

HOUSE SUBSTITUTE
FOR
HOUSE COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 1394

AN ACT

2 To repeal sections 32.087, 94.270, 100.710,
3 135.481, 135.750, 137.100, 137.101, 137.115,
4 137.298, 137.505, 143.081, 143.121, 143.431,
5 143.782, 144.025, 144.030, 144.083, 144.615,
6 301.025, and 644.032, RSMo, section 100.850,
7 RSMo, as enacted by conference committee
8 substitute for senate substitute for senate
9 committee substitute for house committee
10 substitute for house bill no. 289, ninety-
11 second general assembly, first regular
12 session, and section 100.850, RSMo, as
13 enacted by senate committee substitute for
14 senate bill no. 620, ninety-second general
15 assembly, first regular session, and to enact
16 in lieu thereof twenty-four new sections
17 relating to taxation, with an effective date
18 for certain sections and with an emergency
19 clause.

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
21 AS FOLLOWS:

22 Section A. Sections 32.087, 94.270, 100.710, 135.481,
23 135.750, 137.100, 137.101, 137.115, 137.298, 137.505, 143.081,
24 143.121, 143.431, 143.782, 144.025, 144.030, 144.083, 144.615,
25 301.025, and 644.032, RSMo, section 100.850, RSMo, as enacted by
26 conference committee substitute for senate substitute for senate
27 committee substitute for house committee substitute for house

1 bill no. 289, ninety-second general assembly, first regular
2 session, and section 100.850, RSMo, as enacted by senate
3 committee substitute for senate bill no. 620, ninety-second
4 general assembly, first regular session, are repealed and twenty-
5 four new sections enacted in lieu thereof, to be known as
6 sections 32.087, 94.270, 94.902, 100.710, 100.850, 135.481,
7 135.751, 137.078, 137.100, 137.101, 137.115, 137.298, 137.505,
8 143.081, 143.121, 143.431, 143.782, 144.025, 144.030, 144.083,
9 144.615, 301.025, 644.032, and 1, to read as follows:

10 32.087. 1. Within ten days after the adoption of any
11 ordinance or order in favor of adoption of any local sales tax
12 authorized under the local sales tax law by the voters of a
13 taxing entity, the governing body or official of such taxing
14 entity shall forward to the director of revenue by United States
15 registered mail or certified mail a certified copy of the
16 ordinance or order. The ordinance or order shall reflect the
17 effective date thereof.

18 2. Any local sales tax so adopted shall become effective on
19 the first day of the second calendar quarter after the director
20 of revenue receives notice of adoption of the local sales tax,
21 except as provided in subsection 18 of this section.

22 3. Every retailer within the jurisdiction of one or more
23 taxing entities which has imposed one or more local sales taxes
24 under the local sales tax law shall add all taxes so imposed

1 along with the tax imposed by the sales tax law of the state of
2 Missouri to the sale price and, when added, the combined tax
3 shall constitute a part of the price, and shall be a debt of the
4 purchaser to the retailer until paid, and shall be recoverable at
5 law in the same manner as the purchase price. The combined rate
6 of the state sales tax and all local sales taxes shall be the sum
7 of the rates, multiplying the combined rate times the amount of
8 the sale.

9 4. The brackets required to be established by the director
10 of revenue under the provisions of section 144.285, RSMo, shall
11 be based upon the sum of the combined rate of the state sales tax
12 and all local sales taxes imposed under the provisions of the
13 local sales tax law.

14 5. The ordinance or order imposing a local sales tax under
15 the local sales tax law shall impose upon all sellers a tax for
16 the privilege of engaging in the business of selling tangible
17 personal property or rendering taxable services at retail to the
18 extent and in the manner provided in sections 144.010 to 144.525,
19 RSMo, and the rules and regulations of the director of revenue
20 issued pursuant thereto; except that the rate of the tax shall be
21 the sum of the combined rate of the state sales tax or state
22 highway use tax and all local sales taxes imposed under the
23 provisions of the local sales tax law.

24 6. On and after the effective date of any local sales tax

1 imposed under the provisions of the local sales tax law, the
2 director of revenue shall perform all functions incident to the
3 administration, collection, enforcement, and operation of the
4 tax, and the director of revenue shall collect in addition to the
5 sales tax for the state of Missouri all additional local sales
6 taxes authorized under the authority of the local sales tax law.
7 All local sales taxes imposed under the local sales tax law
8 together with all taxes imposed under the sales tax law of the
9 state of Missouri shall be collected together and reported upon
10 such forms and under such administrative rules and regulations as
11 may be prescribed by the director of revenue.

12 7. All applicable provisions contained in sections 144.010
13 to 144.525, RSMo, governing the state sales tax and section
14 32.057, the uniform confidentiality provision, shall apply to the
15 collection of any local sales tax imposed under the local sales
16 tax law except as modified by the local sales tax law.

17 8. All exemptions granted to agencies of government,
18 organizations, persons and to the sale of certain articles and
19 items of tangible personal property and taxable services under
20 the provisions of sections 144.010 to 144.525, RSMo, as these
21 sections now read and as they may hereafter be amended, it being
22 the intent of this general assembly to ensure that the same sales
23 tax exemptions granted from the state sales tax law also be
24 granted under the local sales tax law, are hereby made applicable

1 to the imposition and collection of all local sales taxes imposed
2 under the local sales tax law.

3 9. The same sales tax permit, exemption certificate and
4 retail certificate required by sections 144.010 to 144.525, RSMo,
5 for the administration and collection of the state sales tax
6 shall satisfy the requirements of the local sales tax law, and no
7 additional permit or exemption certificate or retail certificate
8 shall be required; except that the director of revenue may
9 prescribe a form of exemption certificate for an exemption from
10 any local sales tax imposed by the local sales tax law.

11 10. All discounts allowed the retailer under the provisions
12 of the state sales tax law for the collection of and for payment
13 of taxes under the provisions of the state sales tax law are
14 hereby allowed and made applicable to any local sales tax
15 collected under the provisions of the local sales tax law.

16 11. The penalties provided in section 32.057 and sections
17 144.010 to 144.525, RSMo, for a violation of the provisions of
18 those sections are hereby made applicable to violations of the
19 provisions of the local sales tax law.

20 12. (1) For the purposes of any local sales tax imposed by
21 an ordinance or order under the local sales tax law, all sales,
22 except the sale of motor vehicles, trailers, boats, and outboard
23 motors, shall be deemed to be consummated at the place of
24 business of the retailer unless the tangible personal property

1 sold is delivered by the retailer or his agent to an out-of-state
2 destination. In the event a retailer has more than one place of
3 business in this state which participates in the sale, the sale
4 shall be deemed to be consummated at the place of business of the
5 retailer where the initial order for the tangible personal
6 property is taken, even though the order must be forwarded
7 elsewhere for acceptance, approval of credit, shipment or
8 billing. A sale by a retailer's agent or employee shall be
9 deemed to be consummated at the place of business from which he
10 works.

11 (2) For the purposes of any local sales tax imposed by an
12 ordinance or order under the local sales tax law, all sales of
13 motor vehicles, trailers, boats, and outboard motors shall be
14 deemed to be consummated at the residence of the purchaser and
15 not at the place of business of the retailer, or the place of
16 business from which the retailer's agent or employee works.

17 (3) For the purposes of any local tax imposed by an
18 ordinance or under the local sales tax law on charges for mobile
19 telecommunications services, all taxes of mobile
20 telecommunications service shall be imposed as provided in the
21 Mobile Telecommunications Sourcing Act, 4 U.S.C. Sections 116
22 through 124, as amended.

23 13. Local sales taxes imposed pursuant to the local sales
24 tax law on the purchase and sale of motor vehicles, trailers,

1 boats, and outboard motors shall not be collected and remitted by
2 the seller, but shall be collected by the director of revenue at
3 the time application is made for a certificate of title, if the
4 address of the applicant is within a taxing entity imposing a
5 local sales tax under the local sales tax law.

6 14. The director of revenue and any of his deputies,
7 assistants and employees who have any duties or responsibilities
8 in connection with the collection, deposit, transfer,
9 transmittal, disbursement, safekeeping, accounting, or recording
10 of funds which come into the hands of the director of revenue
11 under the provisions of the local sales tax law shall enter a
12 surety bond or bonds payable to any and all taxing entities in
13 whose behalf such funds have been collected under the local sales
14 tax law in the amount of one hundred thousand dollars for each
15 such tax; but the director of revenue may enter into a blanket
16 bond covering himself and all such deputies, assistants and
17 employees. The cost of any premium for such bonds shall be paid
18 by the director of revenue from the share of the collections
19 under the sales tax law retained by the director of revenue for
20 the benefit of the state.

21 15. The director of revenue shall annually report on his
22 management of each trust fund which is created under the local
23 sales tax law and administration of each local sales tax imposed
24 under the local sales tax law. He shall provide each taxing

1 entity imposing one or more local sales taxes authorized by the
2 local sales tax law with a detailed accounting of the source of
3 all funds received by him for the taxing entity. Notwithstanding
4 any other provisions of law, the state auditor shall annually
5 audit each trust fund. A copy of the director's report and
6 annual audit shall be forwarded to each taxing entity imposing
7 one or more local sales taxes.

8 16. Within the boundaries of any taxing entity where one or
9 more local sales taxes have been imposed, if any person is
10 delinquent in the payment of the amount required to be paid by
11 him under the local sales tax law or in the event a determination
12 has been made against him for taxes and penalty under the local
13 sales tax law, the limitation for bringing suit for the
14 collection of the delinquent tax and penalty shall be the same as
15 that provided in sections 144.010 to 144.525, RSMo. Where the
16 director of revenue has determined that suit must be filed
17 against any person for the collection of delinquent taxes due the
18 state under the state sales tax law, and where such person is
19 also delinquent in payment of taxes under the local sales tax
20 law, the director of revenue shall notify the taxing entity [to
21 which delinquent taxes are due under the local sales tax law by
22 United States registered mail or certified mail at least ten days
23 before turning the case over to the attorney general. The taxing
24 entity, acting through its attorney, may join in such suit as a

1 party plaintiff to seek a judgment for the delinquent taxes and
2 penalty due such taxing entity.] in the event any person fails or
3 refuses to pay the amount of any local sales tax due[, the
4 director of revenue shall promptly notify the taxing entity to
5 which the tax would be due] so that appropriate action may be
6 taken by the taxing entity.

7 17. Where property is seized by the director of revenue
8 under the provisions of any law authorizing seizure of the
9 property of a taxpayer who is delinquent in payment of the tax
10 imposed by the state sales tax law, and where such taxpayer is
11 also delinquent in payment of any tax imposed by the local sales
12 tax law, the director of revenue shall permit the taxing entity
13 to join in any sale of property to pay the delinquent taxes and
14 penalties due the state and to the taxing entity under the local
15 sales tax law. The proceeds from such sale shall first be
16 applied to all sums due the state, and the remainder, if any,
17 shall be applied to all sums due such taxing entity.

18 18. If a local sales tax has been in effect for at least
19 one year under the provisions of the local sales tax law and
20 voters approve reimposition of the same local sales tax at the
21 same rate at an election as provided for in the local sales tax
22 law prior to the date such tax is due to expire, the tax so
23 reimposed shall become effective the first day of the first
24 calendar quarter after the director receives a certified copy of

1 the ordinance, order or resolution accompanied by a map clearly
2 showing the boundaries thereof and the results of such election,
3 provided that such ordinance, order or resolution and all
4 necessary accompanying materials are received by the director at
5 least thirty days prior to the expiration of such tax. Any
6 administrative cost or expense incurred by the state as a result
7 of the provisions of this subsection shall be paid by the city or
8 county reimposing such tax.

9 94.270. 1. The mayor and board of aldermen shall have
10 power and authority to regulate and to license and to levy and
11 collect a license tax on auctioneers, druggists, hawkers,
12 peddlers, banks, brokers, pawnbrokers, merchants of all kinds,
13 grocers, confectioners, restaurants, butchers, taverns, hotels,
14 public boardinghouses, billiard and pool tables and other tables,
15 bowling alleys, lumber dealers, real estate agents, loan
16 companies, loan agents, public buildings, public halls, opera
17 houses, concerts, photographers, bill posters, artists, agents,
18 porters, public lecturers, public meetings, circuses and shows,
19 for parades and exhibitions, moving picture shows, horse or
20 cattle dealers, patent right dealers, stockyards, inspectors,
21 gaugers, mercantile agents, gas companies, insurance companies,
22 insurance agents, express companies, and express agents,
23 telegraph companies, light, power and water companies, telephone
24 companies, manufacturing and other corporations or institutions,

1 automobile agencies, and dealers, public garages, automobile
2 repair shops or both combined, dealers in automobile accessories,
3 gasoline filling stations, soft drink stands, ice cream stands,
4 ice cream and soft drink stands combined, soda fountains, street
5 railroad cars, omnibuses, drays, transfer and all other vehicles,
6 traveling and auction stores, plumbers, and all other business,
7 trades and avocations whatsoever, and fix the rate of carriage of
8 persons, drayage and cartage of property; and to license, tax,
9 regulate and suppress ordinaries, money brokers, money changers,
10 intelligence and employment offices and agencies, public
11 masquerades, balls, street exhibitions, dance houses, fortune
12 tellers, pistol galleries, corn doctors, private venereal
13 hospitals, museums, menageries, equestrian performances,
14 horoscopic views, telescopic views, lung testers, muscle
15 developers, magnifying glasses, ten pin alleys, ball alleys,
16 billiard tables, pool tables and other tables, theatrical or
17 other exhibitions, boxing and sparring exhibitions, shows and
18 amusements, tippling houses, and sales of unclaimed goods by
19 express companies or common carriers, auto wrecking shops and
20 junk dealers; to license, tax and regulate hackmen, draymen,
21 omnibus drivers, porters and all others pursuing like
22 occupations, with or without vehicles, and to prescribe their
23 compensation; and to regulate, license and restrain runners for
24 steamboats, cars, and public houses; and to license ferries, and

1 to regulate the same and the landing thereof within the limits of
2 the city, and to license and tax auto liveries, auto drays and
3 jitneys.

4 2. Notwithstanding any other law to the contrary, no city
5 of the fourth classification with more than eight hundred but
6 less than nine hundred inhabitants and located in any county with
7 a charter form of government and with more than one million
8 inhabitants shall levy or collect a license fee on hotels or
9 motels in an amount in excess of twenty-six dollars and fifty
10 cents per room per year. No hotel or motel in such city shall be
11 required to pay a license fee in excess of such amount, and any
12 license fee in such city that exceeds the limitation of this
13 subsection shall be automatically reduced to comply with this
14 subsection.

15 3. Notwithstanding any other law to the contrary, no city
16 of the fourth classification with more than four thousand one
17 hundred but less than four thousand two hundred inhabitants and
18 located in any county with a charter form of government and with
19 more than one million inhabitants shall levy or collect a license
20 fee on hotels or motels in an amount in excess of thirteen
21 dollars per room per year. No hotel or motel in such city shall
22 be required to pay a license fee in excess of such amount, and
23 any license fee in such city that exceeds the limitation of this
24 subsection shall be automatically reduced to comply with this

1 subsection.

2 94.902. 1. The governing body of any city of the third
3 classification with more than twenty-six thousand three hundred
4 but less than twenty-six thousand seven hundred inhabitants may
5 impose, by order or ordinance, a sales tax on all retail sales
6 made in the city which are subject to taxation under chapter 144,
7 RSMo. The tax authorized in this section may be imposed in an
8 amount of up to one-half of one percent, and shall be imposed
9 solely for the purpose of improving the public safety for such
10 city, including but not limited to expenditures on equipment,
11 city employee salaries and benefits, and facilities for police,
12 fire and emergency medical providers. The tax authorized in this
13 section shall be in addition to all other sales taxes imposed by
14 law, and shall be stated separately from all other charges and
15 taxes. The order or ordinance imposing a sales tax under this
16 section shall not become effective unless the governing body of
17 the city submits to the voters residing within the city, at a
18 county or state general, primary, or special election, a proposal
19 to authorize the governing body of the city to impose a tax under
20 this section.

21 2. The ballot of submission for the tax authorized in this
22 section shall be in substantially the following form:

23 Shall the city of (city's name) impose a citywide
24 sales tax at a rate of (insert rate of percent) percent

1 for the purpose of improving the public safety of the city?

2 [] YES

[] NO

3 If you are in favor of the question, place an "X" in the box
4 opposite "YES". If you are opposed to the question, place an "X"
5 in the box opposite "NO".

6 If a majority of the votes cast on the proposal by the qualified
7 voters voting thereon are in favor of the proposal, then the
8 ordinance or order and any amendments to the order or ordinance
9 shall become effective on the first day of the second calendar
10 quarter after the director of revenue receives notice of the
11 adoption of the sales tax. If a majority of the votes cast on
12 the proposal by the qualified voters voting thereon are opposed
13 to the proposal, then the tax shall not become effective unless
14 the proposal is resubmitted under this section to the qualified
15 voters and such proposal is approved by a majority of the
16 qualified voters voting on the proposal. However, in no event
17 shall a proposal under this section be submitted to the voters
18 sooner than twelve months from the date of the last proposal
19 under this section.

20 3. Any sales tax imposed under this section shall be
21 administered, collected, enforced, and operated as required in
22 section 32.087, RSMo. All sales taxes collected by the director

1 of the department of revenue under this section on behalf of any
2 city, less one percent for cost of collection which shall be
3 deposited in the state's general revenue fund after payment of
4 premiums for surety bonds as provided in section 32.087, RSMo,
5 shall be deposited in a special trust fund, which is hereby
6 created in the state treasury, to be known as the "City Public
7 Safety Sales Tax Trust Fund". The moneys in the trust fund shall
8 not be deemed to be state funds and shall not be commingled with
9 any funds of the state. The provisions of section 33.080, RSMo,
10 to the contrary notwithstanding, money in this fund shall not be
11 transferred and placed to the credit of the general revenue fund.
12 The director shall keep accurate records of the amount of money
13 in the trust and which was collected in each city imposing a
14 sales tax under this section, and the records shall be open to
15 the inspection of officers of the city and the public. Not later
16 than the tenth day of each month the director shall distribute
17 all moneys deposited in the trust fund during the preceding month
18 to the city which levied the tax. Such funds shall be deposited
19 with the city treasurer of each such city, and all expenditures
20 of funds arising from the trust fund shall be by an appropriation
21 act to be enacted by the governing body of each such city.
22 Expenditures may be made from the fund for any functions
23 authorized in the ordinance or order adopted by the governing
24 body submitting the tax to the voters. If the tax is repealed,

1 all funds remaining in the special trust fund shall continue to
2 be used solely for the designated purposes. Any funds in the
3 special trust fund which are not needed for current expenditures
4 shall be invested in the same manner as other funds are invested.
5 Any interest and moneys earned on such investments shall be
6 credited to the fund.

7 4. The director of the department of revenue may authorize
8 the state treasurer to make refunds from the amounts in the trust
9 fund and credited to any city for erroneous payments and
10 overpayments made, and may redeem dishonored checks and drafts
11 deposited to the credit of such cities. If any city abolishes
12 the tax, the city shall notify the director of the action at
13 least ninety days before the effective date of the repeal, and
14 the director may order retention in the trust fund, for a period
15 of one year, of two percent of the amount collected after receipt
16 of such notice to cover possible refunds or overpayment of the
17 tax and to redeem dishonored checks and drafts deposited to the
18 credit of such accounts. After one year has elapsed after the
19 effective date of abolition of the tax in such city, the director
20 shall remit the balance in the account to the city and close the
21 account of that city. The director shall notify each city of
22 each instance of any amount refunded or any check redeemed from
23 receipts due the city.

24 5. The governing body of any city that has adopted the

1 sales tax authorized in this section may submit the question of
2 repeal of the tax to the voters on any date available for
3 elections for the city. The ballot of submission shall be in
4 substantially the following form:

5 Shall (insert the name of the city) repeal the sales
6 tax imposed at a rate of (insert rate of percent) percent
7 for the purpose of improving the public safety of the city?

8 [] YES

[] NO

9 If a majority of the votes cast on the proposal are in favor of
10 repeal, that repeal shall become effective on December
11 thirty-first of the calendar year in which such repeal was
12 approved. If a majority of the votes cast on the question by the
13 qualified voters voting thereon are opposed to the repeal, then
14 the sales tax authorized in this section shall remain effective
15 until the question is resubmitted under this section to the
16 qualified voters, and the repeal is approved by a majority of the
17 qualified voters voting on the question.

18 6. Whenever the governing body of any city that has adopted
19 the sales tax authorized in this section receives a petition,
20 signed by ten percent of the registered voters of the city voting
21 in the last gubernatorial election, calling for an election to
22 repeal the sales tax imposed under this section, the governing
23 body shall submit to the voters of the city a proposal to repeal

1 the tax. If a majority of the votes cast on the question by the
2 qualified voters voting thereon are in favor of the repeal, that
3 repeal shall become effective on December thirty-first of the
4 calendar year in which such repeal was approved. If a majority
5 of the votes cast on the question by the qualified voters voting
6 thereon are opposed to the repeal, then the tax shall remain
7 effective until the question is resubmitted under this section to
8 the qualified voters and the repeal is approved by a majority of
9 the qualified voters voting on the question.

10 7. Except as modified in this section, all provisions of
11 sections 32.085 and 32.087, RSMo, shall apply to the tax imposed
12 under this section.

13 100.710. As used in sections 100.700 to 100.850, the
14 following terms mean:

15 (1) "Assessment", an amount of up to five percent of the
16 gross wages paid in one year by an eligible industry to all
17 eligible employees in new jobs, or up to ten percent if the
18 economic development project is located within a distressed
19 community as defined in section 135.530, RSMo;

20 (2) "Board", the Missouri development finance board as
21 created by section 100.265;

22 (3) "Certificates", the revenue bonds or notes authorized
23 to be issued by the board pursuant to section 100.840;

24 (4) "Credit", the amount agreed to between the board and an

1 eligible industry, but not to exceed the assessment attributable
2 to the eligible industry's project;

3 (5) "Department", the Missouri department of economic
4 development;

5 (6) "Director", the director of the department of economic
6 development;

7 (7) "Economic development project":

8 (a) The acquisition of any real property by the board, the
9 eligible industry, or its affiliate; or

10 (b) The fee ownership of real property by the eligible
11 industry or its affiliate; and

12 (c) For both paragraphs (a) and (b) of this subdivision,
13 "economic development project" shall also include the development
14 of the real property including construction, installation, or
15 equipping of a project, including fixtures and equipment, and
16 facilities necessary or desirable for improvement of the real
17 property, including surveys; site tests and inspections;
18 subsurface site work; excavation; removal of structures,
19 roadways, cemeteries and other surface obstructions; filling,
20 grading and provision of drainage, storm water retention,
21 installation of utilities such as water, sewer, sewage treatment,
22 gas, electricity, communications and similar facilities; off-site
23 construction of utility extensions to the boundaries of the real
24 property; and the acquisition, installation, or equipping of

1 facilities on the real property, for use and occupancy by the
2 eligible industry or its affiliates;

3 (8) "Eligible employee", a person employed on a full-time
4 basis in a new job at the economic development project averaging
5 at least thirty-five hours per week who was not employed by the
6 eligible industry or a related taxpayer in this state at any time
7 during the twelve-month period immediately prior to being
8 employed at the economic development project. For an essential
9 industry, a person employed on a full-time basis in an existing
10 job at the economic development project averaging at least
11 thirty- five hours per week may be considered an eligible
12 employee for the purposes of the program authorized by sections
13 100.700 to 100.850;

14 (9) "Eligible industry", a business located within the
15 state of Missouri which is engaged in interstate or intrastate
16 commerce for the purpose of manufacturing, processing or
17 assembling products, conducting research and development, or
18 providing services in interstate commerce, office industries, or
19 agricultural processing, but excluding retail, health or
20 professional services. "Eligible industry" does not include a
21 business which closes or substantially reduces its operation at
22 one location in the state and relocates substantially the same
23 operation to another location in the state. This does not
24 prohibit a business from expanding its operations at another

1 location in the state provided that existing operations of a
2 similar nature located within the state are not closed or
3 substantially reduced. This also does not prohibit a business
4 from moving its operations from one location in the state to
5 another location in the state for the purpose of expanding such
6 operation provided that the board determines that such expansion
7 cannot reasonably be accommodated within the municipality in
8 which such business is located, or in the case of a business
9 located in an incorporated area of the county, within the county
10 in which such business is located, after conferring with the
11 chief elected official of such municipality or county and taking
12 into consideration any evidence offered by such municipality or
13 county regarding the ability to accommodate such expansion within
14 such municipality or county. An eligible industry must:

15 (a) Invest a minimum of fifteen million dollars, or ten
16 million dollars for an office industry, in an economic
17 development project; and

18 (b) Create a minimum of one hundred new jobs for eligible
19 employees at the economic development project or a minimum of
20 five hundred jobs if the economic development project is an
21 office industry or a minimum of two hundred new jobs if the
22 economic development project is an office industry located within
23 a distressed community as defined in section 135.530, RSMo, or in
24 the case of an approved company for a project for a world

1 headquarters of a business whose primary function is tax return
2 preparation in any home rule city with more than four hundred
3 thousand inhabitants and located in more than one county, create
4 a minimum of one hundred new jobs for eligible employees at the
5 economic development project. An industry that meets the
6 definition of "essential industry" may be considered an eligible
7 industry for the purposes of the program authorized by sections
8 100.700 to 100.850;

9 (10) "Essential industry", a business that otherwise meets
10 the definition of eligible industry except an essential industry
11 shall:

12 (a) Be a targeted industry;

13 (b) Be located in a home rule city with more than
14 twenty-six thousand but less than twenty-seven thousand
15 inhabitants located in any county with a charter form of
16 government and with more than one million inhabitants;

17 (c) Have maintained at least two thousand jobs at the
18 proposed economic development project site each year for a period
19 of four years preceding the year in which application for the
20 program authorized by sections 100.700 to 100.850 is made and
21 during the year in which said application is made;

22 (d) For the duration of the certificates, retain at the
23 proposed economic development project site the level of
24 employment that existed at the site in the taxable year

1 immediately preceding the year in which application for the
2 program authorized by sections 100.700 to 100.850 is made; and

3 (e) Invest a minimum of five hundred million dollars in the
4 economic development project by the end of the third year after
5 the issuance of the certificates under this program;

6 (11) "New job", a job in a new or expanding eligible
7 industry not including jobs of recalled workers, replacement jobs
8 or jobs that formerly existed in the eligible industry in the
9 state. For an essential industry, an existing job may be
10 considered a new job for the purposes of the program authorized
11 by sections 100.700 to 100.850;

12 (12) "Office industry", a regional, national or
13 international headquarters, a telecommunications operation, a
14 computer operation, an insurance company, or a credit card
15 billing and processing center;

16 (13) "Program costs", all necessary and incidental costs of
17 providing program services including payment of the principal of
18 premium, if any, and interest on certificates, including
19 capitalized interest, issued to finance a project, and funding
20 and maintenance of a debt service reserve fund to secure such
21 certificates. Program costs shall include:

22 (a) Obligations incurred for labor and obligations incurred
23 to contractors, subcontractors, builders and materialmen in
24 connection with the acquisition, construction, installation or

1 equipping of an economic development project;

2 (b) The cost of acquiring land or rights in land and any
3 cost incidental thereto, including recording fees;

4 (c) The cost of contract bonds and of insurance of all
5 kinds that may be required or necessary during the course of
6 acquisition, construction, installation or equipping of an
7 economic development project which is not paid by the contractor
8 or contractors or otherwise provided for;

9 (d) All costs of architectural and engineering services,
10 including test borings, surveys, estimates, plans and
11 specifications, preliminary investigations and supervision of
12 construction, as well as the costs for the performance of all the
13 duties required by or consequent upon the acquisition,
14 construction, installation or equipping of an economic
15 development project;

16 (e) All costs which are required to be paid under the terms
17 of any contract or contracts for the acquisition, construction,
18 installation or equipping of an economic development project; and

19 (f) All other costs of a nature comparable to those
20 described in this subdivision;

21 (14) "Program services", administrative expenses of the
22 board, including contracted professional services, and the cost
23 of issuance of certificates;

24 (15) "Targeted industry", an industry or one of a cluster

1 of industries that is identified by the department as critical to
2 the state's economic security and growth and affirmed as such by
3 the joint committee on economic development policy and planning
4 established in section 620.602, RSMo.

5 100.850. 1. The approved company shall remit to the board
6 a job development assessment fee, not to exceed five percent of
7 the gross wages of each eligible employee whose job was created
8 as a result of the economic development project, or not to exceed
9 ten percent if the economic development project is located
10 within a distressed community as defined in section 135.530,
11 RSMo, for the purpose of retiring bonds which fund the economic
12 development project.

13 2. Any approved company remitting an assessment as provided
14 in subsection 1 of this section shall make its payroll books and
15 records available to the board at such reasonable times as the
16 board shall request and shall file with the board documentation
17 respecting the assessment as the board may require.

18 3. Any assessment remitted pursuant to subsection 1 of this
19 section shall cease on the date the bonds are retired.

20 4. Any approved company which has paid an assessment for
21 debt reduction shall be allowed a tax credit equal to the amount
22 of the assessment. The tax credit may be claimed against taxes
23 otherwise imposed by chapters 143 and 148, RSMo, except
24 withholding taxes imposed under the provisions of sections

1 143.191 to 143.265, RSMo, which were incurred during the tax
2 period in which the assessment was made.

3 5. In no event shall the aggregate amount of tax credits
4 authorized by subsection 4 of this section exceed eleven million
5 nine hundred fifty thousand dollars annually. Of such amount,
6 nine hundred fifty thousand dollars shall be reserved for an
7 approved project for a world headquarters of a business whose
8 primary function is tax return preparation that is located in any
9 home rule city with more than four hundred thousand inhabitants
10 and located in more than one county.

11 6. The director of revenue shall issue a refund to the
12 approved company to the extent that the amount of credits allowed
13 in subsection 4 of this section exceeds the amount of the
14 approved company's income tax.

15 [100.850. 1. The approved company
16 shall remit to the board a job development
17 assessment fee, not to exceed five percent of
18 the gross wages of each eligible employee
19 whose job was created as a result of the
20 economic development project, or not to
21 exceed ten percent if the economic
22 development project is located within a
23 distressed community as defined in section
24 135.530, RSMo, for the purpose of retiring
25 bonds which fund the economic development
26 project.

27 2. Any approved company remitting an
28 assessment as provided in subsection 1 of
29 this section shall make its payroll books and
30 records available to the board at such
31 reasonable times as the board shall request
32 and shall file with the board documentation
33 respecting the assessment as the board may
34 require.

1 3. Any assessment remitted pursuant to
2 subsection 1 of this section shall cease on
3 the date the bonds are retired.

4 4. Any approved company which has paid
5 an assessment for debt reduction shall be
6 allowed a tax credit equal to the amount of
7 the assessment. The tax credit may be
8 claimed against taxes otherwise imposed by
9 chapters 143 and 148, RSMo, except
10 withholding taxes imposed under the
11 provisions of sections 143.191 to 143.265,
12 RSMo, which were incurred during the tax
13 period in which the assessment was made.

14 5. In no event shall the aggregate
15 amount of tax credits authorized by
16 subsection 4 of this section exceed eleven
17 million dollars annually.

18 6. The director of revenue shall issue
19 a refund to the approved company to the
20 extent that the amount of credits allowed in
21 subsection 4 of this section exceeds the
22 amount of the approved company's income tax.]

23 135.481. 1. (1) Any taxpayer who incurs eligible costs
24 for a new residence located in a distressed community or within a
25 census block group as described in subdivision (10) of section
26 135.478, or for a multiple unit condominium described in
27 subdivision (2) of this subsection, shall receive a tax credit
28 equal to fifteen percent of such costs against his or her tax
29 liability. The tax credit shall not exceed forty thousand
30 dollars per new residence in any ten-year period.

31 (2) For the purposes of this section, a "multiple unit
32 condominium" is one that is intended to be owner occupied, which
33 is constructed on property subject to an industrial development
34 contract as defined in section 100.310, RSMo, and which lies
35 within an area with a city zoning classification of urban

1 redevelopment district established after January 1, 2000, and
2 before December 31, 2001, and which is constructed in connection
3 with the qualified rehabilitation of a structure more than ninety
4 years old eligible for the historic structures rehabilitation tax
5 credit described in sections 253.545 to 253.559, RSMo, and is
6 under way by January 1, 2000, and completed by January 1, 2002.

7 2. Any taxpayer who incurs eligible costs for a new
8 residence located within a census block as described in
9 subdivision (6) of section 135.478 shall receive a tax credit
10 equal to fifteen percent of such costs against his or her tax
11 liability. The tax credit shall not exceed twenty-five thousand
12 dollars per new residence in any ten-year period.

13 3. Any taxpayer who is not performing substantial
14 rehabilitation and who incurs eligible costs for rehabilitation
15 of an eligible residence or a qualifying residence shall receive
16 a tax credit equal to twenty-five percent of such costs against
17 his or her tax liability. The minimum eligible costs for
18 rehabilitation of an eligible residence shall be ten thousand
19 dollars. The minimum eligible costs for rehabilitation of a
20 qualifying residence shall be five thousand dollars. The tax
21 credit shall not exceed twenty-five thousand dollars in any
22 ten-year period. Any taxpayer who has obtained approvals of
23 multiple phase projects before December 31, 2004, and who incurs
24 eligible costs for a new residence in an area described in

1 subsection 2 of this section which is constructed on property
2 subject to the industrial development provisions of section
3 100.300 to 100.600, RSMo, and which lies within an area with a
4 city zoning classification of urban development district, may
5 reallocate the tax credits within the phases in an amount not to
6 exceed thirty-five percent of such costs up to seventy thousand
7 dollars per residence in any ten-year period.

8 4. Any taxpayer who incurs eligible costs for substantial
9 rehabilitation of a qualifying residence shall receive a tax
10 credit equal to thirty-five percent of such costs against his or
11 her tax liability. The minimum eligible costs for substantial
12 rehabilitation of a qualifying residence shall be ten thousand
13 dollars. The tax credit shall not exceed seventy thousand
14 dollars in any ten-year period.

15 5. A taxpayer shall be eligible to receive tax credits for
16 new construction or rehabilitation pursuant to only one
17 subsection of this section.

18 6. No tax credit shall be issued pursuant to this section
19 for any structure which is in violation of any municipal or
20 county property, maintenance or zoning code.

21 7. No tax credit shall be issued pursuant to sections
22 135.475 to 135.487 for the construction or rehabilitation of
23 rental property.

24 135.751. 1. As used in this section, the following terms

1 mean:

2 (1) "Accredited film or video production certificate", a
3 certificate issued by the department of economic development
4 certifying that the film or video production is an accredited
5 production;

6 (2) "Accredited production", a film or video production
7 produced in this state and accredited by the department of
8 economic development as determined by rule or regulation;

9 (3) "Expenditure", any amount spent within this state on
10 the following items by a production corporation for an accredited
11 production, to the extent that the expenditures are reasonable
12 under the circumstances:

13 (a) The salary or wages directly attributable to the
14 production that are incurred by the production corporation
15 relating to services rendered in this state by residents of this
16 state for the stages of production of the accredited production,
17 from the final script stage to the end of the post-production
18 stage, and paid by the corporation in the taxable year for which
19 the credit is being claimed to employees of the corporation who
20 were residents of this state at the time the payments were made;

21 (b) That portion of the remuneration, other than salary or
22 wages, directly attributable to the accredited production,
23 relating to services personally rendered in this state by
24 residents of this state to the production corporation for the

1 stages of production of the accredited production, from the final
2 script stage to the end of the post-production stage, and that is
3 paid by the production corporation to a person or a partnership
4 that:

5 a. Carries on a business in this state through a permanent
6 establishment;

7 b. Resides in this state at the time the amount is paid and
8 who is not an employee of the production corporation, to the
9 extent that the amount paid is attributable to and does not
10 exceed the salary or wages paid by the individual to the
11 individual's employees at a time when they were residents of this
12 state for personally rendering services in this state for the
13 accredited production;

14 c. Is another corporation that is a taxable Missouri
15 corporation, to the extent that the amount paid is attributable
16 to and does not exceed the salary or wages paid to the other
17 corporation's employees at a time when they were residents of
18 this state for personally rendering services in this state for
19 the accredited production;

20 d. Is another corporation that is a taxable Missouri
21 corporation, all the issued and outstanding shares of the capital
22 stock of which, except directors' qualifying shares, belong to an
23 individual who was a resident of this state and the activities of
24 which consist principally of the provision of the individual's

1 services, to the extent that the amount paid is attributable to
2 services rendered personally in this state by the individual for
3 the accredited production; or

4 e. Is a partnership, to the extent that the amount paid:

5 (i) Is attributable to services personally rendered for the
6 accredited production by an individual who is a resident in this
7 state and who is a member of the partnership; or

8 (ii) Is attributable to and does not exceed the salary or
9 wages paid by the partnership to its employees at a time when
10 they were residents of this state for personally rendering
11 services in this state for the accredited production.

12 "Expenditure" does not apply to an amount that is not a
13 production cost, including amounts relating to advertising,
14 marketing, promotion, market research, or an amount related in
15 any way to another film or video production or accredited
16 production;

17 (4) "Production corporation", any corporation that provides
18 film or video production or film or video production services and
19 that:

20 (a) Owns the copyright in the accredited production
21 throughout the period during which the accredited production is
22 produced in this state; or

23 (b) Has contracted directly with the owner of the copyright

1 in the accredited production to provide production services
2 related to the accredited production, where the owner of the
3 copyright is not an eligible production corporation with respect
4 to the accredited production.

5 For purposes of this subdivision, "production corporation" does
6 not include a corporation that is:

7 (a) Exempt, in whole or in part, from federal or Missouri
8 income tax; or

9 (b) Controlled directly or indirectly in any manner
10 whatever by one or more persons all or part of whose taxable
11 income is exempt from federal or Missouri income tax;

12 (5) "Rental costs", the amounts paid for renting film
13 production equipment and vehicles located in this state and owned
14 by any person or entity residing in this state for the production
15 of an accredited production.

16 2. For purposes of this section:

17 (1) "Remuneration" does not include remuneration determined
18 by reference to profits or revenues;

19 (2) "Salary or wages" does not include any agreement to
20 issue securities to any employee or employee stock options or an
21 amount determined by reference to profits or revenues;

22 (3) Services that relate to the post-production stage of
23 the accredited production include only the services that are

1 rendered at that stage by a resident of this state who performs
2 the duties of animation cameraman, assistant colorist, assistant
3 mixer, assistant sound-effects technician, boom operator,
4 colorist, computer graphics designer, cutter, developing
5 technician, director of post production, dubbing technician,
6 encoding technician, inspection technician, clean up, mixer,
7 optical effects technician, picture editor, printing technician,
8 projectionist, recording technician, senior editor, sound editor,
9 sound-effects technician, special effects editor, subtitle
10 technician, timer, video-film recorder operator, videotape
11 operator, or by a person who performs a prescribed post-
12 production duty.

13 3. For all tax years beginning on or after January 1, 2004,
14 any production corporation engaging in an accredited production
15 may receive a credit against the tax otherwise due under chapter
16 143, RSMo, excluding withholding tax imposed by sections 143.191
17 to 143.265, RSMo, on the income derived from the accredited
18 production. The amount of the credit authorized under this
19 section shall be an amount equal to sixteen percent of the total
20 amount of the expenditures made during the tax year in which the
21 accredited production is produced and eight percent of the total
22 amount spent on rental costs incurred for the production of an
23 accredited production during the tax years in which the
24 accredited production is produced. The credit allowed in this

1 section shall be claimed as authorized in subsection 4 of this
2 section, and shall not be claimed for the tax years in which the
3 expenditures are made and the rental costs incurred.

4 4. The amount of the tax credit claimed under this section
5 shall not exceed the amount of the taxpayer's state tax liability
6 for the taxable year for which the credit is claimed. The credit
7 shall be claimed by the taxpayer in any tax year after the tax
8 years in which the accredited production was produced and in
9 which expenditures are made or rental costs are incurred for the
10 subsequent accredited production in this state by the production
11 corporation, provided, that the subsequent accredited production
12 shall commence within ten years of the initial accredited
13 production for which the expenditures were made and the rental
14 costs incurred. Any tax credit allowed under this section that
15 cannot be fully claimed in any taxable year the subsequent
16 accredited production is produced may be carried over to the
17 taxable years for which the production corporation claims a tax
18 credit under this section for other subsequent accredited
19 productions until the full credit has been claimed. No taxpayer
20 claiming a tax credit for expenditures or rental costs under this
21 section shall be eligible to claim the tax credit allowed in
22 section 135.750 for the same expenditures or rental costs, and no
23 person claiming a tax credit for any expenditures or rental costs
24 under section 135.750 shall be eligible to claim the tax credit

1 under this section for the same expenditures or rental costs.

2 5. Any taxpayer claiming a credit under this section shall
3 file the following as part of such taxpayer's tax return:

4 (1) A form prescribed by the department of economic
5 development containing prescribed information relating to the
6 accredited production;

7 (2) An accredited film or video production certificate
8 relating to the accredited production;

9 (3) A statement that the principal filming or taping of the
10 accredited production began before the end of the year; and

11 (4) Any documentation the department of economic
12 development deems necessary to confirm the taxpayer's eligibility
13 for the credit.

14 6. An accredited film or video production certificate may
15 be revoked by the department of economic development if:

16 (1) An omission or incorrect statement was made in the
17 application for a certificate for the purpose of obtaining the
18 certificate; or

19 (2) The production is not an accredited production.

20 No person or entity that has had an accredited film or video
21 production certificate revoked may claim any tax credit under
22 this section.

23 7. The director of the department of economic development

1 and the director of the department of revenue may promulgate
2 rules and regulations to administer and enforce this section.
3 Any rule or portion of a rule, as that term is defined in section
4 536.010, RSMo, that is created under the authority delegated in
5 this section shall become effective only if it complies with and
6 is subject to all of the provisions of chapter 536, RSMo, and, if
7 applicable, section 536.028, RSMo. This section and chapter 536,
8 RSMo, are nonseverable and if any of the powers vested with the
9 general assembly pursuant to chapter 536, RSMo, to review, to
10 delay the effective date, or to disapprove and annul a rule are
11 subsequently held unconstitutional, then the grant of rulemaking
12 authority and any rule proposed or adopted after August 28, 2004,
13 shall be invalid and void.

14 8. Pursuant to section 23.253, RSMo, of the Missouri Sunset
15 Act:

16 (1) The provisions of the new program authorized under this
17 section shall automatically sunset six years after the effective
18 date of this section unless reauthorized by an act of the general
19 assembly; and

20 (2) If such program is reauthorized, the program authorized
21 under this section shall automatically sunset twelve years after
22 the effective date of the reauthorization of this section; and

23 (3) This section shall terminate on September first of the
24 calendar year immediately following the calendar year in which

1 the program authorized under this section is sunset.

2 137.078. 1. For purposes of this section, the following
3 terms shall mean:

4 (1) "Analog equipment", all depreciable items of tangible
5 personal property that are used directly or indirectly in
6 broadcasting television shows and commercials through the use of
7 analog technology;

8 (2) "Applicable analog fraction", a fraction, the numerator
9 of which is the total number of analog television sets in the
10 United States for the immediately preceding calendar year and the
11 denominator of which is an amount representing the total combined
12 number of analog and digital television sets in the United States
13 for the immediately preceding calendar year. The applicable
14 analog fraction will be determined on an annual basis by the
15 Missouri Broadcasters Association;

16 (3) "Applicable digital fraction", a fraction, the
17 numerator of which is the total number of digital television sets
18 in the United States for the immediately preceding calendar year
19 and the denominator of which is an amount representing the total
20 combined number of analog and digital television sets in the
21 United States for the immediately preceding calendar year. The
22 applicable digital fraction will be determined on an annual basis
23 by the Missouri Broadcasters Association;

24 (4) "Applicable analog percentage", the following

percentages for the following years:

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Year of Acquisition</u>	<u>Tax Year</u>	<u>Tax Year</u>	<u>Tax Year</u>	<u>Tax Year</u>
				<u>1%</u>
<u>2006</u>				<u>1%</u>
<u>2005</u>			<u>25%</u>	<u>1%</u>
<u>2004</u>		<u>50%</u>	<u>25%</u>	<u>1%</u>
<u>2003</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>	<u>1%</u>
<u>2002</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>	<u>1%</u>
<u>2001</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>	<u>1%</u>
<u>2000</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>	<u>1%</u>
<u>1999</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>	<u>1%</u>
<u>1998</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>	<u>1%</u>
<u>Prior</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>	<u>1%</u>

(5) "Digital equipment", all depreciable items of tangible personal property that are used directly or indirectly in broadcasting television shows and commercials through the use of digital technology;

(6) "Television broadcasters", all businesses that own, lease, or operate television broadcasting stations that transmit television shows and commercials and that are required to be licensed by the Federal Communications Commission to provide such services;

(7) "Television broadcasting equipment", both analog

1 equipment and digital equipment.

2 2. For purposes of assessing all items of television
3 broadcasting equipment that are owned and used by television
4 broadcasters for purposes of broadcasting television shows and
5 commercials:

6 (1) The true value in money of all analog equipment shall
7 be determined by depreciating the historical cost of such
8 property using the depreciation tables provided in subdivision
9 (1) of subsection 3 of this section and multiplying the results
10 by the applicable analog percentage. The result of the second
11 computation is multiplied by the applicable analog fraction to
12 determine the true value in money of the analog equipment; and

13 (2) The true value in money of all digital equipment shall
14 be determined by depreciating the historical cost of such
15 property using the depreciation tables provided in subdivision
16 (2) of subsection 3 of this section and multiplying the results
17 by the applicable digital fraction to determine the true value in
18 money of the digital equipment.

19 3. For purposes of subsection 2 of this section, the
20 depreciation tables for determining the fair value in money of
21 television broadcasting equipment are as follows:

22 (1) For analog equipment, the following depreciation tables
23 will apply for the following years:

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
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<u>Year of Acquisition</u>	<u>Tax Year</u>	<u>Tax Year</u>	<u>Tax Year</u>	<u>Tax Year</u>
<u>2006</u>				<u>65%</u>
<u>2005</u>			<u>65%</u>	<u>45%</u>
<u>2004</u>		<u>65%</u>	<u>45%</u>	<u>30%</u>
<u>2003</u>	<u>65%</u>	<u>45%</u>	<u>30%</u>	<u>20%</u>
<u>2002</u>	<u>45%</u>	<u>30%</u>	<u>20%</u>	<u>10%</u>
<u>2001</u>	<u>30%</u>	<u>20%</u>	<u>10%</u>	<u>5%</u>
<u>2000</u>	<u>20%</u>	<u>10%</u>	<u>5%</u>	<u>5%</u>
<u>1999</u>	<u>10%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
<u>1998</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
<u>Prior</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>

(2) For digital equipment, the following depreciation tables will apply for the following years:

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Year of Acquisition</u>	<u>Tax Year</u>	<u>Tax Year</u>	<u>Tax Year</u>	<u>Tax Year</u>
<u>2006</u>				<u>65%</u>
<u>2005</u>			<u>65%</u>	<u>45%</u>
<u>2004</u>		<u>65%</u>	<u>45%</u>	<u>30%</u>
<u>2003</u>	<u>65%</u>	<u>45%</u>	<u>30%</u>	<u>20%</u>
<u>2002</u>	<u>45%</u>	<u>30%</u>	<u>20%</u>	<u>10%</u>
<u>2001</u>	<u>30%</u>	<u>20%</u>	<u>10%</u>	<u>5%</u>
<u>2000</u>	<u>20%</u>	<u>10%</u>	<u>5%</u>	<u>5%</u>
<u>1999</u>	<u>10%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
<u>1998</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>

Prior 5% 5% 5% 5%

137.100. The following subjects are exempt from taxation for state, county or local purposes:

(1) Lands and other property belonging to this state;

(2) Lands and other property belonging to any city, county or other political subdivision in this state, including market houses, town halls and other public structures, with their furniture and equipments, and on public squares and lots kept open for health, use or ornament;

(3) Nonprofit cemeteries;

(4) The real estate and tangible personal property which is used exclusively for agricultural or horticultural societies organized in this state, including not-for-profit agribusiness associations;

(5) All property, real and personal, actually and regularly used exclusively for religious worship, for schools and colleges, or for purposes purely charitable and not held for private or corporate profit, except that the exemption herein granted does not include real property not actually used or occupied for the purpose of the organization but held or used as investment even though the income or rentals received therefrom is used wholly for religious, educational or charitable purposes;

(6) Household goods, furniture, wearing apparel and articles of personal use and adornment, as defined by the state

1 tax commission, owned and used by a person in his home or
2 dwelling place; [and]

3 (7) Motor vehicles leased for a period of at least one year
4 to this state or to any city, county, or political subdivision;
5 and

6 (8) Real or personal property leased or otherwise
7 transferred by an interstate compact agency created pursuant to
8 sections 70.370 to 70.430, RSMo, or sections 238.010 to 238.100,
9 RSMo, to another for which or whom such property is not exempt
10 when immediately after the lease or transfer, the interstate
11 compact agency enters into a leaseback or other agreement that
12 directly or indirectly gives such interstate compact agency a
13 right to use, control, and possess the property; provided,
14 however, that in the event of a conveyance of such property, the
15 interstate compact agency must retain an option to purchase the
16 property at a future date or, within the limitations period for
17 reverters, the property must revert back to the interstate
18 compact agency. Property will no longer be exempt under this
19 subdivision in the event of a conveyance as of the date, if any,
20 when:

21 (a) The right of the interstate compact agency to use,
22 control, and possess the property is terminated;

23 (b) The interstate compact agency no longer has an option
24 to purchase or otherwise acquire the property; and

1 (c) There is no provisions for reverter of the property
2 within the limitation period for reverters.

3 137.101. 1. The activities of nationally affiliated
4 fraternal, benevolent, veteran, or service organizations which
5 promote good citizenship, humanitarian activities, or improve the
6 physical, mental, and moral condition of an indefinite number of
7 people [are] or purposes purely charitable within the meaning of
8 subsection 1 of section 6 of article X of the constitution and
9 local assessing authorities may exempt such portion of the real
10 and personal property of such organizations as the assessing
11 authority may determine is utilized in purposes purely charitable
12 from the assessment, levy, and collection of taxes.

13 2. If, at any time, an assessor finally determines, after
14 any and all hearings or rightful appeals, that personal property,
15 upon which an organization would otherwise owe taxes but for the
16 provisions of subsection 1 of this section or subdivision (5) of
17 section 137.100, is not used for purposes purely charitable, or
18 for purposes described in subdivision (5) of section 137.100,
19 then the assessor shall notify the department of revenue of such
20 final determination within thirty days.

21 137.115. 1. All other laws to the contrary
22 notwithstanding, the assessor or the assessor's deputies in all
23 counties of this state including the city of St. Louis shall
24 annually make a list of all real and tangible personal property

1 taxable in the assessor's city, county, town or district. Except
2 as otherwise provided in subsection 3 of this section and section
3 137.078, the assessor shall annually assess all personal property
4 at thirty-three and one-third percent of its true value in money
5 as of January first of each calendar year. The assessor shall
6 annually assess all real property, including any new construction
7 and improvements to real property, and possessory interests in
8 real property at the percent of its true value in money set in
9 subsection 5 of this section. The assessor shall annually assess
10 all real property in the following manner: new assessed values
11 shall be determined as of January first of each odd-numbered year
12 and shall be entered in the assessor's books; those same assessed
13 values shall apply in the following even-numbered year, except
14 for new construction and property improvements which shall be
15 valued as though they had been completed as of January first of
16 the preceding odd-numbered year. The assessor may call at the
17 office, place of doing business, or residence of each person
18 required by this chapter to list property, and require the person
19 to make a correct statement of all taxable tangible personal
20 property owned by the person or under his or her care, charge or
21 management, taxable in the county. On or before January first of
22 each even-numbered year, the assessor shall prepare and submit a
23 two-year assessment maintenance plan to the county governing body
24 and the state tax commission for their respective approval or

1 modification. The county governing body shall approve and
2 forward such plan or its alternative to the plan to the state tax
3 commission by February first. If the county governing body fails
4 to forward the plan or its alternative to the plan to the state
5 tax commission by February first, the assessor's plan shall be
6 considered approved by the county governing body. If the state
7 tax commission fails to approve a plan and if the state tax
8 commission and the assessor and the governing body of the county
9 involved are unable to resolve the differences, in order to
10 receive state cost-share funds outlined in section 137.750, the
11 county or the assessor shall petition the administrative hearing
12 commission, by May first, to decide all matters in dispute
13 regarding the assessment maintenance plan. Upon agreement of the
14 parties, the matter may be stayed while the parties proceed with
15 mediation or arbitration upon terms agreed to by the parties.
16 The final decision of the administrative hearing commission shall
17 be subject to judicial review in the circuit court of the county
18 involved. In the event a valuation of subclass (1) real property
19 within any county with a charter form of government, or within a
20 city not within a county, is made by a computer,
21 computer-assisted method or a computer program, the burden of
22 proof, supported by clear, convincing and cogent evidence to
23 sustain such valuation, shall be on the assessor at any hearing
24 or appeal. In any such county, unless the assessor proves

1 otherwise, there shall be a presumption that the assessment was
2 made by a computer, computer-assisted method or a computer
3 program. Such evidence shall include, but shall not be limited
4 to, the following:

5 (1) The findings of the assessor based on an appraisal of
6 the property by generally accepted appraisal techniques; and

7 (2) The purchase prices from sales of at least three
8 comparable properties and the address or location thereof. As
9 used in this paragraph, the word "comparable" means that:

10 (a) Such sale was closed at a date relevant to the property
11 valuation; and

12 (b) Such properties are not more than one mile from the
13 site of the disputed property, except where no similar properties
14 exist within one mile of the disputed property, the nearest
15 comparable property shall be used. Such property shall be within
16 five hundred square feet in size of the disputed property, and
17 resemble the disputed property in age, floor plan, number of
18 rooms, and other relevant characteristics.

19 2. Assessors in each county of this state and the city of
20 St. Louis may send personal property assessment forms through the
21 mail.

22 3. The following items of personal property shall each
23 constitute separate subclasses of tangible personal property and
24 shall be assessed and valued for the purposes of taxation at the

1 following percents of their true value in money:

2 (1) Grain and other agricultural crops in an unmanufactured
3 condition, one-half of one percent;

4 (2) Livestock, twelve percent;

5 (3) Farm machinery, twelve percent;

6 (4) Motor vehicles which are eligible for registration as
7 and are registered as historic motor vehicles pursuant to section
8 301.131, RSMo, and aircraft which are at least twenty-five years
9 old and which are used solely for noncommercial purposes and are
10 operated less than fifty hours per year or aircraft that are home
11 built from a kit, five percent;

12 (5) Poultry, twelve percent; and

13 (6) Tools and equipment used for pollution control and
14 tools and equipment used in retooling for the purpose of
15 introducing new product lines or used for making improvements to
16 existing products by any company which is located in a state
17 enterprise zone and which is identified by any standard
18 industrial classification number cited in subdivision (6) of
19 section 135.200, RSMo, twenty-five percent.

20 4. The person listing the property shall enter a true and
21 correct statement of the property, in a printed blank prepared
22 for that purpose. The statement, after being filled out, shall
23 be signed and either affirmed or sworn to as provided in section
24 137.155. The list shall then be delivered to the assessor.

1 5. All subclasses of real property, as such subclasses are
2 established in section 4(b) of article X of the Missouri
3 Constitution and defined in section 137.016, shall be assessed at
4 the following percentages of true value:

5 (1) For real property in subclass (1), nineteen percent;

6 (2) For real property in subclass (2), twelve percent; and

7 (3) For real property in subclass (3), thirty-two percent.

8 6. Manufactured homes, as defined in section 700.010, RSMo,
9 which are actually used as dwelling units shall be assessed at
10 the same percentage of true value as residential real property
11 for the purpose of taxation. The percentage of assessment of
12 true value for such manufactured homes shall be the same as for
13 residential real property. If the county collector cannot
14 identify or find the manufactured home when attempting to attach
15 the manufactured home for payment of taxes owed by the
16 manufactured home owner, the county collector may request the
17 county commission to have the manufactured home removed from the
18 tax books, and such request shall be granted within thirty days
19 after the request is made; however, the removal from the tax
20 books does not remove the tax lien on the manufactured home if it
21 is later identified or found. A manufactured home located in a
22 manufactured home rental park, rental community or on real estate
23 not owned by the manufactured home owner shall be considered
24 personal property. A manufactured home located on real estate

1 owned by the manufactured home owner may be considered real
2 property.

3 7. Each manufactured home assessed shall be considered a
4 parcel for the purpose of reimbursement pursuant to section
5 137.750, unless the manufactured home has been converted to real
6 property in compliance with section 700.111, RSMo, and assessed
7 as a realty improvement to the existing real estate parcel.

8 8. Any amount of tax due and owing based on the assessment
9 of a manufactured home shall be included on the personal property
10 tax statement of the manufactured home owner unless the
11 manufactured home has been converted to real property in
12 compliance with section 700.111, RSMo, in which case the amount
13 of tax due and owing on the assessment of the manufactured home
14 as a realty improvement to the existing real estate parcel shall
15 be included on the real property tax statement of the real estate
16 owner.

17 9. The assessor of each county and each city not within a
18 county shall use the trade-in value published in the October
19 issue of the National Automobile Dealers' Association Official
20 Used Car Guide, or its successor publication, as the recommended
21 guide of information for determining the true value of motor
22 vehicles described in such publication. In the absence of a
23 listing for a particular motor vehicle in such publication, the
24 assessor shall use such information or publications which in the

1 assessor's judgment will fairly estimate the true value in money
2 of the motor vehicle.

3 10. Before the assessor may increase the assessed valuation
4 of any parcel of subclass (1) real property by more than fifteen
5 percent since the last assessment, excluding increases due to new
6 construction or improvements, the assessor shall conduct a
7 physical inspection of such property.

8 11. If a physical inspection is required, pursuant to
9 subsection 10 of this section, the assessor shall notify the
10 property owner of that fact in writing and shall provide the
11 owner clear written notice of the owner's rights relating to the
12 physical inspection. If a physical inspection is required, the
13 property owner may request that an interior inspection be
14 performed during the physical inspection. The owner shall have
15 no less than thirty days to notify the assessor of a request for
16 an interior physical inspection.

17 12. A physical inspection, as required by subsection 10 of
18 this section, shall include, but not be limited to, an on-site
19 personal observation and review of all exterior portions of the
20 land and any buildings and improvements to which the inspector
21 has or may reasonably and lawfully gain external access, and
22 shall include an observation and review of the interior of any
23 buildings or improvements on the property upon the timely request
24 of the owner pursuant to subsection 11 of this section. Mere

1 observation of the property via a "drive-by inspection" or the
2 like shall not be considered sufficient to constitute a physical
3 inspection as required by this section.

4 13. The provisions of subsections 11 and 12 of this section
5 shall only apply in any county with a charter form of government
6 with more than one million inhabitants.

7 14. A county or city collector may accept credit cards as
8 proper form of payment of outstanding property tax due. No
9 county or city collector may charge surcharge for payment by
10 credit card which exceeds the fee or surcharge charged by the
11 credit card bank for its service.

12 15. The provisions of this section and sections 137.073,
13 138.060 and 138.100, RSMo, shall become effective January 1,
14 2003, for any taxing jurisdiction which has at least seventy-five
15 percent of the land area of such jurisdiction within a county
16 with a charter form of government with greater than one million
17 inhabitants, and the provisions of this section and sections
18 137.073, 138.060 and 138.100, RSMo, shall become effective
19 January 1, 2005, for all taxing jurisdictions in this state. Any
20 county in this state may, by an affirmative vote of the governing
21 body of such county, opt into the provisions of this act prior to
22 January 1, 2005.

23 137.298. 1. Other provisions of law to the contrary
24 notwithstanding, any city may by ordinance include as a charge on

1 bills issued for personal property taxes any outstanding parking
2 violations issued on any vehicle for which personal property tax
3 is to be paid and, if required by ordinance, such charge shall be
4 collected with and in the same payment as personal property taxes
5 are collected by the collector of revenue of such city. No
6 personal property tax bill shall be considered paid unless all
7 charges for parking violations are also paid in full and the
8 collector of revenue shall not issue a paid personal property
9 receipt until all such charges are paid.

10 2. Any city or city not within a county may enter into a
11 contract or cooperative agreement with the county governing body
12 and county collector of any county with a charter form of
13 government or any county of the first classification to include
14 as a charge on bills issued for personal property taxes any
15 outstanding vehicle-related fees and fines, including traffic
16 violations, assessed or issued on any vehicle for which personal
17 property tax is to be paid. For the purpose of this section,
18 vehicle-related fees and fines shall include, but not be limited
19 to, traffic violation fines, parking violation fines, towing and
20 vehicle immobilization fees, and any late payment penalties and
21 court costs associated with adjudication or collection of those
22 fines. No personal property tax bill shall be considered paid
23 unless all charges for parking violations and other vehicle-
24 related fees and fines are also paid in full, and the county

1 collector shall not issue a paid personal property tax receipt
2 until all such charges are paid. Any contract or cooperative
3 agreement shall be in writing, signed by the city, county
4 governing body, and county collector, and shall set forth the
5 provisions and terms agreed to by the parties.

6 137.505. If any person, corporation, partnership or
7 association shall fail to file a return as required by sections
8 137.485 to 137.550, the assessor shall ascertain the true amount
9 and value of the taxable tangible personal property of such
10 person, corporation, partnership or association on the best
11 information available to him and shall assess said property at
12 [twenty-five] ten percent above its value.

13 143.081. 1. A resident individual, resident estate, and
14 resident trust shall be allowed a credit against the tax
15 otherwise due pursuant to sections 143.005 to 143.998 for the
16 amount of any income tax imposed for the taxable year by another
17 state of the United States (or a political subdivision thereof)
18 or the District of Columbia on income derived from sources
19 therein and which is also subject to tax pursuant to sections
20 143.005 to 143.998. [Solely] For purposes of this subsection,
21 the phrase "income tax imposed" shall [include] be that amount of
22 tax before any income tax credit allowed by such other state or
23 the District of Columbia [the basis for which is a charitable
24 contribution which qualifies as a charitable deduction from

1 income pursuant to the Internal Revenue Code of 1986, as amended]
2 if the other state or the District of Columbia authorizes a
3 reciprocal benefit for residents of this state.

4 2. The credit provided pursuant to this section shall not
5 exceed an amount which bears the same ratio to the tax otherwise
6 due pursuant to sections 143.005 to 143.998 as the amount of the
7 taxpayer's Missouri adjusted gross income derived from sources in
8 the other taxing jurisdiction bears to the taxpayer's Missouri
9 adjusted gross income derived from all sources. In applying the
10 limitation of the previous sentence to an estate or trust,
11 Missouri taxable income shall be substituted for Missouri
12 adjusted gross income. If the tax of more than one other taxing
13 jurisdiction is imposed on the same item of income, the credit
14 shall not exceed the limitation that would result if the taxes of
15 all the other jurisdictions applicable to the item were deemed to
16 be of a single jurisdiction.

17 3. For the purposes of this section, in the case of an S
18 corporation, each resident S shareholder shall be considered to
19 have paid a tax imposed on the shareholder in an amount equal to
20 the shareholder's pro rata share of any net income tax paid by
21 the S corporation to a state which does not measure the income of
22 shareholders on an S corporation by reference to the income of
23 the S corporation or where a composite return and composite
24 payments are made in such state on behalf of the S shareholders

1 by the S corporation.

2 4. For purposes of subsection 3 of this section, in the
3 case of an S corporation that is a bank chartered by a state, the
4 office of thrift supervision, or the comptroller of currency,
5 each Missouri resident S shareholder of such out-of-state bank
6 shall qualify for the shareholder's pro rata share of any net tax
7 paid, including a bank franchise tax based on the income of the
8 bank, by such S corporation where bank payment of taxes are made
9 in such state on behalf of the S shareholders by the S bank to
10 the extent of the tax paid.

11 143.121. 1. The Missouri adjusted gross income of a
12 resident individual shall be the taxpayer's federal adjusted
13 gross income subject to the modifications in this section.

14 2. There shall be added to the taxpayer's federal adjusted
15 gross income:

16 (a) The amount of any federal income tax refund received
17 for a prior year which resulted in a Missouri income tax benefit;

18 (b) Interest on certain governmental obligations excluded
19 from federal gross income by Section 103 of the Internal Revenue
20 Code. The previous sentence shall not apply to interest on
21 obligations of the state of Missouri or any of its political
22 subdivisions or authorities and shall not apply to the interest
23 described in subdivision (a) of subsection 3 of this section.

24 The amount added pursuant to this paragraph shall be reduced by

1 the amounts applicable to such interest that would have been
2 deductible in computing the taxable income of the taxpayer except
3 only for the application of Section 265 of the Internal Revenue
4 Code. The reduction shall only be made if it is at least five
5 hundred dollars;

6 (c) The amount of any deduction that is included in the
7 computation of federal taxable income pursuant to Section 168 of
8 the Internal Revenue Code as amended by the Job Creation and
9 Worker Assistance Act of 2002 to the extent the amount deducted
10 relates to property purchased on or after July 1, 2002, but
11 before July 1, 2003, and to the extent the amount deducted
12 exceeds the amount that would have been deductible pursuant to
13 Section 168 of the Internal Revenue Code of 1986 as in effect on
14 January 1, 2002; and

15 (d) The amount of any deduction that is included in the
16 computation of federal taxable income for net operating loss
17 allowed by Section 172 of the Internal Revenue Code of 1986, as
18 amended, other than the deduction allowed by Section 172(b)(1)(G)
19 and Section 172(i) of the Internal Revenue Code of 1986, as
20 amended, for a net operating loss the taxpayer claims in the tax
21 year in which the net operating loss occurred or carries forward
22 for a period of more than twenty years and carries backward for
23 more than two years. Any amount of net operating loss taken
24 against federal taxable income [taxes] but disallowed [against]

1 for Missouri income [taxes] tax purposes pursuant to this
2 paragraph [since July 1,] after June 18, 2002, may be carried
3 forward and taken against any [loss] income on the Missouri
4 income tax return for a period of not more than twenty years from
5 the year of the initial loss.

6 3. There shall be subtracted from the taxpayer's federal
7 adjusted gross income the following amounts to the extent
8 included in federal adjusted gross income:

9 (a) Interest or dividends on obligations of the United
10 States and its territories and possessions or of any authority,
11 commission or instrumentality of the United States to the extent
12 exempt from Missouri income taxes pursuant to the laws of the
13 United States. The amount subtracted pursuant to this paragraph
14 shall be reduced by any interest on indebtedness incurred to
15 carry the described obligations or securities and by any expenses
16 incurred in the production of interest or dividend income
17 described in this paragraph. The reduction in the previous
18 sentence shall only apply to the extent that such expenses
19 including amortizable bond premiums are deducted in determining
20 the taxpayer's federal adjusted gross income or included in the
21 taxpayer's Missouri itemized deduction. The reduction shall only
22 be made if the expenses total at least five hundred dollars;

23 (b) The portion of any gain, from the sale or other
24 disposition of property having a higher adjusted basis to the

1 taxpayer for Missouri income tax purposes than for federal income
2 tax purposes on December 31, 1972, that does not exceed such
3 difference in basis. If a gain is considered a long-term capital
4 gain for federal income tax purposes, the modification shall be
5 limited to one-half of such portion of the gain;

6 (c) The amount necessary to prevent the taxation pursuant
7 to this chapter of any annuity or other amount of income or gain
8 which was properly included in income or gain and was taxed
9 pursuant to the laws of Missouri for a taxable year prior to
10 January 1, 1973, to the taxpayer, or to a decedent by reason of
11 whose death the taxpayer acquired the right to receive the income
12 or gain, or to a trust or estate from which the taxpayer received
13 the income or gain;

14 (d) Accumulation distributions received by a taxpayer as a
15 beneficiary of a trust to the extent that the same are included
16 in federal adjusted gross income;

17 (e) The amount of any state income tax refund for a prior
18 year which was included in the federal adjusted gross income;

19 (f) The portion of capital gain specified in section
20 135.357, RSMo, that would otherwise be included in federal
21 adjusted gross income; [and]

22 (g) The amount that would have been deducted in the
23 computation of federal taxable income pursuant to Section 168 of
24 the Internal Revenue Code as in effect on January 1, 2002, to the

1 extent that amount relates to property purchased on or after July
2 1, 2002, but before July 1, 2003, and to the extent that amount
3 exceeds the amount actually deducted pursuant to Section 168 of
4 the Internal Revenue Code as amended by the Job Creation and
5 Worker Assistance Act of 2002; and

6 (h) For all tax years ending on or after July 1, 2002, with
7 respect to qualified property that is sold or otherwise disposed
8 of during a taxable year by a taxpayer and for which an addition
9 modification was made under paragraph (c) of subsection 2 of this
10 section, the amount by which addition modification made under
11 paragraph (c) of subsection 2 of this section on qualified
12 property has not been recovered through the additional
13 subtractions provided in paragraph (g) of this subsection.

14 4. There shall be added to or subtracted from the
15 taxpayer's federal adjusted gross income the taxpayer's share of
16 the Missouri fiduciary adjustment provided in section 143.351.

17 5. There shall be added to or subtracted from the
18 taxpayer's federal adjusted gross income the modifications
19 provided in section 143.411.

20 143.431. 1. The Missouri taxable income of a corporation
21 taxable under sections 143.011 to 143.996 shall be so much of its
22 federal taxable income for the taxable year, with the
23 modifications specified in subsections 2 [and 3] to 4 of this
24 section, as is derived from sources within Missouri as provided

1 in section 143.451. The tax of a corporation shall be computed
2 on its Missouri taxable income at the rates provided in section
3 143.071.

4 2. There shall be added to or subtracted from federal
5 taxable income, the modifications to adjusted gross income
6 provided in section 143.121 and the applicable modifications to
7 itemized deductions provided in section 143.141. There shall be
8 subtracted the federal income tax deduction provided in section
9 143.171. There shall be subtracted, to the extent included in
10 federal taxable income, corporate dividends from sources within
11 Missouri.

12 3. (1) If an affiliated group of corporations files a
13 consolidated income tax return for the taxable year for federal
14 income tax purposes and fifty percent or more of its income is
15 derived from sources within this state as determined in
16 accordance with section 143.451, then it may elect to file a
17 Missouri consolidated income tax return. The federal
18 consolidated taxable income of the electing affiliated group for
19 the taxable year shall be its federal taxable income.

20 (2) So long as a federal consolidated income tax return is
21 filed, an election made by an affiliated group of corporations to
22 file a Missouri consolidated income tax return may be withdrawn
23 or revoked only upon substantial change in the law or regulations
24 adversely changing tax liability under this chapter; or, with

1 permission of the director of revenue upon the showing of good
2 cause for such action. After such a withdrawal or revocation
3 with respect to an affiliated group, it may not file a Missouri
4 consolidated income tax return for five years thereafter, except
5 with the approval of the director of revenue, and subject to such
6 terms and conditions as he may prescribe.

7 (3) No corporation which is part of an affiliated group of
8 corporations filing a Missouri consolidated income tax return
9 shall be required to file a separate Missouri corporate income
10 tax return for the taxable year.

11 (4) For each taxable year an affiliated group of
12 corporations filing a federal consolidated income tax return does
13 not file a Missouri consolidated income tax return, for purposes
14 of computing the Missouri income tax, the federal taxable income
15 of each member of the affiliated group shall be determined as if
16 a separate federal income tax return had been filed by each such
17 member.

18 (5) The director of revenue may prescribe such regulations
19 not inconsistent with the provisions of this chapter as he may
20 deem necessary in order that the tax liability of any affiliated
21 group of corporations making a Missouri consolidated income tax
22 return, and of each corporation in the group, before, during, and
23 after the period of affiliation, may be returned, determined,
24 computed, assessed, collected, and adjusted, in such manner as

1 clearly to reflect the Missouri taxable income derived from
2 sources within this state and in order to prevent avoidance of
3 such tax liability.

4 4. If a net operating loss deduction is allowed for the
5 taxable year, there shall be added to federal taxable income the
6 amount of the net operating loss modification for each loss year
7 as to which a portion of the net operating loss deduction is
8 attributable. As used in this subsection, the following terms
9 mean:

10 (1) "Loss year", the taxable year in which there occurs a
11 federal net operating loss that is carried back or carried
12 forward in whole or in part to another taxable year;

13 (2) "Net operating loss deduction", a net operating loss
14 deduction allowed for federal income tax purposes under Section
15 172 of the Internal Revenue Code of 1986, as amended or a net
16 operating loss deduction allowed for Missouri income tax purposes
17 under paragraph (d) of subsection 2 of section 143.121, but not
18 including any net operating loss deduction that is allowed for
19 federal income tax purposes but disallowed for Missouri income
20 tax purposes under paragraph (d) of subsection 2 of section
21 143.121;

22 (3) "Net addition modification", for any taxable year, the
23 amount by which the sum of all required additions to federal
24 taxable income provided in this chapter, except for the net

1 operating loss modification, exceeds the combined sum of the
2 amount of all required subtractions from federal taxable income
3 provided in this chapter;

4 (4) "Net operating loss modification", an amount equal to
5 the lesser of the amount of the net operating loss deduction
6 attributable to that loss year or the amount by which the total
7 net operating loss in the loss year is less than the sum of:

8 (a) The net addition modification for that loss year; and

9 (b) The cumulative net operating loss deductions
10 attributable to that loss year allowed for the taxable year and
11 all prior taxable years.

12 5. For all tax years ending on or after July 1, 2002,
13 federal taxable income may be a positive or negative amount.
14 Subsection 4 of this section shall be effective for all tax years
15 with a net operating loss deduction attributable to a loss year
16 ending on or after July 1, 2002, and the net operating loss
17 modification shall only apply to loss years ending on or after
18 July 1, 2002.

19 143.782. As used in sections 143.782 to 143.788, unless the
20 context clearly requires otherwise, the following terms shall
21 mean and include:

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

24 (2) "Debt", any sum due and legally owed to any state

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

8 (3) "Debtor", any individual, sole proprietorship,
9 partnership, corporation or other legal entity owing a debt;

10 (4) "Department", the department of revenue of the state of
11 Missouri;

12 (5) "Refund", the Missouri income tax refund which the
13 department determines to be due any taxpayer pursuant to the
14 provisions of this chapter. The amount of a refund shall not
15 include any senior citizens property tax credit provided by
16 sections 135.010 to 135.035, RSMo, unless such refund is being
17 offset for a delinquency or debt relating to individual income
18 tax or a property tax credit; and

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

22 144.025. 1. Notwithstanding any other provisions of law to
23 the contrary, in any retail sale other than retail sales governed
24 by subsections 4 and 5 of this section, where any article on

1 which sales or use tax has been paid, credited, or otherwise
2 satisfied or which was exempted or excluded from sales or use tax
3 is taken in trade as a credit or part payment on the purchase
4 price of the article being sold, the tax imposed by sections
5 144.020 and 144.440 shall be computed only on that portion of the
6 purchase price which exceeds the actual allowance made for the
7 article traded in or exchanged, if there is a bill of sale or
8 other record showing the actual allowance made for the article
9 traded in or exchanged. [Where the article being traded in for
10 credit or part payment is a motor vehicle, trailer, boat, or
11 outboard motor the person trading in the article must be the
12 owner or holder of a properly assigned certificate of ownership.]
13 Where the purchaser of a motor vehicle, trailer, boat or outboard
14 motor receives a rebate from the seller or manufacturer, the tax
15 imposed by sections 144.020 and 144.440 shall be computed only on
16 that portion of the purchase price which exceeds the amount of
17 the rebate, if there is a bill of sale or other record showing
18 the actual rebate given by the seller or manufacturer. Where the
19 trade-in or exchange allowance plus any applicable rebate exceeds
20 the purchase price of the purchased article there shall be no
21 sales or use tax owed. This section shall also apply to motor
22 vehicles, trailers, boats, and outboard motors sold by the owner
23 or holder of the properly assigned certificate of ownership if
24 the seller purchases or contracts to purchase a subsequent motor

1 vehicle, trailer, boat, or outboard motor within one hundred
2 eighty days before or after the date of the sale of the original
3 article and a notarized bill of sale showing the paid sale price
4 is presented to the department of revenue at the time of
5 licensing. A copy of the bill of sale shall be left with the
6 licensing office. Where the subsequent motor vehicle, trailer,
7 boat, or outboard motor is titled more than one hundred eighty
8 days after the sale of the original motor vehicle, trailer, boat,
9 or outboard motor, the allowance pursuant to this section shall
10 be made if the person titling such article establishes that the
11 purchase or contract to purchase was finalized prior to the
12 expiration of the one hundred eighty-day period.

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

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

21 4. The provisions of subsection 1 of this section shall not
22 apply to retail sales of manufactured homes in which the
23 purchaser receives a document known as the "Manufacturer's
24 Statement of Origin" for purposes of obtaining a title to the

1 manufactured home from the department of revenue of this state or
2 from the appropriate agency or officer of any other state.

3 5. Any purchaser of a motor vehicle or trailer used for
4 agricultural use by the purchaser shall be allowed to use as an
5 allowance to offset the sales and use tax liability towards the
6 purchase of the motor vehicle or trailer any grain or livestock
7 produced or raised by the purchaser. The director of revenue may
8 prescribe forms for compliance with this subsection.

9 144.030. 1. There is hereby specifically exempted from the
10 provisions of sections 144.010 to 144.525 and from the
11 computation of the tax levied, assessed or payable pursuant to
12 sections 144.010 to 144.525 such retail sales as may be made in
13 commerce between this state and any other state of the United
14 States, or between this state and any foreign country, and any
15 retail sale which the state of Missouri is prohibited from taxing
16 pursuant to the Constitution or laws of the United States of
17 America, and such retail sales of tangible personal property
18 which the general assembly of the state of Missouri is prohibited
19 from taxing or further taxing by the constitution of this state.

20 2. There are also specifically exempted from the provisions
21 of the local sales tax law as defined in section 32.085, RSMo,
22 section 238.235, RSMo, and sections 144.010 to 144.525 and
23 144.600 to 144.745 and from the computation of the tax levied,
24 assessed or payable pursuant to the local sales tax law as

1 defined in section 32.085, RSMo, section 238.235, RSMo, and
2 sections 144.010 to 144.525 and 144.600 to 144.745:

3 (1) Motor fuel or special fuel subject to an excise tax of
4 this state, unless all or part of such excise tax is refunded
5 pursuant to section 142.584, RSMo; or upon the sale at retail of
6 fuel to be consumed in manufacturing or creating gas, power,
7 steam, electrical current or in furnishing water to be sold
8 ultimately at retail; or feed for livestock or poultry; or grain
9 to be converted into foodstuffs which are to be sold ultimately
10 in processed form at retail; or seed, limestone or fertilizer
11 which is to be used for seeding, liming or fertilizing crops
12 which when harvested will be sold at retail or will be fed to
13 livestock or poultry to be sold ultimately in processed form at
14 retail; economic poisons registered pursuant to the provisions of
15 the Missouri pesticide registration law (sections 281.220 to
16 281.310, RSMo) which are to be used in connection with the growth
17 or production of crops, fruit trees or orchards applied before,
18 during, or after planting, the crop of which when harvested will
19 be sold at retail or will be converted into foodstuffs which are
20 to be sold ultimately in processed form at retail;

21 (2) Materials, manufactured goods, machinery and parts
22 which when used in manufacturing, processing, compounding,
23 mining, producing or fabricating become a component part or
24 ingredient of the new personal property resulting from such

1 manufacturing, processing, compounding, mining, producing or
2 fabricating and which new personal property is intended to be
3 sold ultimately for final use or consumption; and materials,
4 including without limitation, gases and manufactured goods,
5 including without limitation, slagging materials and firebrick,
6 which are ultimately consumed in the manufacturing process by
7 blending, reacting or interacting with or by becoming, in whole
8 or in part, component parts or ingredients of steel products
9 intended to be sold ultimately for final use or consumption;

10 (3) Materials, replacement parts and equipment purchased
11 for use directly upon, and for the repair and maintenance or
12 manufacture of, motor vehicles, watercraft, railroad rolling
13 stock or aircraft engaged as common carriers of persons or
14 property;

15 (4) Replacement machinery, equipment, and parts and the
16 materials and supplies solely required for the installation or
17 construction of such replacement machinery, equipment, and parts,
18 used directly in manufacturing, mining, fabricating or producing
19 a product which is intended to be sold ultimately for final use
20 or consumption; and machinery and equipment, and the materials
21 and supplies required solely for the operation, installation or
22 construction of such machinery and equipment, purchased and used
23 to establish new, or to replace or expand existing, material
24 recovery processing plants in this state. For the purposes of

1 this subdivision, a "material recovery processing plant" means a
2 facility which converts recovered materials into a new product,
3 or a different form which is used in producing a new product, and
4 shall include a facility or equipment which is used exclusively
5 for the collection of recovered materials for delivery to a
6 material recovery processing plant but shall not include motor
7 vehicles used on highways. For purposes of this section, the
8 terms "motor vehicle" and "highway" shall have the same meaning
9 pursuant to section 301.010, RSMo;

10 (5) Machinery and equipment, and parts and the materials
11 and supplies solely required for the installation or construction
12 of such machinery and equipment, purchased and used to establish
13 new or to expand existing manufacturing, mining or fabricating
14 plants in the state if such machinery and equipment is used
15 directly in manufacturing, mining or fabricating a product which
16 is intended to be sold ultimately for final use or consumption;

17 (6) Tangible personal property which is used exclusively in
18 the manufacturing, processing, modification or assembling of
19 products sold to the United States government or to any agency of
20 the United States government;

21 (7) Animals or poultry used for breeding or feeding
22 purposes;

23 (8) Newsprint, ink, computers, photosensitive paper and
24 film, toner, printing plates and other machinery, equipment,

1 replacement parts and supplies used in producing newspapers
2 published for dissemination of news to the general public;

3 (9) The rentals of films, records or any type of sound or
4 picture transcriptions for public commercial display;

5 (10) Pumping machinery and equipment used to propel
6 products delivered by pipelines engaged as common carriers;

7 (11) Railroad rolling stock for use in transporting persons
8 or property in interstate commerce and motor vehicles licensed
9 for a gross weight of twenty-four thousand pounds or more or
10 trailers used by common carriers, as defined in section 390.020,
11 RSMo, solely in the transportation of persons or property in
12 interstate commerce;

13 (12) Electrical energy used in the actual primary
14 manufacture, processing, compounding, mining or producing of a
15 product, or electrical energy used in the actual secondary
16 processing or fabricating of the product, or a material recovery
17 processing plant as defined in subdivision (4) of this
18 subsection, in facilities owned or leased by the taxpayer, if the
19 total cost of electrical energy so used exceeds ten percent of
20 the total cost of production, either primary or secondary,
21 exclusive of the cost of electrical energy so used or if the raw
22 materials used in such processing contain at least twenty-five
23 percent recovered materials as defined in section 260.200, RSMo.
24 For purposes of this subdivision, "processing" means any mode of

1 treatment, act or series of acts performed upon materials to
2 transform and reduce them to a different state or thing,
3 including treatment necessary to maintain or preserve such
4 processing by the producer at the production facility;

5 (13) Anodes which are used or consumed in manufacturing,
6 processing, compounding, mining, producing or fabricating and
7 which have a useful life of less than one year;

8 (14) Machinery, equipment, appliances and devices purchased
9 or leased and used solely for the purpose of preventing, abating
10 or monitoring air pollution, and materials and supplies solely
11 required for the installation, construction or reconstruction of
12 such machinery, equipment, appliances and devices, and so
13 certified as such by the director of the department of natural
14 resources, except that any action by the director pursuant to
15 this subdivision may be appealed to the air conservation
16 commission which may uphold or reverse such action;

17 (15) Machinery, equipment, appliances and devices purchased
18 or leased and used solely for the purpose of preventing, abating
19 or monitoring water pollution, and materials and supplies solely
20 required for the installation, construction or reconstruction of
21 such machinery, equipment, appliances and devices, and so
22 certified as such by the director of the department of natural
23 resources, except that any action by the director pursuant to
24 this subdivision may be appealed to the Missouri clean water

1 commission which may uphold or reverse such action;

2 (16) Tangible personal property purchased by a rural water
3 district;

4 (17) All amounts paid or charged for admission or
5 participation or other fees paid by or other charges to
6 individuals in or for any place of amusement, entertainment or
7 recreation, games or athletic events, including museums, fairs,
8 zoos and planetariums, owned or operated by a municipality or
9 other political subdivision where all the proceeds derived
10 therefrom benefit the municipality or other political subdivision
11 and do not inure to any private person, firm, or corporation;

12 (18) All sales of insulin and prosthetic or orthopedic
13 devices as defined on January 1, 1980, by the federal Medicare
14 program pursuant to Title XVIII of the Social Security Act of
15 1965, including the items specified in Section 1862(a)(12) of
16 that act, and also specifically including hearing aids and
17 hearing aid supplies and all sales of drugs which may be legally
18 dispensed by a licensed pharmacist only upon a lawful
19 prescription of a practitioner licensed to administer those
20 items, including samples and materials used to manufacture
21 samples which may be dispensed by a practitioner authorized to
22 dispense such samples and all sales of medical oxygen, home
23 respiratory equipment and accessories, hospital beds and
24 accessories and ambulatory aids, all sales of manual and powered

1 wheelchairs, stairway lifts, Braille writers, electronic Braille
2 equipment and, if purchased by or on behalf of a person with one
3 or more physical or mental disabilities to enable them to
4 function more independently, all sales of scooters, reading
5 machines, electronic print enlargers and magnifiers, electronic
6 alternative and augmentative communication devices, and items
7 used solely to modify motor vehicles to permit the use of such
8 motor vehicles by individuals with disabilities or sales of
9 over-the-counter or nonprescription drugs to individuals with
10 disabilities;

11 (19) All sales made by or to religious and charitable
12 organizations and institutions in their religious, charitable or
13 educational functions and activities and all sales made by or to
14 all elementary and secondary schools operated at public expense
15 in their educational functions and activities;

16 (20) All sales of aircraft to common carriers for storage
17 or for use in interstate commerce and all sales made by or to
18 not-for-profit civic, social, service or fraternal organizations,
19 including fraternal organizations which have been declared tax-
20 exempt organizations pursuant to Section 501(c)(8) or (10) of the
21 1986 Internal Revenue Code, as amended, solely in their civic or
22 charitable functions and activities and all sales made to
23 eleemosynary and penal institutions and industries of the state,
24 and all sales made to any private not-for-profit institution of

1 higher education not otherwise excluded pursuant to subdivision
2 (19) of this subsection or any institution of higher education
3 supported by public funds, and all sales made to a state relief
4 agency in the exercise of relief functions and activities;

5 (21) All ticket sales made by benevolent, scientific and
6 educational associations which are formed to foster, encourage,
7 and promote progress and improvement in the science of
8 agriculture and in the raising and breeding of animals, and by
9 nonprofit summer theater organizations if such organizations are
10 exempt from federal tax pursuant to the provisions of the
11 Internal Revenue Code and all admission charges and entry fees to
12 the Missouri state fair or any fair conducted by a county
13 agricultural and mechanical society organized and operated
14 pursuant to sections 262.290 to 262.530, RSMo;

15 (22) All sales made to any private not-for-profit
16 elementary or secondary school, all sales of feed additives,
17 medications or vaccines administered to livestock or poultry in
18 the production of food or fiber, all sales of pesticides used in
19 the production of crops, livestock or poultry for food or fiber,
20 all sales of bedding used in the production of livestock or
21 poultry for food or fiber, all sales of propane or natural gas,
22 electricity or diesel fuel used exclusively for drying
23 agricultural crops, natural gas used in the primary manufacture
24 or processing of fuel ethanol as defined in section 142.028,

1 RSMo, and all sales of farm machinery and equipment, other than
2 airplanes, motor vehicles and trailers. As used in this
3 subdivision, the term "feed additives" means tangible personal
4 property which, when mixed with feed for livestock or poultry, is
5 to be used in the feeding of livestock or poultry. As used in
6 this subdivision, the term "pesticides" includes adjuvants such
7 as crop oils, surfactants, wetting agents and other assorted
8 pesticide carriers used to improve or enhance the effect of a
9 pesticide and the foam used to mark the application of pesticides
10 and herbicides for the production of crops, livestock or poultry.
11 As used in this subdivision, the term "farm machinery and
12 equipment" means new or used farm tractors and such other new or
13 used farm machinery and equipment and repair or replacement parts
14 thereon, and supplies and lubricants used exclusively, solely,
15 and directly for producing crops, raising and feeding livestock,
16 fish, poultry, pheasants, chukar, quail, or for producing milk
17 for ultimate sale at retail and one-half of each purchaser's
18 purchase of diesel fuel therefor which is:

19 (a) Used exclusively for agricultural purposes;

20 (b) Used on land owned or leased for the purpose of
21 producing farm products; and

22 (c) Used directly in producing farm products to be sold
23 ultimately in processed form or otherwise at retail or in
24 producing farm products to be fed to livestock or poultry to be

1 sold ultimately in processed form at retail;

2 (23) Except as otherwise provided in section 144.032, all
3 sales of metered water service, electricity, electrical current,
4 natural, artificial or propane gas, wood, coal or home heating
5 oil for domestic use and in any city not within a county, all
6 sales of metered or unmetered water service for domestic use;

7 (a) "Domestic use" means that portion of metered water
8 service, electricity, electrical current, natural, artificial or
9 propane gas, wood, coal or home heating oil, and in any city not
10 within a county, metered or unmetered water service, which an
11 individual occupant of a residential premises uses for
12 nonbusiness, noncommercial or nonindustrial purposes. Utility
13 service through a single or master meter for residential
14 apartments or condominiums, including service for common areas
15 and facilities and vacant units, shall be deemed to be for
16 domestic use. Each seller shall establish and maintain a system
17 whereby individual purchases are determined as exempt or
18 nonexempt;

19 (b) Regulated utility sellers shall determine whether
20 individual purchases are exempt or nonexempt based upon the
21 seller's utility service rate classifications as contained in
22 tariffs on file with and approved by the Missouri public service
23 commission. Sales and purchases made pursuant to the rate
24 classification "residential" and sales to and purchases made by

1 or on behalf of the occupants of residential apartments or
2 condominiums through a single or master meter, including service
3 for common areas and facilities and vacant units, shall be
4 considered as sales made for domestic use and such sales shall be
5 exempt from sales tax. Sellers shall charge sales tax upon the
6 entire amount of purchases classified as nondomestic use. The
7 seller's utility service rate classification and the provision of
8 service thereunder shall be conclusive as to whether or not the
9 utility must charge sales tax;

10 (c) Each person making domestic use purchases of services
11 or property and who uses any portion of the services or property
12 so purchased for a nondomestic use shall, by the fifteenth day of
13 the fourth month following the year of purchase, and without
14 assessment, notice or demand, file a return and pay sales tax on
15 that portion of nondomestic purchases. Each person making
16 nondomestic purchases of services or property and who uses any
17 portion of the services or property so purchased for domestic
18 use, and each person making domestic purchases on behalf of
19 occupants of residential apartments or condominiums through a
20 single or master meter, including service for common areas and
21 facilities and vacant units, under a nonresidential utility
22 service rate classification may, between the first day of the
23 first month and the fifteenth day of the fourth month following
24 the year of purchase, apply for credit or refund to the director

1 of revenue and the director shall give credit or make refund for
2 taxes paid on the domestic use portion of the purchase. The
3 person making such purchases on behalf of occupants of
4 residential apartments or condominiums shall have standing to
5 apply to the director of revenue for such credit or refund;

6 (24) All sales of handicraft items made by the seller or
7 the seller's spouse if the seller or the seller's spouse is at
8 least sixty-five years of age, and if the total gross proceeds
9 from such sales do not constitute a majority of the annual gross
10 income of the seller;

11 (25) Excise taxes, collected on sales at retail, imposed by
12 Sections 4041, 4061, 4071, 4081, 4091, 4161, 4181, 4251, 4261 and
13 4271 of Title 26, United States Code. The director of revenue
14 shall promulgate rules pursuant to chapter 536, RSMo, to
15 eliminate all state and local sales taxes on such excise taxes;

16 (26) Sales of fuel consumed or used in the operation of
17 ships, barges, or waterborne vessels which are used primarily in
18 or for the transportation of property or cargo, or the conveyance
19 of persons for hire, on navigable rivers bordering on or located
20 in part in this state, if such fuel is delivered by the seller to
21 the purchaser's barge, ship, or waterborne vessel while it is
22 afloat upon such river;

23 (27) All sales made to an interstate compact agency created
24 pursuant to sections 70.370 to 70.430, RSMo, or sections 238.010

1 to 238.100, RSMo, in the exercise of the functions and activities
2 of such agency as provided pursuant to the compact;

3 (28) Computers, computer software and computer security
4 systems purchased for use by architectural or engineering firms
5 headquartered in this state[. For the purposes of this
6 subdivision, "headquartered in this state" means the office for
7 the administrative management of at least four integrated
8 facilities operated by the taxpayer is located in the state of
9 Missouri];

10 (29) All livestock sales when either the seller is engaged
11 in the growing, producing or feeding of such livestock, or the
12 seller is engaged in the business of buying and selling,
13 bartering or leasing of such livestock;

14 (30) All sales of barges which are to be used primarily in
15 the transportation of property or cargo on interstate waterways;

16 (31) Electrical energy or gas, whether natural, artificial
17 or propane, which is ultimately consumed in connection with the
18 manufacturing of cellular glass products;

19 (32) Notwithstanding other provisions of law to the
20 contrary, all sales of pesticides or herbicides used in the
21 production of crops, aquaculture, livestock or poultry;

22 (33) Tangible personal property purchased for use or
23 consumption directly or exclusively in the research and
24 development of prescription pharmaceuticals consumed by humans or

1 animals;

2 (34) All sales of grain bins for storage of grain for
3 resale;

4 (35) All sales of feed which are developed for and used in
5 the feeding of pets owned by a commercial breeder when such sales
6 are made to a commercial breeder, as defined in section 273.325,
7 RSMo, and licensed pursuant to sections 273.325 to 273.357, RSMo;

8 (36) All purchases by a contractor on behalf of an entity
9 located in another state, provided that the entity is authorized
10 to issue a certificate of exemption for purchases to a contractor
11 under the provisions of that state's laws. For purposes of this
12 subdivision, the term "certificate of exemption" shall mean any
13 document evidencing that the entity is exempt from sales and use
14 taxes on purchases pursuant to the laws of the state in which the
15 entity is located. Any contractor making purchases on behalf of
16 such entity shall maintain a copy of the entity's exemption
17 certificate as evidence of the exemption. If the exemption
18 certificate issued by the exempt entity to the contractor is
19 later determined by the director of revenue to be invalid for any
20 reason and the contractor has accepted the certificate in good
21 faith, neither the contractor or the exempt entity shall be
22 liable for the payment of any taxes, interest and penalty due as
23 the result of use of the invalid exemption certificate.

24 Materials shall be exempt from all state and local sales and use

1 taxes when purchased by a contractor for the purpose of
2 fabricating tangible personal property which is used in
3 fulfilling a contract for the purpose of constructing, repairing
4 or remodeling facilities for the following:

5 (a) An exempt entity located in this state, if the entity
6 is one of those entities able to issue project exemption
7 certificates in accordance with the provisions of section
8 144.062; or

9 (b) An exempt entity located outside the state if the
10 exempt entity is authorized to issue an exemption certificate to
11 contractors in accordance with the provisions of that state's law
12 and the applicable provisions of this section;

13 (37) Tangible personal property purchased for use or
14 consumption directly or exclusively in research or
15 experimentation activities performed by life science companies
16 and so certified as such by the director of the department of
17 economic development or the director's designees; except that,
18 the total amount of exemptions certified pursuant to this section
19 shall not exceed one million three hundred thousand dollars in
20 state and local taxes per fiscal year. For purposes of this
21 subdivision, the term "life science companies" means companies
22 whose primary research activities are in agriculture,
23 pharmaceuticals, biomedical or food ingredients, and whose North
24 American Industry Classification System (NAICS) Codes fall under

1 industry 541710 (biotech research or development laboratories),
2 621511 (medical laboratories) or 541940 (veterinary services).
3 The exemption provided by this subdivision shall expire on June
4 30, 2003;

5 (38) All sales or other transfers of tangible personal
6 property to a lessor, who leases the property under a lease of
7 one year or longer executed or in effect at the time of the sale
8 or other transfer, to an interstate compact agency created
9 pursuant to sections 70.370 to 70.430, RSMo, or sections 238.010
10 to 238.100, RSMo.

11 144.083. 1. The director of revenue shall require all
12 persons who are responsible for the collection of taxes under the
13 provisions of section 144.080 to procure a retail sales license
14 at no cost to the licensee which shall be prominently displayed
15 at his place of business, and the license is valid until revoked
16 by the director or surrendered by the person to whom issued when
17 sales are discontinued. The director shall issue the retail
18 sales license within ten working days following the receipt of a
19 properly completed application. Any person applying for a retail
20 sales license or reinstatement of a revoked sales tax license who
21 owes any tax under sections 144.010 to 144.510 or sections
22 143.191 to 143.261, RSMo, must pay the amount due plus interest
23 and penalties before the department may issue the applicant a
24 license or reinstate the revoked license. All persons beginning

1 business subsequent to August 13, 1986, and who are required to
2 collect the sales tax shall secure a retail sales license prior
3 to making sales at retail. Such license may, after ten days'
4 notice, be revoked by the director of revenue only in the event
5 the licensee shall be in default for a period of sixty days in
6 the payment of any taxes levied under section 144.020 or sections
7 143.191 to 143.261, RSMo.

8 2. The possession of a retail sales license shall be a
9 prerequisite to the issuance of any city or county occupation
10 license or any state license which is required for conducting any
11 business where goods are sold at retail. The revocation of a
12 retailer's license by the director shall render the occupational
13 license or the state license null and void.

14 3. No person responsible for the collection of taxes under
15 section 144.080 shall make sales at retail unless such person is
16 the holder of a valid retail sales license. After all appeals
17 have been exhausted, the director of revenue may notify the
18 county or city law enforcement agency representing the area in
19 which the former licensee's business is located that the retail
20 sales license of such person has been revoked, and that any
21 county or city occupation license of such person is also revoked.
22 The county or city may enforce the provisions of this section,
23 and may prohibit further sales at retail by such person.

24 144.615. There are specifically exempted from the taxes

1 levied in sections 144.600 to 144.745:

2 (1) Property, the storage, use or consumption of which this
3 state is prohibited from taxing pursuant to the constitution or
4 laws of the United States or of this state;

5 (2) Property, the gross receipts from the sale of which are
6 required to be included in the measure of the tax imposed
7 pursuant to the Missouri sales tax law;

8 (3) Tangible personal property, the sale or other transfer
9 of which, if made in this state, would be exempt from or not
10 subject to the Missouri sales tax pursuant to the provisions of
11 subsections 2 and 3 of section 144.030;

12 (4) Motor vehicles, trailers, boats, and outboard motors
13 subject to the tax imposed by section 144.440;

14 (5) Tangible personal property which has been subjected to
15 a tax by any other state in this respect to its sales or use;
16 provided, if such tax is less than the tax imposed by sections
17 144.600 to 144.745, such property, if otherwise taxable, shall be
18 subject to a tax equal to the difference between such tax and the
19 tax imposed by sections 144.600 to 144.745;

20 (6) Tangible personal property held by processors,
21 retailers, importers, manufacturers, wholesalers, or jobbers
22 solely for resale in the regular course of business;

23 (7) Personal and household effects and farm machinery used
24 while an individual was a bona fide resident of another state and

1 who thereafter became a resident of this state, or tangible
2 personal property brought into the state by a nonresident for his
3 own storage, use or consumption while temporarily within the
4 state.

5 301.025. 1. No state registration license to operate any
6 motor vehicle in this state shall be issued unless the
7 application for license of a motor vehicle or trailer is
8 accompanied by a tax receipt for the tax year which immediately
9 precedes the year in which the vehicle's or trailer's
10 registration is due and which reflects that all taxes, including
11 delinquent taxes from prior years, have been paid, or a statement
12 certified by the county or township collector of the county or
13 township in which the applicant's property was assessed showing
14 that the state and county tangible personal property taxes for
15 such previous tax year and all delinquent taxes due have been
16 paid by the applicant or that no such taxes were due or, if the
17 applicant is not a resident of this state and serving in the
18 armed forces of the United States, the application is accompanied
19 by a leave and earnings statement from such person verifying such
20 status or, if the applicant is an organization described
21 pursuant to subdivision (5) of section 137.100, RSMo, or
22 subsection 1 of section 137.101, RSMo, the application is
23 accompanied by a document, in a form approved by the director,
24 verifying that the organization is registered with the department

1 of revenue or is determined by the internal revenue service to be
2 a tax-exempt entity. If the director of the department of
3 revenue has been notified by the assessor pursuant to subsection
4 2 of section 137.101, RSMo, that the applicant's personal
5 property is not tax-exempt, then the organization's application
6 shall be accompanied by a statement certified by the county or
7 township collector of the county or township in which the
8 organization's property was assessed showing that the state and
9 county tangible personal property taxes for such previous tax
10 year and all delinquent taxes due have been paid by the
11 organization. In the event the registration is a renewal of a
12 registration made two or three years previously, the application
13 shall be accompanied by proof that taxes were not due or have
14 been paid for the two or three years which immediately precede
15 the year in which the motor vehicle's or trailer's registration
16 is due. The county or township collector shall not be required
17 to issue a receipt for the immediately preceding tax year until
18 all personal property taxes, including all delinquent taxes
19 currently due, are paid. If the applicant was a resident of
20 another county of this state in the applicable preceding years,
21 he or she must submit to the collector in the county or township
22 of residence proof that the personal property tax was paid in the
23 applicable tax years. Every county and township collector shall
24 give each person a tax receipt or a certified statement of

1 tangible personal property taxes paid. The receipt issued by the
2 county collector in any county of the first classification with a
3 charter form of government which contains part of a city with a
4 population of at least three hundred fifty thousand inhabitants
5 which is located in more than one county, any county of the first
6 classification without a charter form of government with a
7 population of at least one hundred fifty thousand inhabitants
8 which contains part of a city with a population of at least three
9 hundred fifty thousand inhabitants which is located in more than
10 one county and any county of the first classification without a
11 charter form of government with a population of at least one
12 hundred ten thousand but less than one hundred fifty thousand
13 inhabitants shall be determined null and void if the person
14 paying tangible personal property taxes issues or passes a check
15 or other similar sight order which is returned to the collector
16 because the account upon which the check or order was drawn was
17 closed or did not have sufficient funds at the time of
18 presentation for payment by the collector to meet the face amount
19 of the check or order. The collector may assess and collect in
20 addition to any other penalty or interest that may be owed, a
21 penalty of ten dollars or five percent of the total amount of the
22 returned check or order whichever amount is greater to be
23 deposited in the county general revenue fund, but in no event
24 shall such penalty imposed exceed one hundred dollars. The

1 collector may refuse to accept any check or other similar sight
2 order in payment of any tax currently owed plus penalty or
3 interest from a person who previously attempted to pay such
4 amount with a check or order that was returned to the collector
5 unless the remittance is in the form of a cashier's check,
6 certified check or money order. If a person does not comply with
7 the provisions of this section, a tax receipt issued pursuant to
8 this section is null and void and no state registration license
9 shall be issued or renewed. Where no such taxes are due each
10 such collector shall, upon request, certify such fact and
11 transmit such statement to the person making the request. Each
12 receipt or statement shall describe by type the total number of
13 motor vehicles on which personal property taxes were paid, and no
14 renewal of any state registration license shall be issued to any
15 person for a number greater than that shown on his or her tax
16 receipt or statement except for a vehicle which was purchased
17 without another vehicle being traded therefor, or for a vehicle
18 previously registered in another state, provided the application
19 for title or other evidence shows that the date the vehicle was
20 purchased or was first registered in this state was such that no
21 personal property tax was owed on such vehicle as of the date of
22 the last tax receipt or certified statement prior to the renewal.
23 The director of revenue shall make necessary rules and
24 regulations for the enforcement of this section, and shall design

1 all necessary forms. If electronic data is not available,
2 residents of counties with a township form of government and with
3 township collectors shall present personal property tax receipts
4 which have been paid for the preceding two years when registering
5 under this section.

6 2. Every county collector in counties with a population of
7 over six hundred thousand and less than nine hundred thousand
8 shall give priority to issuing tax receipts or certified
9 statements pursuant to this section for any person whose motor
10 vehicle registration expires in January. Such collector shall
11 send tax receipts or certified statements for personal property
12 taxes for the previous year within three days to any person who
13 pays the person's personal property tax in person, and within
14 twenty working days, if the payment is made by mail. Any person
15 wishing to have priority pursuant to this subsection shall notify
16 the collector at the time of payment of the property taxes that a
17 motor vehicle registration expires in January. Any person
18 purchasing a new vehicle in December and licensing such vehicle
19 in January of the following year, may use the personal property
20 tax receipt of the prior year as proof of payment.

21 3. In addition to all other requirements, the director of
22 revenue shall not register any vehicle subject to the heavy
23 vehicle use tax imposed by Section 4481 of the Internal Revenue
24 Code of 1954 unless the applicant presents proof of payment, or

1 that such tax is not owing, in such form as may be prescribed by
2 the United States Secretary of the Treasury. No proof of payment
3 of such tax shall be required by the director until the form for
4 proof of payment has been prescribed by the Secretary of the
5 Treasury.

6 4. Beginning July 1, 2000, a county or township collector
7 may notify, by ordinary mail, any owner of a motor vehicle for
8 which personal property taxes have not been paid that if full
9 payment is not received within thirty days the collector may
10 notify the director of revenue to suspend the motor vehicle
11 registration for such vehicle. Any notification returned to the
12 collector by the post office shall not result in the notification
13 to the director of revenue for suspension of a motor vehicle
14 registration. Thereafter, if the owner fails to timely pay such
15 taxes the collector may notify the director of revenue of such
16 failure. Such notification shall be on forms designed and
17 provided by the department of revenue and shall list the motor
18 vehicle owner's full name, including middle initial, the owner's
19 address, and the year, make, model and vehicle identification
20 number of such motor vehicle. Upon receipt of this notification
21 the director of revenue may provide notice of suspension of motor
22 vehicle registration to the owner at the owner's last address
23 shown on the records of the department of revenue. Any
24 suspension imposed may remain in effect until the department of

1 revenue receives notification from a county or township collector
2 that the personal property taxes have been paid in full. Upon
3 the owner furnishing proof of payment of such taxes and paying a
4 twenty dollar reinstatement fee to the director of revenue the
5 motor vehicle or vehicles registration shall be reinstated. In
6 the event a motor vehicle registration is suspended for
7 nonpayment of personal property tax the owner so aggrieved may
8 appeal to the circuit court of the county of his or her residence
9 for review of such suspension at any time within thirty days
10 after notice of motor vehicle registration suspension. Upon such
11 appeal the cause shall be heard de novo in the manner provided by
12 chapter 536, RSMo, for the review of administrative decisions.
13 The circuit court may order the director to reinstate such
14 registration, sustain the suspension of registration by the
15 director or set aside or modify such suspension. Appeals from
16 the judgment of the circuit court may be taken as in civil cases.
17 The prosecuting attorney of the county where such appeal is taken
18 shall appear in behalf of the director, and prosecute or defend,
19 as the case may require.

20 5. Any rule or portion of a rule, as that term is defined
21 in section 536.010, RSMo, that is created under the authority
22 delegated in this section shall become effective only if it
23 complies with and is subject to all of the provisions of chapter
24 536, RSMo, and, if applicable, section 536.028, RSMo. This

1 section and chapter 536, RSMo, are nonseverable and if any of the
2 powers vested with the general assembly pursuant to chapter 536,
3 RSMo, to review, to delay the effective date or to disapprove and
4 annul a rule are subsequently held unconstitutional, then the
5 grant of rulemaking authority and any rule proposed or adopted
6 after August 28, 2000, shall be invalid and void.

7 644.032. 1. The governing body of any municipality or
8 county may impose, by ordinance or order, a sales tax in an
9 amount not to exceed one-half of one percent on all retail sales
10 made in such municipality or county which are subject to taxation
11 under the provisions of sections 144.010 to 144.525, RSMo. The
12 tax authorized by this section and section 644.033 shall be in
13 addition to any and all other sales taxes allowed by law, except
14 that no ordinance or order imposing a sales tax under the
15 provisions of this section and section 644.033 shall be effective
16 unless the governing body of the municipality or county submits
17 to the voters of the municipality or county, at a municipal,
18 county or state general, primary or special election, a proposal
19 to authorize the governing body of the municipality or county to
20 impose a tax, provided, that the tax authorized by this section
21 shall not be imposed on the sales of food, as defined in section
22 144.014, RSMo, when imposed by any county with a charter form of
23 government and with more than one million inhabitants.

24 2. The ballot of submission shall contain, but need not be

1 limited to, the following language:

2 Shall the municipality (county) of impose a
3 sales tax of (insert amount) for the purpose of
4 providing funding for (insert either storm water
5 control, or local parks, or storm water control and local parks)
6 for the municipality (county)?

7 ☐ YES

☐ NO

8 If a majority of the votes cast on the proposal by the qualified
9 voters voting thereon are in favor of the proposal, then the
10 ordinance or order and any amendments thereto shall be in effect
11 on the first day of the second quarter after the director of
12 revenue receives notice of adoption of the tax. If a majority of
13 the votes cast by the qualified voters voting are opposed to the
14 proposal, then the governing body of the municipality or county
15 shall not impose the sales tax authorized in this section and
16 section 644.033 until the governing body of the municipality or
17 county resubmits another proposal to authorize the governing body
18 of the municipality or county to impose the sales tax authorized
19 by this section and section 644.033 and such proposal is approved
20 by a majority of the qualified voters voting thereon; however, in
21 no event shall a proposal pursuant to this section and section
22 644.033 be submitted to the voters sooner than twelve months from
23 the date of the last proposal pursuant to this section and

1 section 644.033.

2 3. All revenue received by a municipality or county from
3 the tax authorized under the provisions of this section and
4 section 644.033 shall be deposited in a special trust fund and
5 shall be used to provide funding for storm water control or for
6 local parks, or both, within such municipality or county,
7 provided that such revenue may be used for local parks outside
8 such municipality or county if the municipality or county is
9 engaged in a cooperative agreement pursuant to section 70.220,
10 RSMo.

11 4. Any funds in such special trust fund which are not
12 needed for current expenditures may be invested by the governing
13 body in accordance with applicable laws relating to the
14 investment of other municipal or county funds.

15 Section 1. 1. "Public entity", as used in this section,
16 shall mean the board of fund commissioners of the state and the
17 state board of public buildings.

18 2. Any public entity as defined in subsection 1 of this
19 section may:

20 (1) Execute and perform any obligations under any
21 instruments, contracts, or agreements convenient or necessary to
22 incur obligations with interest calculated at a fixed or variable
23 rate; and

24 (2) Obtain without any requirement for bidding, but with

1 compliance with the public entity's policies, credit enhancement
2 or other financing arrangements and execute and perform any
3 obligations under any related contracts and agreements convenient
4 or necessary to facilitate such enhancement or financing
5 arrangements including but not limited to arrangements such as
6 municipal bond insurance; surety bonds; liquidity facilities;
7 forward agreements; tender agreements; remarketing agreements;
8 option agreements; interest rate swap, exchange, cap, lock or
9 floor agreements; letters of credit; and purchase agreements.

10 3. All financial arrangements entered into under the
11 provisions of this section shall be fully enforceable as valid
12 and binding contracts as and to the extent provided herein and by
13 other applicable law.

14 4. Nothing in this section shall be applied or interpreted
15 to diminish the power any public entity may otherwise have under
16 any other provisions of law.

17 [135.750. 1. Beginning January 1,
18 1999, a taxpayer shall be granted a tax
19 credit against the tax otherwise due pursuant
20 to chapter 143, RSMo, excluding withholding
21 tax imposed by sections 143.191 to 143.261,
22 RSMo, or chapter 148, RSMo, for up to fifty
23 percent of the amount of investment in
24 production or production-related activities
25 in a qualified film production project. As
26 used in this section, the term "taxpayer"
27 means an individual, a partnership, or a
28 corporation as described in section 143.441,
29 143.471, RSMo, or section 148.370, RSMo, and
30 the term "qualified film production project"
31 means any film production project with an
32 expected in-state expenditure budget in

1 excess of three hundred thousand dollars.
2 Each film production company shall be limited
3 to one qualified film production project per
4 year. Activities qualifying a taxpayer for
5 the tax credit pursuant to this subsection
6 shall be approved by the office of the
7 Missouri film commission and the department
8 of economic development.

9 2. Taxpayers shall apply for the film
10 production tax credit by submitting an
11 application to the department of economic
12 development, on a form provided by the
13 department. As part of the application, the
14 expected in-state expenditures of the
15 qualified film production project shall be
16 documented. In addition, the application
17 shall include an economic impact statement,
18 showing the economic impact from the
19 activities of the film production project.
20 Such economic impact statement shall indicate
21 the impact on the region of the state in
22 which the film production or
23 production-related activities are located and
24 on the state as a whole.

25 3. Tax credits certified pursuant to
26 subsection 1 of this section shall not exceed
27 five hundred thousand dollars per taxpayer
28 per year, and shall not exceed a total for
29 all tax credits certified of one million
30 dollars per year. Taxpayers may carry
31 forward unused credits for up to five tax
32 periods, provided all such credits shall be
33 claimed within ten tax periods following the
34 tax period in which the film production or
35 production-related activities for which the
36 credits are certified by the department
37 occurred.

38 4. Notwithstanding any provision of law
39 to the contrary, any taxpayer may sell,
40 assign, exchange, convey or otherwise
41 transfer tax credits allowed in subsection 1
42 of this section. The taxpayer acquiring the
43 tax credits may use the acquired credits to
44 offset the tax liabilities otherwise imposed
45 by chapter 143, RSMo, excluding withholding
46 tax imposed by sections 143.191 to 143.261,
47 RSMo, or chapter 148, RSMo. Unused acquired
48 credits may be carried forward for up to five

1 tax periods, provided all such credits shall
2 be claimed within ten tax periods following
3 the tax period in which the film production
4 or production-related activities for which
5 the credits are certified by the department
6 occurred.]

7 Section B. The enactment of section 137.078 and the repeal
8 and reenactment of section 143.081 of section A of this act shall
9 become effective January 1, 2005.

10 Section C. Because immediate action is necessary to protect
11 the economic welfare of the citizens of this state, the repeal
12 and reenactment of sections 137.100, 144.030, and 144.615 of
13 section A of this act is deemed necessary for the immediate
14 preservation of the public health, welfare, peace, and safety,
15 and is hereby declared to be an emergency act within the meaning
16 of the constitution, and the repeal and reenactment of sections
17 137.100, 144.030, and 144.615 of section A of this act shall be
18 in full force and effect upon its passage and approval.