

SENATE COMMITTEE SUBSTITUTE

FOR

HOUSE COMMITTEE SUBSTITUTE

FOR

HOUSE BILL NO. 3308

AN ACT

To repeal sections 144.054 and 144.805, RSMo, and to enact in lieu thereof three new sections relating to sales tax exemptions.

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

Section A. Sections 144.054 and 144.805, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 144.052, 144.054, and 144.805, to read as follows:

144.052. 1. As used in this section, the term "campground" shall mean any parcel or tract of land, including buildings and other structures, where five or more campsites are made available for use as temporary living quarters for recreational, camping, travel, or seasonal use. The term "campground" shall also include recreational vehicle parks.

2. Notwithstanding any other law to the contrary, 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 sections 144.600 to 144.761 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 sections 144.600 to 144.761 and the local sales tax law as defined in section 32.085, fees or charges for rental of lots, buildings, other structures, and amenities in a campground. The provisions

of this section shall be in addition to any other sales or use tax exemptions provided by law.

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

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

(2) "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;

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

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

(5) "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 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 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 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, 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 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, 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 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, 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.

6. In addition to all other exemptions granted pursuant to this chapter, there is hereby exempted from the provisions of and the computation of the tax levied, assessed, or payable pursuant to this chapter and the local sales tax law as defined in section 32.085, all sales and purchases of tangible personal property, building materials,

equipment, fixtures, manufactured goods, machinery, and parts for the purposes of constructing all or any portion of a nuclear security enterprise located in any city with more than four hundred thousand inhabitants and located in more than one county. This subsection shall expire on August 28, 2034.

7. In addition to all other exemptions granted under this chapter, there is hereby exempted from the provisions of and the computation of the tax levied, assessed, or payable under this chapter and the local sales tax law as defined under section 32.085 all sales and purchases of equipment and materials purchased by a contractor or subcontractor to be used for the purposes of the development and construction of public improvements to real property and public facilities that, under the provision of approved development plans, shall be owned by the United States government, the state, or any county, municipality, or other political subdivision of this state.

144.805. 1. In addition to the exemptions granted pursuant to the provisions of section 144.030, there shall also be specifically exempted from the provisions of sections 144.010 to 144.525, sections 144.600 to 144.746, and section 238.235, and the provisions of any local sales tax law, as defined in section 32.085, and from the computation of the tax levied, assessed or payable pursuant to sections 144.010 to 144.525, sections 144.600 to 144.746, and section 238.235, and the provisions of any local sales tax law, as defined in section 32.085, all sales of aviation jet fuel in a given calendar year to common carriers engaged in the interstate air transportation of passengers and cargo, and the storage, use and consumption of such aviation jet fuel by such common carriers, if such common carrier has first paid to the state of Missouri, in accordance with the

provisions of this chapter, state sales and use taxes pursuant to the foregoing provisions and applicable to the purchase, storage, use or consumption of such aviation jet fuel in a maximum and aggregate amount of one million five hundred thousand dollars of state sales and use taxes in such calendar year.

2. To qualify for the exemption prescribed in subsection 1 of this section, the common carrier shall furnish to the seller a certificate in writing to the effect that an exemption pursuant to this section is applicable to the aviation jet fuel so purchased, stored, used and consumed. The director of revenue shall permit any such common carrier to enter into a direct-pay agreement with the department of revenue, pursuant to which such common carrier may pay directly to the department of revenue any applicable sales and use taxes on such aviation jet fuel up to the maximum aggregate amount of one million five hundred thousand dollars in each calendar year. The director of revenue shall adopt appropriate rules and regulations to implement the provisions of this section, and to permit appropriate claims for refunds of any excess sales and use taxes collected in calendar year 1993 or any subsequent year with respect to any such common carrier and aviation jet fuel.

3. The provisions of this section shall apply to all purchases and deliveries of aviation jet fuel from and after May 10, 1993.

4. All sales and use tax revenues upon aviation jet fuel received pursuant to this chapter, less the amounts specifically designated pursuant to the constitution or pursuant to section 144.701 for other purposes, shall be deposited to the credit of the aviation trust fund established pursuant to section 155.090; provided however,

the amount of such state sales and use tax revenues deposited to the credit of such aviation trust fund shall not exceed ten million dollars in each calendar year.

5. The provisions of this section and section 144.807 shall expire on December 31, ~~2033~~ 2043.