

## SENATE SUBSTITUTE NO. 3

FOR

## SENATE COMMITTEE SUBSTITUTE

FOR

## SENATE BILL NO. 131

## AN ACT

To repeal section 144.064, RSMo, and to enact in lieu thereof two new sections relating to firearms tax relief.

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

Section A. Section 144.064, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 135.098 and 144.064, to read as follows:

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

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

(2) "Federal firearms excise tax", the federal firearms and ammunition excise tax imposed pursuant to 26 U.S.C. Section 4181;

(3) "State tax liability", any liability incurred by the taxpayer pursuant to the provisions of chapter 143, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265 and related provisions;

(4) "Tax credit", a credit against the taxpayer's state tax liability;

(5) "Taxpayer", any individual subject to the state income tax pursuant to chapter 143.

2. For all tax years beginning on or after January 1, 2024, a taxpayer liable to pay federal firearms excise tax shall be authorized to claim a tax credit in an amount equal to one hundred percent of such tax paid by the taxpayer on

20 sales of firearms and ammunition sold by the taxpayer during  
21 the tax year.

22 3. The tax credit allowed by this section shall be  
23 claimed by such taxpayer at the time such taxpayer files a  
24 return and shall be applied against the income tax liability  
25 imposed by chapter 143, excluding the withholding tax  
26 imposed by sections 143.191 to 143.265. The department may  
27 require any documentation it deems necessary to administer  
28 the provisions of this section.

29 4. Any amount of tax credit that exceeds the  
30 taxpayer's state tax liability shall not be refunded to the  
31 taxpayer. Tax credits authorized pursuant to this section  
32 shall not be transferred, sold, assigned, or otherwise  
33 conveyed.

34 5. A taxpayer shall not claim a tax credit pursuant to  
35 this section if the taxpayer has retained sales tax pursuant  
36 to section 144.064 for the same federal firearms excise tax  
37 paid.

38 6. The department may promulgate rules and adopt  
39 statements of policy, procedures, forms, and guidelines to  
40 implement and administer the provisions of this section.  
41 Rules promulgated pursuant to this subsection shall not be  
42 construed to create or authorize the creation of any  
43 database that would include the names of any person who  
44 purchases, sells, or uses any firearms or ammunition. Any  
45 rule or portion of a rule, as that term is defined in  
46 section 536.010, that is created pursuant to the authority  
47 delegated in this section shall become effective only if it  
48 complies with and is subject to all of the provisions of  
49 chapter 536 and, if applicable, section 536.028. This  
50 section and chapter 536 are nonseverable and if any of the  
51 powers vested with the general assembly pursuant to chapter  
52 536 to review, to delay the effective date, or to disapprove

53 and annul a rule are subsequently held unconstitutional,  
54 then the grant of rulemaking authority and any rule proposed  
55 or adopted after August 28, 2023, shall be invalid and void.

56 7. Pursuant to section 23.253 of the Missouri sunset  
57 act:

58 (1) The program authorized under this section shall  
59 expire on December 31, 2029, unless reauthorized by the  
60 general assembly; and

61 (2) The act shall terminate on September first of the  
62 calendar year immediately following the calendar year in  
63 which the program authorized under this section is sunset;  
64 and

65 (3) If such program is reauthorized, the program  
66 authorized under this section shall automatically sunset six  
67 years after the effective date of the reauthorization of  
68 this section; and

69 (4) The provisions of this subsection shall not be  
70 construed to limit or in any way impair the department of  
71 revenue's ability to redeem tax credits authorized on or  
72 before the date the program authorized pursuant to this  
73 section expires, or a taxpayer's ability to redeem such tax  
74 credits.

144.064. 1. No sales tax levied under this chapter on  
2 any firearms or ammunition shall be levied at a rate that is  
3 higher than the sales tax levied under this chapter or any  
4 other excise tax levied on any sporting goods or equipment  
5 or any hunting equipment.

6 2. Beginning August 28, 2023, in addition to all other  
7 exemptions granted pursuant to this chapter, there is hereby  
8 specifically exempted from the provisions of and from the  
9 computation of the tax levied, assessed, or payable pursuant  
10 to this chapter and the local sales tax law as defined in

11 section 32.085, all sales of firearms and ammunition sold in  
12 this state.

13 3. Beginning August 28, 2023, from every remittance of  
14 sales tax to the director of revenue made on or before the  
15 date when the same becomes due by a person selling firearms  
16 or ammunition, the person required to remit the same shall  
17 be entitled to deduct and retain an amount equal to the  
18 amount of the federal firearms and ammunition excise tax  
19 paid by such person pursuant to 26 U.S.C. Section 4181, as  
20 amended. If the amount of sales tax required to be remitted  
21 is less than the amount of the federal firearms and  
22 ammunition excise tax paid, the amount allowed to be  
23 deducted and retained pursuant to this subsection shall be  
24 carried forward to subsequent sales tax filing periods until  
25 the full deduction is made.