

SENATE SUBSTITUTE

FOR

SENATE BILL NO. 1003

AN ACT

To repeal section 144.011, RSMo, and to enact in lieu thereof one new section relating to sales and use tax exemptions for nonprofit organization fees and dues.

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

1 Section A. Section 144.011, RSMo, is repealed and one new
2 section enacted in lieu thereof, to be known as section 144.011,
3 to read as follows:

4 144.011. 1. For purposes of sections 144.010 to 144.525
5 and 144.600 to 144.748, and the taxes imposed thereby, the
6 definition of "retail sale" or "sale at retail" shall not be
7 construed to include any of the following:

8 (1) The transfer by one corporation of substantially all of
9 its tangible personal property to another corporation pursuant to
10 a merger or consolidation effected under the laws of the state of
11 Missouri or any other jurisdiction;

12 (2) The transfer of tangible personal property incident to
13 the liquidation or cessation of a taxpayer's trade or business,
14 conducted in proprietorship, partnership or corporate form,
15 except to the extent any transfer is made in the ordinary course
16 of the taxpayer's trade or business;

17 (3) The transfer of tangible personal property to a
18 corporation solely in exchange for its stock or securities;

19 (4) The transfer of tangible personal property to a

1 corporation by a shareholder as a contribution to the capital of
2 the transferee corporation;

3 (5) The transfer of tangible personal property to a
4 partnership solely in exchange for a partnership interest
5 therein;

6 (6) The transfer of tangible personal property by a partner
7 as a contribution to the capital of the transferee partnership;

8 (7) The transfer of tangible personal property by a
9 corporation to one or more of its shareholders as a dividend,
10 return of capital, distribution in the partial or complete
11 liquidation of the corporation or distribution in redemption of
12 the shareholder's interest therein;

13 (8) The transfer of tangible personal property by a
14 partnership to one or more of its partners as a current
15 distribution, return of capital or distribution in the partial or
16 complete liquidation of the partnership or of the partner's
17 interest therein;

18 (9) The transfer of reusable containers used in connection
19 with the sale of tangible personal property contained therein for
20 which a deposit is required and refunded on return;

21 (10) The purchase by persons operating eating or food
22 service establishments, of items of a nonreusable nature which
23 are furnished to the customers of such establishments with or in
24 conjunction with the retail sales of their food or beverage.
25 Such items shall include, but not be limited to, wrapping or
26 packaging materials and nonreusable paper, wood, plastic and
27 aluminum articles such as containers, trays, napkins, dishes,
28 silverware, cups, bags, boxes, straws, sticks and toothpicks;

1 (11) The purchase by persons operating hotels, motels or
2 other transient accommodation establishments, of items of a
3 nonreusable nature which are furnished to the guests in the
4 guests' rooms of such establishments and such items are included
5 in the charge made for such accommodations. Such items shall
6 include, but not be limited to, soap, shampoo, tissue and other
7 toiletries and food or confectionery items offered to the guests
8 without charge;

9 (12) The transfer of a manufactured home other than:

10 (a) A transfer which involves the delivery of the document
11 known as the "Manufacturer's Statement of Origin" to a person
12 other than a manufactured home dealer, as defined in section
13 700.010, for purposes of allowing such person to obtain a title
14 to the manufactured home from the department of revenue of this
15 state or the appropriate agency or officer of any other state;

16 (b) A transfer which involves the delivery of a
17 "Repossessed Title" to a resident of this state if the tax
18 imposed by sections 144.010 to 144.525 was not paid on the
19 transfer of the manufactured home described in paragraph (a) of
20 this subdivision;

21 (c) The first transfer which occurs after December 31,
22 1985, if the tax imposed by sections 144.010 to 144.525 was not
23 paid on any transfer of the same manufactured home which occurred
24 before December 31, 1985; or

25 (13) Charges for initiation fees or dues to:

26 (a) Fraternal beneficiaries societies, or domestic
27 fraternal societies, orders or associations operating under the
28 lodge system a substantial part of the activities of which are

1 devoted to religious, charitable, scientific, literary,
2 educational or fraternal purposes; [or]

3 (b) Posts or organizations of past or present members of
4 the Armed Forces of the United States or an auxiliary unit or
5 society of, or a trust or foundation for, any such post or
6 organization substantially all of the members of which are past
7 or present members of the Armed Forces of the United States or
8 who are cadets, spouses, widows, or widowers of past or present
9 members of the Armed Forces of the United States, no part of the
10 net earnings of which inures to the benefit of any private
11 shareholder or individual; or

12 (c) Nonprofit organizations exempt from taxation under
13 Section 501(c)(7) of the Internal Revenue Code of 1986, as
14 amended.

15 2. The assumption of liabilities of the transferor by the
16 transferee incident to any of the transactions enumerated in the
17 above subdivisions (1) to (8) of subsection 1 of this section
18 shall not disqualify the transfer from the exclusion described in
19 this section, where such liability assumption is related to the
20 property transferred and where the assumption does not have as
21 its principal purpose the avoidance of Missouri sales or use tax.