SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 648
100TH GENERAL ASSEMBLY

Reported from the Committee on Ways and Means, February 13, 2020, with recommendation that the Senate Committee Substitute do pass.

ADRIANE D. CROUSE, Secretary.

AN ACT
To repeal sections 32.087, 135.550, 143.011, 143.441, 144.010, 144.011, 144.014, 144.020, 144.030, 144.043, 144.049, 144.054, 144.060, 144.069, 144.080, 144.083, 144.140, 144.190, 144.210, 144.285, 144.517, 144.526, 144.600, 144.605, 144.655, 144.710, 144.757, 144.1000, 144.1003, 144.1006, 144.1009, 144.1012, and 144.1015, RSMo, and to enact in lieu thereof twenty-nine new sections relating to taxation, with penalty provisions and an effective date.

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

Section A. Sections 32.087, 135.550, 143.011, 143.441, 144.010, 144.011, 144.014, 144.020, 144.030, 144.043, 144.049, 144.054, 144.060, 144.069, 144.080, 144.083, 144.140, 144.190, 144.210, 144.285, 144.517, 144.526, 144.600, 144.605, 144.655, 144.710, 144.757, 144.1000, 144.1003, 144.1006, 144.1009, 144.1012, and 144.1015, RSMo, are repealed and twenty-nine new sections enacted in lieu thereof, to be known as sections 32.087, 135.550, 143.011, 143.441, 144.010, 144.011, 144.014, 144.020, 144.030, 144.043, 144.049, 144.054, 144.060, 144.069, 144.080, 144.083, 144.140, 144.190, 144.210, 144.285, 144.517, 144.526, 144.600, 144.605, 144.655, 144.710, 144.757, 144.1000, 144.1003, 144.1006, 144.1009, 144.1012, and 144.1015, RSMo, to read as follows:

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

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

EXPLANATION–Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.
adoption of the local sales tax, except as provided in subsection [18] of this section, and shall be imposed on all transactions on which the Missouri state sales tax is imposed.

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

(2) For all tax years beginning on or after January 1, 2022, the total combined rate of sales taxes imposed under the local sales tax law shall not exceed the following amounts:

(a) For local sales taxes imposed under the local sales tax law by a taxing entity that is incorporated as a city, town, or village, four and one-half percent;

(b) For local sales taxes imposed under the local sales tax law by a county, excluding cities not within a county, three and one-fourth percent;

(c) For local sales taxes imposed under the local sales tax law by all taxing jurisdictions other than those described in paragraphs (a) and (b) of this subdivision, the total combined rate of sales taxes in any given taxing jurisdiction shall not exceed three and one-fourth percent. For the purposes of this paragraph, local sales taxes imposed by taxing entities described in paragraphs (a) and (b) of this subdivision, in a given taxing jurisdiction shall not be included in the calculation of the total combined rate of sales taxes under this paragraph.

(3) For the purposes of subdivision (2) of this subsection, no transient guest tax or convention and tourism tax, including sections 92.325 to 92.340, shall be considered a local sales tax under the local sales tax law.

(4) In any election in which more than one sales tax levy is approved by the voters, and the passage of such levies results in a combined rate of sales tax in excess of the limits provided for under subdivision (2) of this subsection, only the sales tax levy receiving the
most votes shall become effective, provided such levy does not result in a combined rate of sales tax in excess of the limits provided for under subdivision (2) of this subsection.

(5) (a) For the tax year beginning on or after January 1, 2023, and ending on or before December 31, 2023, if any taxing jurisdiction levying a local use tax received local use tax revenues during the 2022 calendar year in excess of the use tax growth allowance, such taxing jurisdiction shall revise such levy and the corresponding local sales tax levy to a rate that would have produced substantially the same amount of revenue during the 2022 calendar year as the total sales and use tax growth allowance.

(b) The tax levy as adjusted pursuant to paragraph (a) of this subdivision shall remain in effect for all subsequent tax years unless modified by a vote of the people pursuant to any provision of state law.

(c) No taxing jurisdiction subject to the provisions of paragraph (a) of this subdivision shall be required to make more than one adjustment to its sales or use tax levy pursuant to paragraph (a) of this subdivision.

(d) For the purposes of this subdivision, the following terms shall mean:

a. "Sales tax allowance", the revenue collected from local sales tax remittances during the 2022 calendar year;

b. "Total sales and use tax growth allowance", the sum of the sales tax allowance plus the use tax growth allowance;

c. "Use tax growth allowance", the highest amount of revenue collected from local use tax remittances during any of the calendar years beginning on or after January 1, 2018, and ending on or before December 31, 2021, plus five percent of such amount.

(e) All taxing jurisdictions levying a local use tax shall provide data, in such form as shall be prescribed by the state auditor by rule, substantiating such tax rate complies with the provisions of this subdivision. The state auditor shall, within fifteen days of the date of receipt, examine such information and return to the taxing jurisdiction his or her findings as to compliance of the tax rate with this subdivision. If the state auditor believes that a taxing jurisdiction's proposed tax rate does not comply with this subdivision, then the state auditor's findings shall include a recalculated tax rate, and the state
auditor may request a taxing jurisdiction to submit documentation supporting such taxing jurisdiction's proposed tax rate. Any rule or portion of a rule, as that term is defined in section 536.010 that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after January 1, 2022, shall be invalid and void.

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

5.] (1) The ordinance or order imposing a local sales tax under the local sales tax law shall impose a tax upon all transactions upon which the Missouri state sales tax is imposed to the extent and in the manner provided in sections 144.010 to [144.525] 144.527, and the rules and regulations of the director of revenue issued pursuant thereto; except that the rate of the tax shall be the sum of the combined rate of the state sales tax or state highway use tax and all local sales taxes imposed under the provisions of the local sales tax law.

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

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

Approval of this measure will result in a reduction of local revenue...
It will place Missouri dealers of motor vehicles, outboard motors, boats, and trailers at a competitive disadvantage to non-Missouri dealers of motor vehicles, outboard motors, boats, and trailers.

☐ YES ☐ NO

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

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

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

(5) In addition to the requirement that the ballot question set forth in subdivision (2) of this subsection be placed before the voters on or after the general election in November 2014, and on or before the general election in November 2022, whenever the governing body of any local taxing jurisdiction imposing a local sales tax on the sale of motor vehicles, trailers, boats, and outboard motors receives a petition, signed by fifteen percent of the registered
voters of such jurisdiction voting in the last gubernatorial election, and calling
for a proposal to be placed on the ballot at any election to repeal application of
the local sales tax to the titling of motor vehicles, trailers, boats, and outboard
motors purchased from a source other than a licensed Missouri dealer, the
governing body shall submit to the voters of such jurisdiction a proposal to repeal
application of the local sales tax to such titling. If a majority of the votes cast by
the registered voters voting thereon are in favor of the proposal to repeal
application of the local sales tax to such titling, then the local sales tax shall no
longer be applied to the titling of motor vehicles, trailers, boats, and outboard
motors purchased from a source other than a licensed Missouri dealer. If a
majority of the votes cast by the registered voters voting thereon are opposed to
the proposal to repeal application of the local sales tax to such titling, such
application shall remain in effect.

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

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

(8) Notwithstanding any provision of law to the contrary, if any local sales
tax on the titling of motor vehicles, trailers, boats, and outboard motors
purchased from a source other than a licensed Missouri dealer is repealed after
the general election in November 2014, or if the taxing jurisdiction failed to
present the ballot to the voters at a general election on or before November 2022,
then the governing body of such taxing jurisdiction may, at any election
subsequent to the repeal or after the general election in November 2022, if the
jurisdiction failed to present the ballot to the voters, place before the voters the
issue of imposing a sales tax on the titling of motor vehicles, trailers, boats, and
outboard motors that are subject to state sales tax under section 144.020 that
were purchased from a source other than a licensed Missouri dealer. The ballot
question presented to the local voters shall contain substantially the following
language:
Shall the ________ (local jurisdiction's name) apply and collect the local sales tax on the titling of motor vehicles, trailers, boats, and outboard motors that are subject to state sales tax under section 144.020 and purchased from a source other than a licensed Missouri dealer?

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

☐ YES ☐ NO

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

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

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

[7.] 6. All applicable provisions contained in sections 144.010 to [144.525] 144.527 governing the state sales tax and section 32.057, the uniform confidentiality provision, shall apply to the collection of any local sales tax imposed under the local sales tax law except as modified by the local sales tax law.

[8.] 7. All exemptions granted to agencies of government, organizations, persons and to the sale of certain articles and items of tangible personal property
and taxable services under the provisions of sections 144.010 to [144.525] 144.527, as these sections now read and as they may hereafter be amended, it being the intent of this general assembly to ensure that the same sales tax exemptions granted from the state sales tax law also be granted under the local sales tax law, are hereby made applicable to the imposition and collection of all local sales taxes imposed under the local sales tax law.

[9.] 8. The same sales tax permit, exemption certificate and retail certificate required by sections 144.010 to [144.525] 144.527 for the administration and collection of the state sales tax shall satisfy the requirements of the local sales tax law, and no additional permit or exemption certificate or retail certificate shall be required; except that the director of revenue may prescribe a form of exemption certificate for an exemption from any local sales tax imposed by the local sales tax law.

[10.] 9. All discounts allowed the retailer under the provisions of the state sales tax law for the collection of and for payment of taxes under the provisions of the state sales tax law are hereby allowed and made applicable to any local sales tax collected under the provisions of the local sales tax law.

[11.] 10. The penalties provided in section 32.057 and sections 144.010 to [144.525] 144.527 for a violation of the provisions of those sections are hereby made applicable to violations of the provisions of the local sales tax law.

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

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

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

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

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

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

[16.] 15. Within the boundaries of any taxing entity where one or more local sales taxes have been imposed, if any person is delinquent in the payment
of the amount required to be paid by him under the local sales tax law or in the 300 event a determination has been made against him for taxes and penalty under 301 the local sales tax law, the limitation for bringing suit for the collection of the 302 delinquent tax and penalty shall be the same as that provided in sections 144.010 303 to [144.525] 144.527. Where the director of revenue has determined that suit 304 must be filed against any person for the collection of delinquent taxes due the 305 state under the state sales tax law, and where such person is also delinquent in 306 payment of taxes under the local sales tax law, the director of revenue shall 307 notify the taxing entity in the event any person fails or refuses to pay the amount 308 of any local sales tax due so that appropriate action may be taken by the taxing 309 entity.

[17.] 16. Where property is seized by the director of revenue under the 311 provisions of any law authorizing seizure of the property of a taxpayer who is 312 delinquent in payment of the tax imposed by the state sales tax law, and where 313 such taxpayer is also delinquent in payment of any tax imposed by the local sales 314 tax law, the director of revenue shall permit the taxing entity to join in any sale 315 of property to pay the delinquent taxes and penalties due the state and to the 316 taxing entity under the local sales tax law. The proceeds from such sale shall 317 first be applied to all sums due the state, and the remainder, if any, shall be 318 applied to all sums due such taxing entity.

[18.] 17. If a local sales tax has been in effect for at least one year under 320 the provisions of the local sales tax law and voters approve reimposition of the 321 same local sales tax at the same rate at an election as provided for in the local 322 sales tax law prior to the date such tax is due to expire, the tax so reimposed 323 shall become effective the first day of the first calendar quarter after the director 324 receives a certified copy of the ordinance, order or resolution accompanied by a 325 map clearly showing the boundaries thereof and the results of such election, 326 provided that such ordinance, order or resolution and all necessary accompanying 327 materials are received by the director at least thirty days prior to the expiration 328 of such tax. Any administrative cost or expense incurred by the state as a result 329 of the provisions of this subsection shall be paid by the city or county reimposing 330 such tax.

18. If the boundaries of a city in which a sales tax has been 332 imposed shall thereafter be changed or altered, the city clerk shall 333 forward to the director of revenue by United States registered mail or 334 certified mail a certified copy of the ordinance adding or detaching
territory from the city within ten days of adoption of the ordinance. The ordinance shall reflect the effective date of the ordinance and shall be accompanied by a map of the city clearly showing the territory added or detached from the city boundaries. Upon receipt of the ordinance and map, the tax imposed under the local sales tax law shall be effective in the added territory or abolished in the detached territory on the first day of a calendar quarter after one hundred twenty days' notice to sellers.

19. (1) If a sales or use tax rate is increased, the new rate shall apply to the first billing period starting on or after the effective date of the increase.

(2) If a sales or use tax rate is decreased, the new rate shall apply to bills rendered on or after the effective date of the decrease.

135.550. 1. As used in this section, the following terms shall mean:

(1) "Contribution", a donation of cash, stock, bonds or other marketable securities, or real property;

(2) "Shelter for victims of domestic violence", a facility located in this state which meets the definition of a shelter for victims of domestic violence pursuant to section 455.200 and which meets the requirements of section 455.220, or a nonprofit organization established and operating exclusively for the purpose of supporting a shelter for victims of domestic violence operated by the state or one of its political subdivisions;

(3) "State tax liability", in the case of a business taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapter 143, chapter 147, chapter 148, and chapter 153, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265 and related provisions, and in the case of an individual taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapter 143;

(4) "Taxpayer", a person, firm, a partner in a firm, corporation or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed by the provisions of chapter 143, or a corporation subject to the annual corporation franchise tax imposed by the provisions of chapter 147, including any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, or an insurance company paying an annual tax on its gross premium receipts in this
state, or other financial institution paying taxes to the state of Missouri or any political subdivision of this state pursuant to the provisions of chapter 148, or an express company which pays an annual tax on its gross receipts in this state pursuant to chapter 153, or an individual subject to the state income tax imposed by the provisions of chapter 143.

2. A taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability, in an amount equal to fifty percent of the amount such taxpayer contributed to a shelter for victims of domestic violence.

3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the taxable year that the credit is claimed, and such taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per taxable year. However, any tax credit that cannot be claimed in the taxable year the contribution was made may be carried over to the next four succeeding taxable years until the full credit has been claimed.

4. Except for any excess credit which is carried over pursuant to subsection 3 of this section, a taxpayer shall not be allowed to claim a tax credit unless the total amount of such taxpayer's contribution or contributions to a shelter or shelters for victims of domestic violence in such taxpayer's taxable year has a value of at least one hundred dollars.

5. The director of the department of social services shall determine, at least annually, which facilities in this state may be classified as shelters for victims of domestic violence. The director of the department of social services may require of a facility seeking to be classified as a shelter for victims of domestic violence whatever information is reasonably necessary to make such a determination. The director of the department of social services shall classify a facility as a shelter for victims of domestic violence if such facility meets the definition set forth in subsection 1 of this section.

6. The director of the department of social services shall establish a procedure by which a taxpayer can determine if a facility has been classified as a shelter for victims of domestic violence, and by which such taxpayer can then contribute to such shelter for victims of domestic violence and claim a tax credit. Shelters for victims of domestic violence shall be permitted to decline a contribution from a taxpayer. The cumulative amount of tax credits which may be claimed by all the taxpayers contributing to shelters for victims of domestic violence in any one fiscal year shall not exceed two million dollars for all fiscal years ending on or before June 30, 2021, and three million dollars for
60 all fiscal years beginning on or after July 1, 2021.

7. The director of the department of social services shall establish a procedure by which, from the beginning of the fiscal year until some point in time later in the fiscal year to be determined by the director of the department of social services, the cumulative amount of tax credits are equally apportioned among all facilities classified as shelters for victims of domestic violence. If a shelter for victims of domestic violence fails to use all, or some percentage to be determined by the director of the department of social services, of its apportioned tax credits during this predetermined period of time, the director of the department of social services may reapportion these unused tax credits to those shelters for victims of domestic violence that have used all, or some percentage to be determined by the director of the department of social services, of their apportioned tax credits during this predetermined period of time. The director of the department of social services may establish more than one period of time and reapportion more than once during each fiscal year. To the maximum extent possible, the director of the department of social services shall establish the procedure described in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits possible up to the cumulative amount of tax credits available for the fiscal year.

8. This section shall become effective January 1, 2000, and shall apply to all tax years after December 31, 1999.

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

<table>
<thead>
<tr>
<th>If the Missouri taxable income is:</th>
<th>The tax is:</th>
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<tbody>
<tr>
<td>Not over $1,000.00</td>
<td>11/2% of the Missouri taxable income</td>
</tr>
<tr>
<td>Over $1,000 but not over $2,000</td>
<td>$15 plus 2% of excess over $1,000</td>
</tr>
<tr>
<td>Over $2,000 but not over $3,000</td>
<td>$35 plus 2 1/2% of excess over $2,000</td>
</tr>
<tr>
<td>Over $3,000 but not over $4,000</td>
<td>$60 plus 3% of excess over $3,000</td>
</tr>
<tr>
<td>Over $4,000 but not over $5,000</td>
<td>$90 plus 3 1/2% of excess over $4,000</td>
</tr>
<tr>
<td>Over $5,000 but not over $6,000</td>
<td>$125 plus 4% of excess over $5,000</td>
</tr>
<tr>
<td>Over $6,000 but not over $7,000</td>
<td>$165 plus 4 1/2% of excess over $6,000</td>
</tr>
<tr>
<td>Over $7,000 but not over $8,000</td>
<td>$210 plus 5% of excess over $7,000</td>
</tr>
<tr>
<td>Over $8,000 but not over $9,000</td>
<td>$260 plus 5 1/2% of excess over $8,000</td>
</tr>
<tr>
<td>Over $9,000</td>
<td>$315 plus 6% of excess over $9,000</td>
</tr>
</tbody>
</table>
2. (1) Beginning with the 2017 calendar year, the top rate of tax under subsection 1 of this section may be reduced over a period of years. Each reduction in the top rate of tax shall be by one-tenth of a percent and no more than one reduction shall occur in a calendar year. No more than five reductions shall be made under this subsection. Reductions in the rate of tax shall take effect on January first of a calendar year and such reduced rates shall continue in effect until the next reduction occurs.

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

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

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

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

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

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

4. (1) In addition to the rate reductions under subsections 2 and 3 of this section, beginning with the calendar year following the calendar year in which the final reduction in the top rate of tax is made under subsection 2 of this section, the top rate of tax under subsection 1 of this section shall be reduced by fifteen-hundredths of one percent. Such reduction in the rate of tax shall take effect on January first of a calendar year.

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

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

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

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

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

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

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

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

(4) "Percent increase in inflation", the percentage, if any, by which the
CPI for the preceding calendar year exceeds the CPI for the year beginning
September 1, 2014, and ending August 31, 2015.
licensed to do business in this state, or doing business in this state, and not organized, authorized, or existing under the laws of this state, or by any receiver in charge of the property of any such corporation, association, joint stock company or joint stock association;

(2) Every railroad corporation or receiver in charge of the property thereof which operates over rails owned or leased by it and every corporation operating any buslines, trucklines, airlines, or other forms of transportation, including qualified air freight forwarders, operating over fixed routes owned, leased, or used by it extending from this state to another state or states. For the purposes of this section, "qualified air freight forwarder" means a taxpayer who:

(a) Is primarily engaged in the facilitation of the transportation of property by air;

(b) Does not directly operate aircraft; and

(c) Is affiliated with an airline;

(3) Every corporation, or receiver in charge of the property thereof, which owns or operates a bridge between this and any other state; and

(4) Every corporation, or receiver in charge of the property thereof, which operates a telephone line or lines extending from this state to another state or states or a telegraph line or lines extending from this state to another state or states.

2. The tax on corporations provided in subsection 1 of section 143.431 and section 143.071 shall not apply to:

(1) A corporation which by reason of its purposes and activities is exempt from federal income tax. The preceding sentence shall not apply to unrelated business taxable income and other income on which chapter 1 of the Internal Revenue Code imposes the federal income tax or any other tax measured by income;

(2) An express company which pays an annual tax on its gross receipts in this state;

(3) An insurance company which is subject to an annual tax on its gross premium receipts in this state;

(4) A Missouri mutual or an extended Missouri mutual insurance company organized under chapter 380; and

(5) Any other corporation that is exempt from Missouri income taxation under the laws of Missouri or the laws of the United States.
144.010. 1. The following words, terms, and phrases when used in this chapter shall have the meanings ascribed to them in this section, except when the context indicates a different meaning:

(1) "Admission" includes seats and tables, reserved or otherwise, and other similar accommodations and charges made therefor and amount paid for admission, exclusive of any admission tax imposed by the federal government or by sections 144.010 to 144.525;

(2) "Business" includes any activity engaged in by any person, or caused to be engaged in by him, with the object of gain, benefit or advantage, either direct or indirect, and the classification of which business is of such character as to be subject to the terms of sections 144.010 to 144.525. A person is "engaging in business" in this state for purposes of sections 144.010 to 144.525 if such person engages in business activities within this state or maintains a place of business in this state under the provisions of subdivisions (1) to (6) of section 144.605. The isolated or occasional sale of tangible personal property, service, substance, or thing, by a person not engaged in such business, does not constitute engaging in business within the meaning of sections 144.010 to 144.525 unless the total amount of the gross receipts from such sales, exclusive of receipts from the sale of tangible personal property by persons which property is sold in the course of the partial or complete liquidation of a household, farm or nonbusiness enterprise, exceeds three thousand dollars in any calendar year. The provisions of this subdivision shall not be construed to make any sale of property which is exempt from sales tax or use tax on June 1, 1977, subject to that tax thereafter;

(3) "Calendar quarter", the period of three consecutive calendar months ending on March thirty-first, June thirtieth, September thirtieth, or December thirty-first;

(4) "Captive wildlife", includes but is not limited to exotic partridges, gray partridge, northern bobwhite quail, ring-necked pheasant, captive waterfowl, captive white-tailed deer, captive elk, and captive furbearers held under permit issued by the Missouri department of conservation for hunting purposes. The provisions of this subdivision shall not apply to sales tax on a harvested animal;

(5) "Certified service provider" or "CSP", an agent certified by the department of revenue to perform all the seller's sales and use tax functions, other than the seller's obligation to remit tax on its own purchases;
"Gross receipts", except as provided in section 144.012, means the total amount of the sale price of the sales at retail including any services other than charges incident to the extension of credit that are a part of such sales made by the businesses herein referred to, capable of being valued in money, whether received in money or otherwise; except that, the term gross receipts shall not include the sale price of property returned by customers when the full sale price thereof is refunded either in cash or by credit. In determining any tax due under [sections 144.010 to 144.525] this chapter on the gross receipts, charges incident to the extension of credit shall be specifically exempted. For the purposes of [sections 144.010 to 144.525] this chapter the total amount of the sale price above mentioned shall be deemed to be the amount received. It shall also include the lease or rental consideration where the right to continuous possession or use of any article of tangible personal property is granted under a lease or contract and such transfer of possession would be taxable if outright sale were made and, in such cases, the same shall be taxable as if outright sale were made and considered as a sale of such article, and the tax shall be computed and paid by the lessee upon the rentals paid. The term gross receipts shall not include usual and customary delivery charges that are stated separately from the sale price;

"Instructional class", includes any class, lesson, or instruction intended or used for teaching;

"Light aircraft", a light airplane that seats no more than four persons, with a gross weight of three thousand pounds or less, which is primarily used for recreational flying or flight training;

"Light aircraft kit", factory manufactured light aircraft parts and components, including engine, propeller, instruments, wheels, brakes, and air frame parts which make up a complete aircraft kit or partial kit designed to be assembled into a light aircraft and then operated by a qualified light aircraft purchaser for recreational and educational purposes;

"Light aircraft parts and components", manufactured light aircraft parts, including air frame and engine parts, that are required by the qualified light aircraft purchaser to complete a light aircraft kit, or spare or replacement parts for an already completed light aircraft;

"Livestock", cattle, calves, sheep, swine, ratite birds, including but not limited to, ostrich and emu, aquatic products as described in section
277.024, llamas, alpaca, buffalo, bison, elk documented as obtained from a legal
source and not from the wild, goats, horses, other equine, honey bees, or rabbits
raised in confinement for human consumption;

(12) "Maintains a place of business in this state", includes
maintaining, occupying, or using, permanently or temporarily, directly
or indirectly, or through a subsidiary, or agent, by whatever name
called, an office, place of distribution, sales or sample room or place,
warehouse or storage place, or other place of business;

[(7)] (13) "Motor vehicle leasing company" [shall be], a company
obtaining a permit from the director of revenue to operate as a motor vehicle
leasing company. Not all persons renting or leasing trailers or motor vehicles
need to obtain such a permit; however, no person failing to obtain such a permit
may avail itself of the optional tax provisions of subsection 5 of section 144.070,
as hereinafter provided;

[(8)] (14) "Person" includes any individual, firm, copartnership, joint
adventure, association, corporation, municipal or private, and whether organized
for profit or not, state, county, political subdivision, state department,
commission, board, bureau or agency, [except the state transportation
department,] estate, trust, business trust, receiver or trustee appointed by the
state or federal court, syndicate, or any other group or combination acting as a
unit, and the plural as well as the singular number, or any other legal entity;

[(9)] (15) "Product which is intended to be sold ultimately for final use
or consumption" [means], tangible personal property, or any service that is
subject to state or local sales or use taxes, or any tax that is substantially
equivalent thereto, in this state or any other state;

(16) "Purchase", the acquisition of the ownership of, or title to,
tangible personal property, through a sale, as defined herein, for the
purpose of storage, use, or consumption in this state;

(17) "Purchase price", applies to the measure subject to use tax
and has the same meaning as sales price;

[(10)] (18) "Purchaser" [means], a person who purchases tangible
personal property or to whom are rendered services, receipts from which are
taxable under [sections 144.010 to 144.525] this chapter;

(19) "Qualified light aircraft purchaser", a purchaser of a light
aircraft, light aircraft kit, light aircraft parts or components who is a
nonresident of this state, who will transport the light aircraft, light
aircraft kit, light aircraft parts or components outside this state within
ten days after the date of purchase, and who will register any light
aircraft so purchased in another state or country. Such purchaser shall
not base such aircraft in this state and such purchaser shall not be a
resident of the state unless such purchaser has paid sales or use tax on
such aircraft in another state;

[(11) (20) "Research or experimentation activities" [are], the
development of an experimental or pilot model, plant process, formula, invention
or similar property, and the improvement of existing property of such
type. Research or experimentation activities do not include activities such as
ordinary testing or inspection of materials or products for quality control,
efficiency surveys, advertising promotions or research in connection with literary,
historical or similar projects;

[(12) (21) "Sale" or "sales" includes installment and credit sales, and the
exchange of properties as well as the sale thereof for money, every closed
transaction constituting a sale, and means any transfer, exchange or barter,
conditional or otherwise, in any manner or by any means whatsoever, of tangible
personal property for valuable consideration and the rendering, furnishing or
selling for a valuable consideration any of the substances, things and services
herein designated and defined as taxable under the [terms of sections 144.010 to
144.525] provisions of this chapter;

[(13) (22) "Sale at retail" [means], any transfer made by any person
engaged in business as defined herein of the ownership of, or title to, tangible
personal property to the purchaser, for use or consumption and not for resale in
any form as tangible personal property, for a valuable consideration; except that,
for the purposes of sections 144.010 to 144.525 and the tax imposed thereby: (i)
purchases of tangible personal property made by duly licensed physicians,
dentists, optometrists and veterinarians and used in the practice of their
professions shall be deemed to be purchases for use or consumption and not for
resale; and (ii) the selling of computer printouts, computer output or microfilm
or microfiche and computer-assisted photo compositions to a purchaser to enable
the purchaser to obtain for his or her own use the desired information contained
in such computer printouts, computer output on microfilm or microfiche and
computer-assisted photo compositions shall be considered as the sale of a service
and not as the sale of tangible personal property. Where necessary to conform to
the context of [sections 144.010 to 144.525] this chapter and the tax imposed
thereby, the term sale at retail shall be construed to embrace:

(a) Sales of admission tickets, cash admissions, charges and fees to or in places of amusement, entertainment and recreation, games and athletic events, except amounts paid for any instructional class;

(b) Sales of electricity, electrical current, water and gas, natural or artificial, to domestic, commercial or industrial consumers;

(c) Sales of local and long distance telecommunications service to telecommunications subscribers and to others through equipment of telecommunications subscribers for the transmission of messages and conversations, and the sale, rental or leasing of all equipment or services pertaining or incidental thereto;

(d) Sales of service for transmission of messages by telegraph companies;

(e) Sales or charges for all rooms, meals and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore, dining car, tourist camp, tourist cabin, or other place in which rooms, meals or drinks are regularly served to the public;

(f) Sales of tickets by every person operating a railroad, sleeping car, dining car, express car, boat, airplane, and such buses and trucks as are licensed by the division of motor carrier and railroad safety of the department of economic development of Missouri, engaged in the transportation of persons for hire;

[[14] (23) "Seller" [means], a person selling or furnishing tangible personal property or rendering services, on the receipts from which a tax is imposed pursuant to section 144.020;

(24) "Selling agent", every person acting as a representative of a principal, when such principal is not registered with the director of revenue of the state of Missouri for the collection of the taxes imposed under this chapter and who receives compensation by reason of the sale of tangible personal property of the principal, if such property is to be stored, used, or consumed in this state;

(25) "Storage", any keeping or retention in this state of tangible personal property purchased from a vendor, except property for sale or property that is temporarily kept or retained in this state for subsequent use outside the state;

[(15) The noun "tax" means]

(26) "Tax", either the tax payable by the purchaser of a commodity or service subject to tax, or the aggregate amount of taxes due from the vendor of
such commodities or services during the period for which he or she is required to
report his or her collections, as the context may require; [and]

(27) "Taxpayer", any person remitting the tax or who should remit the tax levied by this chapter;

[(16)] (28) "Telecommunications service", for the purpose of this chapter, the transmission of information by wire, radio, optical cable, coaxial cable, electronic impulses, or other similar means. As used in this definition, "information" means knowledge or intelligence represented by any form of writing, signs, signals, pictures, sounds, or any other symbols. Telecommunications service does not include the following if such services are separately stated on the customer's bill or on records of the seller maintained in the ordinary course of business:

(a) Access to the internet, access to interactive computer services or electronic publishing services, except the amount paid for the telecommunications service used to provide such access;

(b) Answering services and one-way paging services;

(c) Private mobile radio services which are not two-way commercial mobile radio services such as wireless telephone, personal communications services or enhanced specialized mobile radio services as defined pursuant to federal law; or

(d) Cable or satellite television or music services;

(29) "Use", the exercise of any right or power over tangible personal property incident to the ownership or control of that property, except that it does not include the temporary storage of property in this state for subsequent use outside the state, or the sale of the property in the regular course of business;

(30) "Vendor", every person engaged in making sales of tangible personal property by mail order, by advertising, by agent or peddling tangible personal property, soliciting or taking orders for sales of tangible personal property, for storage, use or consumption in this state, all salesmen, solicitors, hawkers, representatives, consignees, peddlers or canvassers, as agents of the dealers, distributors, consignors, supervisors, principals or employers under whom they operate or from whom they obtain the tangible personal property sold by them, and every person who maintains a place of business in this state, maintains a stock of goods in this state, or engages in business activities within this state and every person who engages in this state
in the business of acting as a selling agent for persons not otherwise vendors as defined in this subdivision. Irrespective of whether they are making sales on their own behalf or on behalf of the dealers, distributors, consignors, supervisors, principals or employers, they must be regarded as vendors and the dealers, distributors, consignors, supervisors, principals or employers, must be regarded as vendors for the purposes of sections 144.600 to 144.745.

2. For purposes of the taxes imposed under [sections 144.010 to 144.525] this chapter, and any other provisions of law pertaining to sales or use taxes which incorporate the provisions of [sections 144.010 to 144.525] this chapter by reference, the term manufactured homes shall have the same meaning given it in section 700.010.

3. Sections 144.010 to 144.525 may be known and quoted as the "Sales Tax Law".

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

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

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

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

(4) The transfer of tangible personal property to a corporation by a shareholder as a contribution to the capital of the transferee corporation;

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

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

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

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

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

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

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

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

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

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

(13) Charges for initiation fees or dues to:

(a) Fraternal beneficiaries societies, or domestic fraternal societies, orders
or associations operating under the lodge system a substantial part of the
activities of which are devoted to religious, charitable, scientific, literary,
educational or fraternal purposes;

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

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

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

144.014. 1. Notwithstanding other provisions of law to the contrary,
beginning October 1, 1997, the tax levied and imposed [pursuant to sections
144.010 to 144.525 and sections 144.600 to 144.746] under this chapter on all
retail sales of food shall be at the rate of one percent. The revenue derived from
the one percent rate pursuant to this section shall be deposited by the state
treasurer in the school district trust fund and shall be distributed as provided in
section 144.701.

2. For the purposes of this section, the term "food" shall include only those
products and types of food for which food stamps may be redeemed pursuant to
the provisions of the Federal Food Stamp Program as contained in 7 U.S.C.
Section 2012, as that section now reads or as it may be amended hereafter, and
shall include food dispensed by or through vending machines. For the purpose
of this section, except for vending machine sales, the term "food" shall not include
food or drink sold by any establishment where the gross receipts derived from the
sale of food prepared by such establishment for immediate consumption on or off
the premises of the establishment constitutes more than eighty percent of the
total gross receipts of that establishment, regardless of whether such prepared
food is consumed on the premises of that establishment, including, but not limited
19 to, sales of food by any restaurant, fast food restaurant, delicatessen, eating
20 house, or café.

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 percent of the purchase price paid or charged, or in case such sale involves the
13 exchange of property, a tax equivalent to four percent of the consideration paid
14 or charged, including the fair market value of the property exchanged at the time
15 and place of the exchange, except as otherwise provided in section 144.025;
16   (2) A tax equivalent to four percent of the amount paid for admission and
17 seating accommodations, or fees paid to, or in any place of amusement,
18 entertainment or recreation, games and athletic events, except amounts paid for
19 any instructional class;
20   (3) A tax equivalent to four percent of the basic rate paid or charged on
21 all sales of electricity or electrical current, water and gas, natural or artificial, to
22 domestic, commercial or industrial consumers;
23   (4) (a) A tax equivalent to four percent on the basic rate paid or charged
24 on all sales of local and long distance telecommunications service to
25 telecommunications subscribers and to others through equipment of
26 telecommunications subscribers for the transmission of messages and
27 conversations and upon the sale, rental or leasing of all equipment or services
28 pertaining or incidental thereto; except that, the payment made by
29 telecommunications subscribers or others, pursuant to section 144.060, and any
30 amounts paid for access to the internet or interactive computer services shall not
31 be considered as amounts paid for telecommunications services;
32   (b) If local and long distance telecommunications services subject to tax
33 under this subdivision are aggregated with and not separately stated from
34 charges for telecommunications service or other services not subject to tax under
this subdivision, including, but not limited to, interstate or international
telecommunications services, then the charges for nontaxable services may be
subject to taxation unless the telecommunications provider can identify by
reasonable and verifiable standards such portion of the charges not subject to
such tax from its books and records that are kept in the regular course of
business, including, but not limited to, financial statement, general ledgers,
invoice and billing systems and reports, and reports for regulatory tariffs and
other regulatory matters;

(c) A telecommunications provider shall notify the director of revenue of
its intention to utilize the standards described in paragraph (b) of this
subdivision to determine the charges that are subject to sales tax under this
subdivision. Such notification shall be in writing and shall meet standardized
criteria established by the department regarding the form and format of such
notice;

(d) The director of revenue may promulgate and enforce reasonable rules
and regulations for the administration and enforcement of the provisions of this
subdivision. Any rule or portion of a rule, as that term is defined in section
536.010, that is created under the authority delegated in this section shall
become effective only if it complies with and is subject to all of the provisions of
chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
nonseverable and if any of the powers vested with the general assembly pursuant
to chapter 536 to review, to delay the effective date, or to disapprove and annul
a rule are subsequently held unconstitutional, then the grant of rulemaking
authority and any rule proposed or adopted after August 28, 2019, shall be
invalid and void;

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

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

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

(8) A tax equivalent to four percent of the amount paid or charged for rental or lease of tangible personal property, provided that if the lessor or renter of any tangible personal property had previously purchased the property under the conditions of sale at retail or leased or rented the property and the tax was paid at the time of purchase, lease or rental, the lessor, sublessor, renter or subrenter shall not apply or collect the tax on the subsequent lease, sublease, rental or subrental receipts from that property. The purchase, rental or lease of motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats, and outboard motors shall be taxed and the tax paid as provided in this section and section 144.070. In no event shall the rental or lease of boats and outboard motors be considered a sale, charge, or fee to, for or in places of amusement, entertainment or recreation nor shall any such rental or lease be subject to any tax imposed to, for, or in such places of amusement, entertainment or recreation. Rental and leased boats or outboard motors shall be taxed under the provisions of the sales tax laws as provided under such laws for motor vehicles and trailers. Tangible personal property which is exempt from the sales or use tax under section 144.030 upon a sale thereof is likewise exempt from the sales or use tax upon the lease or rental thereof;

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

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

144.030. 1. There is hereby specifically exempted from the provisions of [sections 144.010 to 144.525] this chapter and from the computation of the tax levied, assessed or payable [pursuant to sections 144.010 to 144.525] this chapter such retail sales as may be made in commerce between this state and
any other state of the United States, or between this state and any foreign

country, and any retail sale which the state of Missouri is prohibited from taxing

pursuant to the Constitution or laws of the United States of America, and such

retail sales of tangible personal property which the general assembly of the state

of Missouri is prohibited from taxing or further taxing by the constitution of this

state.

2. There are also specifically exempted from the provisions of the local

sales tax law as defined in section 32.085, section 238.235, and [sections 144.010

to 144.525 and 144.600 to 144.761] this chapter and from the computation of

the tax levied, assessed or payable pursuant to the local sales tax law as defined

in section 32.085, section 238.235, and [sections 144.010 to 144.525 and 144.600

to 144.745] this chapter:

(1) Motor fuel or special fuel subject to an excise tax of this state, unless

all or part of such excise tax is refunded pursuant to section 142.824; or upon the

sale at retail of fuel to be consumed in manufacturing or creating gas, power,

steam, electrical current or in furnishing water to be sold ultimately at retail; or

feed for livestock or poultry; or grain to be converted into foodstuffs which are to

be sold ultimately in processed form at retail; or seed, limestone or fertilizer

which is to be used for seeding, liming or fertilizing crops which when harvested

will be sold at retail or will be fed to livestock or poultry to be sold ultimately in

processed form at retail; economic poisons registered pursuant to the provisions

of [the Missouri pesticide registration law,] sections 281.220 to 281.310, which

are to be used in connection with the growth or production of crops, fruit trees or

orhards applied before, during, or after planting, the crop of which when

harvested will be sold at retail or will be converted into foodstuffs which are to

be sold ultimately in processed form at retail;

(2) Materials, manufactured goods, machinery and parts which when used

in manufacturing, processing, compounding, mining, producing or fabricating

become a component part or ingredient of the new personal property resulting

from such manufacturing, processing, compounding, mining, producing or

fabricating and which new personal property is intended to be sold ultimately for

final use or consumption; and materials, including without limitation, gases and

manufactured goods, including without limitation slagging materials and

firebrick, which are ultimately consumed in the manufacturing process by

blending, reacting or interacting with or by becoming, in whole or in part,

component parts or ingredients of steel products intended to be sold ultimately
for final use or consumption;

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

(4) Replacement machinery, equipment, and parts and the materials and supplies solely required for the installation or construction of such replacement machinery, equipment, and parts, used directly in manufacturing, mining, fabricating or producing a product which is intended to be sold ultimately for final use or consumption; and machinery and equipment, and the materials and supplies required solely for the operation, installation or construction of such machinery and equipment, purchased and used to establish new, or to replace or expand existing, material recovery processing plants in this state. For the purposes of this subdivision, a "material recovery processing plant" means a facility that has as its primary purpose the recovery of materials into a usable product or a different form which is used in producing a new product and shall include a facility or equipment which are used exclusively for the collection of recovered materials for delivery to a material recovery processing plant but shall not include motor vehicles used on highways. For purposes of this section, the terms motor vehicle and highway shall have the same meaning pursuant to section 301.010. For the purposes of this subdivision, subdivision (5) of this subsection, and section 144.054, as well as the definition in subdivision (9) of subsection 1 of section 144.010, the term "product" includes telecommunications services and the term "manufacturing" shall include the production, or production and transmission, of telecommunications services. The preceding sentence does not make a substantive change in the law and is intended to clarify that the term "manufacturing" has included and continues to include the production and transmission of "telecommunications services", as enacted in this subdivision and subdivision (5) of this subsection, as well as the definition in subdivision (9) of subsection 1 of section 144.010. The preceding two sentences reaffirm legislative intent consistent with the interpretation of this subdivision and subdivision (5) of this subsection in Southwestern Bell Tel. Co. v. Director of Revenue, 78 S.W.3d 763 (Mo. banc 2002) and Southwestern Bell Tel. Co. v. Director of Revenue, 182 S.W.3d 226 (Mo. banc 2005), and accordingly abrogates the Missouri supreme court's interpretation of those exemptions in IBM Corporation v. Director of Revenue, 491 S.W.3d 535 (Mo. banc 2016) to the extent inconsistent with this
section and Southwestern Bell Tel. Co. v. Director of Revenue, 78 S.W.3d 763 (Mo. banc 2002) and Southwestern Bell Tel. Co. v. Director of Revenue, 182 S.W.3d 226 (Mo. banc 2005). The construction and application of this subdivision as expressed by the Missouri supreme court in DST Systems, Inc. v. Director of Revenue, 43 S.W.3d 799 (Mo. banc 2001); Southwestern Bell Tel. Co. v. Director of Revenue, 78 S.W.3d 763 (Mo. banc 2002); and Southwestern Bell Tel. Co. v. Director of Revenue, 182 S.W.3d 226 (Mo. banc 2005), is hereby affirmed. Material recovery is not the reuse of materials within a manufacturing process or the use of a product previously recovered. The material recovery processing plant shall qualify under the provisions of this section regardless of ownership of the material being recovered;

(5) Machinery and equipment, and parts and the materials and supplies solely required for the installation or construction of such machinery and equipment, purchased and used to establish new or to expand existing manufacturing, mining or fabricating plants in the state if such machinery and equipment is used directly in manufacturing, mining or fabricating a product which is intended to be sold ultimately for final use or consumption. The construction and application of this subdivision as expressed by the Missouri supreme court in DST Systems, Inc. v. Director of Revenue, 43 S.W.3d 799 (Mo. banc 2001); Southwestern Bell Tel. Co. v. Director of Revenue, 78 S.W.3d 763 (Mo. banc 2002); and Southwestern Bell Tel. Co. v. Director of Revenue, 182 S.W.3d 226 (Mo. banc 2005), is hereby affirmed;

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

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

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

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

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

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

(12) Electrical energy used in the actual primary manufacture, processing, compounding, mining or producing of a product, or electrical energy used in the actual secondary processing or fabricating of the product, or a material recovery processing plant as defined in subdivision (4) of this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical energy so used exceeds ten percent of the total cost of production, either primary or secondary, exclusive of the cost of electrical energy so used or if the raw materials used in such processing contain at least twenty-five percent recovered materials as defined in section 260.200. There shall be a rebuttable presumption that the raw materials used in the primary manufacture of automobiles contain at least twenty-five percent recovered materials. For purposes of this subdivision, "processing" means any mode of treatment, act or series of acts performed upon materials to transform and reduce them to a different state or thing, including treatment necessary to maintain or preserve such processing by the producer at the production facility;

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

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

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

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

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

(18) All sales of insulin, and all sales, rentals, repairs, and parts of
durable medical equipment, prosthetic devices, and orthopedic devices as defined
on January 1, 1980, by the federal Medicare program pursuant to Title XVIII of
the Social Security Act of 1965, including the items specified in Section
1862(a)(12) of that act, and also specifically including hearing aids and hearing
aid supplies and all sales of drugs which may be legally dispensed by a licensed
pharmacist only upon a lawful prescription of a practitioner licensed to
administer those items, including samples and materials used to manufacture
samples which may be dispensed by a practitioner authorized to dispense such
samples and all sales or rental of medical oxygen, home respiratory equipment
and accessories including parts, and hospital beds and accessories and
ambulatory aids including parts, and all sales or rental of manual and powered
wheelchairs including parts, and stairway lifts, Braille writers, electronic Braille
equipment and, if purchased or rented by or on behalf of a person with one or
more physical or mental disabilities to enable them to function more
independently, all sales or rental of scooters including parts, and reading
machines, electronic print enlargers and magnifiers, electronic alternative and
augmentative communication devices, and items used solely to modify motor
vehicles to permit the use of such motor vehicles by individuals with disabilities
or sales of over-the-counter or nonprescription drugs to individuals with
disabilities, and drugs required by the Food and Drug Administration to meet the
over-the-counter drug product labeling requirements in 21 CFR 201.66, or its
successor, as prescribed by a health care practitioner licensed to prescribe;

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

(20) All sales of aircraft to common carriers for storage or for use in
interstate commerce and all sales made by or to not-for-profit civic, social, service
or fraternal organizations, including fraternal organizations which have been
declared tax-exempt organizations pursuant to Section 501(c)(8) or (10) of the
1986 Internal Revenue Code, as amended, in their civic or charitable functions
and activities and all sales made to eleemosynary and penal institutions and
industries of the state, and all sales made to any private not-for-profit institution
of higher education not otherwise excluded pursuant to subdivision (19) of this
subsection or any institution of higher education supported by public funds, and
all sales made to a state relief agency in the exercise of relief functions and
activities;
   (21) All ticket sales made by benevolent, scientific and educational
associations which are formed to foster, encourage, and promote progress and
improvement in the science of agriculture and in the raising and breeding of
animals, and by nonprofit summer theater organizations if such organizations are
exempt from federal tax pursuant to the provisions of the Internal Revenue Code
and all admission charges and entry fees to the Missouri state fair or any fair
conducted by a county agricultural and mechanical society organized and
operated pursuant to sections 262.290 to 262.530;
   (22) All sales made to any private not-for-profit elementary or secondary
school, all sales of feed additives, medications or vaccines administered to
livestock or poultry in the production of food or fiber, all sales of pesticides used
in the production of crops, livestock or poultry for food or fiber, all sales of
bedding used in the production of livestock or poultry for food or fiber, all sales
of propane or natural gas, electricity or diesel fuel used exclusively for drying
agricultural crops, natural gas used in the primary manufacture or processing of
fuel ethanol as defined in section 142.028, natural gas, propane, and electricity
used by an eligible new generation cooperative or an eligible new generation
processing entity as defined in section 348.432, and all sales of farm machinery
and equipment, other than airplanes, motor vehicles and trailers, and any freight
charges on any exempt item. As used in this subdivision, the term "feed
additives" means tangible personal property which, when mixed with feed for
livestock or poultry, is to be used in the feeding of livestock or poultry. As used
in this subdivision, the term "pesticides" includes adjuvants such as crop oils,
surfactants, wetting agents and other assorted pesticide carriers used to improve
or enhance the effect of a pesticide and the foam used to mark the application of
pesticides and herbicides for the production of crops, livestock or poultry. As
used in this subdivision, the term "farm machinery and equipment" means new
or used farm tractors and such other new or used farm machinery and equipment
and repair or replacement parts thereon and any accessories for and upgrades to
such farm machinery and equipment, rotary mowers used exclusively for
agricultural purposes, and supplies and lubricants used exclusively, solely, and
directly for producing crops, raising and feeding livestock, fish, poultry,
peasants, chukar, quail, or for producing milk for ultimate sale at retail,
including field drain tile, and one-half of each purchaser's purchase of diesel fuel
therefor which is:

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

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

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

(b) Regulated utility sellers shall determine whether individual purchases
are exempt or nonexempt based upon the seller's utility service rate
classifications as contained in tariffs on file with and approved by the Missouri
public service commission. Sales and purchases made pursuant to the rate
classification "residential" and sales to and purchases made by or on behalf of the
occupants of residential apartments or condominiums through a single or master
meter, including service for common areas and facilities and vacant units, shall
be considered as sales made for domestic use and such sales shall be exempt from
Sellers shall charge sales tax upon the entire amount of purchases classified as nondomestic use. The seller's utility service rate classification and the provision of service thereunder shall be conclusive as to whether or not the utility must charge sales tax;

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

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

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

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

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

(28) Computers, computer software and computer security systems purchased for use by architectural or engineering firms headquartered in this state. For the purposes of this subdivision, "headquartered in this state" means the office for the administrative management of at least four integrated facilities operated by the taxpayer is located in the state of Missouri;

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

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

(31) Electrical energy or gas, whether natural, artificial or propane, water, or other utilities which are ultimately consumed in connection with the manufacturing of cellular glass products or in any material recovery processing plant as defined in subdivision (4) of this subsection;

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

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

(34) All sales of grain bins for storage of grain for resale;

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

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

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

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

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

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

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

(40) All materials, replacement parts, and equipment purchased for use directly upon, and for the modification, replacement, repair, and maintenance of aircraft, aircraft power plants, and aircraft accessories;

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

(42) All sales of motor fuel, as defined in section 142.800, used in any watercraft, as defined in section 306.010;

(43) Any new or used aircraft sold or delivered in this state to a person who is not a resident of this state or a corporation that is not incorporated in this state, and such aircraft is not to be based in this state and shall not remain in this state more than ten business days subsequent to the last to occur of:

(a) The transfer of title to the aircraft to a person who is not a resident of this state or a corporation that is not incorporated in this state; or

(b) The date of the return to service of the aircraft in accordance with 14 CFR 91.407 for any maintenance, preventive maintenance, rebuilding, alterations, repairs, or installations that are completed contemporaneously with the transfer of title to the aircraft to a person who is not a resident of this state or a corporation that is not incorporated in this state;

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

(45) All internet access or the use of internet access regardless of whether the tax is imposed on a provider of internet access or a buyer of internet access. For purposes of this subdivision, the following terms shall mean:

(a) "Direct costs", costs incurred by a governmental authority solely because of an internet service provider's use of the public right-of-way. The term shall not include costs that the governmental authority would have incurred if the internet service provider did not make such use of the public right-of-way. Direct costs shall be determined in a manner consistent with generally accepted accounting principles;

(b) "Internet", computer and telecommunications facilities, including equipment and operating software, that comprises the interconnected worldwide network that employ the transmission control protocol or internet protocol, or any predecessor or successor protocols to that protocol, to communicate information
of all kinds by wire or radio;

(c) "Internet access", a service that enables users to connect to the internet to access content, information, or other services without regard to whether the service is referred to as telecommunications, communications, transmission, or similar services, and without regard to whether a provider of the service is subject to regulation by the Federal Communications Commission as a common carrier under 47 U.S.C. Section 201, et seq. For purposes of this subdivision, internet access also includes: the purchase, use, or sale of communications services, including telecommunications services as defined in section 144.010, to the extent the communications services are purchased, used, or sold to provide the service described in this subdivision or to otherwise enable users to access content, information, or other services offered over the internet; services that are incidental to the provision of a service described in this subdivision, when furnished to users as part of such service, including a home page, electronic mail, and instant messaging, including voice-capable and video-capable electronic mail and instant messaging, video clips, and personal electronic storage capacity; a home page electronic mail and instant messaging, including voice-capable and video-capable electronic mail and instant messaging, video clips, and personal electronic storage capacity that are provided independently or that are not packed with internet access. As used in this subdivision, internet access does not include voice, audio, and video programming or other products and services, except services described in this paragraph or this subdivision, that use internet protocol or any successor protocol and for which there is a charge, regardless of whether the charge is separately stated or aggregated with the charge for services described in this paragraph or this subdivision;

(d) "Tax", any charge imposed by the state or a political subdivision of the state for the purpose of generating revenues for governmental purposes and that is not a fee imposed for a specific privilege, service, or benefit conferred, except as described as otherwise under this subdivision, or any obligation imposed on a seller to collect and to remit to the state or a political subdivision of the state any gross retail tax, sales tax, or use tax imposed on a buyer by such a governmental entity. The term tax shall not include any franchise fee or similar fee imposed or authorized under section 67.1830 or 67.2689; Section 622 or 653 of the Communications Act of 1934, 47 U.S.C. Section 542 and 47 U.S.C. Section 573; or any other fee related to obligations of telecommunications carriers under the
Communications Act of 1934, 47 U.S.C. Section 151, et seq., except to the extent that:

a. The fee is not imposed for the purpose of recovering direct costs incurred by the franchising or other governmental authority from providing the specific privilege, service, or benefit conferred to the payer of the fee; or

b. The fee is imposed for the use of a public right-of-way based on a percentage of the service revenue, and the fee exceeds the incremental direct costs incurred by the governmental authority associated with the provision of that right-of-way to the provider of internet access service.

Nothing in this subdivision shall be interpreted as an exemption from taxes due on goods or services that were subject to tax on January 1, 2016;

(46) Usual and customary delivery charges that are stated separately from the sale price.

3. Any ruling, agreement, or contract, whether written or oral, express or implied, between a person and this state's executive branch, or any other state agency or department, stating, agreeing, or ruling that such person is not required to collect sales and use tax in this state despite the presence of a warehouse, distribution center, or fulfillment center in this state that is owned or operated by the person or an affiliated person shall be null and void unless it is specifically approved by a majority vote of each of the houses of the general assembly. For purposes of this subsection, an "affiliated person" means any person that is a member of the same controlled group of corporations as defined in Section 1563(a) of the Internal Revenue Code of 1986, as amended, as the vendor or any other entity that, notwithstanding its form of organization, bears the same ownership relationship to the vendor as a corporation that is a member of the same controlled group of corporations as defined in Section 1563(a) of the Internal Revenue Code, as amended.

144.043. [1. As used in this section, the following terms mean:

(1) "Light aircraft", a light airplane that seats no more than four persons, with a gross weight of three thousand pounds or less, which is primarily used for recreational flying or flight training;

(2) "Light aircraft kit", factory manufactured parts and components, including engine, propeller, instruments, wheels, brakes, and air frame parts which make up a complete aircraft kit or partial kit designed to be assembled into a light aircraft and then operated by a qualified purchaser for recreational and educational purposes;
(3) "Parts and components", manufactured light aircraft parts, including air frame and engine parts, that are required by the qualified purchaser to complete a light aircraft kit, or spare or replacement parts for an already completed light aircraft;

(4) "Qualified purchaser", a purchaser of a light aircraft, light aircraft kit, parts or components who is nonresident of this state, who will transport the light aircraft, light aircraft kit, parts or components outside this state within ten days after the date of purchase, and who will register any light aircraft so purchased in another state or country. Such purchaser shall not base such aircraft in this state and such purchaser shall not be a resident of the state unless such purchaser has paid sales or use tax on such aircraft in another state.

2. In addition to the exemptions granted under the provisions of section 144.030, there shall also be specifically exempted from the provisions of sections 144.010 to 144.525, sections 144.600 to 144.748, section 238.235, this chapter and from the provisions of any local sales tax law, as defined in section 32.085, and from the computation of the tax levied, assessed or payable under sections 144.010 to 144.525, sections 144.600 to 144.748, section 238.235, this chapter and under any local sales tax law, as defined in section 32.085, all sales of new light aircraft, light aircraft kits, light aircraft parts or components manufactured or substantially completed within this state, when such new light aircraft, light aircraft kits, light aircraft parts or components are sold by the manufacturer to a qualified light aircraft purchaser. The director of revenue shall prescribe the manner for a purchaser of a light aircraft, light aircraft kit, light aircraft parts or components to establish that such person is a qualified light aircraft purchaser and is eligible for the exemption established in this section.

144.049. 1. For purposes of this section, the following terms mean:

(1) "Clothing", any article of wearing apparel intended to be worn on or about the human body including, but not limited to, disposable diapers for infants or adults and footwear. The term shall include, but not be limited to, cloth and other material used to make school uniforms or other school clothing. Items normally sold in pairs shall not be separated to qualify for the exemption. The term shall not include watches, watchbands, jewelry, handbags, handkerchiefs, umbrellas, scarves, ties, headbands, or belt buckles; and

(2) "Personal computers", a laptop, desktop, or tower computer system which consists of a central processing unit, random access memory, a storage
drive, a display monitor, and a keyboard and devices designed for use in conjunction with a personal computer, such as a disk drive, memory module, compact disk drive, daughterboard, digitizer, microphone, modem, motherboard, mouse, multimedia speaker, printer, scanner, single-user hardware, single-user operating system, soundcard, or video card;

(3) "School supplies", any item normally used by students in a standard classroom for educational purposes, including but not limited to textbooks, notebooks, paper, writing instruments, crayons, art supplies, rulers, book bags, backpacks, handheld calculators, chalk, maps, and globes. The term shall not include watches, radios, CD players, headphones, sporting equipment, portable or desktop telephones, copiers or other office equipment, furniture, or fixtures. School supplies shall also include computer software having a taxable value of three hundred fifty dollars or less and any graphing calculator having a taxable value of one hundred fifty dollars or less.

2. In each year beginning on or after January 1, 2005, there is hereby specifically exempted from state and local sales tax law all retail sales of any article of clothing having a taxable value of one hundred dollars or less, all retail sales of school supplies not to exceed fifty dollars per purchase, all computer software with a taxable value of three hundred fifty dollars or less, all graphing calculators having a taxable value of one hundred fifty dollars or less, and all retail sales of personal computers or computer peripheral devices not to exceed one thousand five hundred dollars, during a three-day period beginning at 12:01 a.m. on the first Friday in August and ending at midnight on the Sunday following. Where a purchaser and seller are located in two different time zones, the time zone of the seller's location shall determine the authorized exemption period.

3. If the governing body of any political subdivision adopted an ordinance that applied to the 2004 sales tax holiday to prohibit the provisions of this section from allowing the sales tax holiday to apply to such political subdivision’s local sales tax, then, notwithstanding any provision of a local ordinance to the contrary, the 2005 sales tax holiday shall not apply to such political subdivision's local sales tax. However, any such political subdivision may enact an ordinance to allow the 2005 sales tax holiday to apply to its local sales taxes. A political subdivision must notify the department of revenue not less than forty-five calendar days prior to the beginning date of the sales tax holiday occurring in that year of any ordinance or order rescinding an ordinance or order to opt out.
4. This section shall not apply to any sales which take place within the Missouri state fairgrounds.

5. This section applies to sales of items bought for personal use only.

6. After the 2005 sales tax holiday, any political subdivision may, by adopting an ordinance or order, choose to prohibit future annual sales tax holidays from applying to its local sales tax. After opting out, the political subdivision may rescind the ordinance or order. The political subdivision must notify the department of revenue not less than forty-five calendar days prior to the beginning date of the sales tax holiday occurring in that year of any ordinance or order rescinding an ordinance or order to opt out.

7. This section may not apply to any retailer when less than two percent of the retailer's merchandise offered for sale qualifies for the sales tax holiday. The retailer may offer a sales tax refund in lieu of the sales tax holiday.

6. A sale of property which is eligible for an exemption under subsection 1 of this section but is purchased under a layaway sale shall only qualify for an exemption if:

   (1) Final payment on a layaway order is made by, and the property is given to, the purchaser during the exemption period; or

   (2) The purchaser selects the property and the seller accepts the order for the property during the exemption period, for immediate delivery upon full payment, even if delivery is made after the exemption period.

7. The exemption of a bundled transaction shall be calculated as provided by law for all other bundled transactions.

8. (1) For any discount offered by a seller that is a reduction of the sales price of the product, the discounted sales price shall determine whether the sales price falls below the price threshold provided in subsection 1 of this section. A coupon that reduces the sales price shall be treated as a discount only if the seller is not reimbursed for the coupon amount by a third party.

   (2) If a discount applies to the total amount paid by a purchaser rather than to the sales price of a particular product and the purchaser has purchased both exempt property and taxable property, the seller shall allocate the discount based on the total sales prices of the taxable property compared to the total sales prices of all property sold in the
same transaction.

9. Items that are normally sold as a single unit shall continue to be sold in that manner and shall not be priced separately and sold as individual items.

10. Items that are purchased during an exemption period but that are not delivered to the purchaser until after the exemption period due to the item not being in stock shall qualify for an exemption. The provisions of this subsection shall not apply to an item that was delivered during an exemption period but was purchased prior to or after the exemption period.

11. (1) If a purchaser purchases an item of eligible property during an exemption period, but later exchanges the item for a similar eligible item after the exemption period, no additional tax shall be due on the new item.

(2) If a purchaser purchases an item of eligible property during an exemption period, but later returns the item after the exemption period and receives credit on the purchase of a different nonexempt item, the appropriate sales tax shall be due on the sale of the newly purchased item.

(3) If a purchaser purchases an item of eligible property before an exemption period, but during the exemption period returns the item and receives credit on the purchase of a different item of eligible property, no sales tax shall be due on the sale of the new item if the new item is purchased during the exemption period.

(4) For a sixty-day period immediately following the end of the exemption period, if a purchaser returns an exempt item, no credit for or refund of sales tax shall be given unless the purchaser provides a receipt or invoice that shows tax was paid, or the seller has sufficient documentation to show that tax was paid on the item being returned.

144.054. 1. As used in this section, the following terms mean:

(1) "Processing", any mode of treatment, act, or series of acts performed upon materials to transform or reduce them to a different state or thing, including treatment necessary to maintain or preserve such processing by the producer at the production facility;

(2) "Producing" includes, but is not limited to, the production of, including the production and transmission of, telecommunication services;

(3) "Product" includes, but is not limited to, telecommunications services;
(4) "Recovered materials", those materials which have been diverted or removed from the solid waste stream for sale, use, reuse, or recycling, whether or not they require subsequent separation and processing.

2. In addition to all other exemptions granted under this chapter, there is hereby specifically exempted from the provisions of [sections 144.010 to 144.525 and 144.600 to 144.761, and from the computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to 144.761] this chapter and the local sales tax law as defined in section 32.085 and from the computation of the tax levied, assessed, or payable under this chapter and the local sales tax law as defined in section 32.085, electrical energy and gas, whether natural, artificial, or propane, water, coal, and energy sources, chemicals, machinery, equipment, and materials used or consumed in the manufacturing, processing, compounding, mining, or producing of any product, or used or consumed in the processing of recovered materials, or used in research and development related to manufacturing, processing, compounding, mining, or producing any product. [The exemptions granted in this subsection shall not apply to local sales taxes as defined in section 32.085 and the provisions of this subsection shall be in addition to any state and local sales tax exemption provided in section 144.030.] The construction and application of this subsection as expressed by the Missouri supreme court in DST Systems, Inc. v. Director of Revenue, 43 S.W.3d 799 (Mo. banc 2001); Southwestern Bell Tel. Co. v. Director of Revenue, 78 S.W.3d 763 (Mo. banc 2002); and Southwestern Bell Tel. Co. v. Director of Revenue, 182 S.W.3d 226 (Mo. banc 2005), is hereby affirmed.

3. In addition to all other exemptions granted under this chapter, there is hereby specifically exempted from the provisions of [sections 144.010 to 144.525 and 144.600 to 144.761, and section 238.235,] this chapter and the local sales tax law as defined in section 32.085, and from the computation of the tax levied, assessed, or payable under [sections 144.010 to 144.525 and 144.600 to 144.761, and section 238.235,] this chapter and the local sales tax law as defined in section 32.085, all utilities, machinery, and equipment used or consumed directly in television or radio broadcasting and all sales and purchases of tangible personal property, utilities, services, or any other transaction that would otherwise be subject to the state or local sales or use tax when such sales are made to or purchases are made by a contractor for use in fulfillment of any obligation under a defense contract with the United States government, and all sales and leases of tangible personal property by any county, city, incorporated
town, or village, provided such sale or lease is authorized under chapter 100, and such transaction is certified for sales tax exemption by the department of economic development, and tangible personal property used for railroad infrastructure brought into this state for processing, fabrication, or other modification for use outside the state in the regular course of business.

4. In addition to all other exemptions granted under this chapter, there is hereby specifically exempted from the provisions of [sections 144.010 to 144.525 and 144.600 to 144.761, and section 238.235,] this chapter and the local sales tax law as defined in section 32.085, and from the computation of the tax levied, assessed, or payable under [sections 144.010 to 144.525 and 144.600 to 144.761, and section 238.235,] this chapter and the local sales tax law as defined in section 32.085, all sales and purchases of tangible personal property, utilities, services, or any other transaction that would otherwise be subject to the state or local sales or use tax when such sales are made to or purchases are made by a private partner for use in completing a project under sections 227.600 to 227.669.

5. In addition to all other exemptions granted under this chapter, there is hereby specifically exempted from the provisions of [sections 144.010 to 144.525 and 144.600 to 144.761, and section 238.235,] this chapter and the local sales tax law as defined in section 32.085, and from the computation of the tax levied, assessed, or payable under [sections 144.010 to 144.525 and 144.600 to 144.761, and section 238.235,] this chapter and the local sales tax law as defined in section 32.085, all materials, manufactured goods, machinery and parts, electrical energy and gas, whether natural, artificial or propane, water, coal and other energy sources, chemicals, soaps, detergents, cleaning and sanitizing agents, and other ingredients and materials inserted by commercial or industrial laundries to treat, clean, and sanitize textiles in facilities which process at least five hundred pounds of textiles per hour and at least sixty thousand pounds per week.

144.060. 1. It shall be the duty of every person making any purchase or receiving any service upon which a tax is imposed by sections 144.010 to 144.510 to pay, to the extent possible under the provisions of section 144.285, the amount of such tax to the person making such sale or rendering such service. Any person who shall willfully and intentionally refuse to pay such tax shall be guilty of a misdemeanor. The provisions of this section shall not apply to any person making any purchase or sale of a motor vehicle subject to sales tax as provided by the Missouri sales tax law, unless such person making the sale is a motor vehicle dealer authorized to collect and remit sales tax pursuant to subsection 10
of section 144.070.

2. A purchaser shall be relieved from any additional tax, interest, additions, or penalties for failure to collect and remit the proper amount of tax owed on a purchase subject to sales tax under this chapter if:

(1) A purchaser's seller or a certified service provider relied on erroneous data provided by the director on tax rates, boundaries, taxing jurisdiction assignments, or in the taxability matrix created pursuant to section 144.124;

(2) A purchaser using a database created pursuant to section 144.123 received erroneous data provided by the director on tax rates, boundaries, or taxing jurisdiction assignments; or

(3) A purchaser relied on erroneous data provided by the director in the taxability matrix created pursuant to section 144.124.

144.080. 1. Every person receiving any payment or consideration upon the sale of property or rendering of service, subject to the tax imposed by the provisions of sections 144.010 to 144.527, is exercising the taxable privilege of selling the property or rendering the service at retail and is subject to the tax levied in section 144.020. The person shall be responsible not only for the collection of the amount of the tax imposed on the sale or service to the extent possible under the provisions of section 144.285, but shall, on or before the last day of the month following each calendar quarterly period of three months, file a return with the director of revenue showing the person's gross receipts and the amount of tax levied in section 144.020 for the preceding quarter, and shall remit to the director of revenue, with the return, the taxes levied in section 144.020, except as provided in subsection 2 of this section. The director of revenue may promulgate rules or regulations changing the filing and payment requirements of sellers, but shall not require any seller to file and pay more frequently than required in this section.

2. [Where the aggregate amount levied and imposed upon a seller by section 144.020 is in excess of two hundred fifty dollars for either the first or second month of a calendar quarter, the seller shall file a return and pay such aggregate amount for such months to the director of revenue by the twentieth day of the succeeding month.

3.] Where the aggregate amount levied and imposed upon a seller by section 144.020 is less than forty-five dollars in a calendar quarter, the director
of revenue shall by regulation permit the seller to file a return for a calendar
year. The return shall be filed and the taxes paid on or before January
thirty-first of the succeeding year.

4. The seller of any property or person rendering any service, subject
to the tax imposed by sections 144.010 to [144.525] **144.527**, shall collect the tax
from the purchaser of such property or the recipient of the service to the extent
possible under the provisions of section 144.285, but the seller's inability to
collect any part or all of the tax does not relieve the seller of the obligation to pay
to the state the tax imposed by section 144.020; except that the collection of the
tax imposed by sections 144.010 to [144.525] **144.527** on motor vehicles and
trailers shall be made as provided in sections 144.070 and 144.440.

Any person may advertise or hold out or state to the public or to
to any customer directly that the tax or any part thereof imposed by sections
144.010 to [144.525] **144.527**, and required to be collected by the person, will be
assumed or absorbed by the person, provided that the amount of tax assumed or
absorbed shall be stated on any invoice or receipt for the property sold or service
rendered. Any person violating any of the provisions of this section shall be
guilty of a misdemeanor. This subsection shall not apply to any retailer
prohibited from collecting and remitting sales tax under section 66.630.

The director of revenue shall require all persons who are
responsible for the collection of taxes under the provisions of section 144.080 to
procure a retail sales license at no cost to the licensee which shall be prominently
displayed at the licensee's place of business, and the license is valid until revoked
by the director or surrendered by the person to whom issued when sales are
discontinued. The director shall issue the retail sales license within ten working
days following the receipt of a properly completed application. Any person
applying for a retail sales license or reinstatement of a revoked sales tax license
who owes any tax under [sections 144.010 to 144.510] **this chapter** or sections
143.191 to 143.261 must pay the amount due plus interest and penalties before
the department may issue the applicant a license or reinstate the revoked license.
All persons beginning business subsequent to August 13, 1986, and who are
required to collect the sales tax shall secure a retail sales license prior to making
sales at retail. Such license may, after ten days' notice, be revoked by the
director of revenue only in the event the licensee shall be in default for a period
of sixty days in the payment of any taxes levied under section 144.020 or sections
143.191 to 143.261. Notwithstanding the provisions of section 32.057 in the event
of revocation, the director of revenue may publish the status of the business
account including the date of revocation in a manner as determined by the
director.

2. The possession of a retail sales license and a statement from the
department of revenue that the licensee owes no tax due under sections 144.010
to [144.510] 144.527 or sections 143.191 to 143.261 shall be a prerequisite to the
issuance or renewal of any city or county occupation license or any state license
which is required for conducting any business where goods are sold at retail. The
date of issuance on the statement that the licensee owes no tax due shall be no
more than ninety days before the date of submission for application or renewal
of the local license. The revocation of a retailer's license by the director shall
render the occupational license or the state license null and void.

3. No person responsible for the collection of taxes under section 144.080
shall make sales at retail unless such person is the holder of a valid retail sales
license. After all appeals have been exhausted, the director of revenue may notify
the county or city law enforcement agency representing the area in which the
former licensee's business is located that the retail sales license of such person
has been revoked, and that any county or city occupation license of such person
is also revoked. The county or city may enforce the provisions of this section, and
may prohibit further sales at retail by such person.

4. In addition to the provisions of subsection 2 of this section, beginning
January 1, 2009, the possession of a statement from the department of revenue
stating no tax is due under sections 143.191 to 143.265 or sections 144.010 to
[144.510] 144.527 shall also be a prerequisite to the issuance or renewal of any
city or county occupation license or any state license required for conducting any
business where goods are sold at retail. The statement of no tax due shall be
dated no longer than ninety days before the date of submission for application or
renewal of the city or county license.

[5. Notwithstanding any law or rule to the contrary, sales tax shall only
apply to the sale price paid by the final purchaser and not to any off-invoice
discounts or other pricing discounts or mechanisms negotiated between
manufacturers, wholesalers, and retailers.]

144.084. 1. The director shall promulgate rules and regulations
for the remittance of returns. Certified service providers shall file a
return on behalf of its sellers and shall be required to file the return at
the times provided in sections 144.080 and 144.090.
2. For the purpose of more efficiently securing the payment of and accounting for the tax collected and remitted by certified service providers under this chapter, the director of revenue shall make, promulgate, and enforce reasonable rules and regulations for the administration and enforcement of provisions of this chapter relating to the collection and remittance of sales and use tax by certified service providers. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after January 1, 2022, shall be invalid and void.

144.123. 1. The director shall provide and maintain a database that describes boundary changes for all taxing jurisdictions and the effective dates of such changes for sales and use tax purposes.

2. The director shall provide and maintain a database of all sales and use tax rates for all taxing jurisdictions. For the identification of counties and cities, codes corresponding to the rates shall be provided according to Federal Information Processing Standards (FIPS) as developed by the National Institute of Standards and Technology. For the identification of all other jurisdictions, codes corresponding to the rates shall be in a format determined by the director.

3. The director shall provide and maintain a database that assigns each five- and nine-digit zip code to the proper rates and taxing jurisdictions. The lowest combined tax rate imposed in the zip code area shall apply if the area includes more than one tax rate in any level of taxing jurisdiction. If a nine-digit zip code designation is not available for a street address, or if a seller or a certified service provider (CSP) is unable to determine the nine-digit zip code designation applicable to a purchase after exercising due diligence to determine the designation, the seller or CSP may apply the rate for the five-digit zip code area. For purposes of this section, there shall be a rebuttable presumption that a seller or CSP has exercised due diligence
if the seller has attempted to determine the nine-digit zip code
designation by utilizing software approved by the governing board that
makes this designation from the street address and the five-digit zip
code applicable to a purchase.

4. The director may provide address-based boundary database
records for assigning taxing jurisdictions and associated rates which
shall be in addition to the requirements of subsection 3 of this
section. The database records shall be in the same approved format as
the database records required under subsection 3 of this section and
shall meet the requirements developed pursuant to the federal Mobile
Telecommunications Sourcing Act, 4 U.S.C. Section 119(a). If the
director develops address-based assignment database records sellers
and CSPs shall be required to use such database. A seller or CSP shall
use such database records in place of the five- and nine-digit zip code
database records provided for in subsection 3 of this section. If a seller
or CSP is unable to determine the applicable rate and jurisdiction
using an address-based database record after exercising due diligence,
the seller or CSP may apply the nine-digit zip code designation
applicable to a purchase. If a nine-digit zip code designation is not
available for a street address or if a seller or CSP is unable to
determine the nine-digit zip code designation applicable to a purchase
after exercising due diligence to determine the designation, the seller
or CSP may apply the rate for the five-digit zip code area. For the
purposes of this section, there shall be a rebuttable presumption that
a seller or CSP has exercised due diligence if the seller or CSP has
attempted to determine the tax rate and jurisdiction by utilizing
software approved by the director and makes the assignment from the
address and zip code information applicable to the purchase. If the
director has met the requirements of subsection 3 of this section, the
director may also elect to certify vendor provided address-based
databases for assigning tax rates and jurisdictions. The databases shall
be in the same approved format as the database records under this
section and meet the requirements developed pursuant to the federal
Mobile Telecommunications Sourcing Act, 4 U.S.C. Section 119(a). If the
director certifies a vendor address-based database, a seller or CSP may
use such database in place of the database provided for in this
subsection.
5. The electronic databases provided for in subsections 1, 2, 3, and 4 of this section shall be in downloadable format as determined by the director. The databases may be directly provided by the director or provided by a vendor as designated by the director. A database provided by a vendor as designated by the director shall be applicable and subject to the provisions of this section. The databases shall be provided at no cost to the user of the database. The provisions of subsections 3 and 4 of this section shall not apply when the purchased product is received by the purchaser at the business location of the seller.

6. No seller or CSP shall be liable for reliance upon erroneous data provided or approved by the director on tax rates, boundaries, or taxing jurisdiction assignments, and no seller shall be liable for erroneous returns made by a CSP on behalf of the seller.

7. In lieu of a database provided under this section, a certified service provider, seller, or marketplace facilitator as defined under section 144.752, may utilize proprietary data that provides information on sales and use tax rates for all taxing jurisdictions, provided the director of revenue certifies that such proprietary data at a minimum meets the requirements of the database required under the provisions of this section.

144.124. 1. The director shall complete a taxability matrix. The state's entries in the matrix shall be provided and maintained by the director in a database that is in a downloadable format.

2. The director shall provide reasonable notice of changes in the taxability of the products or services listed in the taxability matrix.

3. A seller or CSP shall be relieved from liability to this state or any local taxing jurisdiction for having charged and collected the incorrect amount of state or local sales or use tax resulting from such seller's or CSP's reliance upon erroneous data provided or approved by the director in the taxability matrix, and a seller shall be relieved from liability for erroneous returns made by a CSP on behalf of the seller.

144.140. 1. From every remittance to the director of revenue made on or before the date when the same becomes due, the person required to remit the same shall be entitled to deduct and retain an amount equal to two percent thereof.

2. The director shall provide a monetary allowance from the
taxes collected to a CSP under the terms of the contract signed with the provider, provided that such allowance shall be funded entirely from money collected by the CSP.

3. Any vendor receiving an allowance under subsection 2 of this section shall not be entitled to simultaneously deduct the allowance provided for under subsection 1 of this section.

144.190. 1. If a tax has been incorrectly computed by reason of a clerical error or mistake on the part of the director of revenue, such fact shall be set forth in the records of the director of revenue, and the amount of the overpayment shall be credited on any taxes then due from the person legally obligated to remit the tax under this chapter [144], and the balance shall be refunded to the person legally obligated to remit the tax, such person's administrators or executors, as provided for in section 144.200.

2. If any tax, penalty or interest has been paid more than once, or has been erroneously or illegally collected, or has been erroneously or illegally computed, such sum shall be credited on any taxes then due from the person legally obligated to remit the tax under this chapter [144], and the balance, with interest as determined by section 32.065, shall be refunded to the person legally obligated to remit the tax, but no such credit or refund shall be allowed unless duplicate copies of a claim for refund are filed within ten years from date of overpayment.

3. Every claim for refund must be in writing and signed by the applicant, and must state the specific grounds upon which the claim is founded. Any refund or any portion thereof which is erroneously made, and any credit or any portion thereof which is erroneously allowed, may be recovered in any action brought by the director of revenue against the person legally obligated to remit the tax. In the event that a tax has been illegally imposed against a person legally obligated to remit the tax, the director of revenue shall authorize the cancellation of the tax upon the director's record.

4. Notwithstanding the provisions of section 32.057, a purchaser that originally paid sales or use tax to a vendor or seller may submit a refund claim directly to the director of revenue for such sales or use taxes paid to such vendor or seller and remitted to the director, provided no sum shall be refunded more than once, any such claim shall be subject to any offset, defense, or other claim the director otherwise would have against either the purchaser or vendor or seller, and such claim for refund is accompanied by either:
(1) A notarized assignment of rights statement by the vendor or seller to the purchaser allowing the purchaser to seek the refund on behalf of the vendor or seller. An assignment of rights statement shall contain the Missouri sales or use tax registration number of the vendor or seller, a list of the transactions covered by the assignment, the tax periods and location for which the original sale was reported to the director of revenue by the vendor or seller, and a notarized statement signed by the vendor or seller affirming that the vendor or seller has not received a refund or credit, will not apply for a refund or credit of the tax collected on any transactions covered by the assignment, and authorizes the director to amend the seller's return to reflect the refund; or

(2) In the event the vendor or seller fails or refuses to provide an assignment of rights statement within sixty days from the date of such purchaser's written request to the vendor or seller, or the purchaser is not able to locate the vendor or seller or the vendor or seller is no longer in business, the purchaser may provide the director a notarized statement confirming the efforts that have been made to obtain an assignment of rights from the vendor or seller. Such statement shall contain a list of the transactions covered by the assignment, the tax periods and location for which the original sale was reported to the director of revenue by the vendor or seller.

The director shall not require such vendor, seller, or purchaser to submit amended returns for refund claims submitted under the provisions of this subsection. Notwithstanding the provisions of section 32.057, if the seller is registered with the director for collection and remittance of sales tax, the director shall notify the seller at the seller's last known address of the claim for refund. If the seller objects to the refund within thirty days of the date of the notice, the director shall not pay the refund. If the seller agrees that the refund is warranted or fails to respond within thirty days, the director may issue the refund and amend the seller's return to reflect the refund. For purposes of section 32.069, the refund claim shall not be considered to have been filed until the seller agrees that the refund is warranted or thirty days after the date the director notified the seller and the seller failed to respond.

5. Notwithstanding the provisions of section 32.057, when a vendor files a refund claim on behalf of a purchaser and such refund claim is denied by the director, notice of such denial and the reason for the denial shall be sent by the director to the vendor and each purchaser whose name and address is submitted with the refund claim form filed by the vendor. A purchaser shall be entitled to
appeal the denial of the refund claim within sixty days of the date such notice of
denial is mailed by the director as provided in section 144.261. The provisions
of this subsection shall apply to all refund claims filed after August 28,
2012. The provisions of this subsection allowing a purchaser to appeal the
director's decision to deny a refund claim shall also apply to any refund claim
denied by the director on or after January 1, 2007, if an appeal of the denial of
the refund claim is filed by the purchaser no later than September 28, 2012, and
if such claim is based solely on the issue of the exemption of the electronic
transmission or delivery of computer software.

6. Notwithstanding the provisions of this section, the director of revenue
shall authorize direct-pay agreements to purchasers which have annual purchases
in excess of seven hundred fifty thousand dollars pursuant to rules and
regulations adopted by the director of revenue. For the purposes of such
direct-pay agreements, the taxes authorized under chapters 66, 67, 70, 92, 94,
162, 190, 238, 321, and 644 shall be remitted based upon the location of the place
of business of the purchaser.

7. Special rules applicable to error corrections requested by customers of
mobile telecommunications service are as follows:

(1) For purposes of this subsection, the terms "customer", "home service
provider", "place of primary use", "electronic database", and "enhanced zip code"
shall have the same meanings as defined in the Mobile Telecommunications
Sourcing Act incorporated by reference in section 144.013;

(2) Notwithstanding the provisions of this section, if a customer of mobile
telecommunications services believes that the amount of tax, the assignment of
place of primary use or the taxing jurisdiction included on a billing is erroneous,
the customer shall notify the home service provider, in writing, within three years
from the date of the billing statement. The customer shall include in such
written notification the street address for the customer's place of primary use, the
account name and number for which the customer seeks a correction of the tax
assignment, a description of the error asserted by the customer and any other
information the home service provider reasonably requires to process the request;

(3) Within sixty days of receiving the customer's notice, the home service
provider shall review its records and the electronic database or enhanced zip code
to determine the customer's correct taxing jurisdiction. If the home service
provider determines that the review shows that the amount of tax, assignment
of place of primary use or taxing jurisdiction is in error, the home service
103 provider shall correct the error and, at its election, either refund or credit the
104 amount of tax erroneously collected to the customer for a period of up to three
105 years from the last day of the home service provider's sixty-day review period. If
106 the home service provider determines that the review shows that the amount of
tax, the assignment of place of primary use or the taxing jurisdiction is correct,
108 the home service provider shall provide a written explanation of its determination
to the customer.

8. For all refund claims submitted to the department of revenue on or
111 after September 1, 2003, notwithstanding any provision of this section to the
112 contrary, if a person legally obligated to remit the tax levied under this chapter
113 has received a refund of such taxes for a specific issue and submits a
114 subsequent claim for refund of such taxes on the same issue for a tax period
115 beginning on or after the date the original refund check issued to such person, no
116 refund shall be allowed. This subsection shall not apply and a refund shall be
117 allowed if the refund claim is filed by a purchaser under the provisions of
118 subsection 4 of this section, the refund claim is for use tax remitted by the
119 purchaser, or an additional refund claim is filed by a person legally obligated to
120 remit the tax due to any of the following:

121 (1) Receipt of additional information or an exemption certificate from the
122 purchaser of the item at issue;
123 (2) A decision of a court of competent jurisdiction or the administrative
124 hearing commission; or
125 (3) Changes in regulations or policy by the department of revenue.

9. Notwithstanding any provision of law to the contrary, the director of
127 revenue shall respond to a request for a binding letter ruling filed in accordance
128 with section 536.021 within sixty days of receipt of such request. If the director
129 of revenue fails to respond to such letter ruling request within sixty days of
130 receipt by the director, the director of revenue shall be barred from pursuing
131 collection of any assessment of sales or use tax with respect to the issue which is
132 the subject of the letter ruling request. For purposes of this subsection, the term
133 "letter ruling" means a written interpretation of law by the director to a specific
134 set of facts provided by a specific taxpayer or his or her agent.

10. If any tax was paid more than once, was incorrectly collected, or was
136 incorrectly computed, such sum shall be credited on any taxes then due from the
137 person legally obligated to remit the tax under chapter 144 against any deficiency
138 or tax due discovered through an audit of the person by the department of
139 revenue through adjustment during the same tax filing period for which the audit
140 applied.

11. A cause of action against the seller by a purchaser for a tax
142 erroneously or illegally collected under this chapter does not accrue
143 until a purchaser has provided written notice to a seller and the seller
144 has had sixty days to respond. Such notice to the seller must contain
145 the information necessary to determine the validity of the request. A
146 seller shall be presumed to have a reasonable business practice if in the
147 collection of such tax, the seller uses a provider or a system certified
148 by the director and has remitted to the state all tax collected less any
deductions, credits, or allowances.

144.210. 1. The burden of proving that a sale of tangible personal
property, services, substances or things was not a sale at retail shall be upon the
person who made the sale, except that with respect to sales, services, or
transactions provided for in section 144.070. [The seller shall obtain and
maintain exemption certificates signed by the purchaser or his agent as evidence
for any exempt sales claimed; provided, however, that before any administrative
tribunal of this state, a seller may prove that sale is exempt from tax under this
chapter in accordance with proof admissible under the applicable rules of
evidence; except that when a purchaser has purchased tangible personal property
or services sales tax free under a claim of exemption which is found to be
improper, the director of revenue may collect the proper amount of tax, interest,
additions to tax and penalty from the purchaser directly. Any tax, interest,
additions to tax or penalty collected by the director from the purchaser shall be
credited against the amount otherwise due from the seller on the purchases or
sales where the exemption was claimed.]

2. If the director of revenue is not satisfied with the return and payment
of the tax made by any person, he is hereby authorized and empowered to make
an additional assessment of tax due from such person, based upon the facts
contained in the return or upon any information within his possession or that
shall come into his possession.

3. The director of revenue shall give to the person written notice of such
additional or revised assessment by certified or registered mail to the person at
his or its last known address.

144.285. 1. [In order to permit sellers required to collect and report the
sales tax to collect the amount required to be reported and remitted, but not to

change the requirements of reporting or remitting tax or to serve as a levy of the
tax, and in order to avoid fractions of pennies, the director of revenue shall
establish brackets, showing the amounts of tax to be collected on sales of specified
amounts, which shall be applicable to all taxable transactions] When the seller
is computing the amount of tax owed by the purchaser and remitted to
the state:

(1) Tax computation shall be carried to the third decimal place;

and

(2) The tax shall be rounded to a whole cent using a method that
rounds up to the next cent whenever the third decimal place is greater
than four.

2. [In all instances where statements covering taxable purchases are
rendered to the taxpayer on a monthly or other periodic basis, the amount of tax
shall be determined by applying the applicable tax rate to the taxable purchases
represented on the statement, rounded to the nearest whole cent, or by
application of the brackets established by the director of revenue, at the option
of the retail vendor] Sellers may elect to compute the tax due on a
transaction on an item or an invoice basis. The provision of this
subsection may be applied to the aggregated state and local taxes.

3. No vendor or seller shall knowingly charge or receive from a purchaser
as a sales tax any sum in excess of the sums provided for in this section.

4. [A vendor may, at his option, determine the amount charged to and
received from each purchaser by use of a formula which applies the applicable tax
rate to each taxable purchase, rounded to the nearest whole cent. The formula
shall be uniformly and consistently applied to all purchases similarly situated.

5.] Amounts which a vendor charges to and receives from the purchaser
in accordance with this section shall not be includable in his gross receipts if the
amounts are separately charged or stated.

[6.] 5. If sales tax for one or more local political subdivisions is owed by
a taxpayer pursuant to chapter 66, 67, 92, or 94 and that taxpayer remits less
than all sales tax due for a filing period specified in section 144.080, the director
of revenue shall deposit the tax remitted proportionately to each taxing
jurisdiction in accordance with the percentage that each such jurisdiction's share
of the tax due for the filing period bears to the total tax due from such taxpayer
for such period. The unpaid balance due along with penalties and interest shall
be similarly prorated among the state and all local jurisdictions for which tax was
due during the filing period for which an underpayment occurs. The provisions
of this subsection shall apply to all returns or remittances relating to sales made
on or after January 1, 1984.

144.526. 1. This section shall be known and may be cited as the "Show
Me Green Sales Tax Holiday".

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

(1) "Appliance", clothes washers and dryers, water heaters, trash
compactors, dishwashers, conventional ovens, ranges, stoves, air conditioners,

furnaces, refrigerators and freezers; and

(2) "Energy star certified", any appliance approved by both the United
States Environmental Protection Agency and the United States Department of
Energy as eligible to display the energy star label, as amended from time to time.

3. In each year beginning on or after January 1, 2009, there is hereby
specifically exempted from state sales tax law and all local sales and use
taxes all retail sales of any energy star certified new appliance, up to one
thousand five hundred dollars per appliance during a seven-day period
beginning at 12:01 a.m. on April nineteenth and ending at midnight on April
twenty-fifth. Where a purchaser and seller are located in two different
time zones, the time zone of the seller's location shall determine the
authorized exemption period.

4. [A political subdivision may allow the sales tax holiday under this
section to apply to its local sales taxes by enacting an ordinance to that
effect. Any such political subdivision shall notify the department of revenue not
less than forty-five calendar days prior to the beginning date of the sales tax
holiday occurring in that year of any such ordinance or order.

5. This section may not apply to any retailer when less than two percent
of the retailer's merchandise offered for sale qualifies for the sales tax
holiday. The retailer shall offer a sales tax refund in lieu of the sales tax
holiday.] A sale of property which is eligible for an exemption under
subsection 1 of this section but is purchased under a layaway sale shall
only qualify for an exemption if:

(1) Final payment on a layaway order is made by, and the
property is given to, the purchaser during the exemption period; or

(2) The purchaser selects the property and the seller accepts the
order for the property during the exemption period, for immediate
delivery upon full payment, even if delivery is made after the
5. (1) For any discount offered by a seller that is a reduction of the sales price of the product, the discounted sales price shall determine whether the sales price falls below the price threshold provided in subsection 1 of this section. A coupon that reduces the sales price shall be treated as a discount only if the seller is not reimbursed for the coupon amount by a third party.

(2) If a discount applies to the total amount paid by a purchaser rather than to the sales price of a particular product and the purchaser has purchased both exempt property and taxable property, the seller shall allocate the discount based on the total sales prices of the taxable property compared to the total sales prices of all property sold in the same transaction.

6. Items that are normally sold as a single unit shall continue to be sold in that manner and shall not be priced separately and sold as individual items.

7. Items that are purchased during an exemption period but that are not delivered to the purchaser until after the exemption period due to the item not being in stock shall qualify for an exemption. The provisions of this subsection shall not apply to an item that was delivered during an exemption period but was purchased prior to or after the exemption period.

8. (1) If a purchaser purchases an item of eligible property during an exemption period, but later exchanges the item for a similar eligible item after the exemption period, no additional tax shall be due on the new item.

(2) If a purchaser purchases an item of eligible property during an exemption period, but later returns the item after the exemption period and receives credit on the purchase of a different nonexempt item, the appropriate sales tax shall be due on the sale of the newly purchased item.

(3) If a purchaser purchases an item of eligible property before an exemption period, but during the exemption period returns the item and receives credit on the purchase of a different item of eligible property, no sales tax shall be due on the sale of the new item if the new item is purchased during the exemption period.

(4) For a sixty day period immediately following the end of the
exemption period, if a purchaser returns an exempt item no credit for
or refund of sales tax shall be given unless the purchaser provides a
receipt or invoice that shows tax was paid, or the seller has sufficient
documentation to show that tax was paid on the item being returned.

144.600. 1. This law may be cited as the "Compensating Use Tax Law".
2 2. All provisions in sections 144.010 to 144.527 with respect to
sales into this state by out-of-state sellers apply to the Compensating
Use Tax Law.

144.612. A vendor is required to register with the director under
this chapter for the collection and remittance of use tax if the vendor
is engaged in business activities within this state. For purposes of this
chapter, "engages in business activities within this state" includes:

(1) Maintaining or having a franchisee or licensee operating
under the seller's trade name in this state if the franchisee or licensee
is required to collect sales tax under this chapter;

(2) Soliciting sales or taking orders by sales agents or traveling
representatives;

(3) A vendor is presumed to engage in business activities within
this state if any person, other than a common carrier acting in its
capacity as such, that has substantial nexus with this state:

(a) Sells a similar line of products as the vendor and does so
under the same or a similar business name;

(b) Maintains an office, distribution facility, warehouse, or
storage place, or similar place of business in the state to facilitate the
delivery of property or services sold by the vendor to the vendor's
customers;

(c) Delivers, installs, assembles, or performs maintenance
services for the vendor's customers within the state;

(d) Facilitates the vendor's delivery of property to customers in
the state by allowing the vendor's customers to pick up property sold
by the vendor at an office, distribution facility, warehouse, storage
place, or similar place of business maintained by the person in the
state; or

(e) Conducts any other activities in the state that are
significantly associated with the vendor's ability to establish and
maintain a market in the state for the sales;

(4) The presumption in subdivision (3) of this section may be
rebutted by demonstrating that the person's activities in the state are not significantly associated with the vendor's ability to establish or maintain a market in this state for the vendor's sales;

(5) Notwithstanding subdivision (3) of this section, a vendor shall be presumed to engage in business activities within this state if the vendor enters into an agreement with one or more residents of this state under which the resident, for a commission or other consideration, directly or indirectly refers potential customers, whether by a link on an internet website, an in-person oral presentation, telemarketing, or otherwise, to the vendor, if the cumulative gross receipts from sales by the vendor to customers in the state who are referred to the vendor by all residents with this type of agreement with the vendor is in excess of ten thousand dollars during the preceding twelve months;

(6) The presumption in subdivision (5) of this section may be rebutted by submitting proof that the residents with whom the vendor has an agreement did not engage in any activity within the state that was significantly associated with the vendor's ability to establish or maintain the vendor's market in the state during the preceding twelve months. Such proof may consist of sworn written statements from all of the residents with whom the vendor has an agreement stating that they did not engage in any solicitation in the state on behalf of the vendor during the preceding year provided that such statements were provided and obtained in good faith;

(7) (a) Notwithstanding any other provision of law to the contrary, any vendor selling tangible personal property or services designated and defined as taxable under the provisions of this chapter for delivery into Missouri, and who does not have a physical presence in the state, is subject to the provisions of sections 144.600 to 144.753, shall remit the use tax, and shall follow all applicable procedures and requirements of law as if the seller had a physical presence in the state, provided the seller's gross revenue from delivery of tangible personal property into this state in the previous or current calendar year exceeds one hundred thousand dollars. No obligation to collect and remit use tax required under this subsection shall be applied prior to January 1, 2022;

(b) The use tax revenue collected from remittances made under
the provisions of paragraph (a) of this subdivision shall be deposited in the general revenue fund as provided under section 144.700.

144.655. 1. Every vendor, on or before the last day of the month following each calendar quarterly period of three months, shall file with the director of revenue a return of all taxes collected for the preceding quarter in the form prescribed by the director of revenue, showing the total sales price of the tangible personal property sold by the vendor, the storage, use or consumption of which is subject to the tax levied by this law, and other information the director of revenue deems necessary. The return shall be accompanied by a remittance of the amount of the tax required to be collected by the vendor during the period covered by the return. Returns shall be signed by the vendor or the vendor's authorized agent. The director of revenue may promulgate rules or regulations changing the filing and payment requirements of vendors, but shall not require any vendor to file and pay more frequently than required in this section.

2. Where the aggregate amount of tax required to be collected by a vendor is in excess of two hundred and fifty dollars for either the first or second month of a calendar quarter, the vendor shall pay such aggregate amount for such months to the director of revenue by the twentieth day of the succeeding month. The amount so paid shall be allowed as a credit against the liability shown on the vendor's quarterly return required by this section.

3. Where the aggregate amount of tax required to be collected by a vendor is less than forty-five dollars in a calendar quarter, the director of revenue shall by regulation permit the vendor to file a return for a calendar year. The return shall be filed and the taxes paid on or before January thirty-first of the succeeding year.

4. Except as provided in subsection 5 of this section, every person purchasing tangible personal property, the storage, use or consumption of which is subject to the tax levied by sections 144.600 to 144.748, who has not paid the tax due to a vendor registered in accordance with the provisions of section 144.650, shall file with the director of revenue a return for the preceding reporting period in the form and manner that the director of revenue prescribes, showing the total sales price of the tangible property purchased during the preceding reporting period and any other information that the director of revenue deems necessary for the proper administration of sections 144.600 to 144.748. The return shall be accompanied by a remittance of the amount of the tax required by sections 144.600 to 144.748 to be paid by the person. Returns
shall be signed by the person liable for the tax or such person's duly authorized
agent. For purposes of this subsection, the reporting period shall be determined
by the director of revenue and may be a calendar quarter or a calendar
year. Annual returns and payments required by the director pursuant to this
subsection shall be due on or before April fifteenth of the year for the preceding
calendar year and quarterly returns and payments shall be due on or before the
last day of the month following each calendar period of three months. Upon the
taxpayer's request, the director may allow the filing of such returns and payments
on a monthly basis. If a taxpayer elects to file a monthly return and payment,
such return and payment shall be due on or before the twentieth day of the
succeeding month.

5. Any person purchasing tangible personal property subject to the taxes
imposed by sections 144.600 to 144.748 shall not be required to file a use tax
return with the director of revenue if such purchases on which such taxes were
not paid do not exceed in the aggregate two thousand dollars in any calendar
year.

6. Nothing in subsection 5 of this section shall relieve a vendor of liability
to collect the tax imposed pursuant to sections 144.600 to 144.748 on the total
gross receipts of all sales of tangible personal property used, stored or consumed
in this state and to remit all taxes collected to the director of revenue in
accordance with the provisions of this section nor shall it relieve a purchaser from
paying such taxes to a vendor registered in accordance with the provisions of
section 144.650.

7. Any out-of-state seller which is not legally required to register
for use tax in this state but chooses to collect and remit use tax under
sections 144.600 to 144.761 shall file a return for the calendar year. The
return shall be filed and the taxes paid on or before January thirty-
first of the succeeding year.

144.710. [From every remittance made by a vendor as required by sections
144.600 to 144.745 to the director of revenue on or before the date when the
remittance becomes due, the vendor may deduct and retain an amount equal to
two percent thereof.] The provisions of section 144.140 relating to the
allowance for timely remittance of payment shall be applicable to the
tax levied under sections 144.600 to 144.745.

144.752. 1. For the purposes of this section, the following terms
shall mean:
(1) "Marketplace facilitator", a person that:
   (a) Facilitates a retail sale by a marketplace seller by listing or advertising for sale by the marketplace seller in any forum, tangible personal property or services that are subject to tax under this chapter; and
   (b) Either directly or indirectly through agreements or arrangements with third parties collecting payment from the purchaser and transmitting such payment to the marketplace seller regardless of whether the marketplace facilitator receives compensation or other consideration in exchange for its services.

A marketplace facilitator is a seller and shall comply with the provisions of this chapter. A marketplace facilitator does not include a person who provides internet advertising services, or product listing, and does not collect payment from the purchaser and transmit payment to the marketplace seller, and does not include a person with respect to the provision of travel agency services or the operation of a marketplace or that portion of a marketplace that enables consumers to receive travel agency services. For the purposes of this subdivision, "travel agency services" means facilitating, for a commission, fee, or other consideration, vacation or travel packages, rental car or other travel reservations, tickets for domestic or foreign travel by air, rail, ship, bus, or other medium of transportation, or hotel or other lodging accommodations;

(2) "Marketplace seller", a seller that makes sales through any electronic marketplace operated by a marketplace facilitator;

(3) "Person", any individual, firm, copartnership, joint venture, association, corporation, municipal or private, whether organized for profit or not, state, county, political subdivision, state department, commission, board, bureau or agency, except the department of transportation, estate, trust, business trust, receiver or trustee appointed by the state or federal court, syndicate, or any other group or combination acting as a unit;

(4) "Purchaser", any person who is the recipient for a valuable consideration of any sale of tangible personal property acquired for use, storage, or consumption in this state;

(5) "Retail sale", the same meaning as defined under sections 144.010 and 144.011, excluding motor vehicles, trailers, motorcycles,
mopeds, motortricycles, boats, and outboard motors required to be
titled under the laws of the state and subject to tax under subdivision
(9) of subsection 1 of section 144.020;
(6) "Seller", a person selling or furnishing tangible personal
property or rendering services on the receipts from which a tax is
imposed under section 144.020.

2. (1) By no later than January 1, 2022, marketplace facilitators
that reach the threshold provided under subdivision (7) of section
144.612 shall register with the department to collect and remit sales
and use tax, as applicable, on sales made through the marketplace
facilitator's marketplace by or on behalf of a marketplace seller that
are purchased in or delivered into the state, whether by the
marketplace facilitator or another person, and regardless of whether
the marketplace seller for whom sales are facilitated possesses a retail
sales license or would have been required to collect sales or use tax had
the sale not been facilitated by the marketplace facilitator. Such retail
sales shall include those made directly by the marketplace facilitator
and shall also include those retail sales made by marketplace sellers
through the marketplace facilitator's marketplace. The collection and
reporting requirements of this subsection shall not apply to retail sales
other than those made through a marketplace facilitator's
marketplace. Nothing in this section shall be construed to limit or
prohibit the ability of a marketplace facilitator and a marketplace
seller to enter into agreements regarding the fulfillment of the
requirements of this chapter.

(2) All taxable sales made through a marketplace facilitator's
marketplace by or on behalf of a marketplace seller shall be deemed to
be consummated at the location in this state to which the item is
shipped or delivered, or at which possession is taken by the purchaser.

3. Marketplace facilitators that are required to collect sales and
use tax under this section shall report and remit the tax separately
from any sales and use tax collected by the marketplace facilitator, or
by affiliates of the marketplace facilitator, which the marketplace
facilitator would have been required to collect and remit under the
provisions of this chapter prior to January 1, 2022. Such tax shall be
reported and remitted on a marketplace facilitator return to be
developed and published by the department. Marketplace facilitators
shall maintain records of all sales delivered to a location in the state, including copies of invoices showing the purchaser, address, purchase amount, and sales and use tax collected. Such records shall be made available for review and inspection upon request by the department.

4. Marketplace facilitators who properly collect and remit to the department in a timely manner sales and use tax on sales in accordance with the provisions of this section by or on behalf of marketplace sellers shall be eligible for any discount provided under this chapter.

5. A marketplace facilitator shall provide the purchaser with a statement or invoice showing that the sales or use tax was collected and shall be remitted on the purchaser's behalf.

6. Any taxpayer who remits sales or use tax under this section shall be entitled to refunds or credits to the same extent and in the same manner provided for in section 144.190 for taxes collected and remitted under this section. Nothing in this section shall relieve a purchaser of the obligation to remit sales or use tax for any retail sale taxable under this chapter for which a marketplace facilitator or marketplace seller does not collect and remit the sales or use tax.

7. Except as provided under subsections 8 to 10 of this section, marketplace facilitators shall be subject to the penalty provisions, procedures, and reporting requirements provided under the provisions of this chapter.

8. No class action shall be brought against a marketplace facilitator in any court in this state on behalf of purchasers arising from or in any way related to an overpayment of sales or use tax collected on retail sales facilitated by a marketplace facilitator, regardless of whether that claim is characterized as a tax refund claim. Nothing in this subsection shall affect a purchaser's right to seek a refund as provided under section 144.190.

9. An audit performed by the department under this chapter shall only be performed on a marketplace facilitator for sales made by marketplace sellers but facilitated by the marketplace facilitator. The department shall not audit a marketplace seller for sales facilitated by a marketplace facilitator except to the extent a marketplace facilitator seeks relief from liability under the provisions of paragraph (a) of subdivision (1) of subsection 10 of this section.

10. (1) A marketplace facilitator shall be relieved from liability
under this section for the failure to collect and remit the correct amount of sales or use tax on retail sales facilitated for marketplace sellers under the following circumstances:

(a) To the extent that the marketplace facilitator demonstrates to the satisfaction of the department that the error was due to insufficient or incorrect information given to the marketplace facilitator by the marketplace seller; provided, however, that a marketplace facilitator shall not be relieved of liability under this paragraph if the marketplace facilitator and the marketplace seller are affiliated;

(b) To the extent that the marketplace facilitator demonstrates to the satisfaction of the department that:
   a. The marketplace facilitator is not the seller and that the marketplace facilitator and marketplace seller are not affiliated;
   b. The retail sale was facilitated for a marketplace seller through a marketplace operated by the marketplace facilitator; and
   c. The failure to collect and remit the correct amount of sales or use tax was due to an error other than an error in sourcing the sale under the provisions of this chapter.

(2) The relief from liability provided under subdivision (1) of this subsection shall not exceed the following percentage of the total sales and use tax due on retail sales facilitated by a marketplace facilitator for marketplace sellers and sourced to this state during a calendar year, which such retail sales shall not include retail sales made directly by the marketplace facilitator or affiliates of the marketplace facilitator:

(a) For retail sales made or facilitated during the 2022 calendar year, four percent;

(b) For retail sales made or facilitated during the 2023 calendar year, two percent;

(c) For retail sales made or facilitated during the 2024 calendar year, one percent; and

(d) For retail sales made or facilitated for all years beginning January 1, 2025, zero percent.

(3) To the extent that a marketplace facilitator is relieved of liability for the collection of sales and use tax under this subsection, the marketplace seller for whom the marketplace facilitator has made
or facilitated the sale shall also be relieved of liability under this subsection.

(4) The department shall determine the manner in which a marketplace facilitator or marketplace seller shall apply for and claim the relief from liability provided for under this subsection.

11. The department may grant a waiver from the requirements of this section if a marketplace facilitator demonstrates to the satisfaction of the department that all of its marketplace sellers are already registered under the provisions of this chapter to collect and remit sales and use tax. If such waiver is granted, the sales or use tax due shall be collected and remitted by the marketplace seller. The department shall develop guidelines by rule that establish the criteria for obtaining a waiver, the process and procedure for a marketplace facilitator or marketplace seller to apply for a waiver, and the process for providing notice to an affected marketplace facilitator and marketplace seller of a waiver obtained under the provisions of this subsection. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after January 1, 2022, shall be invalid and void.

12. For the purposes of this section, a marketplace facilitator shall not include a third party financial institution appointed by a merchant or a marketplace facilitator to handle various forms of payment transactions, such as processing credit cards and debit cards, and whose sole activity with respect to marketplace sales is to facilitate the payment transactions between two parties.

144.757. 1. Any county or municipality, except municipalities within a county having a charter form of government with a population in excess of nine hundred thousand, may, by a majority vote of its governing body, impose a local use tax if a local sales tax is imposed as defined in section 32.085 at a rate equal to the rate of the local sales tax in effect in such county or municipality; provided,
however, that no ordinance or order enacted pursuant to sections 144.757 to
144.761 shall be effective unless the governing body of the county or municipality
submits to the voters thereof at a municipal, county or state general, primary or
special election a proposal to authorize the governing body of the county or
municipality to impose a local use tax pursuant to sections 144.757 to
144.761. Municipalities within a county having a charter form of government
with a population in excess of nine hundred thousand may, upon voter approval
received pursuant to paragraph (b) of subdivision (2) of subsection 2 of this
section, impose a local use tax at the same rate as the local municipal sales tax
with the revenues from all such municipal use taxes to be distributed pursuant
to subsection 4 of section 94.890. The municipality shall within thirty days of the
approval of the use tax imposed pursuant to paragraph (b) of subdivision (2) of
subsection 2 of this section select one of the distribution options permitted in
subsection 4 of section 94.890 for distribution of all municipal use taxes.

2. (1) The ballot of submission, except for counties and municipalities
described in subdivisions (2) and (3) of this subsection, shall contain substantially
the following language:

Shall the ______ (county or municipality's name) impose a local use
tax at the same rate as the total local sales tax rate, [currently
______ (insert percent).] provided that if the local sales tax rate is
reduced or raised by voter approval, the local use tax rate shall
also be reduced or raised by the same action? [A use tax return
shall not be required to be filed by persons whose purchases from
out-of-state vendors do not in total exceed two thousand dollars in
any calendar year.] Approval of this question will eliminate
the disparity in tax rates collected by local and out-of-state
sellers by imposing the same rate on all sellers.

☐ YES       ☐ NO

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

(2) (a) The ballot of submission in a county having a charter form of
government with a population in excess of nine hundred thousand shall contain
substantially the following language:

For the purposes of enhancing county and municipal public safety,
parks, and job creation and enhancing local government services,
shall the county be authorized to collect a local use tax equal to the
total of the existing county sales tax rate [of (insert tax rate)],
provided that if the county sales tax is repealed, reduced or raised
by voter approval, the local use tax rate shall also be repealed,
reduced or raised by the same voter action? Fifty percent of the
revenue shall be used by the county throughout the county for
improving and enhancing public safety, park improvements, and
job creation, and fifty percent shall be used for enhancing local
government services. The county shall be required to make
available to the public an audited comprehensive financial report
detailing the management and use of the countywide portion of the
funds each year.
A use tax is the equivalent of a sales tax on purchases from
out-of-state sellers by in-state buyers and on certain taxable
business transactions. [A use tax return shall not be required to
be filed by persons whose purchases from out-of-state vendors do
not in total exceed two thousand dollars in any calendar year.]
Approval of this question will eliminate the disparity in
tax rates collected by local and out-of-state sellers by
imposing the same rate on all sellers.

☐ YES ☐ NO

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

(b) The ballot of submission in a municipality within a county having a
charter form of government with a population in excess of nine hundred thousand
shall contain substantially the following language:
Shall the municipality be authorized to impose a local use tax at
the same rate as the local sales tax by a vote of the governing body,
provided that if any local sales tax is repealed, reduced or raised
by voter approval, the respective local use tax shall also be
repealed, reduced or raised by the same action? [A use tax return
shall not be required to be filed by persons whose purchases from
out-of-state vendors do not in total exceed two thousand dollars in
any calendar year.] Approval of this question will eliminate
the disparity in tax rates collected by local and out-of-state
sellers by imposing the same rate on all sellers.

☐ YES ☐ NO

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

(3) The ballot of submission in any city not within a county shall contain substantially the following language:

Shall the _____ (city name) impose a local use tax at the same rate as the local sales tax, [currently at a rate of _____ (insert percent)] which includes the capital improvements sales tax and the transportation tax, provided that if any local sales tax is repealed, reduced or raised by voter approval, the respective local use tax shall also be repealed, reduced or raised by the same action? [A use tax return shall not be required to be filed by persons whose purchases from out-of-state vendors do not in total exceed two thousand dollars in any calendar year.] Approval of this question will eliminate the disparity in tax rates collected by local and out-of-state sellers by imposing the same rate on all sellers.

☐ YES ☐ NO

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

(4) If any of such ballots are submitted on August 6, 1996, and if a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the ordinance or order and any amendments thereto shall be in effect October 1, 1996, provided the director of revenue receives notice of adoption of the local use tax on or before August 16, 1996. If any of such ballots are submitted after December 31, 1996, and if a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the ordinance or order and any amendments thereto shall be in effect on the first day of the calendar quarter which begins at least forty-five days after the director of revenue receives notice of adoption of the local use tax. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the governing body of the county or municipality shall have no power to impose the local use tax as herein authorized unless and until the
the governing body of the county or municipality shall again have submitted another
proposal to authorize the governing body of the county or municipality to impose
the local use tax and such proposal is approved by a majority of the qualified
voters voting thereon.

3. The local use tax may be imposed at the same rate as the local sales
tax then currently in effect in the county or municipality upon all transactions
which are subject to the taxes imposed pursuant to sections 144.600 to 144.745
within the county or municipality adopting such tax; provided, however, that if
any local sales tax is repealed or the rate thereof is reduced or raised by voter
approval, the local use tax rate shall also be deemed to be repealed, reduced or
raised by the same action repealing, reducing or raising the local sales tax.

4. For purposes of sections 144.757 to 144.761, the use tax may be
referred to or described as the equivalent of a sales tax on purchases made from
out-of-state sellers by in-state buyers and on certain intrabusiness
transactions. Such a description shall not change the classification, form or
subject of the use tax or the manner in which it is collected.

[144.069. All sales taxes associated with the titling of motor
vehicles, trailers, boats and outboard motors under the laws of
Missouri shall be imposed at the rate in effect at the location of the
address of the owner thereof, and all sales taxes associated with
the titling of vehicles under leases of over sixty-day duration of
motor vehicles, trailers, boats and outboard motors shall be
imposed at the rate in effect, unless the vehicle, trailer, boat or
motor has been registered and sales taxes have been paid prior to
the consummation of the lease agreement at the location of the
address of the lessee thereof on the date the lease is consummated,
and all applicable sales taxes levied by any political subdivision
shall be collected and remitted on such sales from the purchaser or
lessee by the state department of revenue on that basis.]

[144.517. In addition to the exemptions granted pursuant
to section 144.030, there shall also be exempted from state sales
and use taxes all sales of textbooks, as defined by section 170.051,
when such textbook is purchased by a student who possesses proof
of current enrollment at any Missouri public or private university,
college or other postsecondary institution of higher learning
offering a course of study leading to a degree in the liberal arts,
humanities or sciences or in a professional, vocational or technical field, provided that the books which are exempt from state sales tax are those required or recommended for a class. Upon request the institution or department must provide at least one list of textbooks to the bookstore each semester. Alternately, the student may provide to the bookstore a list from the instructor, department or institution of his or her required or recommended textbooks. This exemption shall not apply to any locally imposed sales or use tax.

[144.605. The following words and phrases as used in sections 144.600 to 144.745 mean and include:

(1) "Calendar quarter", the period of three consecutive calendar months ending on March thirty-first, June thirtieth, September thirtieth or December thirty-first;

(2) "Engages in business activities within this state" includes:

(a) Maintaining or having a franchisee or licensee operating under the seller's trade name in this state if the franchisee or licensee is required to collect sales tax pursuant to sections 144.010 to 144.525;

(b) Soliciting sales or taking orders by sales agents or traveling representatives;

(c) A vendor is presumed to engage in business activities within this state if any person, other than a common carrier acting in its capacity as such, that has substantial nexus with this state:

a. Sells a similar line of products as the vendor and does so under the same or a similar business name;

b. Maintains an office, distribution facility, warehouse, or storage place, or similar place of business in the state to facilitate the delivery of property or services sold by the vendor to the vendor's customers;

c. Delivers, installs, assembles, or performs maintenance services for the vendor's customers within the state;

(d) Facilitates the vendor's delivery of property to customers in the state by allowing the vendor's customers to pick up property sold by the vendor at an office, distribution facility, warehouse,
storage place, or similar place of business maintained by the person
in the state; or

e. Conducts any other activities in the state that are
significantly associated with the vendor's ability to establish and
maintain a market in the state for the sales;

(d) The presumption in paragraph (c) may be rebutted by
demonstrating that the person's activities in the state are not
significantly associated with the vendor's ability to establish or
maintain a market in this state for the vendor's sales;

(e) Notwithstanding paragraph (c), a vendor shall be
presumed to engage in business activities within this state if the
vendor enters into an agreement with one or more residents of this
state under which the resident, for a commission or other
consideration, directly or indirectly refers potential customers,
whether by a link on an internet website, an in-person oral
presentation, telemarketing, or otherwise, to the vendor, if the
cumulative gross receipts from sales by the vendor to customers in
the state who are referred to the vendor by all residents with this
type of an agreement with the vendor is in excess of ten thousand
dollars during the preceding twelve months;

(f) The presumption in paragraph (e) may be rebutted by
submitting proof that the residents with whom the vendor has an
agreement did not engage in any activity within the state that was
significantly associated with the vendor's ability to establish or
maintain the vendor's market in the state during the preceding
twelve months. Such proof may consist of sworn written
statements from all of the residents with whom the vendor has an
agreement stating that they did not engage in any solicitation in
the state on behalf of the vendor during the preceding year
provided that such statements were provided and obtained in good
faith;

(3) "Maintains a place of business in this state" includes
maintaining, occupying, or using, permanently or temporarily,
directly or indirectly, by whatever name called, an office, place of
distribution, sales or sample room or place, warehouse or storage
place, or other place of business in this state, whether owned or
operated by the vendor or by any other person other than a 
common carrier acting in its capacity as such;

(4) "Person", any individual, firm, copartnership, joint 
vventure, association, corporation, municipal or private, and 
whether organized for profit or not, state, county, political 
subdivision, state department, commission, board, bureau or 
agency, except the state transportation department, estate, trust, 
business trust, receiver or trustee appointed by the state or federal 
court, syndicate, or any other group or combination acting as a 
unit, and the plural as well as the singular number;

(5) "Purchase", the acquisition of the ownership of, or title 
to, tangible personal property, through a sale, as defined herein, for 
the purpose of storage, use or consumption in this state;

(6) "Purchaser", any person who is the recipient for a 
valuable consideration of any sale of tangible personal property 
aquired for use, storage or consumption in this state;

(7) "Sale", any transfer, barter or exchange of the title or 
ownership of tangible personal property, or the right to use, store 
or consume the same, for a consideration paid or to be paid, and 
any transaction whether called leases, rentals, bailments, loans, 
conditional sales or otherwise, and notwithstanding that the title 
or possession of the property or both is retained for security. For 
the purpose of this law the place of delivery of the property to the 
purchaser, user, storer or consumer is deemed to be the place of 
sale, whether the delivery be by the vendor or by common carriers, 
private contractors, mails, express, agents, salesmen, solicitors, 
hawkers, representatives, consignors, peddlers, canvassers or 
otherwise;

(8) "Sales price", the consideration including the charges for 
services, except charges incident to the extension of credit, paid or 
given, or contracted to be paid or given, by the purchaser to the 
vendor for the tangible personal property, including any services 
that are a part of the sale, valued in money, whether paid in money 
or otherwise, and any amount for which credit is given to the 
purchaser by the vendor, without any deduction therefrom on 
account of the cost of the property sold, the cost of materials used,
labor or service cost, losses or any other expenses whatsoever, except that cash discounts allowed and taken on sales shall not be included and "sales price" shall not include the amount charged for property returned by customers upon rescission of the contract of sales when the entire amount charged therefor is refunded either in cash or credit or the amount charged for labor or services rendered in installing or applying the property sold, the use, storage or consumption of which is taxable pursuant to sections 144.600 to 144.745. The sales price shall not include usual and customary delivery charges that are separately stated. In determining the amount of tax due pursuant to sections 144.600 to 144.745, any charge incident to the extension of credit shall be specifically exempted;

(9) "Selling agent", every person acting as a representative of a principal, when such principal is not registered with the director of revenue of the state of Missouri for the collection of the taxes imposed pursuant to sections 144.010 to 144.525 or sections 144.600 to 144.745 and who receives compensation by reason of the sale of tangible personal property of the principal, if such property is to be stored, used, or consumed in this state;

(10) "Storage", any keeping or retention in this state of tangible personal property purchased from a vendor, except property for sale or property that is temporarily kept or retained in this state for subsequent use outside the state;

(11) "Tangible personal property", all items subject to the Missouri sales tax as provided in subdivisions (1) and (3) of section 144.020;

(12) "Taxpayer", any person remitting the tax or who should remit the tax levied by sections 144.600 to 144.745;

(13) "Use", the exercise of any right or power over tangible personal property incident to the ownership or control of that property, except that it does not include the temporary storage of property in this state for subsequent use outside the state, or the sale of the property in the regular course of business;

(14) "Vendor", every person engaged in making sales of tangible personal property by mail order, by advertising, by agent
or peddling tangible personal property, soliciting or taking orders
for sales of tangible personal property, for storage, use or
consumption in this state, all salesmen, solicitors, hawkers,
representatives, consignees, peddlers or canvassers, as agents of
the dealers, distributors, consignors, supervisors, principals or
employers under whom they operate or from whom they obtain the
tangible personal property sold by them, and every person who
maintains a place of business in this state, maintains a stock of
goods in this state, or engages in business activities within this
state and every person who engages in this state in the business of
acting as a selling agent for persons not otherwise vendors as
defined in this subdivision. Irrespective of whether they are
making sales on their own behalf or on behalf of the dealers,
distributors, consignors, supervisors, principals or employers, they
must be regarded as vendors and the dealers, distributors,
consignors, supervisors, principals or employers must be regarded
as vendors for the purposes of sections 144.600 to 144.745.]

[144.1000. Sections 144.1000 to 144.1015 shall be known as
and referred to as the "Simplified Sales and Use Tax
Administration Act".]

[144.1003. As used in sections 144.1000 to 144.1015, the
following terms shall mean:

(1) "Agreement", the streamlined sales and use tax
   agreement;

(2) "Certified automated system", software certified jointly
   by the states that are signatories to the agreement to calculate the
   tax imposed by each jurisdiction on a transaction, determine the
   amount of tax to remit to the appropriate state and maintain a
   record of the transaction;

(3) "Certified service provider", an agent certified jointly by
   the states that are signatories to the agreement to perform all of
   the seller's sales tax functions;

(4) "Person", an individual, trust, estate, fiduciary,
   partnership, limited liability company, limited liability partnership,
   corporation or any other legal entity;

(5) "Sales tax", any sales tax levied pursuant to this
chapter, section 32.085, or any other sales tax authorized by
statute and levied by this state or its political subdivisions;

(6) "Seller", any person making sales, leases or rentals of
personal property or services;

(7) "State", any state of the United States and the District
of Columbia;

(8) "Use tax", the use tax levied pursuant to this chapter.]

[144.1006. For the purposes of reviewing and, if necessary,
amending the agreement embodying the simplification
recommendations contained in section 144.1015, the state may
enter into multistate discussions. For purposes of such discussions,
the state shall be represented by seven delegates, one of whom
shall be appointed by the governor, two members appointed by the
speaker of the house of representatives, one member appointed by
the minority leader of the house of representatives, two members
appointed by the president pro tempore of the senate and one
member appointed by the minority leader of the senate. The
delegates need not be members of the general assembly and at
least one of the delegates appointed by the speaker of the house of
representatives and one member appointed by the president pro
tempore of the senate shall be from the private sector and
represent the interests of Missouri businesses. The delegates shall
recommend to the committees responsible for reviewing tax issues
in the senate and the house of representatives each year any
amendment of state statutes required to be substantially in
compliance with the agreement. Such delegates shall make a
written report by the fifteenth day of January each year regarding
the status of the multistate discussions and upon final adoption of
the terms of the sales and use tax agreement by the multistate
body.]

[144.1009. No provision of the agreement authorized by
sections 144.1000 to 144.1015 in whole or in part invalidates or
amends any provision of the law of this state. Implementation of
any condition of this agreement in this state, whether adopted
before, at, or after membership of this state in the agreement, must
be by action of the general assembly. Such report shall be
delivered to the governor, the secretary of state, the president pro
tempore of the senate and the speaker of the house of
representatives and shall simultaneously be made publicly
available by the secretary of state to any person requesting a copy.]

[144.1012. Unless five of the seven delegates agree, the
delegates shall not enter into or vote for any streamlined sales and
use tax agreement that:

(1) Requires adoption of a definition of any term that would
cause any item or transaction that is now excluded or exempted
from sales or use tax to become subject to sales or use tax;

(2) Requires the state of Missouri to fully exempt or fully
apply sales taxes to the sale of food or any other item;

(3) Restricts the ability of local governments under statutes
in effect on August 28, 2002, to enact one or more local taxes on
one or more items without application of the tax to all sales within
the taxing jurisdiction, however, restriction of any such taxes
allowed by statutes effective after August 28, 2002, may be
supported;

(4) Provides for adoption of any uniform rate structure that
would result in a tax increase for any Missouri taxpayer;

(5) Affects the sourcing of sales tax transactions; or

(6) Prohibits limitations or thresholds on the application of
sales and use tax rates or prohibits any current sales or use tax
exemption in the state of Missouri, including exemptions that are
based on the value of the transaction or item.]

[144.1015. In addition to the requirements of section
144.1012, the delegates should consider the following features
when deciding whether or not to enter into any streamlined sales
and use tax agreement:

(1) The agreement should address the limitation of the
number of state rates over time;

(2) The agreement should establish uniform standards for
administration of exempt sales and the form used for filing sales
and use tax returns and remittances;

(3) The agreement should require the state to provide a
central, electronic registration system that allows a seller to
register to collect and remit sales and use taxes for all signatory states;

(4) The agreement should provide that registration with the central registration system and the collection of sales and use taxes in the signatory states will not be used as a factor in determining whether the seller has nexus with a state for any tax;

(5) The agreement should provide for reduction of the burdens of complying with local sales and use taxes through the following so long as they do not conflict with the provisions of section 144.1012:

(a) Restricting variances between the state and local tax bases;

(b) Requiring states to administer any sales and use taxes levied by local jurisdictions within the state so that sellers collecting and remitting these taxes will not have to register or file returns with, remit funds to, or be subject to independent audits from local taxing jurisdictions;

(c) Restricting the frequency of changes in the local sales and use tax rates and setting effective dates for the application of local jurisdictional boundary changes to local sales and use taxes; and

(d) Providing notice of changes in local sales and use tax rates and of changes in the boundaries of local taxing jurisdictions;

(6) The agreement should outline any monetary allowances that are to be provided by the states to sellers or certified service providers. The agreement must allow for a joint public and private sector study of the compliance cost on sellers and certified service providers to collect sales and use taxes for state and local governments under various levels of complexity to be completed by July 1, 2003;

(7) The agreement should require each state to certify compliance with the terms of the agreement prior to joining and to maintain compliance, under the laws of the member state, with all provisions of the agreement while a member, only if the agreement and any amendment thereto complies with the provisions of section 144.1012;
(8) The agreement should require each state to adopt a uniform policy for certified service providers that protects the privacy of consumers and maintains the confidentiality of tax information; and

(9) The agreement should provide for the appointment of an advisory council of private sector representatives and an advisory council of nonmember state representatives to consult with in the administration of the agreement.

Section B. Section A of this act shall become effective January 1, 2022.