

FIRST REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 600**  
**92ND GENERAL ASSEMBLY**

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Reported from the Committee on Tax Policy March 13, 2003, with recommendation that the House Committee Substitute for House Bill No. 600 Do Pass.

STEPHEN S. DAVIS, Chief Clerk

1980L.03C

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**AN ACT**

To repeal sections 34.040, 143.124, 143.181, 143.225, 143.782, and 144.025, RSMo, and to enact in lieu thereof ten new sections relating to collection efficiencies of the department of revenue, with an emergency clause.

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

Section A. Sections 34.040, 143.124, 143.181, 143.225, 143.782, and 144.025, RSMo, are repealed and ten new sections enacted in lieu thereof, to be known as sections 34.040, 143.124, 143.181, 143.225, 143.782, 144.025, 488.5028, 1, 2, and 3, to read as follows:

34.040. 1. All purchases in excess of three thousand dollars shall be based on competitive bids, except as otherwise provided in this chapter.

2. On any purchase where the estimated expenditure shall be twenty-five thousand dollars or over, except as provided in subsection 5 of this section, the commissioner of administration shall:

(1) Advertise for bids in at least two daily newspapers of general circulation in such places as are most likely to reach prospective bidders and may advertise in at least two weekly minority newspapers and may provide such information through an electronic medium available to the general public at least five days before bids for such purchases are to be opened. Other methods of advertisement, which may include minority business purchase councils, however, may be adopted by the commissioner of administration when such other methods are deemed more advantageous for the supplies to be purchased;

(2) Post a notice of the proposed purchase in his or her office; and

**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.**

14 (3) Solicit bids by mail or other reasonable method generally available to the public from  
15 prospective suppliers. All bids for such supplies shall be mailed or delivered to the office of the  
16 commissioner of administration so as to reach such office before the time set for opening bids.

17 3. The contract shall be let to the lowest and best bidder. The commissioner of  
18 administration shall have the right to reject any or all bids and advertise for new bids, or purchase  
19 the required supplies on the open market if they can be so purchased at a better price. When bids  
20 received pursuant to this section are unreasonable or unacceptable as to terms and conditions,  
21 noncompetitive, or the low bid exceeds available funds and it is determined in writing by the  
22 commissioner of administration that time or other circumstances will not permit the delay  
23 required to resolicit competitive bids, a contract may be negotiated pursuant to this section,  
24 provided that each responsible bidder who submitted such bid under the original solicitation is  
25 notified of the determination and is given a reasonable opportunity to modify their bid and  
26 submit a best and final bid to the state. In cases where the bids received are noncompetitive or  
27 the low bid exceeds available funds, the negotiated price shall be lower than the lowest rejected  
28 bid of any responsible bidder under the original solicitation.

29 4. All bids shall be based on standard specifications wherever such specifications have  
30 been approved by the commissioner of administration. The commissioner of administration shall  
31 make rules governing the delivery, inspection, storage and distribution of all supplies so  
32 purchased and governing the manner in which all claims for supplies delivered shall be  
33 submitted, examined, approved and paid. The commissioner shall determine the amount of bond  
34 or deposit and the character thereof which shall accompany bids or contracts.

35 5. The department of natural resources may, without the approval of the commissioner  
36 of administration required pursuant to this section, enter into contracts of up to five hundred  
37 thousand dollars to abate illegal waste tire sites pursuant to section 260.276, RSMo, when the  
38 director of the department determines that urgent action is needed to protect public health, safety,  
39 natural resources or the environment. The department shall follow bidding procedures pursuant  
40 to this section and may promulgate rules necessary to establish such procedures. Any rule or  
41 portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the  
42 authority delegated in this section shall become effective only if it complies with and is subject  
43 to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This  
44 section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the  
45 general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date or to  
46 disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking  
47 authority and any rule proposed or adopted after August 28, 1999, shall be invalid and void.

48 **6. The commissioner of administration and other agencies to which the state**  
49 **purchasing law applies shall not contract for goods or services with a vendor if the vendor**

50 **or an affiliate of the vendor makes sales at retail of tangible personal property or for the**  
51 **purpose of storage, use, or consumption in this state but fails to collect and properly pay**  
52 **the tax as provided in chapter 144, RSMo. For the purposes of this section, "affiliate of the**  
53 **vendor" shall mean any person or entity that is controlled by or is under common control**  
54 **with the vendor, whether through stock ownership or otherwise.**

143.124. 1. Other provisions of law to the contrary notwithstanding, the total amount  
2 of all annuities, pensions, or retirement allowances above the amount of six thousand dollars  
3 annually provided by any law of this state, the United States, or any other state to any person  
4 except as provided in subsection 4 of this section, shall be subject to tax pursuant to the  
5 provisions of this chapter, in the same manner, to the same extent and under the same conditions  
6 as any other taxable income received by the person receiving it. For purposes of this section,  
7 annuity, pension, or retirement allowance shall be defined as an annuity, pension or retirement  
8 allowance provided by the United States, this state, any other state or any political subdivision  
9 or agency or institution of this or any other state. For all tax years beginning on or after January  
10 1, 1998, for purposes of this section, annuity, pension or retirement allowance shall be defined  
11 to include 401(k) plans, deferred compensation plans, self-employed retirement plans, also  
12 known as Keogh plans, annuities from a defined pension plan and individual retirement  
13 arrangements, also known as IRAs, as described in the Internal Revenue Code, but not including  
14 Roth IRAs, as well as an annuity, pension or retirement allowance provided by the United States,  
15 this state, any other state or any political subdivision or agency or institution of this or any other  
16 state. An individual taxpayer shall only be allowed a maximum deduction of six thousand  
17 dollars pursuant to this section. Taxpayers filing combined returns shall only be allowed a  
18 maximum deduction of six thousand dollars for each taxpayer on the combined return.

19 2. For the period beginning July 1, 1989, and ending December 31, 1989, there shall be  
20 subtracted from Missouri adjusted gross income for that period, determined pursuant to section  
21 143.121, the first three thousand dollars of retirement benefits received by each taxpayer:

22 (1) If the taxpayer's filing status is single, head of household or qualifying widow(er) and  
23 the taxpayer's Missouri adjusted gross income is less than twelve thousand five hundred dollars;  
24 or

25 (2) If the taxpayer's filing status is married filing combined and their combined Missouri  
26 adjusted gross income is less than sixteen thousand dollars; or

27 (3) If the taxpayer's filing status is married filing separately and the taxpayer's Missouri  
28 adjusted gross income is less than eight thousand dollars.

29 3. For the tax years beginning on or after January 1, 1990, there shall be subtracted from  
30 Missouri adjusted gross income, determined pursuant to section 143.121, a maximum of the first  
31 six thousand dollars of retirement benefits received by each taxpayer from sources other than

32 privately funded sources, and for tax years beginning on or after January 1, 1998, there shall be  
33 subtracted from Missouri adjusted gross income, determined pursuant to section 143.121, a  
34 maximum of the first one thousand dollars of any retirement allowance received from any  
35 privately funded source for tax years beginning on or after January 1, 1998, but before January  
36 1, 1999, and a maximum of the first three thousand dollars of any retirement allowance received  
37 from any privately funded source for tax years beginning on or after January 1, 1999, but before  
38 January 1, 2000, and a maximum of the first four thousand dollars of any retirement allowance  
39 received from any privately funded source for tax years beginning on or after January 1, 2000,  
40 but before January 1, 2001, and a maximum of the first five thousand dollars of any retirement  
41 allowance received from any privately funded source for tax years beginning on or after January  
42 1, 2001, but before January 1, 2002, and a maximum of the first six thousand dollars of any  
43 retirement allowance received from any privately funded sources for tax years beginning on or  
44 after January 1, 2002. A taxpayer shall be entitled to the maximum exemption provided by this  
45 subsection:

46 (1) If the taxpayer's filing status is single, head of household or qualifying widow(er) and  
47 the taxpayer's Missouri adjusted gross income is less than twenty-five thousand dollars; or

48 (2) If the taxpayer's filing status is married filing combined and their combined Missouri  
49 adjusted gross income is less than thirty-two thousand dollars; or

50 (3) If the taxpayer's filing status is married filing separately and the taxpayer's Missouri  
51 adjusted gross income is less than sixteen thousand dollars.

52 4. If a taxpayer's adjusted gross income exceeds the adjusted gross income ceiling for  
53 such taxpayer's filing status, as provided in subdivisions (1), (2) and (3) of subsection 3 of this  
54 section, such taxpayer shall be entitled to an exemption equal to the greater of zero or the  
55 maximum exemption provided in subsection 3 of this section reduced by one dollar for every  
56 dollar such taxpayer's income exceeds the ceiling for his or her filing status.

57 5. For purposes of this section, any Social Security benefits otherwise included in  
58 Missouri adjusted gross income shall be subtracted; but Social Security benefits shall not be  
59 subtracted for purposes of other computations pursuant to this chapter, and are not to be  
60 considered as retirement benefits for purposes of this section.

61 6. The provisions of subdivisions (1) and (2) of subsection 3 of this section shall apply  
62 during all tax years in which the federal Internal Revenue Code provides exemption levels for  
63 calculation of the taxability of Social Security benefits that are the same as the levels in  
64 subdivisions (1) and (2) of subsection 3 of this section. If the exemption levels for the  
65 calculation of the taxability of Social Security benefits are adjusted by applicable federal law or  
66 regulation, the exemption levels in subdivisions (1) and (2) of subsection 3 of this section shall  
67 be accordingly adjusted to the same exemption levels.

68           7. The portion of a taxpayer's lump sum distribution from an annuity or other retirement  
69 plan not otherwise included in Missouri adjusted gross income as calculated pursuant to this  
70 chapter, but subject to taxation under Internal Revenue Code Section 402 shall be taxed in an  
71 amount equal to ten percent of the taxpayer's federal liability on such distribution for the same  
72 tax year.

73           8. For purposes of this section, retirement benefits received shall not include any  
74 withdrawals from qualified retirement plans which are subsequently rolled over into another  
75 retirement plan.

76           9. The exemptions provided for in this section shall not affect the calculation of the  
77 income to be used to determine the property tax credit provided in sections 135.010 to 135.035,  
78 RSMo.

79           **10. The exemptions provided for in this section shall apply to any annuity, pension,**  
80 **or retirement allowance as defined in subsection 1 of this section to the extent that such**  
81 **amounts are included in the taxpayer's federal adjusted gross income and not otherwise**  
82 **deducted from the taxpayer's federal adjusted gross income in the calculation of Missouri**  
83 **taxable income.**

          143.181. 1. The Missouri nonresident adjusted gross income shall be that part of the  
2 nonresident individual's federal adjusted gross income derived from sources within Missouri, as  
3 modified in the same manner as set forth in section 143.121 with respect to resident individuals.  
4 It shall be the sum of:

5           (1) The net amount of items of income, gain, loss, and deduction entering into his **or her**  
6 federal adjusted gross income which are derived from or connected with sources in this state  
7 including

8           (a) [His] **The individual's** distributive share of partnership income and deductions  
9 determined under section 143.421, and

10           (b) [His] **The individual's** share of estate or trust income and deductions determined  
11 under section 143.391, and

12           (c) [His] **The individual's** pro rata share of S corporation income and deductions  
13 determined under subsection 3 of section 143.471; and

14           (2) The portion of the modifications described in section 143.121 which relate to income  
15 derived from sources in this state, including any modifications attributable to him **or her** as a  
16 partner.

17           2. Items of income, gain, loss, and deduction derived from or connected with sources  
18 within this state are those items attributable to:

19           (1) The ownership or disposition of any interest in real or tangible personal property in  
20 this state; [and]

21 (2) A business, trade, profession, or occupation carried on in this state;

22 (3) **Winnings from a wager placed in a lottery conducted by the state lottery**  
23 **commission, if the proceeds from such wager are required, pursuant to the Internal**  
24 **Revenue Code of 1986, as amended, or regulations adopted thereunder, to be reported by**  
25 **the state lottery commission to the Internal Revenue Service; and**

26 (4) **Winnings from any other wager placed in this state or from any wagering**  
27 **transaction, gaming activity, or gambling activity in this state, if the proceeds from such**  
28 **wager, wagering transaction, gaming activity, or gambling activity are required, pursuant**  
29 **to the Internal Revenue Code of 1986, as amended, or regulations adopted thereunder, to**  
30 **be reported by the payer to the Internal Revenue Service.**

31 3. Income from intangible personal property, including annuities, dividends, interest, and  
32 gains from the disposition of intangible personal property, shall constitute income derived from  
33 sources within this state only to the extent that such income is from:

34 (1) Property employed in a business, trade, profession, or occupation carried on in this  
35 state;

36 (2) **Winnings from a wager placed in a lottery conducted by the state lottery**  
37 **commission, if the proceeds from such wager are required, pursuant to the Internal**  
38 **Revenue Code of 1986, as amended, or regulations adopted thereunder, to be reported by**  
39 **the state lottery commission to the Internal Revenue Service; and**

40 (3) **Winnings from any other wager placed in this state or from any wagering**  
41 **transaction, gaming activity, or gambling activity in this state, if the proceeds from such**  
42 **wager, wagering transaction, gaming activity, or gambling activity are required, pursuant**  
43 **to the Internal Revenue Code of 1986, as amended, or regulations adopted thereunder, to**  
44 **be reported by the payer to the Internal Revenue Service.**

45 4. Deductions with respect to capital losses, net long-term capital gains, and net  
46 operation losses shall be based solely on income, gains, losses, and deductions derived from  
47 sources within this state in the same manner as the corresponding federal deductions under  
48 regulations to be prescribed by the director of revenue.

49 5. If a business, trade, profession, or occupation is carried on partly within and partly  
50 without this state, the items of income and deduction derived from or connected with sources  
51 within this state shall be determined by apportionment and allocation under regulations to be  
52 prescribed by the director of revenue.

53 6. Compensation paid by the United States for service in the armed forces of the United  
54 States performed by a nonresident shall not constitute income derived from sources within this  
55 state.

143.225. 1. The director of revenue, by regulation, may require an employer to timely

2 remit the unpaid amount required to be deducted and withheld by section 143.191 at the end of  
3 any quarter-monthly period, only if the employer was required to deduct and withhold six  
4 thousand dollars or more in each of at least two months during the prior twelve months.

5         2. The director may increase the monthly requirement to more than six thousand dollars  
6 or otherwise narrow the application of the quarter-monthly remittance system authorized by this  
7 section. The director may not require the remittance of withheld taxes more often than monthly  
8 unless authorized by this section.

9         3. A remittance shall be timely if mailed as provided in section 143.851 within three  
10 banking days after the end of the quarter-monthly period or if received by the director or  
11 deposited in a depository designated by the director within four banking days after the end of the  
12 quarter-monthly period.

13         4. The unpaid amount shall be after a reduction for the compensation provided by section  
14 143.261. The unpaid amount at the end of a quarter-monthly period shall not include unpaid  
15 amounts for any prior quarter-monthly period.

16         5. For purposes of this section, "quarter-monthly period" means:

- 17         (1) The first seven days of a calendar month;  
18         (2) The eighth to fifteenth day of a calendar month;  
19         (3) The sixteenth to twenty-second day of a calendar month; and  
20         (4) The portion following the twenty-second day of a calendar month.

21         6. (1) In the case of an underpayment of any amount required to be paid pursuant to this  
22 section, an employer shall be liable for a penalty in lieu of all other penalties, interest or  
23 additions to tax imposed by this chapter for violating this section. The penalty shall be five  
24 percent of the amount of the underpayment determined under subdivision (2) of this subsection.

25         (2) The amount of the underpayment shall be the excess of

- 26         (a) Ninety percent of the unpaid amount at the end of a quarter-monthly period, over  
27         (b) The amount, if any, of the timely remittance for the quarter-monthly period.

28         7. (1) The penalty with respect to any quarter-monthly period shall not be imposed if  
29 the employer's timely remittance for the quarter-monthly period equals or exceeds one-fourth of  
30 the average monthly withholding tax liability of the employer for the preceding calendar year.  
31 The month of highest liability and the month of lowest liability shall be excluded in computing  
32 the average. This subdivision shall apply only to an employer who had a withholding tax  
33 liability for at least six months of the previous calendar year.

34         (2) The penalty shall not be imposed if the employer establishes that the failure to make  
35 a timely remittance of at least ninety percent was due to reasonable cause, and not due to willful  
36 neglect.

37         (3) The penalty shall not be imposed against any employer for the first two months the

38 employer is obligated to make quarter-monthly remittance of withholding taxes.

39 8. Tax amounts remitted under this section shall be treated as payments on the  
40 employer's monthly return required by subsection 2 of section 143.221. Tax amounts remitted  
41 under this section shall be deemed to have been paid on the last day prescribed for filing the  
42 return. The preceding sentence shall apply in computing compensation under section 143.261,  
43 interest, penalties and additions to tax and for purposes of all sections of chapter 143, except this  
44 section.

45 **9. The director of revenue may prescribe the use of an electronic funds payment**  
46 **system for the payment of withholding taxes by any employer subject to the requirement**  
47 **of quarter-monthly remittance as provided in this section.**

143.782. As used in sections 143.782 to 143.788, unless the context clearly requires  
2 otherwise, the following terms shall mean and include:

3 (1) **"Court", the supreme court, court of appeals, or any circuit court of the state;**

4 (2) **"Debt"**, any sum due and legally owed to any state agency which has accrued through  
5 contract, subrogation, tort, or operation of law regardless of whether there is an outstanding  
6 judgment for that sum, **court costs as defined in section 488.010, RSMo, fines and fees owed,**  
7 or any support obligation which is being enforced by the division of family services on behalf  
8 of a person who is receiving support enforcement services pursuant to section 454.425, RSMo;

9 [(2)] (3) **"Debtor"**, any individual, sole proprietorship, partnership, corporation or other  
10 legal entity owing a debt;

11 [(3)] (4) **"Department"**, the department of revenue of the state of Missouri;

12 [(4)] (5) **"Refund"**, the Missouri income tax refund which the department determines to  
13 be due any taxpayer pursuant to the provisions of this chapter. The amount of a refund shall not  
14 include any senior citizens property tax credit provided by sections 135.010 to 135.035, RSMo;  
15 and

16 [(5)] (6) **"State agency"**, any department, division, board, commission, office, or other  
17 agency of the state of Missouri, including public community college district.

144.025. 1. Notwithstanding any other provisions of law to the contrary, in any retail  
2 sale other than retail sales governed by [subsection 3] **subsections 4 and 5** of this section, where  
3 any article **on which sales or use tax has been paid, credited, or otherwise satisfied or which**  
4 **was exempted or excluded from sales or use tax** is taken in trade as a credit or part payment  
5 on the purchase price of the article being sold, the tax imposed by sections 144.020 and 144.440  
6 shall be computed only on that portion of the purchase price which exceeds the actual allowance  
7 made for the article traded in or exchanged, if there is a bill of sale or other record showing the  
8 actual allowance made for the article traded in or exchanged. **Where the article being traded**  
9 **in for credit or part payment is a motor vehicle, trailer, boat, or outboard motor the person**



10 **trading in the article must be the owner or holder of a properly assigned certificate of**  
11 **ownership.** Where the purchaser of a motor vehicle, trailer, boat or outboard motor receives a  
12 rebate from the seller or manufacturer, the tax imposed by sections 144.020 and 144.440 shall  
13 be computed only on that portion of the purchase price which exceeds the amount of the rebate,  
14 if there is a bill of sale or other record showing the actual rebate given by the seller or  
15 manufacturer. Where the trade-in or exchange allowance plus any applicable rebate exceeds the  
16 purchase price of the purchased article there shall be no sales or use tax owed. This section shall  
17 also apply to motor vehicles, trailers, boats, and outboard motors sold by the owner or holder of  
18 the properly assigned certificate of ownership if the seller purchases or contracts to purchase a  
19 subsequent motor vehicle, trailer, boat, or outboard motor within one hundred eighty days before  
20 or after the date of the sale of the original article and a notarized bill of sale showing the paid sale  
21 price is presented to the department of revenue at the time of licensing. A copy of the bill of sale  
22 shall be left with the licensing office. Where the subsequent motor vehicle, trailer, boat, or  
23 outboard motor is titled more than one hundred eighty days after the sale of the original motor  
24 vehicle, trailer, boat, or outboard motor, the allowance pursuant to this section shall be made if  
25 the person titling such article establishes that the purchase or contract to purchase was finalized  
26 prior to the expiration of the one hundred eighty-day period.

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

29         3. As used in this section, the term "motor vehicle" includes motor vehicles as defined  
30 in section 301.010, RSMo, recreational vehicles as defined in section 700.010, RSMo, or a  
31 combination of a truck as defined in section 301.010, RSMo, and a trailer as defined in section  
32 301.010, RSMo.

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

37         **5. Any purchaser of a motor vehicle or trailer used primarily for agricultural use**  
38 **by the purchaser shall be allowed to use as an allowance to offset the sales and use tax**  
39 **liability towards the purchase of the motor vehicle or trailer any grain or livestock**  
40 **produced or raised by the purchaser. The director of revenue may prescribe forms for**  
41 **compliance with this subsection.**

**488.5028. 1. If a person fails to pay court costs, fines, fees, or other sums ordered**  
2 **by a court to be paid to the state or political subdivision, a court may report any such**  
3 **delinquencies in excess of twenty-five dollars to the office of state courts administrator and**  
4 **request that the state courts administrator seek a setoff of an income tax refund. The state**

5 courts administrator shall set guidelines necessary to effectuate the purpose of the offset  
6 program.

7         **2. The office of state courts administrator shall provide the department of revenue**  
8 **with the information necessary to identify each debtor whose refund is sought to be setoff**  
9 **and the amount of the debt or debts owed by each such debtor who is entitled to a tax**  
10 **refund in excess of twenty-five dollars.**

11         **3. The department of revenue shall notify the office of state courts administrator**  
12 **that a refund has been setoff on behalf of a court and shall certify the amount of such**  
13 **setoff, which shall not exceed the amount of the claimed debt certified. When the refund**  
14 **owed exceeds the claimed debt, the department of revenue shall send the excess amount to**  
15 **the debtor within a reasonable time after such excess is determined.**

16         **4. The office of state courts administrator shall notify the debtor by mail that a**  
17 **setoff has been sought. The notice shall contain the following:**

18             **(1) The name of the debtor;**

19             **(2) The manner in which the debt arose;**

20             **(3) The amount of the claimed debt and the department's intention to setoff the**  
21 **refund against the debt;**

22             **(4) The amount, if any, of the refund due after setoff of the refund against the debt;**  
23 **and**

24             **(5) The right of the debtor to apply in writing to the court originally requesting**  
25 **setoff for review of the setoff because the debt was previously satisfied.**

26

27 **Any debtor applying to the court for review of the setoff shall file a written application**  
28 **within thirty days of the date of mailing of the notice and send a copy of the application to**  
29 **the office of state courts administrator. The application for review of the setoff shall**  
30 **contain the name of the debtor, the case name and number from which the debt arose, and**  
31 **the grounds for review. The court may upon application, or on its own motion, hold a**  
32 **hearing on the application. The hearing shall be ancillary to the original action with the**  
33 **only matters for determination whether the refund setoff was appropriate because the debt**  
34 **was unsatisfied at the time the court reported the delinquency to the office of state courts**  
35 **administrator and that the debt remains unsatisfied. In the case of a joint or combined**  
36 **return, the notice sent by the department shall contain the name of the nonobligated**  
37 **taxpayer named in the return, if any, against whom no debt is claimed. The notice shall**  
38 **state that as to the nonobligated taxpayer that no debt is owed and that the taxpayer is**  
39 **entitled to a refund regardless of the debt owed by such other person or persons named on**  
40 **the joint or combined return. The nonobligated taxpayer may seek a refund as provided**

41 in section 143.784, RSMo.

42 **5. Upon receipt of funds transferred from the department of revenue to the office**  
43 **of state courts administrator pursuant to a refund setoff, the state courts administrator**  
44 **shall deposit such funds in the state treasury to be held in an escrow account, which is**  
45 **hereby established. Interest earned on those funds shall be credited to the escrow account**  
46 **and used to offset administrative expenses. If a debtor files with a court an application for**  
47 **review, the state courts administrator shall hold such sums in question until directed by**  
48 **such court to release the funds. If no application for review is filed, the state courts**  
49 **administrator shall, within forty-five days of receipt of funds from the department, send**  
50 **to the clerk of the court in which the debt arose such sums as are collected by the**  
51 **department of revenue for credit to the debtor's account.**

**Section 1. No local government or municipality shall have the power to issue or**  
2 **renew a business license or permit without verification from the department of revenue**  
3 **that all state tax returns have been filed by, and all state taxes including any interest and**  
4 **penalties on such taxes paid by, the business entity or applicant.**

**Section 2. 1. As a condition of continued employment with the state of Missouri,**  
2 **all persons employed full-time, part-time, or on a temporary or contracted basis by the**  
3 **executive, legislative, or judicial branch shall file all state tax returns and pay all state taxes**  
4 **owed.**

5 **2. Each chief administrative officer or their designee of each division of each**  
6 **branch of state government shall at least one time each year check the status of every**  
7 **employee within the division against a database developed by the director of revenue to**  
8 **determine if all state tax returns have been filed and all state taxes owed have been paid.**  
9 **The officer or designee shall notify any employee if the database shows any state tax return**  
10 **has not been filed or taxes are owed under that employee's name or taxpayer number.**  
11 **Upon notification, the employee will have thirty days to satisfy the liability or provide the**  
12 **officer or designee with a copy of a payment plan approved by the director of revenue.**  
13 **Failure to satisfy the liability or provide a copy of the payment plan within the thirty days**  
14 **will result in immediate dismissal of the employee from employment by the state.**

15 **3. The chief administrative officer of each division of the general assembly or their**  
16 **designee shall at least one time each year check the status of every member of the general**  
17 **assembly against a database developed by the director of revenue to determine if all state**  
18 **tax returns have been filed and all state taxes owed have been paid. The officer or designee**  
19 **shall notify any member of the general assembly if the database shows any state tax return**  
20 **has not been filed or taxes are owed under that member's name or taxpayer number. Upon**  
21 **notification, the member will have thirty days to satisfy the liability or provide the officer**

22 or designee with a copy of a payment plan approved by the director of revenue. Failure  
23 to satisfy the liability or provide a copy of the payment plan within the thirty days will  
24 result in the member's name being submitted to the appropriate ethics committee for  
25 disciplinary action deemed appropriate by the committee.

26 **4. The chief administrative officer of each division of the judicial branch or their**  
27 **designee shall at least one time each year check the status of every elected or appointed**  
28 **member of the judicial branch against a database developed by the director of revenue to**  
29 **determine if all state tax returns have been filed and all state taxes owed have been paid.**  
30 **The officer or designee shall notify any member if the database shows any state tax return**  
31 **has not been filed or taxes are owed under that member's name or taxpayer number. Upon**  
32 **notification, the member will have thirty days to satisfy the liability or provide the officer**  
33 **or designee with a copy of a payment plan approved by the director of revenue. Failure**  
34 **to satisfy the liability or provide a copy of the payment plan within the thirty days will**  
35 **result in the member's name being submitted to the appropriate ethics body for**  
36 **disciplinary action deemed appropriate by that body.**

37 **5. The director of revenue shall at least one time each year check the status of every**  
38 **statewide elected official against a database developed by the director to determine if all**  
39 **state tax returns have been filed and all state taxes owed have been paid. The director shall**  
40 **notify any elected official if the database shows any state tax return has not been filed or**  
41 **taxes are owed under that official's name or taxpayer number. Upon notification, the**  
42 **official will have thirty days to satisfy the liability or agree to a payment plan approved by**  
43 **the director of revenue. Failure to satisfy the liability or agree to the payment plan within**  
44 **the thirty days will result in the official's name being submitted to the state ethics**  
45 **commission.**

**Section 3. No person shall receive or renew a professional license or permit**  
2 **pursuant to chapters 324 to 346, RSMo, without verification from the department of**  
3 **revenue that state tax returns have been filed by, and all state income taxes including any**  
4 **interest and penalties on such taxes paid by, such person.**

Section B. Because immediate action is necessary to fund critical services of state  
2 government, section A of this act is deemed necessary for the immediate preservation of the  
3 public health, welfare, peace, and safety, and is hereby declared to be an emergency act within  
4 the meaning of the constitution, and section A of this act shall be in full force and effect upon  
5 its passage and approval.