

FIRST REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NOS. 190 & 214**  
**92ND GENERAL ASSEMBLY**

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Reported from the Committee on Tax Policy March 6, 2003, with recommendation that the House Committee Substitute for House Bill Nos. 190 & 214 Do Pass.

STEPHEN S. DAVIS, Chief Clerk

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**AN ACT**

To repeal section 143.183, RSMo, and to enact in lieu thereof one new section relating to the taxation of nonresident professional athletes and entertainers.

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

Section A. Section 143.183, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.183, to read as follows:

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

(1) "Nonresident entertainer", a person residing or registered as a corporation outside this state who, for compensation, performs any vocal, instrumental, musical, comedy, dramatic, dance or other performance in this state before a live audience and any other person traveling with and performing services on behalf of a nonresident entertainer, including a nonresident entertainer who is paid compensation for providing entertainment as an independent contractor, a partnership that is paid compensation for entertainment provided by nonresident entertainers, a corporation that is paid compensation for entertainment provided by nonresident entertainers, or any other entity that is paid compensation for entertainment provided by nonresident entertainers;

(2) "Nonresident member of a professional athletic team", a member of a professional athletic team residing outside this state, including any active player, any player on the disabled list if such player is in uniform on the day of the game at the site of the game, and any other person traveling with and performing services on behalf of a professional athletic team;

(3) "Personal service income" includes exhibition and regular season salaries and wages,

**EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law. Matter in boldface type in the above law is proposed language.**

16 guaranteed payments, strike benefits, deferred payments, severance pay, bonuses, and any other  
17 type of compensation paid to the nonresident entertainer or nonresident member of a professional  
18 athletic team, but does not include prizes, bonuses or incentive money received from competition  
19 in a livestock, equine or rodeo performance, exhibition or show;

20 (4) "Professional athletic team" includes, but is not limited to, any professional baseball,  
21 basketball, football, soccer and hockey team.

22 2. Any person, **venue**, or entity who pays compensation to a nonresident entertainer shall  
23 deduct and withhold from such compensation as a prepayment of tax, an amount equal to two  
24 percent of the total compensation paid to the nonresident entertainer.

25 3. Any person, **venue**, or entity required to deduct and withhold tax pursuant to  
26 subsection 2 of this section, shall, for each calendar quarter, on or before the last day of the  
27 month following the close of such calendar quarter, remit the taxes withheld in such form or  
28 return as prescribed by the director of revenue and pay over to the director of revenue or to a  
29 depository designated by the director of revenue the taxes so required to be deducted and  
30 withheld.

31 4. **Any person, venue, or entity subject to this section shall be considered an**  
32 **employer for purposes of section 143.191, and shall be subject to all penalties, interest, and**  
33 **additions to tax provided in this chapter for failure to comply with this section.**

34 5. Notwithstanding other provisions of this chapter to the contrary, the commissioner of  
35 administration, for all taxable years beginning on or after January 1, 1999, but none after  
36 December 31, [2008] **2015**, shall annually estimate the amount of state income tax revenues  
37 collected pursuant to this chapter which are received from nonresident members of professional  
38 athletic teams and nonresident entertainers. For fiscal year 2000, and for each subsequent fiscal  
39 year for a period of [nine] **fifteen** years, sixty percent of the annual estimate of taxes generated  
40 from the nonresident entertainer and professional athletic team income tax shall be allocated  
41 annually to the Missouri arts council trust fund, and shall be transferred[, subject to  
42 appropriation,] from the general revenue fund to the Missouri arts council trust fund established  
43 in section 185.100, RSMo, and any amount transferred shall be in addition to such agency's  
44 budget base for each fiscal year. Notwithstanding other provisions of this section, the Missouri  
45 arts council shall not be appropriated more than ten million dollars in any fiscal year. The  
46 director shall by rule establish the method of determining the portion of personal service income  
47 of such persons that is allocable to Missouri.

48 [5.] 6. Notwithstanding the provisions of sections 186.050 to 186.067, RSMo, to the  
49 contrary, the commissioner of administration, for all taxable years beginning on or after January  
50 1, 1999, but for none after December 31, [2008] **2015**, shall estimate annually the amount of state  
51 income tax revenues collected pursuant to this chapter which are received from nonresident

52 members of professional athletic teams and nonresident entertainers. For fiscal year 2000, and  
53 for each subsequent fiscal year for a period of [nine] **fifteen** years, ten percent of the annual  
54 estimate of taxes generated from the nonresident entertainer and professional athletic team  
55 income tax shall be allocated annually to the Missouri humanities council trust fund, and shall  
56 be transferred[, subject to appropriation,] from the general revenue fund to the Missouri  
57 humanities council trust fund established in section 186.055, RSMo, and any amount transferred  
58 shall be in addition to such agency's budget base for each fiscal year.

59 [6.] **7.** Notwithstanding other provisions of section 182.812, RSMo, to the contrary, the  
60 commissioner of administration, for all taxable years beginning on or after January 1, 1999, but  
61 for none after December 31, [2008] **2015**, shall estimate annually the amount of state income tax  
62 revenues collected pursuant to this chapter which are received from nonresident members of  
63 professional athletic teams and nonresident entertainers. For fiscal year 2000, and for each  
64 subsequent fiscal year for a period of [nine] **fifteen** years, ten percent of the annual estimate of  
65 taxes generated from the nonresident entertainer and professional athletic team income tax shall  
66 be allocated annually to the Missouri state library networking fund, and shall be transferred[,  
67 subject to appropriation,] from the general revenue fund to the secretary of state for distribution  
68 to public libraries for acquisition of library materials as established in section 182.812, RSMo,  
69 and any amount transferred shall be in addition to such agency's budget base for each fiscal year.

70 [7.] **8.** Notwithstanding other provisions of [section] **sections 37.200 to 37.230**, RSMo,  
71 to the contrary, the commissioner of administration, for all taxable years beginning on or after  
72 January 1, 1999, but for none after December 31, [2008] **2015**, shall estimate annually the  
73 amount of state income tax revenues collected pursuant to this chapter which are received from  
74 nonresident members of professional athletic teams and nonresident entertainers. For fiscal year  
75 2000, and for each subsequent fiscal year for a period of [nine] **fifteen** years, ten percent of the  
76 annual estimate of taxes generated from the nonresident entertainer and professional athletic  
77 team income tax shall be allocated annually to the Missouri public television broadcasting  
78 corporation special fund, and shall be transferred[, subject to appropriation,] from the general  
79 revenue fund to the Missouri public television broadcasting corporation special fund established  
80 in [section] **sections 37.200 to 37.230**, RSMo, and any amount transferred shall be in addition  
81 to such agency's budget base for each fiscal year; provided, however, that twenty-five percent  
82 of such allocation shall be used for grants to public radio stations which were qualified by the  
83 corporation for public broadcasting as of November 1, 1996. Such grants shall be distributed  
84 to each of such public radio stations in this state after receipt of the station's certification of  
85 operating and programming expenses for the prior fiscal year. Certification shall consist of the  
86 most recent fiscal year financial statement submitted by a station to the corporation for public  
87 broadcasting. The grants shall be divided into two categories, an annual basic service grant and

88 an operating grant. The basic service grant shall be equal to thirty-five percent of the total  
89 amount and shall be divided equally among the public radio stations receiving grants. The  
90 remaining amount shall be distributed as an operating grant to the stations on the basis of the  
91 proportion that the total operating expenses of the individual station in the prior fiscal year bears  
92 to the aggregate total of operating expenses for the same fiscal year for all Missouri public radio  
93 stations which are receiving grants.

94 [8.] **9.** Notwithstanding other provisions of section 253.402, RSMo, to the contrary, the  
95 commissioner of administration, for all taxable years beginning on or after January 1, 1999, but  
96 for none after December 31, [2008] **2015**, shall estimate annually the amount of state income tax  
97 revenues collected pursuant to this chapter which are received from nonresident members of  
98 professional athletic teams and nonresident entertainers. For fiscal year 2000, and for each  
99 subsequent fiscal year for a period of [nine] **fifteen** years, ten percent of the annual estimate of  
100 taxes generated from the nonresident entertainer and professional athletic team income tax shall  
101 be allocated annually to the Missouri department of natural resources Missouri historic  
102 preservation revolving fund, and shall be transferred[, subject to appropriation,] from the general  
103 revenue fund to the Missouri department of natural resources Missouri historic preservation  
104 revolving fund established in section 253.402, RSMo, and any amount transferred shall be in  
105 addition to such agency's budget base for each fiscal year. As authorized pursuant to subsection  
106 2 of section 30.953, RSMo, it is the intention and desire of the general assembly that the state  
107 treasurer convey, to the Missouri investment trust on January 1, 1999, up to one hundred percent  
108 of the balances of the Missouri arts council trust fund established pursuant to section 185.100,  
109 RSMo, and the Missouri humanities council trust fund established pursuant to section 186.055,  
110 RSMo. The funds shall be reconveyed to the state treasurer by the investment trust as follows:  
111 the Missouri arts council trust fund, [on] **no earlier than** January 2, [2009] **2016**; and the  
112 Missouri humanities council trust fund, [on] **no earlier than** January 2, [2009] **2016**.