

Journal of the Senate

SECOND REGULAR SESSION

FIFTY-THIRD DAY—MONDAY, MAY 11, 2020

The Senate met pursuant to adjournment.

President Kehoe in the Chair.

Reverend Carl Gauck offered the following prayer:

“Sing praises to the Lord, O you his faithful ones, and give thanks to his holy name,” (Psalm 30:4)

We give You thanks, O Lord, for the sun that brings joy to our hearts and the safe travel it provides seeing all that was before us. We celebrate the lushness of the green grass and plants and for the beauty of blooming trees and flowers. We gather this afternoon to work on legislation that we deem worthy and of help to those we serve. May our time here be fruitful and bring blessings from Your guidance to us. And we pray for those who continue to provide comfort and healing to those who suffer and endure this virus. Let us continue to honor those who provide support and those who give medical aide. And may we find ways to give them thanks for their ministry to us. In Your Holy Name we pray. Amen.

The Pledge of Allegiance to the Flag was recited.

A quorum being established, the Senate proceeded with its business.

The Journal for Friday, May 8, 2020 was read and approved.

The following Senators were present during the day’s proceedings:

Present—Senators

Arthur	Bernskoetter	Brown	Burlison	Cierpiot	Crawford	Cunningham
Eigel	Emery	Hegeman	Hoskins	Hough	Koenig	Libla
Luetkemeyer	May	Nasheed	O’Laughlin	Onder	Riddle	Rizzo
Rowden	Sater	Schatz	Schupp	Sifton	Wallingford	Walsh
White	Wieland	Williams—31				

Absent—Senators—None

Absent with leave—Senators—None

Vacancies—3

The Lieutenant Governor was present.

RESOLUTIONS

Senator Schupp offered Senate Resolution No. 1452, regarding Dennis E. Cohen, which was adopted.

Senator Wallingford offered Senate Resolution No. 1453, regarding Katherine Carter, St. Charles, which was adopted.

Senator Bernskoetter offered Senate Resolution No. 1454, regarding the Two Hundredth Anniversary of Cole County, Missouri, which was adopted.

MESSAGES FROM THE HOUSE

The following messages were received from the House of Representatives through its Chief Clerk:

Mr. President: The House refuses to adopt **SS No. 2** for **HB 1693**, and requests the Senate to recede from its position and, failing to do so, grant the House a conference thereon.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **SCR 32**.

Concurrent Resolution enrolled.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **HCS** for **SB 551**, entitled:

An Act to repeal sections 303.200, 375.246, 376.782, 379.860, 383.155, 383.160, and 383.175, RSMo, and to enact in lieu thereof twenty-one new sections relating to regulation of certain personal lines insurance services.

With House Amendment Nos. 1 and 2.

HOUSE AMENDMENT NO. 1

Amend House Committee Substitute for Senate Bill No. 551, Page 4, Section 303.200, Line 68, by inserting after all of said line the following:

“303.220. 1. Any religious denomination which has more than twenty-five members with motor vehicles and [prohibits] **discourages** its members from purchasing insurance, of any form, as being contrary to its religious tenets, may qualify as a self-insurer by obtaining a self-insurance certificate issued by the director as provided in subsection 3 of this section.

2. Any person in whose name more than twenty-five motor vehicles are registered may qualify as a self-insurer by obtaining a certificate of self-insurance issued by the director as provided in subsection 3 of this section.

3. The director may, in his discretion, upon the application of any religious denomination or person described in subsection 1 or 2 of this section, issue a certificate of self-insurance when he is satisfied that such religious denomination or person is possessed and will continue to be possessed of the ability to pay judgments obtained against such religious denomination or person.

4. Upon not less than ten days' notice and a hearing pursuant to such notice, the director may, upon

reasonable grounds, cancel a certificate of self-insurance. Failure to pay any judgment within thirty days after such judgment shall have become final shall constitute a reasonable ground for the cancellation of a certificate of self-insurance.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 2

Amend House Committee Substitute for Senate Bill No. 551, Page 30, Section 379.1808, Line 1, by deleting the word, “**liens**” and inserting in lieu thereof the word, “**lines**”; and

Further amend said bill by amending the title and enacting clause, and intersectional references accordingly.

In which the concurrence of the Senate is respectfully requested.

President Pro Tem Schatz assumed the Chair.

REPORTS OF STANDING COMMITTEES

Senator Sater, Chairman of the Committee on Seniors, Families and Children, submitted the following report:

Mr. President: Your Committee on Seniors, Families and Children, to which was referred **HCS** for **HBs 1387** and **1482**, begs leave to report that it has considered the same and recommends that the bill do pass.

Senator Rowden, Chairman of the Committee on Rules, Joint Rules, Resolutions and Ethics, submitted the following reports:

Mr. President: Your Committee on Rules, Joint Rules, Resolutions and Ethics, to which was referred **HB 1386**, begs leave to report that it has considered the same and recommends that the Senate Committee Substitute, hereto attached, do pass.

Also,

Mr. President: Your Committee on Rules, Joint Rules, Resolutions and Ethics, to which was referred **HCS** for **HB 2555**, begs leave to report that it has considered the same and recommends that the Senate Committee Substitute, hereto attached, do pass.

Senator O’Laughlin, Chairman of the Committee on Education, submitted the following report:

Mr. President: Your Committee on Education, to which was referred **HCS** for **HB 1540**, begs leave to report that it has considered the same and recommends that the Senate Committee Substitute, hereto attached, do pass.

President Kehoe assumed the Chair.

HOUSE BILLS ON THIRD READING

HCS for **HB 2120**, with **SCS**, entitled:

An Act to amend chapter 640, RSMo, by adding thereto three new sections relating to water safety and security.

Was taken up by Senator Wallingford.

SCS for **HCS** for **HB 2120**, entitled:

SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 2120

An Act to amend chapters 640 and 701, RSMo, by adding thereto five new sections relating to water safety and security.

Was taken up.

Senator Wallingford moved that **SCS** for **HCS** for **HB 2120** be adopted.

Senator Wallingford offered **SS** for **SCS** for **HCS** for **HB 2120**, entitled:

SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 2120

An Act to repeal sections 393.1009, 393.1012, and 393.1015, RSMo, and to enact in lieu thereof eight new sections relating to safety of utility infrastructure.

Senator Wallingford moved that **SS** for **SCS** for **HCS** for **HB 2120** be adopted.

Senator Walsh offered **SA 1**:

SENATE AMENDMENT NO. 1

Amend Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 2120, Page 15, Section 701.200, Lines 17-18, by striking “exceed five parts per billion of lead” and inserting in lieu thereof the following: “**exceed current standards for parts per billion of lead established by the United States Environmental Protection Agency**”.

Senator Walsh moved that the above amendment be adopted, which motion prevailed.

Senator Hegeman offered **SA 2**:

SENATE AMENDMENT NO. 2

Amend Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 2120, Page 1, Section A, Line 4, by inserting after all of said line the following:

“67.5122. Sections 67.5110 to 67.5122 shall expire on January 1, [2021] **2025**, except that for small wireless facilities already permitted or collocated on authority poles prior to such date, the rate set forth in section 67.5116 for collocation of small wireless facilities on authority poles shall remain effective for the duration of the permit authorizing the collocation.”; and

Further amend said bill, page 12, section 393.1015, line 18 by inserting after all of said line the following:

“620.2459. Pursuant to section 23.253 of the Missouri sunset act:

(1) The provisions of the [new] program authorized under sections 620.2450, 620.2451, 620.2452, 620.2453, 620.2454, 620.2455, 620.2456, 620.2457, and 620.2458 shall sunset [automatically three years after August 28, 2018] **on June 30, 2027**, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under sections 620.2450, 620.2451, 620.2452, 620.2453, 620.2454, 620.2455, 620.2456, 620.2457, and 620.2458 shall sunset automatically six years after the effective date of the reauthorization of sections 620.2450, 620.2451, 620.2452, 620.2453, 620.2454, 620.2455, 620.2456, 620.2457, and 620.2458; and

(3) Sections 620.2450, 620.2451, 620.2452, 620.2453, 620.2454, 620.2455, 620.2456, 620.2457, and 620.2458 shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under sections 620.2450, 620.2451, 620.2452, 620.2453, 620.2454, 620.2455, 620.2456, 620.2457, and 620.2458 is sunset.”; and

Further amend the title and enacting clause accordingly.

Senator Hegeman moved that the above amendment be adopted.

Senator Hegeman offered **SSA 1** for **SA 2**:

SENATE SUBSTITUTE AMENDMENT NO. 1 FOR
SENATE AMENDMENT NO. 2

Amend Senate Amendment No. 2 to Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 2120, Page 1, In the Title, Line 4, by striking “safety of”; and further amend said bill and page, Section A, line 4, by inserting after all of said line the following:

“67.5122. Sections 67.5110 to 67.5122 shall expire on January 1, [2021] **2025**, except that for small wireless facilities already permitted or collocated on authority poles prior to such date, the rate set forth in section 67.5116 for collocation of small wireless facilities on authority poles shall remain effective for the duration of the permit authorizing the collocation.”; and

Further amend said bill, page 12, section 393.1015, line 18 by inserting after all of said line the following:

“620.2459. Pursuant to section 23.253 of the Missouri sunset act:

(1) The provisions of the [new] program authorized under sections 620.2450, 620.2451, 620.2452, 620.2453, 620.2454, 620.2455, 620.2456, 620.2457, and 620.2458 shall sunset [automatically three years after August 28, 2018] **on June 30, 2027**, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under sections 620.2450, 620.2451, 620.2452, 620.2453, 620.2454, 620.2455, 620.2456, 620.2457, and 620.2458 shall sunset automatically six years after the effective date of the reauthorization of sections 620.2450, 620.2451, 620.2452, 620.2453, 620.2454, 620.2455, 620.2456, 620.2457, and 620.2458; and

(3) Sections 620.2450, 620.2451, 620.2452, 620.2453, 620.2454, 620.2455, 620.2456, 620.2457, and 620.2458 shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under sections 620.2450, 620.2451, 620.2452, 620.2453, 620.2454, 620.2455, 620.2456, 620.2457, and 620.2458 is sunset.”; and

Further amend the title and enacting clause accordingly.

Senator Hegeman moved that the above substitute amendment be adopted, which motion prevailed.

Senator Schupp offered **SA 3**, which was read:

SENATE AMENDMENT NO. 3

Amend Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 2120, Page 12, Section 393.1015, Lines 8-16, by striking all of said lines and inserting in lieu thereof the following:

“12. Any gas corporation whose ISRS is found by a court of competent jurisdiction to include unlawful and inappropriate charges shall refund every current customer of the gas corporation who paid such charges, before the gas corporation can file for a new ISRS.”.

Senator Schupp moved that the above amendment be adopted, which motion prevailed.

Senator Wallingford moved that **SS for SCS for HCS for HB 2120**, as amended, be adopted, which motion prevailed.

On motion of Senator Wallingford, **SS for SCS for HCS for HB 2120** was read the 3rd time and passed and was recognized to close.

President Pro Tem Schatz referred **SS for SCS for HCS for HB 2120** to the Committee on Fiscal Oversight.

HB 1700, introduced by Representative Fishel, with **SCS**, entitled:

An Act to amend chapter 94, RSMo, by adding thereto one new section relating to taxation in certain political subdivisions.

Was taken up by Senator Hough.

SCS for HB 1700, entitled:

SENATE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1700

An Act to repeal sections 32.310, 67.730, 67.1360, 94.838, 94.900, 94.902, 137.180, 138.434, 144.140, 144.605, 144.710, 144.757, 144.759, 205.202, and 321.552, RSMo, and to enact in lieu thereof twenty-five new sections relating to taxation, with an emergency clause for a certain section and an effective date for certain sections.

Was taken up.

Senator Hough moved that **SCS for HB 1700** be adopted.

Senator Hough offered **SS for SCS for HB 1700**, entitled:

SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1700

An Act to repeal sections 32.310, 67.730, 67.1360, 68.075, 94.838, 94.900, 94.902, 137.115, 137.180, 137.385, 138.060, 138.090, 138.434, 143.121, 143.171, 143.1027, 144.140, 144.605, 144.710, 144.757, 144.759, 205.202, 321.552, 620.2005, and 620.2010, RSMo, and to enact in lieu thereof forty-three new sections relating to taxation, with an emergency clause for a certain section and an effective date for certain sections.

Senator Hough moved that **SS for SCS for HB 1700** be adopted.

Senator Koenig offered **SA 1**:

SENATE AMENDMENT NO. 1

Amend Senate Substitute for Senate Committee Substitute for House Bill No. 1700, Page 1, Section A,

Line 13, of said page, by inserting immediately after said line the following:

“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 adoption of the local sales tax, except as provided in subsection [18] 17 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 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.

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 to provide for vital services for _____ (local jurisdiction's name) and 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 event a determination has been made against him for taxes and penalty under the local sales tax law, the limitation for bringing suit for the collection of the delinquent tax and penalty shall be the same as that provided in sections 144.010 to [144.525] **144.527**. Where the director of revenue has determined that suit must be filed against any person for the collection of delinquent taxes due the state under the state sales tax law, and where such person is also delinquent in payment of taxes under the local sales tax law, the director of revenue shall notify the taxing entity in the event any person fails or refuses to pay the amount of any local sales tax due so that appropriate action may be taken by the taxing entity.

[17.] **16.** Where property is seized by the director of revenue under the provisions of any law authorizing seizure of the property of a taxpayer who is delinquent in payment of the tax imposed by the state sales tax law, and where such taxpayer is also delinquent in payment of any tax imposed by the local sales tax law, the director of revenue shall permit the taxing entity to join in any sale of property to pay the delinquent taxes and penalties due the state and to the taxing entity under the local sales tax law. The proceeds from such sale shall first be applied to all sums due the state, and the remainder, if any, shall be 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 the provisions of the local sales tax law and voters approve reimposition of the same local sales tax at the same rate at an election as provided for in the local sales tax law prior to the date such tax is due to expire, the tax so reimposed shall become effective the first day of the first calendar quarter after the director receives a certified copy of the ordinance, order or resolution accompanied by a map clearly showing the boundaries thereof and the results of such election, provided that such ordinance, order or resolution and all necessary accompanying materials are received by the director at least thirty days prior to the expiration of such tax. Any administrative cost

or expense incurred by the state as a result of the provisions of this subsection shall be paid by the city or county reimposing such tax.”; and

Further amend said bill, page 5, section 33.575, lines 18-28 of said page, by striking all of said lines and inserting in lieu thereof the following: “**shall be transferred to the general revenue fund.**”; and

Further amend said bill and section, page 6, lines 1-19 of said page, by striking all of said lines; and

Further amend said bill, page 65, section 138.434, line 4 of said page, by inserting immediately after said line the following:

“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:

If the Missouri taxable income is:	The tax is:
Not over \$1,000.00	1 1/2% of the Missouri taxable income
Over \$1,000 but not over \$2,000	\$15 plus 2% of excess over \$1,000
Over \$2,000 but not over \$3,000	\$35 plus 2 1/2% of excess over \$2,000
Over \$3,000 but not over \$4,000	\$60 plus 3% of excess over \$3,000
Over \$4,000 but not over \$5,000	\$90 plus 3 1/2% of excess over \$4,000
Over \$5,000 but not over \$6,000	\$125 plus 4% of excess over \$5,000
Over \$6,000 but not over \$7,000	\$165 plus 4 1/2% of excess over \$6,000
Over \$7,000 but not over \$8,000	\$210 plus 5% of excess over \$7,000
Over \$8,000 but not over \$9,000	\$260 plus 5 1/2% of excess over \$8,000
Over \$9,000	\$315 plus 6% of excess over \$9,000

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 eleven-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.”; and

Further amend said bill, page 95, section 143.1160, line 11 of said page, by inserting immediately after said line the following:

“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. **(1)** Notwithstanding other provisions of law to the contrary, beginning October 1, 1997, **and ending December 31, 2021**, 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) Notwithstanding other provisions of law to the contrary, beginning January 1, 2022, the tax levied and imposed under this chapter on all retail sales of food shall be at the rate of three-quarters of one percent. The revenue derived from the three-quarters of one percent 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 to, sales of food by any restaurant, fast food restaurant, delicatessen, eating house, or café.

144.020. 1. A tax is hereby levied and imposed for the privilege of titling 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 titled under the laws of the state of Missouri and, except as provided in subdivision (9) of this subsection, upon all sellers for the privilege of engaging in the business of selling tangible personal property or rendering taxable service at retail in this state. The rate of tax shall be as follows:

(1) Upon every retail sale in this state of tangible personal property, excluding motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats and outboard motors required to be titled under the laws of the state of Missouri and subject to tax under subdivision (9) of this subsection, a tax equivalent to four percent of the purchase price paid or charged, or in case such sale involves the exchange of property, a tax equivalent to four percent of the consideration paid or charged, including the fair market value of the property exchanged at the time and place of the exchange, except as otherwise provided in section 144.025;

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

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

(4) (a) A tax equivalent to four percent on the basic rate paid or charged on all 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 upon the sale, rental or leasing of all equipment or services pertaining or incidental thereto; except that, the payment made by telecommunications subscribers or others, pursuant to section 144.060, and any amounts paid for access to the internet or interactive computer services shall not be considered as amounts paid for telecommunications services;

(b) If local and long distance telecommunications services subject to tax under this subdivision are aggregated with and not separately stated from 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.”.

144.049. 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.] **4.** 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.] **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] **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 [144.525] **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 subsections 2 and 3 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. **(1)** 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.

(2) Beginning January 1, 2021, 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 on or before the last 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.

5. Any person may advertise or hold out or state to the public or 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.”; and

Further amend said bill, page 96, section 144.140, line 1 of said page, by inserting immediately after said line the following:

“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 exemption period.

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.”; and

Further amend said bill, page 105, section 144.637, line 2 of said page, by striking “databases” and inserting in lieu thereof the following: **database provided by the director”;** and

Further amend said bill, page 109, section 144.752, lines 10-12 of said page, by striking all of said lines and inserting in lieu thereof the following:

“5. A marketplace facilitator shall separately state on an invoice provided to a purchaser the use tax collected and remitted on behalf of a marketplace seller.”; and

Further amend said bill and section, page 110, line 5 of said page, by inserting immediately after “9.” the following: **“(1)”;** and further amend line 7 of said page, by striking “sales or”; and further amend line 8 of said page, by striking all of said line and inserting in lieu thereof the following: **“facilitated for marketplace sellers under the following circumstances:**

(a) To the extent that the”; and further amend line 15 of said page, by inserting immediately after said line the following:

“(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 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 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 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.”; and

Further amend said bill, page 119, section 144.759, line 6 of said page, by inserting immediately after the second use of the word “county” the following: “; **provided, however, the county treasurer or other officer shall distribute that portion of the use tax imposed by the county equal to the rate of sales tax imposed by the county pursuant to section 67.547 for the purpose of funding zoological activities and zoological facilities of the zoological park subdistrict of the metropolitan zoological park and museum district as created pursuant to section 184.350**”; and

Further amend said bill, page 161, section C, line 10 of said page, by striking “144.140” and inserting in lieu thereof the following: “32.087, 143.011, 144.011, 144.014, 144.020, 144.049, 144.054, 144.060, 144.080, 144.140, 144.526,”; and further amend line 11 of said page, by striking “section” and inserting in lieu thereof the following: “sections 144.608, 144.637, 144.638, and”; and

Further amend the title and enacting clause accordingly.

Senator Koenig moved that the above amendment be adopted.

At the request of Senator Hough, **HB 1700**, with **SCS, SS** for **SCS** and **SA 1** (pending), was placed on the Informal Calendar.

PRIVILEGED MOTIONS

Senator Luetkemeyer moved that the Senate refuse to recede from its position on **SS No. 2** for **HB 1693** and grant the House a conference thereon, which motion prevailed.

MESSAGES FROM THE HOUSE

The following message was received from the House of Representatives through its Chief Clerk:

Mr. President: The House of Representatives requests the Senate to grant further conference on **SS** for **SCS** for **HB 1768**, as amended.

PRIVILEGED MOTIONS

Senator Hegeman moved that the Senate grant the House further conference on **SS** for **SCS** for **HB 1768**, as amended, which motion prevailed.

CONFERENCE COMMITTEE APPOINTMENTS

President Pro Tem Schatz appointed the following conference committee to act with a like committee from the House on **SS No. 2** for **HB 1693**: Senators Luetkemeyer, Sater, O’Laughlin, Rizzo and Sifton.

REFERRALS

President Pro Tem Schatz referred **HCS** for **HBs 1387** and **1482** to the Committee on Fiscal Oversight.

CONFERENCE COMMITTEE APPOINTMENTS

President Pro Tem Schatz appointed the following conference committee to act with a like committee

from the House on **SS** for **SCS** for **HCS** for **HB 1768**, as amended: Senators Hegeman, Crawford, Sater, Rizzo and Arthur.

On motion of Senator Rowden, the Senate adjourned under the rules.

SENATE CALENDAR

FIFTY-FOURTH DAY—TUESDAY, MAY 12, 2020

FORMAL CALENDAR

HOUSE BILLS ON SECOND READING

HB 1403-Hudson

HJR 78-Eggleston

HOUSE BILLS ON THIRD READING

HCS for HBs 1387 & 1482 (Wallingford)
(In Fiscal Oversight)
HB 1386-Murphy, with SCS

HCS for HB 2555, with SCS (O’Laughlin)
HCS for HB 1540, with SCS (O’Laughlin)

INFORMAL CALENDAR

SENATE BILLS FOR PERFECTION

SB 522-Sater
SB 524-Sater
SB 525-Emery, with SCS, SS for SCS & SA 1
(pending)
SB 526-Emery, with SCS
SB 529-Cunningham, with SCS
SB 530-Cunningham, with SCS, SS for SCS
& SA 1 (pending)
SB 531-Wallingford, with SS & SA 1 (pending)
SB 537-Libla
SBs 538, 562 & 601-Libla, with SCS,
SS for SCS & SA 1 (pending)

SB 539-Libla, with SA 1 (pending)
SB 542-Nasheed, with SCS
SB 548-Hegeman
SB 555-Riddle
SB 557-Schatz, with SCS
SB 558-Schatz, with SCS
SB 559-Schatz, with SCS
SB 568-Hoskins, with SCS
SB 572-Rowden
SB 575-Eigel, with SS#2 & SA 2 (pending)
SB 576-Crawford, with SCS
SB 581-Cierpiot, with SCS

SB 583-Arthur, with SCS	SB 690-Cunningham
SB 586-Bernskoetter, with SCS	SB 696-Sifton
SB 590-Burlison, with SCS	SB 699-Riddle, with SCS
SB 592-White	SB 701-Onder
SB 595-Hough, with SCS	SB 703-Hoskins, with SCS
SBs 602, 778 & 561-Luetkemeyer, with SCS	SB 714-Burlison, with SCS
SB 605-O’Laughlin, with SCS	SB 716-Burlison
SB 608-May, with SCS	SB 748-White
SB 612-Emery, with SCS	SB 756-Sifton, with SCS
SB 613-Emery, with SCS	SB 764-Onder, with SCS
SB 615-Cunningham	SB 768-Onder, with SCS
SB 625-Libla, with SCS	SB 779-Crawford
SB 633-Hegeman	SB 780-Hough, with SCS
SB 636-Wieland	SB 784-Wallingford
SB 639-Riddle	SB 797-Wieland, with SCS
SB 640-Onder	SB 802-Hegeman
SB 645-Hoskins, with SCS	SB 809-Brown, with SCS
SB 646-Koenig	SB 857-Luetkemeyer, with SCS
SB 647-Koenig, with SCS	SB 885-Walsh
SB 648-Koenig, with SCS, SS#2 for SCS & SA 1 (pending)	SB 896-Eigel
SB 649-Eigel	SB 996-Onder, with SCS
SB 661-Bernskoetter, with SCS	SJR 31-Sater
SB 665-Burlison	SJR 32-Sater
SB 670-Hough, with SCS, SS for SCS & SA 1 (pending)	SJR 33-Emery, with SCS
SB 674-Brown	SJR 40-Koenig
SBs 675 & 705-Luetkemeyer, with SCS	SJR 44-Eigel
SB 677-Luetkemeyer	SJR 48, 41 & 43-Luetkemeyer, with SCS
	SJR 59-Eigel
	SJR 61-Nasheed, with SCS

HOUSE BILLS ON THIRD READING

HB 1383-Washington, with SCS (Onder)	HB 1963-Fitzwater, with SCS, SS for SCS, SA 7 & SA 1 to SA 7 (pending) (Libla)
HCS for HB 1414, with SCS (Sater)	HCS for HB 2049, with SCS (Emery)
HB 1559-Remole, with SCS (Hoskins)	SS for SCS for HCS for HB 2120 (Wallingford)
HB 1640-Taylor (Bernskoetter)	(In Fiscal Oversight)
HCS for HB 1682, with SCS (Sater)	
HCS for HB 1683, with SCS (Wallingford)	
HB 1700-Fishel, with SCS, SS for SCS & SA 1 (pending) (Hough)	

SENATE BILLS WITH HOUSE AMENDMENTS

SB 551-Wieland, with HCS, as amended

SCS for SB 662-Bernskoetter, with HCS,
as amendedBILLS IN CONFERENCE AND BILLS
CARRYING REQUEST MESSAGES

In Conference

SS for SB 618-Wallingford, with HCS,
as amended

SCS for SB 653-Crawford, with HCS, as amended

HB 1450, HB 1296, HCS for HB 1331 &
HCS for HB 1898-Schroer, with SS# 2 for SCS,
as amended (Luetkemeyer)

HB 1693-Rehder, with SS#2 (Luetkemeyer)

HB 1768-Riggs, with SS for SCS, as amended
(Hegeman)HCS for HB 2046, with SS, as amended
(Bernskoetter)

RESOLUTIONS

Reported from Committee

SCR 28-Luetkemeyer

SCR 29-Wallingford

SCR 30-Schupp

SCR 31-Emery

SCR 33-May

SCR 34-Hoskins

SCR 35-Hoskins

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