divided by the amount of the total investment of such  
12 corporation on December thirty-first of each year in telephonic  
13 or telegraphic facilities, real estate and improvements. The  
14 income of the taxpayer shall be multiplied by the fraction thus  
15 obtained to determine the proportion to be used to arrive at the  
16 amount of Missouri taxable income.

17 7. From the income determined in subsections 2, 3, 4, 5 and  
18 6 of this section to be from all sources within this state shall  
19 be deducted such of the deductions for expenses in determining  
20 Missouri taxable income as were incurred in this state to produce  
21 such income and all losses actually sustained in this state in  
22 the business of the corporation.

23 8. If a corporation derives only part of its income from  
24 sources within Missouri, its Missouri taxable income shall only  
25 reflect the effect of the following listed deductions to the  
26 extent applicable to Missouri. The deductions are: (a) its  
27 deduction for federal income taxes pursuant to section 143.171,  
28 and (b) the effect on Missouri taxable income of the deduction



1 for net operating loss allowed by Section 172 of the Internal  
2 Revenue Code. The extent applicable to Missouri shall be  
3 determined by multiplying the amount that would otherwise affect  
4 Missouri taxable income by the ratio for the year of the Missouri  
5 taxable income of the corporation for the year divided by the  
6 Missouri taxable income for the year as though the corporation  
7 had derived all of its income from sources within Missouri. For  
8 the purpose of the preceding sentence, Missouri taxable income  
9 shall not reflect the listed deductions.

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

14 10. The provisions of this section do not impact any other  
15 apportionment election available to a taxpayer under Missouri  
16 statutes unless explicitly stated in this section.

17 253.545. As used in sections 253.545 to 253.559, the  
18 following terms mean, unless the context requires otherwise:

19 (1) "Certified historic structure", a property located in  
20 Missouri and listed individually on the National Register of  
21 Historic Places;

22 (2) "Deed in lieu of foreclosure or voluntary conveyance",  
23 a transfer of title from a borrower to the lender to satisfy the  
24 mortgage debt and avoid foreclosure;

25 (3) "Eligible property", property located in Missouri and  
26 offered or used for residential or business purposes;

27 (4) "Leasehold interest", a lease in an eligible property  
28 for a term of not less than thirty years;

1           (5) "Principal", a managing partner, general partner, or  
2 president of a taxpayer;

3           (6) "Projected net fiscal benefit", the total net fiscal  
4 benefit to the state or municipality, less any state or local  
5 benefits offered to the taxpayer for a project, as determined by  
6 the department of economic development;

7           (7) "Qualified census tract", a census tract with a poverty  
8 rate of twenty percent or higher as determined by a map and  
9 listing of census tracts which shall be published by the  
10 department of economic development and updated on a five-year  
11 cycle, and which map and listing shall depict census tracts with  
12 twenty percent poverty rate or higher, grouped by census tracts  
13 with twenty percent to forty-two percent poverty, and forty-two  
14 percent to eighty-one percent poverty as determined by the most  
15 current five-year figures published by the American Community  
16 Survey conducted by the United States Census Bureau;

17          (8) "Structure in a certified historic district", a  
18 structure located in Missouri which is certified by the  
19 department of natural resources as contributing to the historic  
20 significance of a certified historic district listed on the  
21 National Register of Historic Places, or a local district that  
22 has been certified by the United States Department of the  
23 Interior;

24          [(7)] (9) "Taxpayer", any person, firm, partnership,  
25 trust, estate, limited liability company, or corporation.

26          253.550. 1. Any taxpayer incurring costs and expenses for  
27 the rehabilitation of eligible property, which is a certified  
28 historic structure or structure in a certified historic district,

1 may, subject to the provisions of this section and section  
2 253.559, receive a credit against the taxes imposed pursuant to  
3 chapters 143 and 148, except for sections 143.191 to 143.265, on  
4 such taxpayer in an amount equal to twenty-five percent of the  
5 total costs and expenses of rehabilitation incurred after January  
6 1, 1998, which shall include, but not be limited to, qualified  
7 rehabilitation expenditures as defined under section 47(c)(2)(A)  
8 of the Internal Revenue Code of 1986, as amended, and the related  
9 regulations thereunder, provided the rehabilitation costs  
10 associated with rehabilitation and the expenses exceed fifty  
11 percent of the total basis in the property and the rehabilitation  
12 meets standards consistent with the standards of the Secretary of  
13 the United States Department of the Interior for rehabilitation  
14 as determined by the state historic preservation officer of the  
15 Missouri department of natural resources.

16 2. (1) During the period beginning on January 1, 2010, but  
17 ending on or after June 30, 2010, the department of economic  
18 development shall not approve applications for tax credits under  
19 the provisions of subsections [3] 4 and [8] 10 of section 253.559  
20 which, in the aggregate, exceed seventy million dollars,  
21 increased by any amount of tax credits for which approval shall  
22 be rescinded under the provisions of section 253.559. For each  
23 fiscal year beginning on or after July 1, 2010, but ending before  
24 June 30, 2018, the department of economic development shall not  
25 approve applications for tax credits under the provisions of  
26 subsections [3] 4 and [8] 10 of section 253.559 which, in the  
27 aggregate, exceed one hundred forty million dollars, increased by  
28 any amount of tax credits for which approval shall be rescinded

1 under the provisions of section 253.559. For each fiscal year  
2 beginning on or after July 1, 2018, the department of economic  
3 development shall not approve applications for tax credits under  
4 the provisions of subsections 4 and 10 of section 253.559 which,  
5 in the aggregate, exceed ninety million dollars, increased by any  
6 amount of tax credits for which approval shall be rescinded under  
7 the provisions of section 253.559. The limitations provided  
8 under this subsection shall not apply to applications approved  
9 under the provisions of subsection [3] 4 of section 253.559 for  
10 projects to receive less than two hundred seventy-five thousand  
11 dollars in tax credits.

12 (2) For each fiscal year beginning on or after July 1,  
13 2018, the department shall authorize an amount up to, but not to  
14 exceed, an additional thirty million dollars in tax credits  
15 issued under subsections 4 and 10 of section 253.559, provided  
16 that such tax credits are authorized solely for projects located  
17 in a qualified census tract.

18 (3) For each fiscal year beginning on or after July 1,  
19 2018, if the maximum amount of tax credits allowed in any fiscal  
20 year as provided under subdivisions (1) and (2) of this  
21 subsection is authorized, the maximum amount of tax credits  
22 allowed under subdivision (1) of this subsection shall be  
23 adjusted by the percentage increase in the Consumer Price Index  
24 for All Urban Consumers, or its successor index, as such index is  
25 defined and officially reported by the United States Department  
26 of Labor, or its successor agency. Only one such adjustment  
27 shall be made for each instance in which the provisions of this  
28 subdivision apply. The director of the department of economic

1 development shall publish such adjusted amount.

2 3. For all applications for tax credits approved on or  
3 after January 1, 2010, no more than two hundred fifty thousand  
4 dollars in tax credits may be issued for eligible costs and  
5 expenses incurred in the rehabilitation of an eligible property  
6 which is a nonincome producing single-family, owner-occupied  
7 residential property and is either a certified historic structure  
8 or a structure in a certified historic district.

9 4. The limitations on tax credit authorization provided  
10 under the provisions of [subsections] subsection 2 [and 3] of  
11 this section shall not apply to:

12 (1) Any application submitted by a taxpayer, which has  
13 received approval from the department prior to [January 1, 2010]  
14 October 1, 2018; or

15 (2) Any taxpayer applying for tax credits, provided under  
16 this section, which, on or before [January 1, 2010] October 1,  
17 2018, has filed an application with the department evidencing  
18 that such taxpayer:

19 (a) Has incurred costs and expenses for an eligible  
20 property which exceed the lesser of five percent of the total  
21 project costs or one million dollars and received an approved  
22 Part I from the Secretary of the United States Department of  
23 Interior; or

24 (b) Has received certification, by the state historic  
25 preservation officer, that the rehabilitation plan meets the  
26 standards consistent with the standards of the Secretary of the  
27 United States Department of the Interior, and the rehabilitation  
28 costs and expenses associated with such rehabilitation shall

1 exceed fifty percent of the total basis in the property.

2       253.559. 1. To obtain approval for tax credits allowed  
3 under sections 253.545 to 253.559, a taxpayer shall submit an  
4 application for tax credits to the department of economic  
5 development. Each application for approval, including any  
6 applications received for supplemental allocations of tax credits  
7 as provided under subsection 8 of this section, shall be  
8 prioritized for review and approval, in the order of the date on  
9 which the application was postmarked, with the oldest postmarked  
10 date receiving priority. Applications postmarked on the same day  
11 shall go through a lottery process to determine the order in  
12 which such applications shall be reviewed.

13       2. Each application shall be reviewed by the department of  
14 economic development for approval. In order to receive approval,  
15 an application, other than applications submitted under the  
16 provisions of subsection [8] 10 of this section, shall include:

17       (1) Proof of ownership or site control. Proof of ownership  
18 shall include evidence that the taxpayer is the fee simple owner  
19 of the eligible property, such as a warranty deed or a closing  
20 statement. Proof of site control may be evidenced by a leasehold  
21 interest or an option to acquire such an interest. If the  
22 taxpayer is in the process of acquiring fee simple ownership,  
23 proof of site control shall include an executed sales contract or  
24 an executed option to purchase the eligible property;

25       (2) Floor plans of the existing structure, architectural  
26 plans, and, where applicable, plans of the proposed alterations  
27 to the structure, as well as proposed additions;

28       (3) The estimated cost of rehabilitation, the anticipated

1 total costs of the project, the actual basis of the property, as  
2 shown by proof of actual acquisition costs, the anticipated total  
3 labor costs, the estimated project start date, and the estimated  
4 project completion date;

5 (4) Proof that the property is an eligible property and a  
6 certified historic structure or a structure in a certified  
7 historic district; [and]

8 (5) A copy of all land use and building approvals  
9 reasonably necessary for the commencement of the project; and

10 (6) Any other information which the department of economic  
11 development may reasonably require to review the project for  
12 approval.

13 Only the property for which a property address is provided in the  
14 application shall be reviewed for approval. Once selected for  
15 review, a taxpayer shall not be permitted to request the review  
16 of another property for approval in the place of the property  
17 contained in such application. Any disapproved application shall  
18 be removed from the review process. If an application is removed  
19 from the review process, the department of economic development  
20 shall notify the taxpayer in writing of the decision to remove  
21 such application. Disapproved applications shall lose priority  
22 in the review process. A disapproved application, which is  
23 removed from the review process, may be resubmitted, but shall be  
24 deemed to be a new submission for purposes of the priority  
25 procedures described in this section.

26 3. (1) In evaluating an application for tax credits  
27 submitted under this section, the department of economic  
28 development shall also consider:

1       (a) The amount of projected net fiscal benefit of the  
2 project to the state and local municipality, and the period in  
3 which the state and municipality would realize such net fiscal  
4 benefit;

5       (b) The overall size and quality of the proposed project,  
6 including the estimated number of new jobs to be created by the  
7 project, the potential multiplier effect of the project, and  
8 similar factors;

9       (c) The level of economic distress in the area; and

10       (d) Input from the local elected officials in the local  
11 municipality in which the proposed project is located as to the  
12 importance of the proposed project to the municipality. For any  
13 proposed project in any city not within a county, input from the  
14 local elected officials shall include, but shall not be limited  
15 to, the president of the board of aldermen.

16       (2) The provisions of this subsection shall not apply to  
17 applications for projects to receive less than two hundred  
18 seventy-five thousand dollars in tax credits.

19       4. If the department of economic development deems the  
20 application sufficient, the taxpayer shall be notified in writing  
21 of the approval for an amount of tax credits equal to the amount  
22 provided under section 253.550 less any amount of tax credits  
23 previously approved. Such approvals shall be granted to  
24 applications in the order of priority established under this  
25 section and shall require full compliance thereafter with all  
26 other requirements of law as a condition to any claim for such  
27 credits. If the department of economic development disapproves  
28 an application, the taxpayer shall be notified in writing of the



1 reasons for such disapproval. A disapproved application may be  
2 resubmitted.

3 [4.] 5. Following approval of an application, the identity  
4 of the taxpayer contained in such application shall not be  
5 modified except:

6 (1) The taxpayer may add partners, members, or shareholders  
7 as part of the ownership structure, so long as the principal  
8 remains the same, provided however, that subsequent to the  
9 commencement of renovation and the expenditure of at least ten  
10 percent of the proposed rehabilitation budget, removal of the  
11 principal for failure to perform duties and the appointment of a  
12 new principal thereafter shall not constitute a change of the  
13 principal; or

14 (2) Where the ownership of the project is changed due to a  
15 foreclosure, deed in lieu of a foreclosure or voluntary  
16 conveyance, or a transfer in bankruptcy.

17 [5.] 6. In the event that the department of economic  
18 development grants approval for tax credits equal to the total  
19 amount available under subsection 2 of section 253.550, or  
20 sufficient that when totaled with all other approvals, the amount  
21 available under subsection 2 of section 253.550 is exhausted, all  
22 taxpayers with applications then awaiting approval or thereafter  
23 submitted for approval shall be notified by the department of  
24 economic development that no additional approvals shall be  
25 granted during the fiscal year and shall be notified of the  
26 priority given to such taxpayer's application then awaiting  
27 approval. Such applications shall be kept on file by the  
28 department of economic development and shall be considered for

1 approval for tax credits in the order established in this section  
2 in the event that additional credits become available due to the  
3 rescission of approvals or when a new fiscal year's allocation of  
4 credits becomes available for approval.

5 7. All taxpayers with applications receiving approval on or  
6 after July 1, 2019, shall submit within sixty days following the  
7 award of credits evidence of the capacity of the applicant to  
8 finance the costs and expenses for the rehabilitation of the  
9 eligible property in the form of a line of credit or letter of  
10 commitment subject to the lender's termination for a material  
11 adverse change impacting the extension of credit. If the  
12 department of economic development determines that a taxpayer has  
13 failed to comply with the requirements under this subsection,  
14 then the department shall notify the applicant of such failure  
15 and the applicant shall have a thirty day period from the date of  
16 such notice to submit additional evidence to remedy the failure.

17 [6.] 8. All taxpayers with applications receiving approval  
18 on or after the effective date of this act shall commence  
19 rehabilitation within [two years] nine months of the date of  
20 issuance of the letter from the department of economic  
21 development granting the approval for tax credits. "Commencement  
22 of rehabilitation" shall mean that as of the date in which actual  
23 physical work, contemplated by the architectural plans submitted  
24 with the application, has begun, the taxpayer has incurred no  
25 less than ten percent of the estimated costs of rehabilitation  
26 provided in the application. Taxpayers with approval of a  
27 project shall submit evidence of compliance with the provisions  
28 of this subsection. If the department of economic development

determines that a taxpayer has failed to comply with the requirements provided under this section, the approval for the amount of tax credits for such taxpayer shall be rescinded and such amount of tax credits shall then be included in the total amount of tax credits, provided under subsection 2 of section 253.550, from which approvals may be granted. Any taxpayer whose approval shall be subject to rescission shall be notified of such from the department of economic development and, upon receipt of such notice, may submit a new application for the project.

[7.] 9. To claim the credit authorized under sections 253.550 to 253.559, a taxpayer with approval shall apply for final approval and issuance of tax credits from the department of economic development which, in consultation with the department of natural resources, shall determine the final amount of eligible rehabilitation costs and expenses and whether the completed rehabilitation meets the standards of the Secretary of the United States Department of the Interior for rehabilitation as determined by the state historic preservation officer of the Missouri department of natural resources. For financial institutions credits authorized pursuant to sections 253.550 to 253.561 shall be deemed to be economic development credits for purposes of section 148.064. The approval of all applications and the issuing of certificates of eligible credits to taxpayers shall be performed by the department of economic development. The department of economic development shall inform a taxpayer of final approval by letter and shall issue, to the taxpayer, tax credit certificates. The taxpayer shall attach the certificate to all Missouri income tax returns on which the credit is

1 claimed.

2 [8.] 10. Except as expressly provided in this subsection,  
3 tax credit certificates shall be issued in the final year that  
4 costs and expenses of rehabilitation of the project are incurred,  
5 or within the twelve-month period immediately following the  
6 conclusion of such rehabilitation. In the event the amount of  
7 eligible rehabilitation costs and expenses incurred by a taxpayer  
8 would result in the issuance of an amount of tax credits in  
9 excess of the amount provided under such taxpayer's approval  
10 granted under subsection [3] 4 of this section, such taxpayer may  
11 apply to the department for issuance of tax credits in an amount  
12 equal to such excess. Applications for issuance of tax credits  
13 in excess of the amount provided under a taxpayer's application  
14 shall be made on a form prescribed by the department. Such  
15 applications shall be subject to all provisions regarding  
16 priority provided under subsection 1 of this section.

17 [9.] 11. The department of economic development shall  
18 determine, on an annual basis, the overall economic impact to the  
19 state from the rehabilitation of eligible property.

20 620.1900. 1. The department of economic development may  
21 charge a fee to the recipient of any tax credits issued by the  
22 department, in an amount up to two and one-half percent of the  
23 amount of tax credits issued, or for tax credits issued under  
24 sections 253.545 to 253.559 in an amount equal to four percent of  
25 the amount of tax credits issued. The fee shall be paid by the  
26 recipient upon the issuance of the tax credits. However, no fee  
27 shall be charged for the tax credits issued under section  
28 135.460, or section 208.770, or under sections 32.100 to 32.125,

1 if issued for community services, crime prevention, education,  
2 job training, or physical revitalization.

3 2. (1) All fees received by the department of economic  
4 development under this section shall be deposited solely to the  
5 credit of the economic development advancement fund, created  
6 under subsection 3 of this section.

7 (2) Thirty-seven and one-half percent of the revenue  
8 derived from the four percent fee charged on tax credits issued  
9 under sections 253.545 to 253.559 shall be appropriated from the  
10 economic development advancement fund for business recruitment  
11 and marketing.

12 3. There is hereby created in the state treasury the  
13 "Economic Development Advancement Fund", which shall consist of  
14 money collected under this section. The state treasurer shall be  
15 custodian of the fund and shall approve disbursements from the  
16 fund in accordance with sections 30.170 and 30.180. Upon  
17 appropriation, money in the fund shall be used solely for the  
18 administration of this section. Notwithstanding the provisions  
19 of section 33.080 to the contrary, any moneys remaining in the  
20 fund at the end of the biennium shall not revert to the credit of  
21 the general revenue fund. The state treasurer shall invest  
22 moneys in the fund in the same manner as other funds are  
23 invested. Any interest and moneys earned on such investments  
24 shall be credited to the fund.

25 4. Such fund shall consist of any fees charged under  
26 subsection 1 of this section, any gifts, contributions, grants,  
27 or bequests received from federal, private, or other sources,  
28 fees or administrative charges from private activity bond

1 allocations, moneys transferred or paid to the department in  
2 return for goods or services provided by the department, and any  
3 appropriations to the fund.

4 5. At least fifty percent of the fees and other moneys  
5 deposited in the fund shall be appropriated for marketing,  
6 technical assistance, and training, contracts for specialized  
7 economic development services, and new initiatives and pilot  
8 programming to address economic trends. The remainder may be  
9 appropriated toward the costs of staffing and operating expenses  
10 for the program activities of the department of economic  
11 development, and for accountability functions.

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