

FIRST REGULAR SESSION

# SENATE BILL NO. 52

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR EIGEL.

Pre-filed December 1, 2018, and ordered printed.

ADRIANE D. CROUSE, Secretary.

0111S.011

## AN ACT

To repeal sections 32.087, 143.011, and 144.020, RSMo, and to enact in lieu thereof four new sections relating to taxation, with an effective date.

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

Section A. Sections 32.087, 143.011, and 144.020, RSMo, are repealed and  
2 four new sections enacted in lieu thereof, to be known as sections 32.087, 143.011,  
3 143.177, and 144.020, to read as follows:

32.087. 1. Within ten days after the adoption of any ordinance or order  
2 in favor of adoption of any local sales tax authorized under the local sales tax law  
3 by the voters of a taxing entity, the governing body or official of such taxing  
4 entity shall forward to the director of revenue by United States registered mail  
5 or certified mail a certified copy of the ordinance or order. The ordinance or order  
6 shall reflect the effective date thereof.

7 2. Any local sales tax so adopted shall become effective on the first day  
8 of the second calendar quarter after the director of revenue receives notice of  
9 adoption of the local sales tax, except as provided in subsection 18 of this section,  
10 and shall be imposed on all transactions on which the Missouri state sales tax is  
11 imposed.

12 3. **(1)** Every retailer within the jurisdiction of one or more taxing entities  
13 which has imposed one or more local sales taxes under the local sales tax law  
14 shall add all taxes so imposed along with the tax imposed by the sales tax law of  
15 the state of Missouri to the sale price and, when added, the combined tax shall  
16 constitute a part of the price, and shall be a debt of the purchaser to the retailer  
17 until paid, and shall be recoverable at law in the same manner as the purchase  
18 price. The combined rate of the state sales tax and all local sales taxes shall be

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

19 the sum of the rates, multiplying the combined rate times the amount of the sale.

20 **(2) For all tax years beginning on or after January 1, 2020, the**  
21 **total combined rate of sales taxes under the local sales tax law for any**  
22 **given taxing jurisdiction shall not exceed eight and seven hundred**  
23 **seventy-five thousandths percent, provided that no transient guest tax**  
24 **shall be considered a local sales tax under the local sales tax law.**

25 **(3) Taxing jurisdictions in which the combined rate of sales taxes**  
26 **is in excess of the limit established under subdivision (2) of this**  
27 **subsection as of January 1, 2020, shall not be required to reduce or**  
28 **repeal any such taxes, but shall not be authorized to impose any new**  
29 **tax which shall result in a total combined rate of sales taxes in excess**  
30 **of the limit established in subdivision (2) of this subsection.**

31 4. The brackets required to be established by the director of revenue  
32 under the provisions of section 144.285 shall be based upon the sum of the  
33 combined rate of the state sales tax and all local sales taxes imposed under the  
34 provisions of the local sales tax law.

35 5. (1) The ordinance or order imposing a local sales tax under the local  
36 sales tax law shall impose a tax upon all transactions upon which the Missouri  
37 state sales tax is imposed to the extent and in the manner provided in sections  
38 144.010 to 144.525, and the rules and regulations of the director of revenue  
39 issued pursuant thereto; except that the rate of the tax shall be the sum of the  
40 combined rate of the state sales tax or state highway use tax and all local sales  
41 taxes imposed under the provisions of the local sales tax law.

42 (2) Notwithstanding any other provision of law to the contrary, local  
43 taxing jurisdictions, except those in which voters have approved a local use tax  
44 under section 144.757, shall have placed on the ballot on or after the general  
45 election in November 2014, but no later than the general election in November  
46 2022, whether to repeal application of the local sales tax to the titling of motor  
47 vehicles, trailers, boats, and outboard motors that are subject to state sales tax  
48 under section 144.020 and purchased from a source other than a licensed  
49 Missouri dealer. The ballot question presented to the local voters shall contain  
50 substantially the following language:

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

55 Approval of this measure will result in a reduction of local revenue  
56 to provide for vital services for \_\_\_\_\_ (local jurisdiction's name)  
57 and it will place Missouri dealers of motor vehicles, outboard  
58 motors, boats, and trailers at a competitive disadvantage to  
59 non-Missouri dealers of motor vehicles, outboard motors, boats, and  
60 trailers.

61  YES  NO

62 If you are in favor of the question, place an "X" in the box opposite  
63 "YES". If you are opposed to the question, place an "X" in the box  
64 opposite "NO".

65 (3) If the ballot question set forth in subdivision (2) of this subsection  
66 receives a majority of the votes cast in favor of the proposal, or if the local taxing  
67 jurisdiction fails to place the ballot question before the voters on or before the  
68 general election in November 2022, the local taxing jurisdiction shall cease  
69 applying the local sales tax to the titling of motor vehicles, trailers, boats, and  
70 outboard motors that were purchased from a source other than a licensed  
71 Missouri dealer.

72 (4) In addition to the requirement that the ballot question set forth in  
73 subdivision (2) of this subsection be placed before the voters, the governing body  
74 of any local taxing jurisdiction that had previously imposed a local use tax on the  
75 use of motor vehicles, trailers, boats, and outboard motors may, at any time, place  
76 a proposal on the ballot at any election to repeal application of the local sales tax  
77 to the titling of motor vehicles, trailers, boats, and outboard motors purchased  
78 from a source other than a licensed Missouri dealer. If a majority of the votes  
79 cast by the registered voters voting thereon are in favor of the proposal to repeal  
80 application of the local sales tax to such titling, then the local sales tax shall no  
81 longer be applied to the titling of motor vehicles, trailers, boats, and outboard  
82 motors purchased from a source other than a licensed Missouri dealer. If a  
83 majority of the votes cast by the registered voters voting thereon are opposed to  
84 the proposal to repeal application of the local sales tax to such titling, such  
85 application shall remain in effect.

86 (5) In addition to the requirement that the ballot question set forth in  
87 subdivision (2) of this subsection be placed before the voters on or after the  
88 general election in November 2014, and on or before the general election in  
89 November 2022, whenever the governing body of any local taxing jurisdiction  
90 imposing a local sales tax on the sale of motor vehicles, trailers, boats, and

91 outboard motors receives a petition, signed by fifteen percent of the registered  
92 voters of such jurisdiction voting in the last gubernatorial election, and calling  
93 for a proposal to be placed on the ballot at any election to repeal application of  
94 the local sales tax to the titling of motor vehicles, trailers, boats, and outboard  
95 motors purchased from a source other than a licensed Missouri dealer, the  
96 governing body shall submit to the voters of such jurisdiction a proposal to repeal  
97 application of the local sales tax to such titling. If a majority of the votes cast by  
98 the registered voters voting thereon are in favor of the proposal to repeal  
99 application of the local sales tax to such titling, then the local sales tax shall no  
100 longer be applied to the titling of motor vehicles, trailers, boats, and outboard  
101 motors purchased from a source other than a licensed Missouri dealer. If a  
102 majority of the votes cast by the registered voters voting thereon are opposed to  
103 the proposal to repeal application of the local sales tax to such titling, such  
104 application shall remain in effect.

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

107 (7) If any local sales tax on the titling of motor vehicles, trailers, boats,  
108 and outboard motors purchased from a source other than a licensed Missouri  
109 dealer is repealed, such repeal shall take effect on the first day of the second  
110 calendar quarter after the election. If any local sales tax on the titling of motor  
111 vehicles, trailers, boats, and outboard motors purchased from a source other than  
112 a licensed Missouri dealer is required to cease to be applied or collected due to  
113 failure of a local taxing jurisdiction to hold an election pursuant to subdivision  
114 (2) of this subsection, such cessation shall take effect on March 1, 2023.

115 (8) Notwithstanding any provision of law to the contrary, if any local sales  
116 tax on the titling of motor vehicles, trailers, boats, and outboard motors  
117 purchased from a source other than a licensed Missouri dealer is repealed after  
118 the general election in November 2014, or if the taxing jurisdiction failed to  
119 present the ballot to the voters at a general election on or before November 2022,  
120 then the governing body of such taxing jurisdiction may, at any election  
121 subsequent to the repeal or after the general election in November 2022, if the  
122 jurisdiction failed to present the ballot to the voters, place before the voters the  
123 issue of imposing a sales tax on the titling of motor vehicles, trailers, boats, and  
124 outboard motors that are subject to state sales tax under section 144.020 that  
125 were purchased from a source other than a licensed Missouri dealer. The ballot  
126 question presented to the local voters shall contain substantially the following

127 language:

128 Shall the \_\_\_\_\_ (local jurisdiction's name) apply and collect the  
129 local sales tax on the titling of motor vehicles, trailers, boats, and  
130 outboard motors that are subject to state sales tax under section  
131 144.020 and purchased from a source other than a licensed  
132 Missouri dealer?

133 Approval of this measure will result in an increase of local revenue  
134 to provide for vital services for \_\_\_\_\_ (local jurisdiction's name),  
135 and it will remove a competitive advantage that non-Missouri  
136 dealers of motor vehicles, outboard motors, boats, and trailers have  
137 over Missouri dealers of motor vehicles, outboard motors, boats,  
138 and trailers.

139  YES  NO

140 If you are in favor of the question, place an "X" in the box opposite  
141 "YES". If you are opposed to the question, place an "X" in the box  
142 opposite "NO".

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

147 6. On and after the effective date of any local sales tax imposed under the  
148 provisions of the local sales tax law, the director of revenue shall perform all  
149 functions incident to the administration, collection, enforcement, and operation  
150 of the tax, and the director of revenue shall collect in addition to the sales tax for  
151 the state of Missouri all additional local sales taxes authorized under the  
152 authority of the local sales tax law. All local sales taxes imposed under the local  
153 sales tax law together with all taxes imposed under the sales tax law of the state  
154 of Missouri shall be collected together and reported upon such forms and under  
155 such administrative rules and regulations as may be prescribed by the director  
156 of revenue.

157 7. All applicable provisions contained in sections 144.010 to 144.525  
158 governing the state sales tax and section 32.057, the uniform confidentiality  
159 provision, shall apply to the collection of any local sales tax imposed under the  
160 local sales tax law except as modified by the local sales tax law.

161 8. All exemptions granted to agencies of government, organizations,  
162 persons and to the sale of certain articles and items of tangible personal property

163 and taxable services under the provisions of sections 144.010 to 144.525, as these  
164 sections now read and as they may hereafter be amended, it being the intent of  
165 this general assembly to ensure that the same sales tax exemptions granted from  
166 the state sales tax law also be granted under the local sales tax law, are hereby  
167 made applicable to the imposition and collection of all local sales taxes imposed  
168 under the local sales tax law.

169           9. The same sales tax permit, exemption certificate and retail certificate  
170 required by sections 144.010 to 144.525 for the administration and collection of  
171 the state sales tax shall satisfy the requirements of the local sales tax law, and  
172 no additional permit or exemption certificate or retail certificate shall be  
173 required; except that the director of revenue may prescribe a form of exemption  
174 certificate for an exemption from any local sales tax imposed by the local sales tax  
175 law.

176           10. All discounts allowed the retailer under the provisions of the state  
177 sales tax law for the collection of and for payment of taxes under the provisions  
178 of the state sales tax law are hereby allowed and made applicable to any local  
179 sales tax collected under the provisions of the local sales tax law.

180           11. The penalties provided in section 32.057 and sections 144.010 to  
181 144.525 for a violation of the provisions of those sections are hereby made  
182 applicable to violations of the provisions of the local sales tax law.

183           12. (1) For the purposes of any local sales tax imposed by an ordinance  
184 or order under the local sales tax law, all sales, except the sale of motor vehicles,  
185 trailers, boats, and outboard motors required to be titled under the laws of the  
186 state of Missouri, shall be deemed to be consummated at the place of business of  
187 the retailer unless the tangible personal property sold is delivered by the retailer  
188 or his agent to an out-of-state destination. In the event a retailer has more than  
189 one place of business in this state which participates in the sale, the sale shall  
190 be deemed to be consummated at the place of business of the retailer where the  
191 initial order for the tangible personal property is taken, even though the order  
192 must be forwarded elsewhere for acceptance, approval of credit, shipment or  
193 billing. A sale by a retailer's agent or employee shall be deemed to be  
194 consummated at the place of business from which he works.

195           (2) For the purposes of any local sales tax imposed by an ordinance or  
196 order under the local sales tax law, the sales tax upon the titling of all motor  
197 vehicles, trailers, boats, and outboard motors shall be imposed at the rate in  
198 effect at the location of the residence of the purchaser, and remitted to that local

199 taxing entity, and not at the place of business of the retailer, or the place of  
200 business from which the retailer's agent or employee works.

201 (3) For the purposes of any local tax imposed by an ordinance or under the  
202 local sales tax law on charges for mobile telecommunications services, all taxes  
203 of mobile telecommunications service shall be imposed as provided in the Mobile  
204 Telecommunications Sourcing Act, 4 U.S.C. Sections 116 [through 124] to 126,  
205 as amended.

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

212 14. The director of revenue and any of his deputies, assistants and  
213 employees who have any duties or responsibilities in connection with the  
214 collection, deposit, transfer, transmittal, disbursement, safekeeping, accounting,  
215 or recording of funds which come into the hands of the director of revenue under  
216 the provisions of the local sales tax law shall enter a surety bond or bonds  
217 payable to any and all taxing entities in whose behalf such funds have been  
218 collected under the local sales tax law in the amount of one hundred thousand  
219 dollars for each such tax; but the director of revenue may enter into a blanket  
220 bond covering himself and all such deputies, assistants and employees. The cost  
221 of any premium for such bonds shall be paid by the director of revenue from the  
222 share of the collections under the sales tax law retained by the director of  
223 revenue for the benefit of the state.

224 15. The director of revenue shall annually report on his management of  
225 each trust fund which is created under the local sales tax law and administration  
226 of each local sales tax imposed under the local sales tax law. He shall provide  
227 each taxing entity imposing one or more local sales taxes authorized by the local  
228 sales tax law with a detailed accounting of the source of all funds received by him  
229 for the taxing entity. Notwithstanding any other provisions of law, the state  
230 auditor shall annually audit each trust fund. A copy of the director's report and  
231 annual audit shall be forwarded to each taxing entity imposing one or more local  
232 sales taxes.

233 16. Within the boundaries of any taxing entity where one or more local  
234 sales taxes have been imposed, if any person is delinquent in the payment of the

235 amount required to be paid by him under the local sales tax law or in the event  
236 a determination has been made against him for taxes and penalty under the local  
237 sales tax law, the limitation for bringing suit for the collection of the delinquent  
238 tax and penalty shall be the same as that provided in sections 144.010 to  
239 144.525. Where the director of revenue has determined that suit must be filed  
240 against any person for the collection of delinquent taxes due the state under the  
241 state sales tax law, and where such person is also delinquent in payment of taxes  
242 under the local sales tax law, the director of revenue shall notify the taxing entity  
243 in the event any person fails or refuses to pay the amount of any local sales tax  
244 due so that appropriate action may be taken by the taxing entity.

245 17. Where property is seized by the director of revenue under the  
246 provisions of any law authorizing seizure of the property of a taxpayer who is  
247 delinquent in payment of the tax imposed by the state sales tax law, and where  
248 such taxpayer is also delinquent in payment of any tax imposed by the local sales  
249 tax law, the director of revenue shall permit the taxing entity to join in any sale  
250 of property to pay the delinquent taxes and penalties due the state and to the  
251 taxing entity under the local sales tax law. The proceeds from such sale shall  
252 first be applied to all sums due the state, and the remainder, if any, shall be  
253 applied to all sums due such taxing entity.

254 18. If a local sales tax has been in effect for at least one year under the  
255 provisions of the local sales tax law and voters approve reimposition of the same  
256 local sales tax at the same rate at an election as provided for in the local sales  
257 tax law prior to the date such tax is due to expire, the tax so reimposed shall  
258 become effective the first day of the first calendar quarter after the director  
259 receives a certified copy of the ordinance, order or resolution accompanied by a  
260 map clearly showing the boundaries thereof and the results of such election,  
261 provided that such ordinance, order or resolution and all necessary accompanying  
262 materials are received by the director at least thirty days prior to the expiration  
263 of such tax. Any administrative cost or expense incurred by the state as a result  
264 of the provisions of this subsection shall be paid by the city or county reimposing  
265 such tax.

143.011. 1. A tax is hereby imposed for every taxable year on the  
2 Missouri taxable income of every resident. The tax shall be determined by  
3 applying the tax table or the rate provided in section 143.021, which is based  
4 upon the following rates:

5 If the Missouri taxable income is: The tax is:

6	Not over \$1,000.00	1 1/2% of the Missouri taxable income
7	Over \$1,000 but not over \$2,000	\$15 plus 2% of excess over \$1,000
8	Over \$2,000 but not over \$3,000	\$35 plus 2 1/2% of excess over \$2,000
9	Over \$3,000 but not over \$4,000	\$60 plus 3% of excess over \$3,000
10	Over \$4,000 but not over \$5,000	\$90 plus 3 1/2% of excess over \$4,000
11	Over \$5,000 but not over \$6,000	\$125 plus 4% of excess over \$5,000
12	Over \$6,000 but not over \$7,000	\$165 plus 4 1/2% of excess over \$6,000
13	Over \$7,000 but not over \$8,000	\$210 plus 5% of excess over \$7,000
14	Over \$8,000 but not over \$9,000	\$260 plus 5 1/2% of excess over \$8,000
15	Over \$9,000	\$315 plus 6% of excess over \$9,000

16       2. (1) Beginning with the 2017 calendar year, the top rate of tax under  
 17 subsection 1 of this section may be reduced over a period of years. Each  
 18 reduction in the top rate of tax shall be by one-tenth of a percent and no more  
 19 than one reduction shall occur in a calendar year. No more than five reductions  
 20 shall be made under this subsection. Reductions in the rate of tax shall take  
 21 effect on January first of a calendar year and such reduced rates shall continue  
 22 in effect until the next reduction occurs.

23       (2) A reduction in the rate of tax shall only occur if the amount of net  
 24 general revenue collected in the previous fiscal year exceeds the highest amount  
 25 of net general revenue collected in any of the three fiscal years prior to such fiscal  
 26 year by at least one hundred fifty million dollars.

27       (3) Any modification of tax rates under this subsection shall only apply  
 28 to tax years that begin on or after a modification takes effect.

29       (4) The director of the department of revenue shall, by rule, adjust the tax  
 30 tables under subsection 1 of this section to effectuate the provisions of this  
 31 subsection. The bracket for income subject to the top rate of tax shall be  
 32 eliminated once the top rate of tax has been reduced to five and one-half percent,  
 33 and the top remaining rate of tax shall apply to all income in excess of the income  
 34 in the second highest remaining income bracket.

35       3. (1) In addition to the rate reductions under subsection 2 of this section,  
 36 beginning with the 2019 calendar year, the top rate of tax under subsection 1 of  
 37 this section shall be reduced by four-tenths of one percent. Such reduction in the  
 38 rate of tax shall take effect on January first of the 2019 calendar year.

39       (2) The modification of tax rates under this subsection shall only apply to  
 40 tax years that begin on or after the date the modification takes effect.

41       (3) The director of the department of revenue shall, by rule, adjust the tax

42 tables under subsection 1 of this section to effectuate the provisions of this  
43 subsection.

44       **4. (1) In addition to the rate reductions under subsections 2 and**  
45 **3 of this section, beginning with the 2020 calendar year, the top rate of**  
46 **tax under subsection 1 of this section shall be reduced by one and one-**  
47 **tenth percent. Such reduction in the rate of tax shall take effect on**  
48 **January first of a calendar year.**

49       **(2) The modification of tax rates under this subsection shall only**  
50 **apply to tax years that begin on or after the date the modification takes**  
51 **effect.**

52       **(3) The director of the department of revenue shall, by rule,**  
53 **adjust the tax tables under subsection 1 of this section to effectuate the**  
54 **provisions of this subsection.**

55       **5.** Beginning with the 2017 calendar year, the brackets of Missouri  
56 taxable income identified in subsection 1 of this section shall be adjusted  
57 annually by the percent increase in inflation. The director shall publish such  
58 brackets annually beginning on or after October 1, 2016. Modifications to the  
59 brackets shall take effect on January first of each calendar year and shall apply  
60 to tax years beginning on or after the effective date of the new brackets.

61       **[5.] 6.** As used in this section, the following terms mean:

62       (1) "CPI", the Consumer Price Index for All Urban Consumers for the  
63 United States as reported by the Bureau of Labor Statistics, or its successor  
64 index;

65       (2) "CPI for the preceding calendar year", the average of the CPI as of the  
66 close of the twelve month period ending on August thirty-first of such calendar  
67 year;

68       (3) "Net general revenue collected", all revenue deposited into the general  
69 revenue fund, less refunds and revenues originally deposited into the general  
70 revenue fund but designated by law for a specific distribution or transfer to  
71 another state fund;

72       (4) "Percent increase in inflation", the percentage, if any, by which the  
73 CPI for the preceding calendar year exceeds the CPI for the year beginning  
74 September 1, 2014, and ending August 31, 2015.

**143.177. 1. This section shall be known and may be cited as the**  
2 **"Missouri Working Family Tax Credit Act".**

3       **2. For purposes of this section, the following terms mean:**

4           (1) "Department", the department of revenue;

5           (2) "Eligible taxpayer", a resident individual with a filing status  
6 of single, head of household, widowed, or married filing combined who  
7 is subject to the tax imposed under chapter 143, excluding withholding  
8 tax imposed under sections 143.191 to 143.265, and who is allowed a  
9 federal earned income tax credit under Section 32 of the Internal  
10 Revenue Code of 1986, as amended;

11           (3) "Tax credit", a credit against the tax otherwise due under  
12 chapter 143, excluding withholding tax imposed under sections 143.191  
13 to 143.265.

14           3. For all tax years beginning on or after January 1, 2020, an  
15 eligible taxpayer shall be allowed a tax credit in an amount equal to  
16 twenty percent of the amount such taxpayer would receive under the  
17 federal earned income tax credit. The tax credit allowed by this section  
18 shall be claimed by such taxpayer at the time such taxpayer files a  
19 return and shall be applied against the income tax liability imposed by  
20 chapter 143 after reduction for all other credits allowed thereon. If the  
21 amount of the credit exceeds the tax liability, the difference shall not  
22 be refunded to the taxpayer and shall not be carried forward to any  
23 subsequent tax year.

24           4. Notwithstanding the provisions of section 32.057 to the  
25 contrary, the department shall determine whether any taxpayer filing  
26 a report or return with the department who did not apply for the credit  
27 authorized under this section may qualify for the credit and, if so,  
28 determines a taxpayer may qualify for the credit, shall notify such  
29 taxpayer of his or her potential eligibility. In making a determination  
30 of eligibility under this section, the department shall use any  
31 appropriate and available data including, but not limited to, data  
32 available from the Internal Revenue Service, the U.S. Department of  
33 Treasury, and state income tax returns from previous tax years.

34           5. The department shall prepare an annual report containing  
35 statistical information regarding the tax credits issued under this  
36 section for the previous tax year, including the total amount of revenue  
37 expended, the number of credits claimed, and the average value of the  
38 credits issued to taxpayers whose earned income falls within various  
39 income ranges determined by the department.

40           6. The director of the department may promulgate rules and

41 regulations to administer the provisions of this section. Any rule or  
42 portion of a rule, as that term is defined in section 536.010 that is  
43 created under the authority delegated in this section shall become  
44 effective only if it complies with and is subject to all of the provisions  
45 of chapter 536, and, if applicable, section 536.028. This section and  
46 chapter 536 are nonseverable and if any of the powers vested with the  
47 general assembly pursuant to chapter 536, to review, to delay the  
48 effective date, or to disapprove and annul a rule are subsequently held  
49 unconstitutional, then the grant of rulemaking authority and any rule  
50 proposed or adopted after the effective date of this section shall be  
51 invalid and void.

52       7. Tax credits authorized under this section are not subject to  
53 the requirements of sections 135.800 to 135.830.

54       8. Under section 23.253 of the Missouri sunset act:

55       (1) The program authorized under this section shall  
56 automatically sunset on December thirty-first six years after the  
57 effective date of this section unless reauthorized by an act of the  
58 general assembly;

59       (2) If such program is reauthorized, the program authorized  
60 under this section shall automatically sunset on December thirty-first  
61 twelve years after the effective date of the reauthorization of this  
62 section; and

63       (3) This section shall terminate on September first of the  
64 calendar year immediately following the calendar year in which the  
65 program authorized under this section is sunset.

144.020. 1. A tax is hereby levied and imposed for the privilege of titling  
2 new and used motor vehicles, trailers, boats, and outboard motors purchased or  
3 acquired for use on the highways or waters of this state which are required to be  
4 titled under the laws of the state of Missouri and, except as provided in  
5 subdivision (9) of this subsection, upon all sellers for the privilege of engaging in  
6 the business of selling tangible personal property or rendering taxable service at  
7 retail in this state. The rate of tax shall be as follows:

8       (1) Upon every retail sale in this state of tangible personal property,  
9 excluding motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats and  
10 outboard motors required to be titled under the laws of the state of Missouri and  
11 subject to tax under subdivision (9) of this subsection, a tax equivalent to [four]  
12 six percent of the purchase price paid or charged, or in case such sale involves

13 the exchange of property, a tax equivalent to [four] **six** percent of the  
14 consideration paid or charged, including the fair market value of the property  
15 exchanged at the time and place of the exchange, except as otherwise provided in  
16 section 144.025;

17 (2) A tax equivalent to [four] **six** percent of the amount paid for admission  
18 and seating accommodations, or fees paid to, or in any place of amusement,  
19 entertainment or recreation, games and athletic events, except amounts paid for  
20 any instructional class;

21 (3) A tax equivalent to [four] **six** percent of the basic rate paid or charged  
22 on all sales of electricity or electrical current, water and gas, natural or artificial,  
23 to domestic, commercial or industrial consumers;

24 (4) A tax equivalent to [four] **six** percent on the basic rate paid or charged  
25 on all sales of local and long distance telecommunications service to  
26 telecommunications subscribers and to others through equipment of  
27 telecommunications subscribers for the transmission of messages and  
28 conversations and upon the sale, rental or leasing of all equipment or services  
29 pertaining or incidental thereto; except that, the payment made by  
30 telecommunications subscribers or others, pursuant to section 144.060, and any  
31 amounts paid for access to the internet or interactive computer services shall not  
32 be considered as amounts paid for telecommunications services;

33 (5) A tax equivalent to [four] **six** percent of the basic rate paid or charged  
34 for all sales of services for transmission of messages of telegraph companies;

35 (6) A tax equivalent to [four] **six** percent on the amount of sales or  
36 charges for all rooms, meals and drinks furnished at any hotel, motel, tavern, inn,  
37 restaurant, eating house, drugstore, dining car, tourist cabin, tourist camp or  
38 other place in which rooms, meals or drinks are regularly served to the  
39 public. The tax imposed under this subdivision shall not apply to any automatic  
40 mandatory gratuity for a large group imposed by a restaurant when such gratuity  
41 is reported as employee tip income and the restaurant withholds income tax  
42 under section 143.191 on such gratuity;

43 (7) A tax equivalent to [four] **six** percent of the amount paid or charged  
44 for intrastate tickets by every person operating a railroad, sleeping car, dining  
45 car, express car, boat, airplane and such buses and trucks as are licensed by the  
46 division of motor carrier and railroad safety of the department of economic  
47 development of Missouri, engaged in the transportation of persons for hire;

48 (8) A tax equivalent to [four] **six** percent of the amount paid or charged

49 for rental or lease of tangible personal property, provided that if the lessor or  
50 renter of any tangible personal property had previously purchased the property  
51 under the conditions of sale at retail or leased or rented the property and the tax  
52 was paid at the time of purchase, lease or rental, the lessor, sublessor, renter or  
53 subrenter shall not apply or collect the tax on the subsequent lease, sublease,  
54 rental or subrental receipts from that property. The purchase, rental or lease of  
55 motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats, and outboard  
56 motors shall be taxed and the tax paid as provided in this section and section  
57 144.070. In no event shall the rental or lease of boats and outboard motors be  
58 considered a sale, charge, or fee to, for, or in places of amusement, entertainment  
59 or recreation nor shall any such rental or lease be subject to any tax imposed to,  
60 for, or in such places of amusement, entertainment or recreation. Rental and  
61 leased boats or outboard motors shall be taxed under the provisions of the sales  
62 tax laws as provided under such laws for motor vehicles and trailers. Tangible  
63 personal property which is exempt from the sales or use tax under section  
64 144.030 upon a sale thereof is likewise exempt from the sales or use tax upon the  
65 lease or rental thereof;

66 (9) A tax equivalent to ~~four~~ **six** percent of the purchase price, as defined  
67 in section 144.070, of new and used motor vehicles, trailers, boats, and outboard  
68 motors purchased or acquired for use on the highways or waters of this state  
69 which are required to be registered under the laws of the state of Missouri. This  
70 tax is imposed on the person titling such property, and shall be paid according  
71 to the procedures in section 144.440.

72 2. All tickets sold which are sold under the provisions of sections 144.010  
73 to 144.525 which are subject to the sales tax shall have printed, stamped or  
74 otherwise endorsed thereon, the words "This ticket is subject to a sales tax."

Section B. Section A of this act shall become effective January 1, 2020.

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