

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

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Reported from the Committee on Ways and Means, April 16, 2003, with recommendation that the Senate Committee Substitute do pass.

TERRY L. SPIELER, Secretary.

1980S.06C

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**AN ACT**

To repeal sections 34.040, 71.620, 92.250, 143.124, 143.181, 143.225, 143.782, 144.020, and 144.081, RSMo, and to enact in lieu thereof fourteen new sections relating to collection efficiencies of the department of revenue, with an emergency clause and a referendum clause.

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

Section A. Sections 34.040, 71.620, 92.250, 143.124, 143.181, 143.225, 143.782, 144.020, and 144.081, RSMo, are repealed and fourteen new sections enacted in lieu thereof, to be known as sections 34.040, 71.620, 92.250, 143.124, 143.181, 143.225, 143.782, 143.1020, 144.020, 144.081, 313.826, 488.5028, 1, and 2, 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;

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

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

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

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

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

38           5. The department of natural resources may, without the approval of the  
39 commissioner of administration required pursuant to this section, enter into contracts  
40 of up to five hundred thousand dollars to abate illegal waste tire sites pursuant to  
41 section 260.276, RSMo, when the director of the department determines that urgent  
42 action is needed to protect public health, safety, natural resources or the  
43 environment. The department shall follow bidding procedures pursuant to this section  
44 and may promulgate rules necessary to establish such procedures. Any rule or portion  
45 of a rule, as that term is defined in section 536.010, RSMo, that is created under the  
46 authority delegated in this section shall become effective only if it complies with and is  
47 subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028,  
48 RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers

49 vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the  
50 effective date or to disapprove and annul a rule are subsequently held unconstitutional,  
51 then the grant of rulemaking authority and any rule proposed or adopted after August  
52 28, 1999, shall be invalid and void.

53 **6. The commissioner of administration and other agencies to which the**  
54 **state purchasing law applies shall not contract for goods or services with a**  
55 **vendor if the vendor or an affiliate of the vendor makes sales at retail of**  
56 **tangible personal property or for the purpose of storage, use, or consumption**  
57 **in this state but fails to collect and properly pay the tax as provided in**  
58 **chapter 144, RSMo. For the purposes of this section, "affiliate of the vendor"**  
59 **shall mean any person or entity that is controlled by or is under common**  
60 **control with the vendor, whether through stock ownership or otherwise.**

71.620. 1. Hereafter no person following for a livelihood the profession or calling  
2 of minister of the gospel, duly accredited Christian Science practitioner, teacher,  
3 professor in a college, priest, lawyer, certified public accountant, dentist, chiropractor,  
4 optometrist, chiropodist, [or] physician or surgeon, **or investment funds service**  
5 **corporation as defined in section 143.451, RSMo**, in this state, shall be taxed or  
6 made liable to pay any municipal or other corporation tax or license fee of any  
7 description whatever for the privilege of following or carrying on such profession or  
8 calling, any law, ordinance or charter to the contrary notwithstanding.

9 2. No person following for a livelihood the profession of insurance agent or  
10 broker, veterinarian, architect, professional engineer, land surveyor, auctioneer, or real  
11 estate broker or salesman in this state, shall be taxed or made liable to pay any  
12 municipal or other corporation tax or license fee for the privilege of following or carrying  
13 on his profession by a municipality unless that person maintains a business office within  
14 that municipality.

92.250. The earnings or net profits subject to tax of any nonresident individual,  
2 of any association or business conducted by nonresidents, or of any corporation, in any  
3 case in which the work done, services performed or rendered, and business or other  
4 activities conducted or done, performed, rendered or conducted both within and without  
5 the city may be ascertained by formulae set forth in any ordinance enacted pursuant to  
6 sections 92.210 to 92.300 or prescribed by rules or regulations adopted pursuant to the  
7 ordinance; **provided, however that in determining its net profits subject to tax,**  
8 **and irrespective of any other formulae set forth in any ordinance enacted,**  
9 **any corporation shall be permitted to utilize the apportionment method used**  
10 **to determine its Missouri taxable income pursuant to section 143.451, RSMo.**

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

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

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

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

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

32 3. For the tax years beginning on or after January 1, 1990, there shall be  
33 subtracted from Missouri adjusted gross income, determined pursuant to section 143.121,  
34 a maximum of the first six thousand dollars of retirement benefits received by each  
35 taxpayer from sources other than privately funded sources, and for tax years beginning  
36 on or after January 1, 1998, there shall be subtracted from Missouri adjusted gross

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

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

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

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

57 4. If a taxpayer's adjusted gross income exceeds the adjusted gross income ceiling  
58 for such taxpayer's filing status, as provided in subdivisions (1), (2) and (3) of subsection  
59 3 of this section, such taxpayer shall be entitled to an exemption equal to the greater of  
60 zero or the maximum exemption provided in subsection 3 of this section reduced by one  
61 dollar for every dollar such taxpayer's income exceeds the ceiling for his or her filing  
62 status.

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

67 6. The provisions of subdivisions (1) and (2) of subsection 3 of this section shall  
68 apply during all tax years in which the federal Internal Revenue Code provides  
69 exemption levels for calculation of the taxability of Social Security benefits that are the  
70 same as the levels in subdivisions (1) and (2) of subsection 3 of this section. If the  
71 exemption levels for the calculation of the taxability of Social Security benefits are  
72 adjusted by applicable federal law or regulation, the exemption levels in subdivisions (1)

73 and (2) of subsection 3 of this section shall be accordingly adjusted to the same  
74 exemption levels.

75 7. The portion of a taxpayer's lump sum distribution from an annuity or other  
76 retirement plan not otherwise included in Missouri adjusted gross income as calculated  
77 pursuant to this chapter, but subject to taxation under Internal Revenue Code Section  
78 402 shall be taxed in an amount equal to ten percent of the taxpayer's federal liability  
79 on such distribution for the same tax year.

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

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

86 **10. The exemptions provided for in this section shall apply to any**  
87 **annuity, pension, or retirement allowance as defined in subsection 1 of this**  
88 **section to the extent that such amounts are included in the taxpayer's federal**  
89 **adjusted gross income and not otherwise deducted from the taxpayer's federal**  
90 **adjusted gross income in the calculation of Missouri taxable income. This**  
91 **subsection shall not apply to any individual who qualifies under federal**  
92 **guidelines to be one hundred percent disabled.**

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

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

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

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

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

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

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

19           (1) The ownership or disposition of any interest in real or tangible personal  
20 property in 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**  
23 **lottery commission, if the proceeds from such wager are required, pursuant**  
24 **to the Internal Revenue Code of 1986, as amended, or regulations adopted**  
25 **thereunder, to be reported by the state lottery commission to the Internal**  
26 **Revenue Service; and**

27           **(4) Winnings from any other wager placed in this state or from any**  
28 **wagering transaction, gaming activity, or gambling activity in this state, if**  
29 **the proceeds from such wager, wagering transaction, gaming activity, or**  
30 **gambling activity are required, pursuant to the Internal Revenue Code of**  
31 **1986, as amended, or regulations adopted thereunder, to be reported by the**  
32 **payer to the Internal Revenue Service.**

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

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

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

44           **(3) Winnings from any other wager placed in this state or from any**  
45 **wagering transaction, gaming activity, or gambling activity in this state, if**  
46 **the proceeds from such wager, wagering transaction, gaming activity, or**  
47 **gambling activity are required, pursuant to the Internal Revenue Code of**  
48 **1986, as amended, or regulations adopted thereunder, to be reported by the**  
49 **payer to the Internal Revenue Service.**

50           4. Deductions with respect to capital losses, net long-term capital gains, and net  
51 operation losses shall be based solely on income, gains, losses, and deductions derived  
52 from sources within this state in the same manner as the corresponding federal

53 deductions under regulations to be prescribed by the director of revenue.

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

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

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

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

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

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

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

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

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

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

28           (a) Ninety percent of the unpaid amount at the end of a quarter-monthly period,



29 over

30 (b) The amount, if any, of the timely remittance for the quarter-monthly period.

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

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

41 (3) The penalty shall not be imposed against any employer for the first two  
42 months the employer is obligated to make quarter-monthly remittance of withholding  
43 taxes.

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

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

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

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

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

11 [(2)] (3) **"Debtor"**, any individual, sole proprietorship, partnership, corporation

12 or other legal entity owing a debt;

13 [(3)] (4) "Department", the department of revenue of the state of Missouri;

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

18 [(5)] (6) "State agency", any department, division, board, commission, office, or  
19 other agency of the state of Missouri, including public community college district.

**143.1020. 1. For each taxable year beginning on or after January 1,  
2 2003, each individual or corporation entitled to a tax refund may designate  
3 that all or part of the refund due be credited to the state general revenue  
4 fund. The contribution designation authorized by this section shall be clearly  
5 and unambiguously printed on the first page of each income tax return form  
6 provided by this state. If any individual or corporation which is not entitled  
7 to a tax refund wishes to make a contribution to the state general revenue  
8 fund, such individual or corporation may, by separate check, draft, or other  
9 negotiable instrument, send in with the payment of taxes, or may send in  
10 separately, that amount, clearly designated for the state general revenue  
11 fund, the individual or corporation wishes to contribute and the department  
12 of revenue shall forward such amount to the state treasurer for deposit to the  
13 state general revenue fund as provided in subsection 2 of this section.**

**14 2. The director of revenue shall transfer at least monthly all  
15 contributions designated by individuals or corporations pursuant to this  
16 section to the state treasurer for deposit to the state general revenue fund.**

144.020. 1. A tax is hereby levied and imposed upon all sellers for the privilege  
2 of engaging in the business of selling tangible personal property or rendering taxable  
3 service at retail in this state. The rate of tax shall be as follows:

4 (1) Upon every retail sale in this state of tangible personal property, including  
5 but not limited to motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats and  
6 outboard motors, a tax equivalent to four percent of the purchase price paid or charged,  
7 or in case such sale involves the exchange of property, a tax equivalent to four percent  
8 of the consideration paid or charged, including the fair market value of the property  
9 exchanged at the time and place of the exchange, except as otherwise provided in section  
10 144.025;

11 (2) A tax equivalent to four percent of the amount paid for admission and seating  
12 accommodations, or fees paid to, or in any place of amusement, entertainment or

13 recreation, games and athletic events;

14 (3) A tax equivalent to four percent of the basic rate paid or charged on all sales  
15 of electricity or electrical current, water and gas, natural or artificial, to domestic,  
16 commercial or industrial consumers;

17 (4) A tax equivalent to four percent on the basic rate paid or charged on all sales  
18 of local and long distance telecommunications service to telecommunications subscribers  
19 and to others through equipment of telecommunications subscribers for the transmission  
20 of messages and conversations and upon the sale, rental or leasing of all equipment or  
21 services pertaining or incidental thereto; except that, the payment made by  
22 telecommunications subscribers or others, pursuant to section 144.060, and any amounts  
23 paid for access to the Internet or interactive computer services shall not be considered  
24 as amounts paid for telecommunications services;

25 (5) A tax equivalent to four percent of the basic rate paid or charged for all sales  
26 of services for transmission of messages of telegraph companies;

27 (6) A tax equivalent to four percent on the amount of sales or charges for all  
28 rooms, meals and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating  
29 house, drugstore, dining car, tourist cabin, tourist camp or other place in which rooms,  
30 meals or drinks are regularly served to the public;

31 (7) A tax equivalent to four percent of the amount paid or charged for intrastate  
32 tickets by every person operating a railroad, sleeping car, dining car, express car, boat,  
33 airplane and such buses and trucks as are licensed by the division of motor carrier and  
34 railroad safety of the department of economic development of Missouri, engaged in the  
35 transportation of persons for hire;

36 (8) A tax equivalent to four percent of the amount paid or charged for rental or  
37 lease of tangible personal property, provided that if the lessor or renter of any tangible  
38 personal property had previously purchased the property under the conditions of "sale  
39 at retail" as defined in subdivision (8) of section 144.010 or leased or rented the property  
40 and the tax was paid at the time of purchase, lease or rental, the lessor, sublessor, renter  
41 or subrenter shall not apply or collect the tax on the subsequent lease, sublease, rental  
42 or subrental receipts from that property. The purchase, rental or lease of motor vehicles,  
43 trailers, motorcycles, mopeds, motortricycles, boats, and outboard motors shall be taxed  
44 and the tax paid as provided in this section and section 144.070. In no event shall the  
45 rental or lease of boats and outboard motors be considered a sale, charge, or fee to, for  
46 or in places of amusement, entertainment or recreation nor shall any such rental or lease  
47 be subject to any tax imposed to, for, or in such places of amusement, entertainment or  
48 recreation. Rental and leased boats or outboard motors shall be taxed under the

49 provisions of the sales tax laws as provided under such laws for motor vehicles and  
50 trailers. Tangible personal property which is exempt from the sales or use tax under  
51 section 144.030 upon a sale thereof is likewise exempt from the sales or use tax upon the  
52 lease or rental thereof.

53         2. All tickets sold which are sold under the provisions of sections 144.010 to  
54 144.525 which are subject to the sales tax shall have printed, stamped or otherwise  
55 endorsed thereon, the words "This ticket is subject to a sales tax.".

56         **3. For a period of three years beginning on the first day of the first**  
57 **month after the enactment of this subsection the rate of tax levied pursuant**  
58 **to subdivisions (1) to (8) of subsection 1 of this section shall be increased by**  
59 **one percent to a total of five percent.**

144.081. 1. The director of revenue, by regulation, may require a seller to timely  
2 remit the unpaid state sales tax for each quarter-monthly period, only if the seller's  
3 aggregate state sales tax was ten thousand dollars or more in each of at least six months  
4 during the prior twelve months. The term "state sales tax" as used in this section means  
5 the tax imposed by sections 144.010 to 144.510 and the additional sales tax imposed by  
6 sections 43(a) to 43(c) and 47(a) to 47(c) of article IV of the Missouri Constitution and  
7 does not include any sales taxes imposed by political subdivisions of the state pursuant  
8 to other provisions of law.

9         2. The director may increase the monthly requirement to more than ten thousand  
10 dollars or otherwise narrow the application of the quarter-monthly remittance system  
11 authorized by this section. The director may not require the remittance of state sales  
12 taxes more often than monthly unless authorized by this section.

13         3. A remittance shall be timely if mailed as provided in section 143.851, RSMo,  
14 within three banking days after the end of the quarter-monthly period or if received by  
15 the director or deposited in a depository designated by the director within four banking  
16 days after the end of the quarter-monthly period.

17         4. The unpaid amount shall be after a reduction for the compensation provided  
18 by section 144.140. The unpaid amount at the end of a quarter-monthly period shall not  
19 include unpaid amounts for a prior quarter-monthly period only if the seller made a  
20 remittance with respect to the prior quarter-monthly period. The excess, if any, of a  
21 remittance over the actual amount for a period shall be applied in order of time to each  
22 of the seller's succeeding remittances with respect to the same return period.

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

24         (1) The first seven days of a calendar month;

25         (2) The eighth to fifteenth day of a calendar month;

26 (3) The sixteenth to twenty-second day of a calendar month; and

27 (4) The portion following the twenty-second of a calendar month.

28 6. (1) In the case of an underpayment of any amount required to be paid  
29 pursuant to this section, a seller shall be liable for a penalty in lieu of all other  
30 penalties, interest or additions to tax imposed by this chapter for violating this  
31 section. The penalty shall be five percent of the amount of the underpayment  
32 determined under subdivision (2) of this subsection.

33 (2) The amount of the underpayment shall be the excess of:

34 (a) Ninety percent of the unpaid amount at the end of a quarter-monthly period,  
35 over

36 (b) The amount, if any, of the timely remittance for the quarter-monthly period.

37 7. (1) The penalty with respect to any quarter-monthly period shall not be  
38 imposed if the seller's timely remittance for the quarter-monthly period equals or exceeds  
39 one-fourth of the average monthly state sales tax liability of the seller for the preceding  
40 calendar year. The month of highest liability and the month of lowest liability shall be  
41 excluded in computing the average. This subdivision shall apply only to a seller who had  
42 a state sales tax liability for at least six months of the previous calendar year.

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

46 (3) The penalty shall not be imposed against any seller for the first two months  
47 the seller is obligated to make quarter-monthly remittance of state sales taxes.

48 8. Tax amounts remitted under this section shall be treated as payments on the  
49 seller's monthly return required by sections 144.080 and 144.090. Tax amounts remitted  
50 under this section shall be deemed to have been paid on the last day prescribed for filing  
51 the return. The preceding sentence shall apply in computing compensation under section  
52 144.140, interest, penalties and additions to tax and for purposes of all sections of this  
53 chapter, except this section.

54 **9. The director of revenue may prescribe the use of an electronic funds**  
55 **payment system for the payment of sales and use taxes by any seller subject**  
56 **to the requirement of quarter-monthly remittance as provided in this section.**

**313.826. Each excursion gambling boat licensed by the commission shall**  
**2 withhold for state income tax purposes from winnings of six hundred dollars**  
**3 or more an amount equal to four percent of the prize. Withholdings made**  
**4 pursuant to this section shall be subject to the withholding tax provisions**  
**5 pursuant to sections 143.191 to 143.261, RSMo, excluding section 143.261,**

**6 RSMo.**

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

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

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

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

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

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

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

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

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

**Any debtor applying to the court for review of the setoff shall file a written application within thirty days of the date of mailing of the notice and send a copy of the application to the office of state courts administrator. The application for review of the setoff shall contain the name of the debtor, the case name and number from which the debt arose, and the grounds for review. The court may upon application, or on its own motion, hold a hearing on the application. The hearing shall be ancillary to the original action with**

37 the only matters for determination whether the refund setoff was appropriate  
38 because the debt was unsatisfied at the time the court reported the  
39 delinquency to the office of state courts administrator and that the debt  
40 remains unsatisfied. In the case of a joint or combined return, the notice sent  
41 by the department shall contain the name of the nonobligated taxpayer named  
42 in the return, if any, against whom no debt is claimed. The notice shall state  
43 that as to the nonobligated taxpayer that no debt is owed and that the  
44 taxpayer is entitled to a refund regardless of the debt owed by such other  
45 person or persons named on the joint or combined return. The nonobligated  
46 taxpayer may seek a refund as provided in section 143.784, RSMo.

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

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

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

16 **immediate dismissal of the employee from employment by the state.**

17 **3. The chief administrative officer of each division of the general**  
18 **assembly or their designee shall at least one time each year provide the name**  
19 **and social security number of every member of the general assembly to the**  
20 **director of revenue to determine if all state income tax returns have been**  
21 **filed and all state income taxes owed have been paid. The director shall**  
22 **notify any member of the general assembly if the database shows any state**  
23 **income tax return has not been filed or taxes are owed under that member's**  
24 **name or taxpayer number. Upon notification, the member will have thirty**  
25 **days to satisfy the liability or provide the director with a copy of a payment**  
26 **plan approved by the director of revenue. Failure to satisfy the liability or**  
27 **provide a copy of the payment plan within the thirty days will result in the**  
28 **member's name being submitted to the appropriate ethics committee for**  
29 **disciplinary action deemed appropriate by the committee.**

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

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



**Section 2. A professional license or permit pursuant to sections 209.319 to 209.339, RSMo, sections 214.270 to 214.516, RSMo, sections 256.010 to 256.453, RSMo, sections 436.005 to 436.071, RSMo, and chapters 317 and 324 to 346, RSMo, shall be revoked within thirty days after renewal without verification from the department of revenue that state income tax returns have been filed by, and all state income taxes including any interest and penalties on such taxes paid by, such person. Tax liability paid in protest or reasonably founded disputes with such liability shall be considered paid for the purposes of this section.**

Section B. Because immediate action is necessary to fund critical services of state government, section A of this act is deemed necessary for the immediate preservation of the public health, welfare, peace, and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and section A of this act shall be in full force and effect upon its passage and approval or on July 1, 2003, whichever later occurs.

Section C. This act is hereby submitted to the qualified voters of this state for approval or rejection at an election which is hereby ordered and which shall be held and conducted on Tuesday next following the first Monday in July, 2003, or on Tuesday next following the first Monday in August, 2003, or as determined by the governor, pursuant to the laws and constitutional provisions of this state for the submission of referendum measures by the general assembly, and this act shall become effective when approved by a majority of the votes cast thereon at such election and not otherwise.