

HCS HB 1099 -- SALES/USE TAX: MATERIAL RECOVERY PROCESS
EXEMPTION

SPONSOR: Cooper, 120 (Reinhart)

COMMITTEE ACTION: Voted "do pass" by the Committee on Tax Policy
by a vote of 16 to 0.

This substitute authorizes a sales/use tax exemption for certain
gases, liquids, and solids necessary to effect a manufacturing
conversion or material recovery. The substitute also allows all
entities involved in the manufacturing and material recovery of a
product to claim the sales/use tax exemption.

FISCAL NOTE: Estimated Cost on General Revenue Fund of Unknown
in FY 2005, FY 2006, and FY 2007. Estimated Cost on Other State
Funds of Unknown in FY 2005, FY 2006, and FY 2007.

PROPOSERS: Supporters say that the bill will avoid the taxing
of products, such as carbon, which are transferred to certain
companies for regeneration then transferred back to the original
company without exchange of ownership.

Testifying for the bill were Representative Reinhart; Liberty
Carbon Service; Associated Industries of Missouri; and Recycle
Missouri, Incorporated.

OPPOSERS: There was no opposition voiced to the committee.

Bill Tucker, Acting Director of Research