

FIRST REGULAR SESSION

# SENATE BILL NO. 237

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR HENDERSON.

0285S.01H

KRISTINA MARTIN, Secretary

## AN ACT

To repeal section 144.054, RSMo, and to enact in lieu thereof one new section relating to sales tax exemptions.

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

Section A. Section 144.054, RSMo, is repealed and one new  
2 section enacted in lieu thereof, to be known as section 144.054,  
3 to read as follows:

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

3 (1) "Nuclear security enterprise", the same meaning as  
4 defined in 50 U.S.C. Section 2501, inclusive of buildings,  
5 structures, and infrastructure constructed for use as a  
6 defense nuclear facility as defined in 50 U.S.C. Section  
7 2501;

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

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

16 (4) "Product" includes, but is not limited to,  
17 telecommunications services;

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

18           (5) "Recovered materials", those materials which have  
19 been diverted or removed from the solid waste stream for  
20 sale, use, reuse, or recycling, whether or not they require  
21 subsequent separation and processing.

22           2.   **(1)** In addition to all other exemptions granted  
23 under this chapter, there is hereby specifically exempted  
24 from the provisions of this chapter [and the local sales tax  
25 law as defined in section 32.085] and from the computation  
26 of the tax levied, assessed, or payable under this chapter  
27 [and the local sales tax law as defined in section 32.085],  
28 electrical energy and gas, whether natural, artificial, or  
29 propane, water, coal, and energy sources, chemicals,  
30 machinery, equipment, and materials used or consumed in the  
31 manufacturing, processing, compounding, mining, or producing  
32 of any product, or used or consumed in the processing of  
33 recovered materials, or used in research and development  
34 related to manufacturing, processing, compounding, mining,  
35 or producing any product. The construction and application  
36 of this subsection as expressed by the Missouri supreme  
37 court in *DST Systems, Inc. v. Director of Revenue*, 43 S.W.3d  
38 799 (Mo. banc 2001); *Southwestern Bell Tel. Co. v. Director*  
39 *of Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and *Southwestern*  
40 *Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo.  
41 banc 2005), is hereby affirmed.

42           **(2)** In addition to the exemption granted pursuant to  
43 subdivision (1) of this subsection, a political subdivision  
44 may exempt such transactions from any sales tax levied by  
45 such political subdivision pursuant to the local sales tax  
46 law as defined in section 32.085, provided that no such  
47 exemption shall become effective unless approved by a vote  
48 of the people.

49           3. In addition to all other exemptions granted under  
50 this chapter, there is hereby specifically exempted from the  
51 provisions of this chapter and the local sales tax law as  
52 defined in section 32.085, and from the computation of the  
53 tax levied, assessed, or payable under this chapter and the  
54 local sales tax law as defined in section 32.085, all  
55 utilities, machinery, and equipment used or consumed  
56 directly in television or radio broadcasting and all sales  
57 and purchases of tangible personal property, utilities,  
58 services, or any other transaction that would otherwise be  
59 subject to the state or local sales or use tax when such  
60 sales are made to or purchases are made by a contractor for  
61 use in fulfillment of any obligation under a defense  
62 contract with the United States government, and all sales  
63 and leases of tangible personal property by any county,  
64 city, incorporated town, or village, provided such sale or  
65 lease is authorized under chapter 100, and such transaction  
66 is certified for sales tax exemption by the department of  
67 economic development, and tangible personal property used  
68 for railroad infrastructure brought into this state for  
69 processing, fabrication, or other modification for use  
70 outside the state in the regular course of business.

71           4. In addition to all other exemptions granted under  
72 this chapter, there is hereby specifically exempted from the  
73 provisions of this chapter and the local sales tax law as  
74 defined in section 32.085, and from the computation of the  
75 tax levied, assessed, or payable under this chapter and the  
76 local sales tax law as defined in section 32.085, all sales  
77 and purchases of tangible personal property, utilities,  
78 services, or any other transaction that would otherwise be  
79 subject to the state or local sales or use tax when such  
80 sales are made to or purchases are made by a private partner

81 for use in completing a project under sections 227.600 to  
82 227.669.

83         5. In addition to all other exemptions granted under  
84 this chapter, there is hereby specifically exempted from the  
85 provisions of this chapter and the local sales tax law as  
86 defined in section 32.085, and from the computation of the  
87 tax levied, assessed, or payable under this chapter and the  
88 local sales tax law as defined in section 32.085, all  
89 materials, manufactured goods, machinery and parts,  
90 electrical energy and gas, whether natural, artificial or  
91 propane, water, coal and other energy sources, chemicals,  
92 soaps, detergents, cleaning and sanitizing agents, and other  
93 ingredients and materials inserted by commercial or  
94 industrial laundries to treat, clean, and sanitize textiles  
95 in facilities which process at least five hundred pounds of  
96 textiles per hour and at least sixty thousand pounds per  
97 week.

98         6. In addition to all other exemptions granted  
99 pursuant to this chapter, there is hereby exempted from the  
100 provisions of and the computation of the tax levied,  
101 assessed, or payable pursuant to this chapter and the local  
102 sales tax law as defined in section 32.085, all sales and  
103 purchases of tangible personal property, building materials,  
104 equipment, fixtures, manufactured goods, machinery, and  
105 parts for the purposes of constructing all or any portion of  
106 a nuclear security enterprise located in any city with more  
107 than four hundred thousand inhabitants and located in more  
108 than one county. This subsection shall expire on August 28,  
109 2034.

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