

HCS SCS SB 196 -- SALES AND USE TAX EXEMPTION FOR MATERIAL
RECOVERY OPERATIONS

SPONSOR: Ridgeway (Ervin)

COMMITTEE ACTION: Voted "do pass" by the Committee on Ways and
Means by a vote of 10 to 1.

This substitute modifies the sales and use tax exemption
definition for material recovery processing plants by requiring
the plant to have as its primary purpose the recovery of
materials into a useable product or a material to manufacture a
new product. The exemption will include a facility or equipment
which is used exclusively for the collection of recovered
materials for delivery to a material recovery processing plant
but will not include motor vehicles used on highways. Material
recovery is not the reuse of materials within a manufacturing
process or the use of a product previously recovered.

Electrical energy or gas, whether natural, artificial, or
propane; water; and other utilities which are ultimately consumed
in connection with the manufacturing of cellular glass products
or any material recovery product produced or processed by a
material recovery processing plant are included in the sales and
use tax exemption.

FISCAL NOTE: Estimated Cost on General Revenue Fund of Unknown
in FY 2006, FY 2007, and FY 2008. Estimated Cost on Other State
Funds of Unknown in FY 2006, FY 2007, and FY 2008.

PROPOSERS: Supporters say that the bill clarifies that only
true recycling processes receive the tax credit and defines a
recovery material. The bill also provides a break on the sales
tax on electricity for material recovery processing plants.

Testifying for the bill were Senator Ridgeway; Recycle Missouri,
Incorporated; Associated Industries of Missouri; and Department
of Revenue.

OPPOSERS: There was no opposition voiced to the committee.

Karla Strobels, Legislative Analyst