

SECOND REGULAR SESSION

[PERFECTED]

SENATE SUBSTITUTE NO. 2 FOR

# SENATE BILL NO. 872

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR ESLINGER.

3392S.10P

KRISTINA MARTIN, Secretary

## AN ACT

To repeal sections 67.2677, 67.5122, and 143.121, RSMo, and to enact in lieu thereof four new sections relating to the taxation of utility infrastructure.

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

Section A. Sections 67.2677, 67.5122, and 143.121, RSMo,  
2 are repealed and four new sections enacted in lieu thereof, to  
3 be known as sections 67.2677, 67.5122, 143.121, and 144.058, to  
4 read as follows:

67.2677. **[1.]** For purposes of sections 67.2675 to  
2 67.2714, the following terms mean:

- 3 (1) "Cable operator", as defined in 47 U.S.C. Section  
4 522(5);
- 5 (2) "Cable system", as defined in 47 U.S.C. Section  
6 522(7);
- 7 (3) "Franchise", an initial authorization, or renewal  
8 of an authorization, issued by a franchising entity,  
9 regardless of whether the authorization is designated as a  
10 franchise, permit, license, resolution, contract,  
11 certificate, agreement, or otherwise, that authorizes the  
12 provision of video service and any affiliated or subsidiary  
13 agreements related to such authorization;

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

14           (4) "Franchise area", the total geographic area  
15 authorized to be served by an incumbent cable operator in a  
16 political subdivision as of August 28, 2007, or, in the case  
17 of an incumbent local exchange carrier, as such term is  
18 defined in 47 U.S.C. Section 251(h), or affiliate thereof,  
19 the area within such political subdivision in which such  
20 carrier provides telephone exchange service;

21           (5) "Franchise entity", a political subdivision that  
22 was entitled to require franchises and impose fees on cable  
23 operators on the day before the effective date of sections  
24 67.2675 to 67.2714, provided that only one political  
25 subdivision may be a franchise entity with regard to a  
26 geographic area;

27           (6) (a) "Gross revenues", limited to amounts billed  
28 to video service subscribers for the following:

29           a. Recurring charges for video service; and  
30           b. Event-based charges for video service, including  
31 but not limited to pay-per-view and video-on-demand charges;

32           (b) "Gross revenues" do not include:

33           a. Discounts, refunds, and other price adjustments  
34 that reduce the amount of compensation received by an entity  
35 holding a video service authorization;

36           b. Uncollectibles;

37           c. Late payment fees;

38           d. Amounts billed to video service subscribers to  
39 recover taxes, fees, or surcharges imposed on video service  
40 subscribers or video service providers in connection with  
41 the provision of video services, including the video service  
42 provider fee authorized by this section;

43           e. Fees or other contributions for PEG or I-Net  
44 support;

45 f. Charges for services other than video service that  
46 are aggregated or bundled with amounts billed to video  
47 service subscribers, if the entity holding a video service  
48 authorization reasonably can identify such charges on books  
49 and records kept in the regular course of business or by  
50 other reasonable means;

51 g. Rental of set top boxes, modems, or other equipment  
52 used to provide or facilitate the provision of video service;

53 h. Service charges related to the provision of video  
54 service including, but not limited to, activation,  
55 installation, repair, and maintenance charges;

56 i. Administrative charges related to the provision of  
57 video service including, but not limited to, service order  
58 and service termination charges; or

59 j. A pro rata portion of all revenue derived from  
60 advertising, less refunds, rebates, or discounts;

61 (c) Except with respect to the exclusion of the video  
62 service provider fee, gross revenues shall be computed in  
63 accordance with generally accepted accounting principles;

64 (7) "Household", an apartment, a house, a mobile home,  
65 or any other structure or part of a structure intended for  
66 residential occupancy as separate living quarters;

67 (8) "Incumbent cable operator", the cable service  
68 provider serving cable subscribers in a particular franchise  
69 area on September 1, 2007;

70 (9) "Low-income household", a household with an  
71 average annual household income of less than thirty-five  
72 thousand dollars;

73 (10) "Person", an individual, partnership,  
74 association, organization, corporation, trust, or government  
75 entity;

76 (11) "Political subdivision", a city, town, village,  
77 county;

78 (12) "Public right-of-way", the area of real property  
79 in which a political subdivision has a dedicated or acquired  
80 right-of-way interest in the real property, including the  
81 area on, below, or above the present and future streets,  
82 alleys, avenues, roads, highways, parkways, or boulevards  
83 dedicated or acquired as right-of-way and utility easements  
84 dedicated for compatible uses. The term does not include  
85 the airwaves above a right-of-way with regard to wireless  
86 telecommunications or other nonwire telecommunications or  
87 broadcast service;

88 (13) "Video programming", programming provided by, or  
89 generally considered comparable to programming provided by,  
90 a television broadcast station, as set forth in 47 U.S.C.  
91 Section 522(20);

92 (14) "Video service", the provision of video  
93 programming **by a video service provider** provided through  
94 wireline facilities located at least in part in the public  
95 right-of-way without regard to delivery technology,  
96 including internet protocol technology whether provided as  
97 part of a tier, on demand, or **on** a per-channel basis. This  
98 definition includes cable service as defined by 47 U.S.C.  
99 Section 522(6), but does not include any video programming  
100 provided by a commercial mobile service provider defined in  
101 47 U.S.C. Section 332(d), or any video programming [provided  
102 solely as part of and] **accessed** via a service that enables  
103 users to access content, information, electronic mail, or  
104 other services offered over the [public] internet, **including**  
105 **streaming content**;

106 (15) "Video service authorization", the right of a  
107 video service provider or an incumbent cable operator that

108 secures permission from the public service commission  
109 pursuant to sections 67.2675 to 67.2714, to offer video  
110 service to subscribers in a political subdivision;

111 (16) "Video service network", wireline facilities, or  
112 any component thereof, located at least in part in the  
113 public right-of-way that deliver video service, without  
114 regard to delivery technology, including internet protocol  
115 technology or any successor technology. The term video  
116 service network shall include cable systems;

117 (17) "Video service provider", any person that  
118 distributes video service through a video service network  
119 pursuant to a video service authorization;

120 (18) "Video service provider fee", the fee imposed  
121 under section 67.2689.

122 [2. The repeal and reenactment of this section shall  
123 become effective August 28, 2023.]

67.5122. Sections 67.5110 to 67.5122 shall expire on  
2 [January 1, 2025] **December 31, 2029**, except that for small  
3 wireless facilities already permitted or collocated on  
4 authority poles prior to such date, the rate set forth in  
5 section 67.5116 for collocation of small wireless facilities  
6 on authority poles shall remain effective for the duration  
7 of the permit authorizing the collocation.

143.121. 1. The Missouri adjusted gross income of a  
2 resident individual shall be the taxpayer's federal adjusted  
3 gross income subject to the modifications in this section.

4 2. There shall be added to the taxpayer's federal  
5 adjusted gross income:

6 (1) The amount of any federal income tax refund  
7 received for a prior year which resulted in a Missouri  
8 income tax benefit. The amount added pursuant to this  
9 subdivision shall not include any amount of a federal income

10 tax refund attributable to a tax credit reducing a  
11 taxpayer's federal tax liability pursuant to Public Law 116-  
12 136 or 116-260, enacted by the 116th United States Congress,  
13 for the tax year beginning on or after January 1, 2020, and  
14 ending on or before December 31, 2020, and deducted from  
15 Missouri adjusted gross income pursuant to section 143.171.  
16 The amount added under this subdivision shall also not  
17 include any amount of a federal income tax refund  
18 attributable to a tax credit reducing a taxpayer's federal  
19 tax liability under any other federal law that provides  
20 direct economic impact payments to taxpayers to mitigate  
21 financial challenges related to the COVID-19 pandemic, and  
22 deducted from Missouri adjusted gross income under section  
23 143.171;

24 (2) Interest on certain governmental obligations  
25 excluded from federal gross income by 26 U.S.C. Section 103  
26 of the Internal Revenue Code, as amended. The previous  
27 sentence shall not apply to interest on obligations of the  
28 state of Missouri or any of its political subdivisions or  
29 authorities and shall not apply to the interest described in  
30 subdivision (1) of subsection 3 of this section. The amount  
31 added pursuant to this subdivision shall be reduced by the  
32 amounts applicable to such interest that would have been  
33 deductible in computing the taxable income of the taxpayer  
34 except only for the application of 26 U.S.C. Section 265 of  
35 the Internal Revenue Code, as amended. The reduction shall  
36 only be made if it is at least five hundred dollars;

37 (3) The amount of any deduction that is included in  
38 the computation of federal taxable income pursuant to 26  
39 U.S.C. Section 168 of the Internal Revenue Code as amended  
40 by the Job Creation and Worker Assistance Act of 2002 to the  
41 extent the amount deducted relates to property purchased on

42 or after July 1, 2002, but before July 1, 2003, and to the  
43 extent the amount deducted exceeds the amount that would  
44 have been deductible pursuant to 26 U.S.C. Section 168 of  
45 the Internal Revenue Code of 1986 as in effect on January 1,  
46 2002;

47 (4) The amount of any deduction that is included in  
48 the computation of federal taxable income for net operating  
49 loss allowed by 26 U.S.C. Section 172 of the Internal  
50 Revenue Code of 1986, as amended, other than the deduction  
51 allowed by 26 U.S.C. Section 172(b)(1)(G) and 26 U.S.C.  
52 Section 172(i) of the Internal Revenue Code of 1986, as  
53 amended, for a net operating loss the taxpayer claims in the  
54 tax year in which the net operating loss occurred or carries  
55 forward for a period of more than twenty years and carries  
56 backward for more than two years. Any amount of net  
57 operating loss taken against federal taxable income but  
58 disallowed for Missouri income tax purposes pursuant to this  
59 subdivision after June 18, 2002, may be carried forward and  
60 taken against any income on the Missouri income tax return  
61 for a period of not more than twenty years from the year of  
62 the initial loss; and

63 (5) For nonresident individuals in all taxable years  
64 ending on or after December 31, 2006, the amount of any  
65 property taxes paid to another state or a political  
66 subdivision of another state for which a deduction was  
67 allowed on such nonresident's federal return in the taxable  
68 year unless such state, political subdivision of a state, or  
69 the District of Columbia allows a subtraction from income  
70 for property taxes paid to this state for purposes of  
71 calculating income for the income tax for such state,  
72 political subdivision of a state, or the District of  
73 Columbia;

74           (6) For all tax years beginning on or after January 1,  
75 2018, any interest expense paid or accrued in a previous  
76 taxable year, but allowed as a deduction under 26 U.S.C.  
77 Section 163, as amended, in the current taxable year by  
78 reason of the carryforward of disallowed business interest  
79 provisions of 26 U.S.C. Section 163(j), as amended. For the  
80 purposes of this subdivision, an interest expense is  
81 considered paid or accrued only in the first taxable year  
82 the deduction would have been allowable under 26 U.S.C.  
83 Section 163, as amended, if the limitation under 26 U.S.C.  
84 Section 163(j), as amended, did not exist.

85           3. There shall be subtracted from the taxpayer's  
86 federal adjusted gross income the following amounts to the  
87 extent included in federal adjusted gross income:

88           (1) Interest received on deposits held at a federal  
89 reserve bank or interest or dividends on obligations of the  
90 United States and its territories and possessions or of any  
91 authority, commission or instrumentality of the United  
92 States to the extent exempt from Missouri income taxes  
93 pursuant to the laws of the United States. The amount  
94 subtracted pursuant to this subdivision shall be reduced by  
95 any interest on indebtedness incurred to carry the described  
96 obligations or securities and by any expenses incurred in  
97 the production of interest or dividend income described in  
98 this subdivision. The reduction in the previous sentence  
99 shall only apply to the extent that such expenses including  
100 amortizable bond premiums are deducted in determining the  
101 taxpayer's federal adjusted gross income or included in the  
102 taxpayer's Missouri itemized deduction. The reduction shall  
103 only be made if the expenses total at least five hundred  
104 dollars;

105           (2) The portion of any gain, from the sale or other  
106 disposition of property having a higher adjusted basis to  
107 the taxpayer for Missouri income tax purposes than for  
108 federal income tax purposes on December 31, 1972, that does  
109 not exceed such difference in basis. If a gain is  
110 considered a long-term capital gain for federal income tax  
111 purposes, the modification shall be limited to one-half of  
112 such portion of the gain;

113           (3) The amount necessary to prevent the taxation  
114 pursuant to this chapter of any annuity or other amount of  
115 income or gain which was properly included in income or gain  
116 and was taxed pursuant to the laws of Missouri for a taxable  
117 year prior to January 1, 1973, to the taxpayer, or to a  
118 decedent by reason of whose death the taxpayer acquired the  
119 right to receive the income or gain, or to a trust or estate  
120 from which the taxpayer received the income or gain;

121           (4) Accumulation distributions received by a taxpayer  
122 as a beneficiary of a trust to the extent that the same are  
123 included in federal adjusted gross income;

124           (5) The amount of any state income tax refund for a  
125 prior year which was included in the federal adjusted gross  
126 income;

127           (6) The portion of capital gain specified in section  
128 135.357 that would otherwise be included in federal adjusted  
129 gross income;

130           (7) The amount that would have been deducted in the  
131 computation of federal taxable income pursuant to 26 U.S.C.  
132 Section 168 of the Internal Revenue Code as in effect on  
133 January 1, 2002, to the extent that amount relates to  
134 property purchased on or after July 1, 2002, but before July  
135 1, 2003, and to the extent that amount exceeds the amount  
136 actually deducted pursuant to 26 U.S.C. Section 168 of the

137 Internal Revenue Code as amended by the Job Creation and  
138 Worker Assistance Act of 2002;

139 (8) For all tax years beginning on or after January 1,  
140 2005, the amount of any income received for military service  
141 while the taxpayer serves in a combat zone which is included  
142 in federal adjusted gross income and not otherwise excluded  
143 therefrom. As used in this section, "combat zone" means any  
144 area which the President of the United States by Executive  
145 Order designates as an area in which Armed Forces of the  
146 United States are or have engaged in combat. Service is  
147 performed in a combat zone only if performed on or after the  
148 date designated by the President by Executive Order as the  
149 date of the commencing of combat activities in such zone,  
150 and on or before the date designated by the President by  
151 Executive Order as the date of the termination of combatant  
152 activities in such zone;

153 (9) For all tax years ending on or after July 1, 2002,  
154 with respect to qualified property that is sold or otherwise  
155 disposed of during a taxable year by a taxpayer and for  
156 which an additional modification was made under subdivision  
157 (3) of subsection 2 of this section, the amount by which  
158 additional modification made under subdivision (3) of  
159 subsection 2 of this section on qualified property has not  
160 been recovered through the additional subtractions provided  
161 in subdivision (7) of this subsection;

162 (10) For all tax years beginning on or after January  
163 1, 2014, the amount of any income received as payment from  
164 any program which provides compensation to agricultural  
165 producers who have suffered a loss as the result of a  
166 disaster or emergency, including the:

167 (a) Livestock Forage Disaster Program;

168 (b) Livestock Indemnity Program;

169 (c) Emergency Assistance for Livestock, Honeybees, and  
170 Farm-Raised Fish;

171 (d) Emergency Conservation Program;

172 (e) Noninsured Crop Disaster Assistance Program;

173 (f) Pasture, Rangeland, Forage Pilot Insurance Program;

174 (g) Annual Forage Pilot Program;

175 (h) Livestock Risk Protection Insurance Plan;

176 (i) Livestock Gross Margin Insurance Plan;

177 (11) For all tax years beginning on or after January  
178 1, 2018, any interest expense paid or accrued in the current  
179 taxable year, but not deducted as a result of the limitation  
180 imposed under 26 U.S.C. Section 163(j), as amended. For the  
181 purposes of this subdivision, an interest expense is  
182 considered paid or accrued only in the first taxable year  
183 the deduction would have been allowable under 26 U.S.C.  
184 Section 163, as amended, if the limitation under 26 U.S.C.  
185 Section 163(j), as amended, did not exist;

186 (12) One hundred percent of any retirement benefits  
187 received by any taxpayer as a result of the taxpayer's  
188 service in the Armed Forces of the United States, including  
189 reserve components and the National Guard of this state, as  
190 defined in 32 U.S.C. Sections 101(3) and 109, and any other  
191 military force organized under the laws of this state; and

192 (13) **For all tax years beginning on or after January**  
193 **1, 2022**, one hundred percent of any federal, **state, or local**  
194 grant moneys received [for the purpose of providing or  
195 expanding access to broadband internet to areas of the state  
196 deemed to be lacking such access] **by the taxpayer if the**  
197 **grant money was disbursed for the express purpose of**  
198 **providing or expanding access to broadband internet to areas**  
199 **of the state deemed to be lacking such access.**

200           4. There shall be added to or subtracted from the  
201 taxpayer's federal adjusted gross income the taxpayer's  
202 share of the Missouri fiduciary adjustment provided in  
203 section 143.351.

204           5. There shall be added to or subtracted from the  
205 taxpayer's federal adjusted gross income the modifications  
206 provided in section 143.411.

207           6. In addition to the modifications to a taxpayer's  
208 federal adjusted gross income in this section, to calculate  
209 Missouri adjusted gross income there shall be subtracted  
210 from the taxpayer's federal adjusted gross income any gain  
211 recognized pursuant to 26 U.S.C. Section 1033 of the  
212 Internal Revenue Code of 1986, as amended, arising from  
213 compulsory or involuntary conversion of property as a result  
214 of condemnation or the imminence thereof.

215           7. (1) As used in this subsection, "qualified health  
216 insurance premium" means the amount paid during the tax year  
217 by such taxpayer for any insurance policy primarily  
218 providing health care coverage for the taxpayer, the  
219 taxpayer's spouse, or the taxpayer's dependents.

220           (2) In addition to the subtractions in subsection 3 of  
221 this section, one hundred percent of the amount of qualified  
222 health insurance premiums shall be subtracted from the  
223 taxpayer's federal adjusted gross income to the extent the  
224 amount paid for such premiums is included in federal taxable  
225 income. The taxpayer shall provide the department of  
226 revenue with proof of the amount of qualified health  
227 insurance premiums paid.

228           8. (1) Beginning January 1, 2014, in addition to the  
229 subtractions provided in this section, one hundred percent  
230 of the cost incurred by a taxpayer for a home energy audit  
231 conducted by an entity certified by the department of

232 natural resources under section 640.153 or the  
233 implementation of any energy efficiency recommendations made  
234 in such an audit shall be subtracted from the taxpayer's  
235 federal adjusted gross income to the extent the amount paid  
236 for any such activity is included in federal taxable  
237 income. The taxpayer shall provide the department of  
238 revenue with a summary of any recommendations made in a  
239 qualified home energy audit, the name and certification  
240 number of the qualified home energy auditor who conducted  
241 the audit, and proof of the amount paid for any activities  
242 under this subsection for which a deduction is claimed. The  
243 taxpayer shall also provide a copy of the summary of any  
244 recommendations made in a qualified home energy audit to the  
245 department of natural resources.

246 (2) At no time shall a deduction claimed under this  
247 subsection by an individual taxpayer or taxpayers filing  
248 combined returns exceed one thousand dollars per year for  
249 individual taxpayers or cumulatively exceed two thousand  
250 dollars per year for taxpayers filing combined returns.

251 (3) Any deduction claimed under this subsection shall  
252 be claimed for the tax year in which the qualified home  
253 energy audit was conducted or in which the implementation of  
254 the energy efficiency recommendations occurred. If  
255 implementation of the energy efficiency recommendations  
256 occurred during more than one year, the deduction may be  
257 claimed in more than one year, subject to the limitations  
258 provided under subdivision (2) of this subsection.

259 (4) A deduction shall not be claimed for any otherwise  
260 eligible activity under this subsection if such activity  
261 qualified for and received any rebate or other incentive  
262 through a state-sponsored energy program or through an

263 electric corporation, gas corporation, electric cooperative,  
264 or municipally owned utility.

265 9. The provisions of subsection 8 of this section  
266 shall expire on December 31, 2020.

267 10. (1) As used in this subsection, the following  
268 terms mean:

269 (a) "Beginning farmer", a taxpayer who:

270 a. Has filed at least one but not more than ten  
271 Internal Revenue Service Schedule F (Form 1040) Profit or  
272 Loss From Farming forms since turning eighteen years of age;

273 b. Is approved for a beginning farmer loan through the  
274 USDA Farm Service Agency Beginning Farmer direct or  
275 guaranteed loan program;

276 c. Has a farming operation that is determined by the  
277 department of agriculture to be new production agriculture  
278 but is the principal operator of a farm and has substantial  
279 farming knowledge; or

280 d. Has been determined by the department of  
281 agriculture to be a qualified family member;

282 (b) "Farm owner", an individual who owns farmland and  
283 disposes of or relinquishes use of all or some portion of  
284 such farmland as follows:

285 a. A sale to a beginning farmer;

286 b. A lease or rental agreement not exceeding ten years  
287 with a beginning farmer; or

288 c. A crop-share arrangement not exceeding ten years  
289 with a beginning farmer;

290 (c) "Qualified family member", an individual who is  
291 related to a farm owner within the fourth degree by blood,  
292 marriage, or adoption and who is purchasing or leasing or is  
293 in a crop-share arrangement for land from all or a portion  
294 of such farm owner's farming operation.

295           (2) (a) In addition to all other subtractions  
296 authorized in this section, a taxpayer who is a farm owner  
297 who sells all or a portion of such farmland to a beginning  
298 farmer may subtract from such taxpayer's Missouri adjusted  
299 gross income an amount to the extent included in federal  
300 adjusted gross income as provided in this subdivision.

301           (b) Subject to the limitations in paragraph (c) of  
302 this subdivision, the amount that may be subtracted shall be  
303 equal to the portion of capital gains received from the sale  
304 of such farmland that such taxpayer receives in the tax year  
305 for which such taxpayer subtracts such capital gain.

306           (c) A taxpayer may subtract the following amounts and  
307 percentages per tax year in total capital gains received  
308 from the sale of such farmland under this subdivision:

309           a. For the first two million dollars received, one  
310 hundred percent;

311           b. For the next one million dollars received, eighty  
312 percent;

313           c. For the next one million dollars received, sixty  
314 percent;

315           d. For the next one million dollars received, forty  
316 percent; and

317           e. For the next one million dollars received, twenty  
318 percent.

319           (d) The department of revenue shall prepare an annual  
320 report reviewing the costs and benefits and containing  
321 statistical information regarding the subtraction of capital  
322 gains authorized under this subdivision for the previous tax  
323 year including, but not limited to, the total amount of all  
324 capital gains subtracted and the number of taxpayers  
325 subtracting such capital gains. Such report shall be  
326 submitted before February first of each year to the

327 committee on agriculture policy of the Missouri house of  
328 representatives and the committee on agriculture, food  
329 production and outdoor resources of the Missouri senate, or  
330 the successor committees.

331 (3) (a) In addition to all other subtractions  
332 authorized in this section, a taxpayer who is a farm owner  
333 who enters a lease or rental agreement for all or a portion  
334 of such farmland with a beginning farmer may subtract from  
335 such taxpayer's Missouri adjusted gross income an amount to  
336 the extent included in federal adjusted gross income as  
337 provided in this subdivision.

338 (b) Subject to the limitation in paragraph (c) of this  
339 subdivision, the amount that may be subtracted shall be  
340 equal to the portion of cash rent income received from the  
341 lease or rental of such farmland that such taxpayer receives  
342 in the tax year for which such taxpayer subtracts such  
343 income.

344 (c) No taxpayer shall subtract more than twenty-five  
345 thousand dollars per tax year in total cash rent income  
346 received from the lease or rental of such farmland under  
347 this subdivision.

348 (4) (a) In addition to all other subtractions  
349 authorized in this section, a taxpayer who is a farm owner  
350 who enters a crop-share arrangement on all or a portion of  
351 such farmland with a beginning farmer may subtract from such  
352 taxpayer's Missouri adjusted gross income an amount to the  
353 extent included in federal adjusted gross income as provided  
354 in this subdivision.

355 (b) Subject to the limitation in paragraph (c) of this  
356 subdivision, the amount that may be subtracted shall be  
357 equal to the portion of income received from the crop-share

358 arrangement on such farmland that such taxpayer receives in  
359 the tax year for which such taxpayer subtracts such income.

360 (c) No taxpayer shall subtract more than twenty-five  
361 thousand dollars per tax year in total income received from  
362 the lease or rental of such farmland under this subdivision.

363 (5) The department of agriculture shall, by rule,  
364 establish a process to verify that a taxpayer is a beginning  
365 farmer for purposes of this section and shall provide  
366 verification to the beginning farmer and farm seller of such  
367 farmer's and seller's certification and qualification for  
368 the exemption provided in this subsection.

144.058. In addition to the other exemptions granted  
2 pursuant to this chapter, there is hereby specifically  
3 exempted from the provisions of and the computation of the  
4 tax levied, assessed, or payable pursuant to this chapter  
5 and the local sales tax law as defined in section 32.085,  
6 electrical energy and gas, whether natural, artificial, or  
7 propane; water, coal, and energy sources; chemicals,  
8 machinery, equipment, parts, and material used or consumed  
9 in connection with or to facilitate the generation,  
10 transmission, distribution, sale, or furnishing of  
11 electricity for light, heat, or power; and any conduits,  
12 ducts, or other devices, materials, apparatus, or property  
13 for containing, holding, or carrying conductors used or to  
14 be used for the transmission of electricity for light, heat,  
15 or power service to consumers. The provisions of this  
16 section shall be in addition to any other sales or use tax  
17 exemption provided by law. Any public utility, as such term  
18 is defined in section 386.020, that realizes any savings as  
19 a result of the sales tax exemption provided in this section  
20 shall provide the public service commission information on  
21 the amount of savings realized in such public utility's next

22 general rate proceeding and shall include a statement that  
23 such savings will be passed through to the public utility's  
24 rate revenue requirement determined in the public utility's  
25 next general rate proceeding. As used in this section,  
26 savings realized shall be calculated as the difference  
27 between sales tax incurred and sales tax expense included in  
28 current rates.

✓