

SECOND REGULAR SESSION

HOUSE BILL NO. 1077

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE ROORDA.

Pre-filed December 6, 2005 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

3288L.01I

AN ACT

To repeal section 143.183, RSMo, and to enact in lieu thereof one new section relating to income taxes for professional athletes and entertainers.

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

Section A. Section 143.183, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.183, to read as follows:

143.183. 1. As used in this section, the following terms mean:

(1) "Nonresident entertainer", a person residing or registered as a corporation outside this state who, for compensation, performs any vocal, instrumental, musical, comedy, dramatic, dance or other performance in this state before a live audience and any other person traveling with and performing services on behalf of a nonresident entertainer, including a nonresident entertainer who is paid compensation for providing entertainment as an independent contractor, a partnership that is paid compensation for entertainment provided by nonresident entertainers, a corporation that is paid compensation for entertainment provided by nonresident entertainers, or any other entity that is paid compensation for entertainment provided by nonresident entertainers;

(2) "Nonresident member of a professional athletic team", a professional athletic team member who resides outside this state, including any active player, any player on the disabled list if such player is in uniform on the day of the game at the site of the game, and any other person traveling with and performing services on behalf of a professional athletic team;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

15 (3) **"Nonresident officials of a professional athletic league", for all tax years**
16 **beginning on or after January 1, 2007, a professional athletic league official residing**
17 **outside this state, including any umpire, referee, judge, or other on-field league personnel**
18 **engaged in arbitrating the rules of that league through subjective judgments affecting the**
19 **outcome of a league-sanctioned sporting event, who is paid compensation for the official's**
20 **duties at a venue in this state hosting that league-sanctioned sporting event;**

21 (4) "Personal service income" includes exhibition and regular season salaries and wages,
22 guaranteed payments, strike benefits, deferred payments, severance pay, bonuses, and any other
23 type of compensation paid to the nonresident entertainer [or], nonresident member of a
24 professional athletic team, **or nonresident official of a professional athletic league**, but does
25 not include prizes, bonuses or incentive money received from competition in a livestock, equine
26 or rodeo performance, exhibition or show;

27 [(4)] (5) "Professional athletic team" includes, but is not limited to, any professional
28 baseball, basketball, football, soccer and hockey team.

29 2. Any person, venue, or entity who pays compensation to a nonresident entertainer shall
30 deduct and withhold from such compensation as a prepayment of tax an amount equal to two
31 percent of the total compensation if the amount of compensation is in excess of three hundred
32 dollars paid to the nonresident entertainer.

33 3. Any person, venue, or entity required to deduct and withhold tax pursuant to
34 subsection 2 of this section shall, for each calendar quarter, on or before the last day of the month
35 following the close of such calendar quarter, remit the taxes withheld in such form or return as
36 prescribed by the director of revenue and pay over to the director of revenue or to a depository
37 designated by the director of revenue the taxes so required to be deducted and withheld.

38 4. Any person, venue, or entity subject to this section shall be considered an employer
39 for purposes of section 143.191, and shall be subject to all penalties, interest, and additions to
40 tax provided in this chapter for failure to comply with this section.

41 5. Notwithstanding other provisions of this chapter to the contrary, the commissioner of
42 administration, for all taxable years beginning on or after January 1, 1999, but none after
43 December 31, 2015, shall annually estimate the amount of state income tax revenues collected
44 pursuant to this chapter which are received from nonresident members of professional athletic
45 teams, **nonresident officials of a professional athletic league**, and nonresident entertainers.
46 For fiscal year 2000, and for each subsequent fiscal year for a period of sixteen years, sixty
47 percent of the annual estimate of taxes generated from the nonresident entertainer [and],
48 professional athletic team, **and nonresident officials of a professional athletic team** income
49 tax shall be allocated annually to the Missouri arts council trust fund, and shall be transferred
50 from the general revenue fund to the Missouri arts council trust fund established in section

51 185.100, RSMo, and any amount transferred shall be in addition to such agency's budget base
52 for each fiscal year. Notwithstanding other provisions of this section, the Missouri arts council
53 shall not be appropriated more than ten million dollars in any fiscal year. The director shall by
54 rule establish the method of determining the portion of personal service income of such persons
55 that is allocable to Missouri.

56 6. Notwithstanding the provisions of sections 186.050 to 186.067, RSMo, to the
57 contrary, the commissioner of administration, for all taxable years beginning on or after January
58 1, 1999, but for none after December 31, 2015, shall estimate annually the amount of state
59 income tax revenues collected pursuant to this chapter which are received from nonresident
60 members of professional athletic teams, **nonresident officials of a professional athletic league,**
61 and nonresident entertainers. For fiscal year 2000, and for each subsequent fiscal year for a
62 period of sixteen years, ten percent of the annual estimate of taxes generated from the
63 nonresident entertainer [and], professional athletic team, **and nonresident officials of a**
64 **professional athletic league** income tax shall be allocated annually to the Missouri humanities
65 council trust fund, and shall be transferred from the general revenue fund to the Missouri
66 humanities council trust fund established in section 186.055, RSMo, and any amount transferred
67 shall be in addition to such agency's budget base for each fiscal year.

68 7. Notwithstanding other provisions of section 182.812, RSMo, to the contrary, the
69 commissioner of administration, for all taxable years beginning on or after January 1, 1999, but
70 for none after December 31, 2015, shall estimate annually the amount of state income tax
71 revenues collected pursuant to this chapter which are received from nonresident members of
72 professional athletic teams, **nonresident officials of a professional athletic league,** and
73 nonresident entertainers. For fiscal year 2000, and for each subsequent fiscal year for a period
74 of sixteen years, ten percent of the annual estimate of taxes generated from the nonresident
75 entertainer [and], professional athletic team, **and nonresident officials of a professional**
76 **athletic league** income tax shall be allocated annually to the Missouri state library networking
77 fund, and shall be transferred from the general revenue fund to the secretary of state for
78 distribution to public libraries for acquisition of library materials as established in section
79 182.812, RSMo, and any amount transferred shall be in addition to such agency's budget base
80 for each fiscal year.

81 8. Notwithstanding other provisions of section 37.200, RSMo, to the contrary, the
82 commissioner of administration, for all taxable years beginning on or after January 1, 1999, but
83 for none after December 31, 2015, shall estimate annually the amount of state income tax
84 revenues collected pursuant to this chapter which are received from nonresident members of
85 professional athletic teams, **nonresident officials of a professional athletic league,** and
86 nonresident entertainers. For fiscal year 2000, and for each subsequent fiscal year for a period

87 of sixteen years, ten percent of the annual estimate of taxes generated from the nonresident
88 entertainer [and], professional athletic team, **and nonresident officials of a professional**
89 **athletic league** income tax shall be allocated annually to the Missouri public television
90 broadcasting corporation special fund, and shall be transferred from the general revenue fund to
91 the Missouri public television broadcasting corporation special fund established in section
92 37.200, RSMo, and any amount transferred shall be in addition to such agency's budget base for
93 each fiscal year; provided, however, that twenty-five percent of such allocation shall be used for
94 grants to public radio stations which were qualified by the corporation for public broadcasting
95 as of November 1, 1996. Such grants shall be distributed to each of such public radio stations
96 in this state after receipt of the station's certification of operating and programming expenses for
97 the prior fiscal year. Certification shall consist of the most recent fiscal year financial statement
98 submitted by a station to the corporation for public broadcasting. The grants shall be divided
99 into two categories, an annual basic service grant and an operating grant. The basic service grant
100 shall be equal to thirty-five percent of the total amount and shall be divided equally among the
101 public radio stations receiving grants. The remaining amount shall be distributed as an operating
102 grant to the stations on the basis of the proportion that the total operating expenses of the
103 individual station in the prior fiscal year bears to the aggregate total of operating expenses for
104 the same fiscal year for all Missouri public radio stations which are receiving grants.

105 9. Notwithstanding other provisions of section 253.402, RSMo, to the contrary, the
106 commissioner of administration, for all taxable years beginning on or after January 1, 1999, but
107 for none after December 31, 2015, shall estimate annually the amount of state income tax
108 revenues collected pursuant to this chapter which are received from nonresident members of
109 professional athletic teams, **nonresident officials of a professional athletic league**, and
110 nonresident entertainers. For fiscal year 2000, and for each subsequent fiscal year for a period
111 of sixteen years, ten percent of the annual estimate of taxes generated from the nonresident
112 entertainer [and], professional athletic team, **and nonresident officials of a professional**
113 **athletic league** income tax shall be allocated annually to the Missouri department of natural
114 resources Missouri historic preservation revolving fund, and shall be transferred from the general
115 revenue fund to the Missouri department of natural resources Missouri historic preservation
116 revolving fund established in section 253.402, RSMo, and any amount transferred shall be in
117 addition to such agency's budget base for each fiscal year. As authorized pursuant to subsection
118 2 of section 30.953, RSMo, it is the intention and desire of the general assembly that the state
119 treasurer convey, to the Missouri investment trust on January 1, 1999, up to one hundred percent
120 of the balances of the Missouri arts council trust fund established pursuant to section 185.100,
121 RSMo, and the Missouri humanities council trust fund established pursuant to section 186.055,
122 RSMo. The funds shall be reconveyed to the state treasurer by the investment trust as follows:

123 the Missouri arts council trust fund, no earlier than January 2, 2009; and the Missouri humanities
124 council trust fund, no earlier than January 2, 2009.

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