

CCS SS SS SCS HCS HB 600 -- TAXATION

This bill makes various changes relating to taxation. The bill:

(1) Creates the Joint Legislative Committee on Tax Policy consisting of five members of the House of Representatives and five members of the Senate. The committee will be responsible for continuous study and review of state tax policy and for issuing reports on its findings and recommendations to the General Assembly as deemed necessary;

(2) Requires every vendor or affiliate of a vendor seeking to contract to provide goods and services to the State of Missouri to collect and properly pay all sales and use taxes;

(3) Increases the maximum levy allowed from five cents to 10 cents per \$100 of assessed valuation for a property tax levy in Buchanan County to provide senior citizen services;

(4) Authorizes the City of Weston to impose a 0.5% sales tax to fund tourism;

(5) Limits the amount of municipal tax and license fee levied against certain investment fund service corporations to an aggregate amount of \$25,000 after December 31, 2003;

(6) Authorizes a tax amnesty program on taxes and motor vehicle fees between the dates of August 1 and October 31, 2003, on penalties, additions to tax, and interest against taxes and fees levied on or before December 31, 2002;

(7) Requires any amount of pension, annuity, or retirement allowance deducted for state individual income tax purposes to be included in the taxpayer's federal adjusted gross income and not otherwise deducted in the calculation of Missouri taxable income. Persons who are 100% disabled, as defined by federal law, are exempted from this provision;

(8) Requires all lottery and other gaming winnings to be included in Missouri nonresident adjusted gross income when the winnings are from a Missouri source and requires withholdings by gaming boats on those winnings resulting from electronic game devices and table game jackpots;

(9) Allows the Director of the Department of Revenue to require the remittance of sales and use taxes and withholding taxes through an electronic funds payment system for employers and sellers who are required to file and pay on a quarter-monthly frequency;

(10) Includes court costs in excess of \$25 related to the State Supreme Court, Court of Appeals, or any circuit court of Missouri as amounts that can be offset against a refund of taxes owed to a taxpayer;

(11) Places an option on state income tax returns to donate any part of a tax refund to the state general revenue account;

(12) Adds additional requirements on any article being traded in for the purpose of receiving a sales or use tax credit against a new article being purchased. The article being traded in must have originally had sales or use tax paid on it or have been specifically exempted from sales and use taxes by law. Grain and livestock raised or produced by a purchaser may be traded in on a motor vehicle or trailer used for agricultural purposes by the purchaser;

(13) Exempts natural gas used in the primary manufacture of fuel ethanol from sales tax and modifies the farm machinery, equipment, and supplies sales tax exemption;

(14) Prohibits retailers from obtaining refunds of sales and use taxes if the retailer has received a prior refund of the taxes for the same specific issue. Taxpayers are also allowed to offset any deficiency with any amount of refund during an audit resolution;

(15) Authorizes the Department of Mental Health to establish fees for persons enrolled in the Substance Abuse Traffic Offender Program and requires interest to be paid on delinquent fees. Administrators of the program must transfer the supplemental fees each month or pay a penalty;

(16) Reduces the reimbursement percentage for generic prescription drugs under the Senior Rx Program from 15% to 11%;

(17) Modifies the in-lieu tax schedule on watercraft documented by the United States Coast Guard to include any purchase price;

(18) Extends the pharmacy tax expiration date from June 30, 2003, to June 30, 2005. The tax will also expire if dispensing fees paid to pharmacists are less than Fiscal Year 2003 levels;

(19) Requires transfers of certain funds held in escrow accounts by real estate brokers which are in dispute by the parties in a real estate transaction to the State Treasurer within 365 days of the date of the initial projected closing date;

(20) Allows the Secretary of State to dissolve corporations for failure to pay corporate franchise taxes and income taxes;

(21) Authorizes the Director of the Department of Revenue to inform the Supreme Court Clerk of any attorney who is delinquent on income taxes in the past three years;

(22) Allows court costs to be paid in installments with a \$25 surcharge;

(23) Allows the courts to hire private collectors to collect past due fines;

(24) Requires as a condition of state government employment that all state income taxes due be filed and paid by the employee;

(25) Requires all state income taxes due to be paid by members of the General Assembly, statewide elected officials, and members of the judiciary;

(26) Requires a tax clearance from the Department of Revenue prior to the issuance or renewal of any professional license granted by the state; and

(27) Repeals various outdated statutes related to inspection of nonintoxicating beverages by the Department of Health and Senior Services.

The bill contains an emergency clause.