

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 489

89TH GENERAL ASSEMBLY

Reported from the Committee on Ways and Means, February 16, 1998, with recommendation that the Senate Committee Substitute do pass and be placed on the Consent Calendar.

S2190.02C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal section 144.025, RSMo 1994, relating to taxation, and to enact in lieu thereof one new section relating to the same subject.

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

Section A. Section 144.025, RSMo 1994, is repealed and one new section enacted in lieu thereof, to be known as section 144.025, to read as follows:

144.025. 1. Notwithstanding any other provisions of law to the contrary, in any retail sale other than retail sales governed by subsection [3] **4** of this section, where any article **on which the tax authorized in this chapter was paid** is taken in trade as a credit or part payment on the purchase price of the article being sold, the tax imposed by sections 144.020 and 144.440 shall be computed only on that portion of the purchase price which exceeds the actual allowance made for the article traded in or exchanged, if there is a bill of sale or other record showing the actual allowance made for the article traded in or exchanged. **For the purpose of determining sales or use tax liability, a purchaser of a motor vehicle, trailer, boat or outboard motor shall not be allowed to deduct from the purchase price of the motor vehicle, trailer, boat or outboard motor the actual allowance of any article other than a motor vehicle, trailer, boat or outboard motor traded or exchanged as a credit or partial payment for such item. The department of revenue may assume all sales and use taxes have been properly paid on any item offered for trade, unless the department has reason to believe otherwise, including the sales and use tax on motor vehicles, trailers, boats or outboard motors which have a valid Missouri certificate of title.** Where the purchaser of a motor vehicle, trailer, boat or outboard motor receives a rebate from the seller or manufacturer,

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

the tax imposed by sections 144.020 and 144.440 shall be computed only on that portion of the purchase price which exceeds the amount of the rebate, if there is a bill of sale or other record showing the actual rebate given by the seller or manufacturer. Where the trade-in or exchange allowance plus any applicable rebate exceeds the purchase price of the purchased article there shall be no sales or use tax owed. This section shall also apply to motor vehicles, trailers, boats, and outboard motors sold by the owner if the seller purchases or contracts to purchase a replacement motor vehicle, trailer, boat, or outboard motor within ninety days before or after the date of the sale of the original article and a notarized bill of sale showing the paid sale price is presented to the department of revenue at the time of licensing. A copy of the bill of sale shall be left with the licensing office. Where the new replacement motor vehicle, trailer, boat, or outboard motor is titled more than ninety days after the sale of the original motor vehicle, trailer, boat, or outboard motor, the allowance pursuant to this section shall be made if the person titling such article establishes that the purchase or contract to purchase was finalized prior to the expiration of the ninety-day period.

2. As used in this section, the term "boat" includes all motorboats and vessels, as the terms "motorboat" and "vessel" are defined in section 306.010, RSMo.

3. As used in this section, the term "motor vehicle" includes motor vehicles as defined in section 301.010, RSMo, recreational vehicles as defined in section 700.010, RSMo, or a combination of a truck as defined in section 301.010, RSMo, and a trailer as defined in section 301.010, RSMo.

[3.] 4. The provisions of subsection 1 of this section shall not apply to retail sales of manufactured homes in which the purchaser receives a document known as the "Manufacturer's Statement of Origin" for purposes of obtaining a title to the manufactured home from the department of revenue of this state or from the appropriate agency or officer of any other state.

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