

SECOND REGULAR SESSION

SENATE BILL NO. 884

99TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR KOENIG.

Read 1st time January 9, 2018, and ordered printed.

ADRIANE D. CROUSE, Secretary.

5722S.01I

AN ACT

To repeal section 144.087, RSMo, and to enact in lieu thereof one new section relating to bonding requirements of retail sales licensees.

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

Section A. Section 144.087, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 144.087, to read as follows:

144.087. 1. The director of revenue [shall] **may** require [all applicants
2 for] retail sales [licenses and all] licensees in default in filing a return and
3 paying their taxes when due to file a bond in an amount to be determined by the
4 director, which may be a corporate surety bond or a cash bond, but such bond
5 shall not be more than two times the average monthly tax liability of the
6 taxpayer[, estimated in the case of a new applicant, otherwise] based on the
7 previous twelve months' experience. At such time as the director of revenue shall
8 deem the amount of a bond required by this section to be insufficient to cover the
9 average monthly tax liability of a given taxpayer, he **or she** may require such
10 taxpayer to adjust the amount of the bond to the level satisfactory to the director
11 which will cover the amount of such liability. The director shall, after a
12 reasonable period of satisfactory tax compliance for one year from the initial date
13 of bonding, release such taxpayer from the bonding requirement as set forth in
14 this section. All itinerant or temporary businesses shall be required to procure
15 the license and post the bond required under the provisions of sections 144.083
16 and 144.087 prior to the selling of goods at retail, and in the event that such
17 business is to be conducted for less than one month, the amount of the bond shall
18 be determined by the director.

19 2. All cash bonds shall be deposited by the director of revenue into the

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

20 state general revenue fund, and shall be released to the taxpayer pursuant to
21 subsection 1 of this section from funds appropriated by the general assembly for
22 such purpose. If appropriated funds are available, the commissioner of
23 administration and the state treasurer shall cause such refunds to be paid within
24 thirty days of the receipt of a warrant request for such payment from the director
25 of the department of revenue.

26 3. [An applicant or] A licensee in default may, in lieu of filing any bond
27 required under this section, provide the director of revenue with an irrevocable
28 letter of credit, as defined in section 400.5-103, issued by any state or federally
29 chartered financial institution, in an amount to be determined by the director or
30 may obtain a certificate of deposit issued by any state or federally chartered
31 financial institution, in an amount to be determined by the director, where such
32 certificate of deposit is pledged to the department of revenue until released by the
33 director in the same manner as bonds are released pursuant to subsection 1 of
34 this section. As used in this subsection, the term "certificate of deposit" means
35 a certificate representing any deposit of funds in a state or federally chartered
36 financial institution for a specified period of time which earns interest at a fixed
37 or variable rate, where such funds cannot be withdrawn prior to a specified time
38 without forfeiture of some or all of the earned interest.

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