

FIRST REGULAR SESSION

SENATE BILL NO. 123

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOUGH.

0765S.01I

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal section 32.087, RSMo, and to enact in lieu thereof one new section relating to local sales taxes.

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

Section A. Section 32.087, RSMo, is repealed and one new
2 section enacted in lieu thereof, to be known as section 32.087,
3 to read as follows:

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

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

15 3. (1) Every retailer within the jurisdiction of one
16 or more taxing entities which has imposed one or more local
17 sales taxes under the local sales tax law shall add all
18 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) In addition to any local sales tax imposed or authorized under the local sales tax law as of January 1, 2022, any taxing jurisdiction may impose one or more sales taxes on all retail sales made in such taxing jurisdiction which are subject to taxation under the provisions of chapter 144 for any purpose designated by the taxing jurisdiction in its ballot of submission to its voters; provided, however, that no sales tax shall be effective unless the governing body of the taxing jurisdiction submits to the voters of the taxing jurisdiction, at a state general election, a proposal to authorize the taxing jurisdiction to impose a tax under the provisions of this subsection. The taxes authorized by this subsection shall be in addition to any and all other sales taxes allowed by law.

(3) The ballot of submission shall contain, but need not be limited to, the following language:

Shall (taxing jurisdiction's name)
impose a sales tax at the rate of (insert
amount) for the purpose of (insert
purpose)?

☐ YES ☐ NO

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

51 If a majority of the votes cast on the proposal by the
52 qualified voters voting thereon are in favor of the
53 proposal, then the sales tax shall be in effect. If a
54 majority of the votes cast by the qualified voters voting
55 are opposed to the proposal, then the governing body of the
56 taxing jurisdiction shall have no power to impose the sales
57 tax authorized by this subsection unless and until the
58 governing body of the taxing jurisdiction shall again have
59 submitted another proposal to authorize it to impose the
60 sales tax under the provisions of this subsection and such
61 proposal is approved by a majority of the qualified voters
62 voting thereon.

63 (4) The total combined rate of sales taxes imposed or
64 authorized under the local sales tax law as of January 1,
65 2022, and under the provisions of this subsection shall not
66 exceed the following amounts:

67 (a) For local sales taxes imposed by a taxing entity
68 that is incorporated as a city, town, or village, four and
69 one-half percent;

70 (b) For local sales taxes imposed by a county,
71 excluding cities not within a county, three and one-fourth
72 percent;

73 (c) For local sales taxes imposed by all taxing
74 jurisdictions other than those described in paragraphs (a)
75 and (b) of this subdivision, the total combined rate of
76 sales taxes in any given taxing jurisdiction shall not
77 exceed three and one-fourth percent. For the purposes of

78 this paragraph, local sales taxes imposed by taxing entities
79 described in paragraphs (a) and (b) of this subdivision in a
80 given taxing jurisdiction shall not be included in the
81 calculation of the total combined rate of sales taxes under
82 this paragraph.

83 (5) For the purposes of subdivision (4) of this
84 subsection, no transient guest tax or convention and tourism
85 tax, including sections 92.325 to 92.340, shall be
86 considered a local sales tax under the local sales tax law.

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

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

100 5. (1) The ordinance or order imposing a local sales
101 tax under the local sales tax law shall impose a tax upon
102 all transactions upon which the Missouri state sales tax is
103 imposed to the extent and in the manner provided in sections
104 144.010 to 144.525, and the rules and regulations of the
105 director of revenue issued pursuant thereto; except that the
106 rate of the tax shall be the sum of the combined rate of the
107 state sales tax or state highway use tax and all local sales
108 taxes imposed under the provisions of the local sales tax
109 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)

208 of this subsection, such cessation shall take effect on
209 March 1, 2023.

210 (8) Notwithstanding any provision of law to the
211 contrary, if any local sales tax on the titling of motor
212 vehicles, trailers, boats, and outboard motors purchased
213 from a source other than a licensed Missouri dealer is
214 repealed after the general election in November 2014, or if
215 the taxing jurisdiction failed to present the ballot to the
216 voters at a general election on or before November 2022,
217 then the governing body of such taxing jurisdiction may, at
218 any election subsequent to the repeal or after the general
219 election in November 2022, if the jurisdiction failed to
220 present the ballot to the voters, place before the voters
221 the issue of imposing a sales tax on the titling of motor
222 vehicles, trailers, boats, and outboard motors that are
223 subject to state sales tax under section 144.020 that were
224 purchased from a source other than a licensed Missouri
225 dealer. The ballot question presented to the local voters
226 shall contain substantially the following language:

227 Shall the _____ (local jurisdiction's name)
228 apply and collect the local sales tax on the
229 titling of motor vehicles, trailers, boats, and
230 outboard motors that are subject to state sales
231 tax under section 144.020 and purchased from a
232 source other than a licensed Missouri dealer?

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

241

☐ YES

☐ NO

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

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

251 6. On and after the effective date of any local sales
252 tax imposed under the provisions of the local sales tax law,
253 the director of revenue shall perform all functions incident
254 to the administration, collection, enforcement, and
255 operation of the tax, and the director of revenue shall
256 collect in addition to the sales tax for the state of
257 Missouri all additional local sales taxes authorized under
258 the authority of the local sales tax law. All local sales
259 taxes imposed under the local sales tax law together with
260 all taxes imposed under the sales tax law of the state of
261 Missouri shall be collected together and reported upon such
262 forms and under such administrative rules and regulations as
263 may be prescribed by the director of revenue.

264 7. All applicable provisions contained in sections
265 144.010 to 144.525 governing the state sales tax and section
266 32.057, the uniform confidentiality provision, shall apply
267 to the collection of any local sales tax imposed under the
268 local sales tax law except as modified by the local sales
269 tax law.

270 8. All exemptions granted to agencies of government,
271 organizations, persons and to the sale of certain articles
272 and items of tangible personal property and taxable services
273 under the provisions of sections 144.010 to 144.525, 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. The same sales tax permit, exemption certificate and retail certificate required by sections 144.010 to 144.525 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. 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. The penalties provided in section 32.057 and sections 144.010 to 144.525 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. (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. 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

337 within a taxing entity imposing a local sales tax under the
338 local sales tax law.

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

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

367 16. Within the boundaries of any taxing entity where
368 one or more local sales taxes have been imposed, if any

369 person is delinquent in the payment of the amount required
370 to be paid by him under the local sales tax law or in the
371 event a determination has been made against him for taxes
372 and penalty under the local sales tax law, the limitation
373 for bringing suit for the collection of the delinquent tax
374 and penalty shall be the same as that provided in sections
375 144.010 to 144.525. Where the director of revenue has
376 determined that suit must be filed against any person for
377 the collection of delinquent taxes due the state under the
378 state sales tax law, and where such person is also
379 delinquent in payment of taxes under the local sales tax
380 law, the director of revenue shall notify the taxing entity
381 in the event any person fails or refuses to pay the amount
382 of any local sales tax due so that appropriate action may be
383 taken by the taxing entity.

384 17. Where property is seized by the director of
385 revenue under the provisions of any law authorizing seizure
386 of the property of a taxpayer who is delinquent in payment
387 of the tax imposed by the state sales tax law, and where
388 such taxpayer is also delinquent in payment of any tax
389 imposed by the local sales tax law, the director of revenue
390 shall permit the taxing entity to join in any sale of
391 property to pay the delinquent taxes and penalties due the
392 state and to the taxing entity under the local sales tax
393 law. The proceeds from such sale shall first be applied to
394 all sums due the state, and the remainder, if any, shall be
395 applied to all sums due such taxing entity.

396 18. If a local sales tax has been in effect for at
397 least one year under the provisions of the local sales tax
398 law and voters approve reimposition of the same local sales
399 tax at the same rate at an election as provided for in the
400 local sales tax law prior to the date such tax is due to

401 expire, the tax so reimposed shall become effective the
402 first day of the first calendar quarter after the director
403 receives a certified copy of the ordinance, order or
404 resolution accompanied by a map clearly showing the
405 boundaries thereof and the results of such election,
406 provided that such ordinance, order or resolution and all
407 necessary accompanying materials are received by the
408 director at least thirty days prior to the expiration of
409 such tax. Any administrative cost or expense incurred by
410 the state as a result of the provisions of this subsection
411 shall be paid by the city or county reimposing such tax.

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