

FIRST REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 30**  
**94TH GENERAL ASSEMBLY**

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Reported from the Special Committee on Tax Reform April 5, 2007 with recommendation that House Committee Substitute for Senate Bill No. 30 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(21)(f).

D. ADAM CRUMBLISS, Chief Clerk

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**AN ACT**

To repeal sections 71.011, 71.012, 144.030, 144.518, 144.605, 147.010, 208.750, 208.755, and 390.030, RSMo, and to enact in lieu thereof eighteen new sections relating to taxation, with an emergency clause for certain sections.

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

Section A. Sections 71.011, 71.012, 144.030, 144.518, 144.605, 147.010, 208.750, 208.755, and 390.030, RSMo, are repealed and eighteen new sections enacted in lieu thereof, to be known as sections 32.130, 67.997, 71.011, 71.012, 137.092, 142.817, 143.006, 143.432, 144.030, 144.054, 144.518, 144.605, 147.010, 163.016, 208.750, 208.755, 387.075, and 390.030, to read as follows:

**32.130. 1. As used in this section, "person" means any individual, firm, copartnership, joint venture, association, corporation, municipal or private, and whether organized for profit or not, state, county, political subdivision, state department, commission, board, bureau or agency, estate, trust, business trust, receiver or trustee appointed by a state or federal court, syndicate, or any other group or combination acting as a unit.**

**2. Notwithstanding any provision of law to the contrary, substantial nexus with the state of Missouri for the purpose of determining jurisdiction of the state of Missouri to impose any tax imposed under any chapter of the revised statutes of Missouri shall not be established for any person solely because such person uses the services or technology of a**

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.

11 person in Missouri to assemble products or provide data storage services, data  
12 manipulation services, or data processing services. The provisions of this section shall not  
13 apply if such person has otherwise established substantial nexus with the state of Missouri.

67.997. 1. The governing body of any county of the third classification without a  
2 township form of government and with more than eighteen thousand one hundred but  
3 fewer than eighteen thousand two hundred inhabitants may impose, by order or ordinance,  
4 a sales tax on all retail sales made within the county which are subject to sales tax under  
5 chapter 144, RSMo. The tax authorized in this section shall not exceed one-fourth of one  
6 percent, and shall be imposed solely for the purpose of funding senior services and youth  
7 programs provided by the county. One-half of all revenue collected under this section shall  
8 be used solely to fund any service or activity deemed necessary by the senior service tax  
9 commission established in this section, and one-half of all revenue collected under this  
10 section shall be used solely to fund all youth programs administered by an existing county  
11 community task force. The tax authorized in this section shall be in addition to all other  
12 sales taxes imposed by law, and shall be stated separately from all other charges and taxes.  
13 The order or ordinance shall not become effective unless the governing body of the county  
14 submits to the voters residing within the county at a state general, primary, or special  
15 election a proposal to authorize the governing body of the county to impose a tax under this  
16 section.

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

19 Shall ..... (insert the name of the county) impose a sales tax at a rate of ..... (insert  
20 rate of percent) percent, with half of the revenue from the tax to be used solely to fund  
21 senior services provided by the county and half of the revenue from the tax to be used  
22 solely to fund youth programs provided by the county?  
23

24 If a majority of the votes cast on the question by the qualified voters voting thereon are in  
25 favor of the question, then the tax shall become effective on the first day of the second  
26 calendar quarter immediately following the approval of the tax or notification to the  
27 department of revenue if such tax will be administered by the department of revenue. If  
28 a majority of the votes cast on the question by the qualified voters voting thereon are  
29 opposed to the question, then the tax shall not become effective unless and until the  
30 question is resubmitted under this section to the qualified voters and such question is  
31 approved by a majority of the qualified voters voting on the question.

32           **3. On or after the effective date of any tax authorized under this section, the county**  
33 **which imposed the tax may adopt one of the two following provisions for the collection and**  
34 **administration of the tax:**

35           **(1) The county may adopt rules for the internal collection of such tax by the county**  
36 **officers usually responsible for collection and administration of county taxes; or**

37           **(2) The county may enter into an agreement with the director of the department**  
38 **of revenue for the purpose of collecting the tax authorized in this section. In the event the**  
39 **county enters into an agreement with the director of revenue for the collection of the tax,**  
40 **on or after the effective date of the tax the director of revenue shall be responsible for the**  
41 **administration, collection, enforcement, and operation of the tax, and sections 32.085 and**  
42 **32.087, RSMo, shall apply. All revenue collected under this section by the director of the**  
43 **department of revenue on behalf of any county, except for one percent for the cost of**  
44 **collection which shall be deposited in the state's general revenue fund, shall be deposited**  
45 **in a special trust fund, which is hereby created and shall be known as the "Senior Services**  
46 **and Youth Programs Sales Tax Trust Fund", and shall be used solely for the designated**  
47 **purposes. Moneys in the fund shall not be deemed to be state funds, and shall not be**  
48 **commingled with any funds of the state. The director may make refunds from the amounts**  
49 **in the trust fund and credited to the county for erroneous payments and overpayments**  
50 **made, and may redeem dishonored checks and drafts deposited to the credit of such**  
51 **county. Any funds in the special trust fund which are not needed for current expenditures**  
52 **shall be invested in the same manner as other funds are invested. Any interest and moneys**  
53 **earned on such investments shall be credited to the fund.**

54           **4. If the county administers and collects the tax, in order to permit sellers required**  
55 **to collect and report the sales tax to collect the amount required to be reported and**  
56 **remitted, but not to change the requirements of reporting or remitting the tax, or to serve**  
57 **as a levy of the tax, and in order to avoid fractions of pennies, the governing body of the**  
58 **county may authorize the use of a bracket system similar to that authorized in section**  
59 **144.285, RSMo, and notwithstanding the provisions of that section, this new bracket**  
60 **system shall be used where this tax is imposed and shall apply to all taxable transactions.**  
61 **Beginning with the effective date of the tax, every retailer in the county shall add the sales**  
62 **tax to the sale price, and this tax shall be a debt of the purchaser to the retailer until paid,**  
63 **and shall be recoverable at law in the same manner as the purchase price. For purposes**  
64 **of this section, all retail sales shall be deemed to be consummated at the place of business**  
65 **of the retailer.**

66           **5. The governing body of any county that has adopted the sales tax authorized in**  
67 **this section may submit the question of repeal of the tax to the voters on any date available**

68 for elections for the county. If a majority of the votes cast on the question by the qualified  
69 voters voting thereon are in favor of repeal, that repeal shall become effective on December  
70 thirty-first of the calendar year in which such repeal was approved. If a majority of the  
71 votes cast on the question by the qualified voters voting thereon are opposed to the repeal,  
72 then the sales tax authorized in this section shall remain effective until the question is  
73 resubmitted under this section to the qualified voters and the repeal is approved by a  
74 majority of the qualified voters voting on the question.

75       6. Whenever the governing body of any county that has adopted the sales tax  
76 authorized in this section receives a petition, signed by ten percent of the registered voters  
77 of the county voting in the last gubernatorial election, calling for an election to repeal the  
78 sales tax imposed under this section, the governing body shall submit to the voters of the  
79 county a proposal to repeal the tax. If a majority of the votes cast on the question by the  
80 qualified voters voting thereon are in favor of the repeal, the repeal shall become effective  
81 on December thirty-first of the calendar year in which such repeal was approved. If a  
82 majority of the votes cast on the question by the qualified voters voting thereon are  
83 opposed to the repeal, then the sales tax authorized in this section shall remain effective  
84 until the question is resubmitted under this section to the qualified voters and the repeal  
85 is approved by a majority of the qualified voters voting on the question.

86       7. If the tax is repealed or terminated by any means, all funds remaining in the  
87 special trust fund shall continue to be used solely for the designated purposes, and the  
88 county shall notify the director of the department of revenue of the action at least thirty  
89 days before the effective date of the repeal and the director may order retention in the trust  
90 fund, for a period of one year, of two percent of the amount collected after receipt of such  
91 notice to cover possible refunds or overpayment of the tax and to redeem dishonored  
92 checks and drafts deposited to the credit of such accounts. After one year has elapsed after  
93 the effective date of abolition of the tax in such county, the director shall remit the balance  
94 in the account to the county and close the account of that county. The director shall notify  
95 each county of each instance of any amount refunded or any check redeemed from receipts  
96 due the county.

97       8. Each county imposing the tax authorized in this section shall establish a senior  
98 services tax commission to administer the portion of the sales tax revenue dedicated to  
99 providing senior services. Such commission shall consist of seven members appointed by  
100 the county commission. The county commission shall determine the qualifications, terms  
101 of office, compensation, powers, duties, restrictions, procedures, and all other necessary  
102 functions of the commission.

71.011. 1. Except as provided in subsection 2 of this section, property of a municipality which abuts another municipality may be concurrently detached from one municipality and annexed by the other municipality by the enactment by the governing bodies of each municipality of an ordinance describing by metes and bounds the property, declaring the property so described to be concurrently detached and annexed, and stating the reasons for and the purposes to be accomplished by the detachment and annexation. One certified copy of each ordinance shall be filed with the county clerk, **with the county assessor**, with the county recorder of deeds, and with the clerk of the circuit court of the county in which the property is located, whereupon the concurrent detachment and annexation shall be complete and final. Thereafter all courts of this state shall take notice of the limits of both municipalities as changed by the ordinances. No declaratory judgment or election shall be required for any concurrent detachment and annexation permitted by this section if there are no residents living in the area or if there are residents in the area and they be notified of the annexation and do not object within sixty days.

2. In a county of the first classification with a charter form of government containing all or a portion of a city with a population of at least three hundred thousand inhabitants, unimproved property of a municipality which overlaps another municipality may be concurrently detached from one municipality and annexed by the other municipality by the enactment by the governing body of the receiving municipality of an ordinance describing by metes and bounds the property, declaring the property so described to be detached and annexed, and stating the reasons for and the purposes to be accomplished by the detachment and annexation. A copy of said ordinance shall be mailed to the city clerk of the contributing municipality, which shall have thirty days from receipt of said notice to pass an ordinance disapproving the change of boundary. If such ordinance is not passed within thirty days, the change shall be effective and one certified copy of the ordinance shall be filed with the county clerk, **with the county assessor**, with the county recorder of deeds, and with the clerk of the circuit court of the county in which the property is located, whereupon the concurrent detachment and annexation shall be complete and final. Thereafter all courts of this state shall take notice of the limits of both municipalities as changed by the ordinances. No declaratory judgment or election shall be required for any concurrent detachment and annexation permitted by this section if the landowners in the area are notified and do not object within sixty days.

71.012. 1. Notwithstanding the provisions of sections 71.015 and 71.860 to 71.920, the governing body of any city, town or village may annex unincorporated areas which are contiguous and compact to the existing corporate limits of the city, town or village pursuant to this section. The term "contiguous and compact" does not include a situation whereby the unincorporated area proposed to be annexed is contiguous to the annexing city, town or village only by a railroad line, trail, pipeline or other strip of real property less than one-quarter mile in

7 width within the city, town or village so that the boundaries of the city, town or village after  
8 annexation would leave unincorporated areas between the annexed area and the prior boundaries  
9 of the city, town or village connected only by such railroad line, trail, pipeline or other such strip  
10 of real property. The term "contiguous and compact" does not prohibit voluntary annexations  
11 pursuant to this section merely because such voluntary annexation would create an island of  
12 unincorporated area within the city, town or village, so long as the owners of the unincorporated  
13 island were also given the opportunity to voluntarily annex into the city, town or village.  
14 Notwithstanding the provisions of this section, the governing body of any city, town or village  
15 in any county of the third classification which borders a county of the fourth classification, a  
16 county of the second classification and Mississippi River may annex areas along a road or  
17 highway up to two miles from existing boundaries of the city, town or village or the governing  
18 body in any city, town or village in any county of the third classification without a township form  
19 of government with a population of at least twenty-four thousand inhabitants but not more than  
20 thirty thousand inhabitants and such county contains a state correctional center may voluntarily  
21 annex such correctional center pursuant to the provisions of this section if the correctional center  
22 is along a road or highway within two miles from the existing boundaries of the city, town or  
23 village.

24       2. (1) When a verified petition, requesting annexation and signed by the owners of all  
25 fee interests of record in all tracts of real property located within the area proposed to be  
26 annexed, or a request for annexation signed under the authority of the governing body of any  
27 common interest community and approved by a majority vote of unit owners located within the  
28 area proposed to be annexed is presented to the governing body of the city, town or village, the  
29 governing body shall hold a public hearing concerning the matter not less than fourteen nor more  
30 than sixty days after the petition is received, and the hearing shall be held not less than seven  
31 days after notice of the hearing is published in a newspaper of general circulation qualified to  
32 publish legal matters and located within the boundary of the petitioned city, town or village. If  
33 no such newspaper exists within the boundary of such city, town or village, then the notice shall  
34 be published in the qualified newspaper nearest the petitioned city, town or village. For the  
35 purposes of this subdivision, the term "common-interest community" shall mean a condominium  
36 as said term is used in chapter 448, RSMo, or a common-interest community, a cooperative, or  
37 a planned community.

38       (a) A "common-interest community" shall be defined as real property with respect to  
39 which a person, by virtue of such person's ownership of a unit, is obliged to pay for real property  
40 taxes, insurance premiums, maintenance or improvement of other real property described in a  
41 declaration. "Ownership of a unit" does not include a leasehold interest of less than twenty years  
42 in a unit, including renewal options;

43 (b) A "cooperative" shall be defined as a common-interest community in which the real  
44 property is owned by an association, each of whose members is entitled by virtue of such  
45 member's ownership interest in the association to exclusive possession of a unit;

46 (c) A "planned community" **shall be defined as** a common-interest community that is  
47 not a condominium or a cooperative. A condominium or cooperative may be part of a planned  
48 community.

49 (2) At the public hearing any interested person, corporation or political subdivision may  
50 present evidence regarding the proposed annexation. If, after holding the hearing, the governing  
51 body of the city, town or village determines that the annexation is reasonable and necessary to  
52 the proper development of the city, town or village, and the city, town or village has the ability  
53 to furnish normal municipal services to the area to be annexed within a reasonable time, it may,  
54 subject to the provisions of subdivision (3) of this subsection, annex the territory by ordinance  
55 without further action.

56 (3) If a written objection to the proposed annexation is filed with the governing body of  
57 the city, town or village not later than fourteen days after the public hearing by at least five  
58 percent of the qualified voters of the city, town or village, or two qualified voters of the area  
59 sought to be annexed if the same contains two qualified voters, the provisions of sections 71.015  
60 and 71.860 to 71.920, shall be followed.

61 3. If no objection is filed, the city, town or village shall extend its limits by ordinance  
62 to include such territory, specifying with accuracy the new boundary lines to which the city's,  
63 town's or village's limits are extended. Upon duly enacting such annexation ordinance, the city,  
64 town or village shall cause three certified copies of the same to be filed with the clerk of the  
65 county **and county assessor** wherein the city, town or village is located, and one certified copy  
66 to be filed with the election authority, if different from the clerk of the county which has  
67 jurisdiction over the area being annexed, whereupon the annexation shall be complete and final  
68 and thereafter all courts of this state shall take judicial notice of the limits of that city, town or  
69 village as so extended.

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

2 (1) **"Personal property", any house trailer, manufactured home, boat, vessel,**  
3 **floating home, floating structure, airplane, or aircraft;**

4 (2) **"Rental or leasing facility", any manufactured home park, manufactured home**  
5 **storage facility, marina or comparable facility providing dockage or storage space, or any**  
6 **hangar or similar aircraft storage facility.**

7 **2. For all calendar years beginning on or after January 1, 2008, every owner of a**  
8 **rental or leasing facility shall, by January thirtieth of each year, furnish the assessor of the**

9 county in which the rental or leasing facility is located a list of the personal property  
10 located at the rental or leasing facility on January first of each year. The list shall include:

- 11 (1) The name of the owner of the personal property;  
12 (2) The owner's address and county of residency, if known;  
13 (3) A description of the personal property located at the facility if the owner of the  
14 rental or leasing facility knows of or has been made aware of the nature of such personal  
15 property.

16 3. If the owner of a rental or leasing facility fails to submit the list by January  
17 thirtieth of each year, or fails to include all the information required by this section on the  
18 list, the valuation of the personal property that is not listed as required by this section and  
19 that is located at the rental or leasing facility shall be assessed to the owner of the rental  
20 or leasing facility.

21 4. The assessor of the county in which the rental or leasing facility is located shall  
22 also collect a penalty as additional tax on the assessed valuation of such personal property  
23 that is not listed as required by this section. The penalty shall be collected as follows:

| 24 Assessed valuation | Penalty  |
|-----------------------|----------|
| 25 \$0 to \$1,000     | \$10.00  |
| 26 \$1,001 to \$2,000 | \$20.00  |
| 27 \$2,001 to \$3,000 | \$30.00  |
| 28 \$3,001 to \$4,000 | \$40.00  |
| 29 \$4,001 to \$5,000 | \$50.00  |
| 30 \$5,001 to \$6,000 | \$60.00  |
| 31 \$6,001 to \$7,000 | \$70.00  |
| 32 \$7,001 to \$8,000 | \$80.00  |
| 33 \$8,001 to \$9,000 | \$90.00  |
| 34 \$9,001 and above  | \$100.00 |

35 5. The funds derived from the penalty collected under this section shall be  
36 disbursed proportionately to any taxing entity authorized to levy a tax on such personal  
37 property. No rental or leasing facility owner penalized under this section shall be subject  
38 to any penalty authorized in section 137.280 or 137.345 for the same personal property in  
39 the same tax year.

142.817. Motor fuel sold to be used to operate public mass transportation service  
2 by a city transit authority, a city utilities board, or an interstate transportation authority,  
3 as such terms are defined in section 94.600, RSMo, a city, or an agency receiving funding  
4 from either the Federal Transit Administration's urban or nonurban formula transit  
5 programs is exempt from the fuel tax imposed by this chapter. The department shall



6 promulgate rules to implement the provisions of this section. Any rule or portion of a rule,  
7 as that term is defined in section 536.010, RSMo, that is created under the authority  
8 delegated in this section shall become effective only if it complies with and is subject to all  
9 of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This  
10 section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the  
11 general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or  
12 to disapprove and annul a rule are subsequently held unconstitutional, then the grant of  
13 rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be  
14 invalid and void.

143.006. Notwithstanding any other provision of this chapter to the contrary,  
2 whether a corporation or an individual has substantial nexus with this state for income tax  
3 purposes shall be determined without regard to whether the corporation or individual is  
4 a related taxpayer as defined in subdivision (9) of section 135.100, RSMo, in regard to  
5 either a distribution facility in this state or a data storage facility in this state or any one  
6 of the following:

- 7 (1) Uses such distribution facility;
- 8 (2) Uses property at such distribution facility that is used at, or distributed from,  
9 that facility;
- 10 (3) Sells property shipped or distributed from such distribution facility;
- 11 (4) Uses such data storage facility;
- 12 (5) Uses property at such data storage facility within this state where data is stored,  
13 manipulated, or processed from that facility; or
- 14 (6) Sells information that was stored, manipulated, or processed from a data  
15 storage facility.

143.432. 1. For all taxable years beginning on or after January 1, 2008, no tax shall  
2 be imposed under this chapter on the corporate income of any manufacturer in this state,  
3 as certified by the department of economic development under this section, for the first five  
4 taxable years of such manufacturer's existence in this state.

5 2. A corporation may make an annual election to abate the corporation's income  
6 taxes. The annual election shall be made by the filing of a corporate income tax return  
7 reflecting the use of such election and by filing a copy of the certificate issued by the  
8 director of the department of economic development stating that the corporation has  
9 qualified for the abatement.

10 3. The director shall prescribe the method for making application for certification,  
11 and may issue such rules as are necessary to administer this section and sections 620.1350  
12 to 620.1355, RSMo. Any rule or portion of a rule, as that term is defined in section

13 **536.010, RSMo, that is created under the authority delegated in this section shall become**  
14 **effective only if it complies with and is subject to all of the provisions of chapter 536,**  
15 **RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are**  
16 **nonseverable and if any of the powers vested with the general assembly pursuant to**  
17 **chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule**  
18 **are subsequently held unconstitutional, then the grant of rulemaking authority and any**  
19 **rule proposed or adopted after August 28, 2007, shall be invalid and void.**

144.030. 1. There is hereby specifically exempted from the provisions of sections  
2 144.010 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to  
3 sections 144.010 to 144.525 such retail sales as may be made in commerce between this state and  
4 any other state of the United States, or between this state and any foreign country, and any retail  
5 sale which the state of Missouri is prohibited from taxing pursuant to the Constitution or laws  
6 of the United States of America, and such retail sales of tangible personal property which the  
7 general assembly of the state of Missouri is prohibited from taxing or further taxing by the  
8 constitution of this state.

9 2. There are also specifically exempted from the provisions of the local sales tax law as  
10 defined in section 32.085, RSMo, section 238.235, RSMo, and sections 144.010 to 144.525 and  
11 144.600 to 144.761 and from the computation of the tax levied, assessed or payable pursuant to  
12 the local sales tax law as defined in section 32.085, RSMo, section 238.235, RSMo, and sections  
13 144.010 to 144.525 and 144.600 to 144.745:

14 (1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of  
15 such excise tax is refunded pursuant to section 142.824, RSMo; or upon the sale at retail of fuel  
16 to be consumed in manufacturing or creating gas, power, steam, electrical current or in furnishing  
17 water to be sold ultimately at retail; or feed for livestock or poultry; or grain to be converted into  
18 foodstuffs which are to be sold ultimately in processed form at retail; or seed, limestone or  
19 fertilizer which is to be used for seeding, liming or fertilizing crops which when harvested will  
20 be sold at retail or will be fed to livestock or poultry to be sold ultimately in processed form at  
21 retail; economic poisons registered pursuant to the provisions of the Missouri pesticide  
22 registration law (sections 281.220 to 281.310, RSMo) which are to be used in connection with  
23 the growth or production of crops, fruit trees or orchards applied before, during, or after planting,  
24 the crop of which when harvested will be sold at retail or will be converted into foodstuffs which  
25 are to be sold ultimately in processed form at retail;

26 (2) Materials, manufactured goods, machinery and parts which when used in  
27 manufacturing, processing, compounding, mining, producing or fabricating become a component  
28 part or ingredient of the new personal property resulting from such manufacturing, processing,  
29 compounding, mining, producing or fabricating and which new personal property is intended to

30 be sold ultimately for final use or consumption; and materials, including without limitation,  
31 gases and manufactured goods, including without limitation, slagging materials and firebrick,  
32 which are ultimately consumed in the manufacturing process by blending, reacting or interacting  
33 with or by becoming, in whole or in part, component parts or ingredients of steel products  
34 intended to be sold ultimately for final use or consumption;

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

38 (4) Replacement machinery, equipment, and parts and the materials and supplies solely  
39 required for the installation or construction of such replacement machinery, equipment, and  
40 parts, used directly in manufacturing, mining, fabricating or producing a product which is  
41 intended to be sold ultimately for final use or consumption; and machinery and equipment, and  
42 the materials and supplies required solely for the operation, installation or construction of such  
43 machinery and equipment, purchased and used to establish new, or to replace or expand existing,  
44 material recovery processing plants in this state. For the purposes of this subdivision, a "material  
45 recovery processing plant" means a facility that has as its primary purpose the recovery of  
46 materials into a useable product or a different form which is used in producing a new product and  
47 shall include a facility or equipment which are used exclusively for the collection of recovered  
48 materials for delivery to a material recovery processing plant but shall not include motor vehicles  
49 used on highways. For purposes of this section, the terms "motor vehicle" and "highway" shall  
50 have the same meaning pursuant to section 301.010, RSMo. Material recovery is not the reuse  
51 of materials within a manufacturing process or the use of a product previously recovered. The  
52 material recovery processing plant shall qualify under the provisions of this section regardless  
53 of ownership of the material being recovered;

54 (5) Machinery and equipment, and parts and the materials and supplies solely required  
55 for the installation or construction of such machinery and equipment, purchased and used to  
56 establish new or to expand existing manufacturing, mining or fabricating plants in the state if  
57 such machinery and equipment is used directly in manufacturing, mining or fabricating a product  
58 which is intended to be sold ultimately for final use or consumption;

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

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

63 (8) Newsprint, ink, computers, photosensitive paper and film, toner, printing plates and  
64 other machinery, equipment, replacement parts and supplies used in producing newspapers  
65 published for dissemination of news to the general public;

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

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

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

74 (12) Electrical energy used in the actual primary manufacture, processing, compounding,  
75 mining or producing of a product, or electrical energy used in the actual secondary processing  
76 or fabricating of the product, or a material recovery processing plant as defined in subdivision  
77 (4) of this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical  
78 energy so used exceeds ten percent of the total cost of production, either primary or secondary,  
79 exclusive of the cost of electrical energy so used or if the raw materials used in such processing  
80 contain at least twenty-five percent recovered materials as defined in section 260.200, RSMo.  
81 For purposes of this subdivision, "processing" means any mode of treatment, act or series of acts  
82 performed upon materials to transform and reduce them to a different state or thing, including  
83 treatment necessary to maintain or preserve such processing by the producer at the production  
84 facility;

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

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

93 (15) Machinery, equipment, appliances and devices purchased or leased and used solely  
94 for the purpose of preventing, abating or monitoring water pollution, and materials and supplies  
95 solely required for the installation, construction or reconstruction of such machinery, equipment,  
96 appliances and devices, and so certified as such by the director of the department of natural  
97 resources, except that any action by the director pursuant to this subdivision may be appealed to  
98 the Missouri clean water commission which may uphold or reverse such action;

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

100 (17) All amounts paid or charged for admission or participation or other fees paid by or  
101 other charges to individuals in or for any place of amusement, entertainment or recreation, games

102 or athletic events, including museums, fairs, zoos and planetariums, owned or operated by a  
103 municipality or other political subdivision where all the proceeds derived therefrom benefit the  
104 municipality or other political subdivision and do not inure to any private person, firm, or  
105 corporation;

106 (18) All sales of insulin and prosthetic or orthopedic devices as defined on January 1,  
107 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of  
108 1965, including the items specified in Section 1862(a)(12) of that act, and also specifically  
109 including hearing aids and hearing aid supplies and all sales of drugs which may be legally  
110 dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to  
111 administer those items, including samples and materials used to manufacture samples which may  
112 be dispensed by a practitioner authorized to dispense such samples and all sales of medical  
113 oxygen, home respiratory equipment and accessories, hospital beds and accessories and  
114 ambulatory aids, all sales of manual and powered wheelchairs, stairway lifts, Braille writers,  
115 electronic Braille equipment and, if purchased by or on behalf of a person with one or more  
116 physical or mental disabilities to enable them to function more independently, all sales of  
117 scooters, reading machines, electronic print enlargers and magnifiers, electronic alternative and  
118 augmentative communication devices, and items used solely to modify motor vehicles to permit  
119 the use of such motor vehicles by individuals with disabilities or sales of over-the-counter or  
120 nonprescription drugs to individuals with disabilities;

121 (19) All sales made by or to religious and charitable organizations and institutions in  
122 their religious, charitable or educational functions and activities and all sales made by or to all  
123 elementary and secondary schools operated at public expense in their educational functions and  
124 activities;

125 (20) All sales of aircraft to common carriers for storage or for use in interstate commerce  
126 and all sales made by or to not-for-profit civic, social, service or fraternal organizations,  
127 including fraternal organizations which have been declared tax-exempt organizations pursuant  
128 to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or  
129 charitable functions and activities and all sales made to eleemosynary and penal institutions and  
130 industries of the state, and all sales made to any private not-for-profit institution of higher  
131 education not otherwise excluded pursuant to subdivision (19) of this subsection or any  
132 institution of higher education supported by public funds, and all sales made to a state relief  
133 agency in the exercise of relief functions and activities;

134 (21) All ticket sales made by benevolent, scientific and educational associations which  
135 are formed to foster, encourage, and promote progress and improvement in the science of  
136 agriculture and in the raising and breeding of animals, and by nonprofit summer theater  
137 organizations if such organizations are exempt from federal tax pursuant to the provisions of the

138 Internal Revenue Code and all admission charges and entry fees to the Missouri state fair or any  
139 fair conducted by a county agricultural and mechanical society organized and operated pursuant  
140 to sections 262.290 to 262.530, RSMo;

141 (22) All sales made to any private not-for-profit elementary or secondary school, all sales  
142 of feed additives, medications or vaccines administered to livestock or poultry in the production  
143 of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for  
144 food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber,  
145 all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying  
146 agricultural crops, natural gas used in the primary manufacture or processing of fuel ethanol as  
147 defined in section 142.028, RSMo, natural gas, propane, and electricity used by an eligible new  
148 generation cooperative or an eligible new generation processing entity as defined in section  
149 348.432, RSMo, and all sales of farm machinery and equipment, other than airplanes, motor  
150 vehicles and trailers. As used in this subdivision, the term "feed additives" means tangible  
151 personal property which, when mixed with feed for livestock or poultry, is to be used in the  
152 feeding of livestock or poultry. As used in this subdivision, the term "pesticides" includes  
153 adjuvants such as crop oils, surfactants, wetting agents and other assorted pesticide carriers used  
154 to improve or enhance the effect of a pesticide and the foam used to mark the application of  
155 pesticides and herbicides for the production of crops, livestock or poultry. As used in this  
156 subdivision, the term "farm machinery and equipment" means new or used farm tractors and such  
157 other new or used farm machinery and equipment and repair or replacement parts thereon, and  
158 supplies and lubricants used exclusively, solely, and directly for producing crops, raising and  
159 feeding livestock, fish, poultry, pheasants, chukar, quail, or for producing milk for ultimate sale  
160 at retail, including field drain tile, and one-half of each purchaser's purchase of diesel fuel  
161 therefor which is:

162 (a) Used exclusively for agricultural purposes;  
163 (b) Used on land owned or leased for the purpose of producing farm products; and  
164 (c) Used directly in producing farm products to be sold ultimately in processed form or  
165 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold  
166 ultimately in processed form at retail;

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

171 (a) "Domestic use" means that portion of metered water service, electricity, electrical  
172 current, natural, artificial or propane gas, wood, coal or home heating oil, and in any city not  
173 within a county, metered or unmetered water service, which an individual occupant of a

174 residential premises uses for nonbusiness, noncommercial or nonindustrial purposes. Utility  
175 service through a single or master meter for residential apartments or condominiums, including  
176 service for common areas and facilities and vacant units, shall be deemed to be for domestic use.  
177 Each seller shall establish and maintain a system whereby individual purchases are determined  
178 as exempt or nonexempt;

179 (b) Regulated utility sellers shall determine whether individual purchases are exempt or  
180 nonexempt based upon the seller's utility service rate classifications as contained in tariffs on file  
181 with and approved by the Missouri public service commission. Sales and purchases made  
182 pursuant to the rate classification "residential" and sales to and purchases made by or on behalf  
183 of the occupants of residential apartments or condominiums through a single or master meter,  
184 including service for common areas and facilities and vacant units, shall be considered as sales  
185 made for domestic use and such sales shall be exempt from sales tax. Sellers shall charge sales  
186 tax upon the entire amount of purchases classified as nondomestic use. The seller's utility  
187 service rate classification and the provision of service thereunder shall be conclusive as to  
188 whether or not the utility must charge sales tax;

189 (c) Each person making domestic use purchases of services or property and who uses any  
190 portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day  
191 of the fourth month following the year of purchase, and without assessment, notice or demand,  
192 file a return and pay sales tax on that portion of nondomestic purchases. Each person making  
193 nondomestic purchases of services or property and who uses any portion of the services or  
194 property so purchased for domestic use, and each person making domestic purchases on behalf  
195 of occupants of residential apartments or condominiums through a single or master meter,  
196 including service for common areas and facilities and vacant units, under a nonresidential utility  
197 service rate classification may, between the first day of the first month and the fifteenth day of  
198 the fourth month following the year of purchase, apply for credit or refund to the director of  
199 revenue and the director shall give credit or make refund for taxes paid on the domestic use  
200 portion of the purchase. The person making such purchases on behalf of occupants of residential  
201 apartments or condominiums shall have standing to apply to the director of revenue for such  
202 credit or refund;

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

206 (25) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071,  
207 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of  
208 revenue shall promulgate rules pursuant to chapter 536, RSMo, to eliminate all state and local  
209 sales taxes on such excise taxes;

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

215 (27) All sales made to an interstate compact agency created pursuant to sections 70.370  
216 to 70.441, RSMo, or sections 238.010 to 238.100, RSMo, in the exercise of the functions and  
217 activities of such agency as provided pursuant to the compact;

218 (28) Computers, computer software and computer security systems purchased for use  
219 by architectural or engineering firms headquartered in this state. For the purposes of this  
220 subdivision, "headquartered in this state" means the office for the administrative management  
221 of at least four integrated facilities operated by the taxpayer is located in the state of Missouri;

222 (29) All livestock sales when either the seller is engaged in the growing, producing or  
223 feeding of such livestock, or the seller is engaged in the business of buying and selling, bartering  
224 or leasing of such livestock;

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

227 (31) Electrical energy or gas, whether natural, artificial or propane, water, or other  
228 utilities which are ultimately consumed in connection with the manufacturing of cellular glass  
229 products or in any material recovery processing plant as defined in subdivision (4) of subsection  
230 2 of this section;

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

233 (33) Tangible personal property **and utilities** purchased for use or consumption directly  
234 or exclusively in the research and development of **agricultural/biotechnology and plant**  
235 **genomics products and** prescription pharmaceuticals consumed by humans or animals;

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

237 (35) All sales of feed which are developed for and used in the feeding of pets owned by  
238 a commercial breeder when such sales are made to a commercial breeder, as defined in section  
239 273.325, RSMo, and licensed pursuant to sections 273.325 to 273.357, RSMo;

240 (36) All purchases by a contractor on behalf of an entity located in another state,  
241 provided that the entity is authorized to issue a certificate of exemption for purchases to a  
242 contractor under the provisions of that state's laws. For purposes of this subdivision, the term  
243 "certificate of exemption" shall mean any document evidencing that the entity is exempt from  
244 sales and use taxes on purchases pursuant to the laws of the state in which the entity is located.  
245 Any contractor making purchases on behalf of such entity shall maintain a copy of the entity's



246 exemption certificate as evidence of the exemption. If the exemption certificate issued by the  
247 exempt entity to the contractor is later determined by the director of revenue to be invalid for any  
248 reason and the contractor has accepted the certificate in good faith, neither the contractor or the  
249 exempt entity shall be liable for the payment of any taxes, interest and penalty due as the result  
250 of use of the invalid exemption certificate. Materials shall be exempt from all state and local  
251 sales and use taxes when purchased by a contractor for the purpose of fabricating tangible  
252 personal property which is used in fulfilling a contract for the purpose of constructing, repairing  
253 or remodeling facilities for the following:

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

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

259 (37) [Tangible personal property purchased for use or consumption directly or  
260 exclusively in research or experimentation activities performed by life science companies and  
261 so certified as such by the director of the department of economic development or the director's  
262 designees; except that, the total amount of exemptions certified pursuant to this section shall not  
263 exceed one million three hundred thousand dollars in state and local taxes per fiscal year. For  
264 purposes of this subdivision, the term "life science companies" means companies whose primary  
265 research activities are in agriculture, pharmaceuticals, biomedical or food ingredients, and whose  
266 North American Industry Classification System (NAICS) Codes fall under industry 541710  
267 (biotech research or development laboratories), 621511 (medical laboratories) or 541940  
268 (veterinary services). The exemption provided by this subdivision shall expire on June 30, 2003;

269 (38)] All sales or other transfers of tangible personal property to a lessor who leases the  
270 property under a lease of one year or longer executed or in effect at the time of the sale or other  
271 transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441, RSMo,  
272 or sections 238.010 to 238.100, RSMo; and

273 [(39)] (38) Sales of tickets to any collegiate athletic championship event that is held in  
274 a facility owned or operated by a governmental authority or commission, a quasi-governmental  
275 agency, a state university or college or by the state or any political subdivision thereof, including  
276 a municipality, and that is played on a neutral site and may reasonably be played at a site located  
277 outside the state of Missouri. For purposes of this subdivision, "neutral site" means any site that  
278 is not located on the campus of a conference member institution participating in the event.

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

- 2 (1) "Processing", any mode of treatment, act, or series of acts performed upon  
3 materials to transform or reduce them to a different state or thing, including treatment

4 necessary to maintain or preserve such processing by the producer at the production  
5 facility;

6 (2) "Recovered materials", those materials which have been diverted or removed  
7 from the solid waste stream for sale, use, reuse, or recycling, whether or not they require  
8 subsequent separation and processing.

9 2. In addition to all other exemptions granted under this chapter, there is hereby  
10 specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to  
11 144.761, and section 238.235, RSMo, and the local sales tax law as defined in section 32.085,  
12 RSMo, and from the computation of the tax levied, assessed, or payable under sections  
13 144.010 to 144.525 and 144.600 to 144.761, and section 238.235, RSMo, and the local sales  
14 tax law as defined in section 32.085, RSMo, electrical energy and gas, whether natural,  
15 artificial, or propane, water, coal, and other utilities, chemicals, machinery, equipment,  
16 and materials used or consumed in the manufacturing, processing, compounding, mining,  
17 or producing of any product, or used or consumed directly in television or radio  
18 broadcasting or used or consumed in the processing of recovered materials, or used in  
19 research and development related to manufacturing, processing, compounding, mining, or  
20 producing any product and all sales and purchases of tangible personal property, utilities,  
21 services, or any other transaction that would otherwise be subject to the state or local sales  
22 or use tax when such sales are made to or purchases are made by a contractor for use in  
23 fulfillment of any obligation under a defense contract with the United States government,  
24 and all sales and leases of tangible personal property by any county, city, incorporated  
25 town, or village, provided such sale or lease is authorized under chapter 100, RSMo, and  
26 tangible personal property brought into this state for processing, fabrication, or other  
27 modification for use outside the state in the regular course of business.

144.518. 1. In addition to the exemptions granted pursuant to section 144.030, there is  
2 hereby specifically exempted from the provisions of sections [66.600 to 66.635, RSMo, sections  
3 67.391 to 67.395, RSMo, sections 67.500 to 67.545, RSMo, section 67.547, RSMo, sections  
4 67.550 to 67.594, RSMo, sections 67.665 to 67.667, RSMo, sections 67.671 to 67.685, RSMo,  
5 sections 67.700 to 67.727, RSMo, section 67.729, RSMo, sections 67.730 to 67.739, RSMo,  
6 sections 67.1000 to 67.1012, RSMo, section 82.850, RSMo, sections 92.325 to 92.340, RSMo,  
7 sections 92.400 to 92.421, RSMo, sections 94.500 to 94.570, RSMo, section 94.577, RSMo,  
8 sections 94.600 to 94.655, RSMo, section 94.660, RSMo, sections 94.700 to 94.755, RSMo,  
9 sections 94.800 to 94.825, RSMo, section 94.830, RSMo, sections 94.850 to 94.857, RSMo,  
10 sections 94.870 to 94.881, RSMo, section 94.890, RSMo, sections] 144.010 to 144.525, [and]  
11 sections 144.600 to 144.761, sections 190.335 to 190.337, RSMo, [sections] **section 238.235**  
12 [and] , **RSMo, section 238.236, RSMo, section 238.410, RSMo, section 321.242, RSMo,**

13 section 573.505, RSMo, [and] section 644.032, RSMo, and **any local sales tax law as defined**  
14 **in section 32.085, RSMo, and** from the computation of the tax levied, assessed or payable  
15 pursuant to sections [66.600 to 66.635, RSMo, sections 67.391 to 67.395, RSMo, sections  
16 67.500 to 67.545, RSMo, section 67.547, RSMo, sections 67.550 to 67.594, RSMo, sections  
17 67.665 to 67.667, RSMo, sections 67.671 to 67.685, RSMo, sections 67.700 to 67.727, RSMo,  
18 section 67.729, RSMo, sections 67.730 to 67.739, RSMo, sections 67.1000 to 67.1012, RSMo,  
19 section 82.850, RSMo, sections 92.325 to 92.340, RSMo, sections 92.400 to 92.421, RSMo,  
20 sections 94.500 to 94.570, RSMo, section 94.577, RSMo, sections 94.600 to 94.655, RSMo,  
21 section 94.660, RSMo, sections 94.700 to 94.755, RSMo, sections 94.800 to 94.825, RSMo,  
22 section 94.830, RSMo, sections 94.850 to 94.857, RSMo, sections 94.870 to 94.881, RSMo,  
23 section 94.890, RSMo, sections] 144.010 to 144.525, sections 144.600 to 144.761, sections  
24 190.335 to 190.337, RSMo, [sections] **section 238.235 [and] , RSMo, section 238.236, RSMo,**  
25 **section 238.410, RSMo, section 321.242, RSMo, section 573.505, RSMo, [and] section 644.032,**  
26 **RSMo, [machines or parts for machines used in a commercial, coin-operated amusement and**  
27 **vending business] and any local sales tax law as defined in section 32.085, RSMo, coin-**  
28 **operated amusement devices and parts for such devices purchased prior to September 1,**  
29 **2007, where sales tax is paid on the gross receipts derived from the use of [commercial,**  
30 **coin-operated amusement and vending machines] such devices.**

31 **2. Beginning September 1, 2007, in addition to any other exemption provided by**  
32 **law, there is hereby specifically exempted from the provisions of sections 144.010 to**  
33 **144.525, sections 144.600 to 144.761, sections 190.335 to 190.337, RSMo, section 238.235,**  
34 **RSMo, section 238.236, RSMo, section 238.410, RSMo, section 321.242, RSMo, section**  
35 **573.505, RSMo, section 644.032, RSMo, and any local sales tax law as defined in section**  
36 **32.085, RSMo, and from the computation of the tax levied, assessed, or payable pursuant**  
37 **to sections 144.010 to 144.525, sections 144.600 to 144.761, sections 190.335 to 190.337,**  
38 **RSMo, section 238.235, RSMo, section 238.236, RSMo, section 238.410, RSMo, section**  
39 **321.242, RSMo, section 573.505, RSMo, section 644.032, RSMo, and any local sales tax law**  
40 **as defined in section 32.085, RSMo, amounts paid for the temporary use of a coin-operated**  
41 **amusement device.**

42 **3. As used in this section, "coin-operated amusement device" means a device**  
43 **accepting payment or items representing payments to allow one or more users temporary**  
44 **use of the device for entertainment or amusement purposes. Examples of coin-operated**  
45 **amusement devices include, but are not limited to, video games, pinball games, table games**  
46 **such as billiards and air hockey, and redemption games such as the claw and skee ball that**  
47 **may award prizes of tangible personal property.**

48       **4. In addition to any other exemptions provided by law, there is hereby specifically**  
49 **exempted from the provisions of sections 144.010 to 144.525, sections 144.600 to 144.761,**  
50 **sections 190.335 to 190.337, RSMo, section 238.235, RSMo, section 238.236, RSMo, section**  
51 **238.410, RSMo, section 321.242, RSMo, section 573.505, RSMo, section 644.032, RSMo,**  
52 **and any local sales tax law as defined in section 32.085, RSMo, and from the computation**  
53 **of the tax levied, assessed, or payable pursuant to sections 144.010 to 144.525, sections**  
54 **144.600 to 144.761, sections 190.335 to 190.337, RSMo, section 238.235, RSMo, section**  
55 **238.236, RSMo, section 238.410, RSMo, section 321.242, RSMo, section 573.505, RSMo,**  
56 **section 644.032, RSMo, and any local sales tax law as defined in section 32.085, RSMo,**  
57 **vending machines or parts for vending machines used in a commercial vending business**  
58 **where sales tax is paid on the gross receipts derived from such vending machines.**

144.605. The following words and phrases as used in sections 144.600 to 144.745 mean  
2 and include:

3       (1) "Calendar quarter", the period of three consecutive calendar months ending on March  
4 thirty-first, June thirtieth, September thirtieth or December thirty-first;

5       (2) "Engages in business activities within this state" includes:

6       (a) [Purposefully or systematically exploiting the market provided by this state by any  
7 media-assisted, media-facilitated, or media-solicited means, including, but not limited to, direct  
8 mail advertising, distribution of catalogs, computer-assisted shopping, telephone, television,  
9 radio, or other electronic media, or magazine or newspaper advertisements, or other media; or

10       (b) Being owned or controlled by the same interests which own or control any seller  
11 engaged in the same or similar line of business in this state; or

12       (c)] Maintaining or having a franchisee or licensee operating under the seller's trade  
13 name in this state if the franchisee or licensee is required to collect sales tax pursuant to sections  
14 144.010 to 144.525; or

15       [(d)] (b) Soliciting sales or taking orders by sales agents or traveling representatives **in**  
16 **this state.**

17

18 **Notwithstanding any other provision of this chapter to the contrary, whether a person**  
19 **engages in business activities within this state and whether the person has substantial**  
20 **nexus with this state shall be determined without regard to whether the person is a related**  
21 **taxpayer as defined in subdivision (9) of section 135.100, RSMo, in regard to either a**  
22 **distribution facility in this state or a data storage facility in this state or any one of the**  
23 **following:**

24       **a. Uses such distribution facility;**

- 25           **b. Uses property at such distribution facility that is used at, or distributed from,**  
26 **that facility;**  
27           **c. Sells property shipped or distributed from such distribution facility;**  
28           **d. Uses such data storage facility;**  
29           **e. Uses property at such data storage facility; or**  
30           **f. Sells information that was stored, manipulated, or processed from such data**  
31 **storage facility;**

32           (3) "Maintains a place of business in this state" includes **directly** maintaining,  
33 occupying, or using[, permanently or temporarily, directly or indirectly, or through a subsidiary,  
34 or agent, by whatever name called,] an office, [place of distribution, sales or sample room or  
35 place,] warehouse or storage place, or other place of business **in this state;**

36           (4) "Person", any individual, firm, copartnership, joint venture, association, corporation,  
37 municipal or private, and whether organized for profit or not, state, county, political subdivision,  
38 state department, commission, board, bureau or agency, except the state transportation  
39 department, estate, trust, business trust, receiver or trustee appointed by the state or federal court,  
40 syndicate, or any other group or combination acting as a unit, and the plural as well as the  
41 singular number;

42           (5) "Purchase", the acquisition of the ownership of, or title to, tangible personal property,  
43 through a sale, as defined herein, for the purpose of storage, use or consumption in this state;

44           (6) "Purchaser", any person who is the recipient for a valuable consideration of any sale  
45 of tangible personal property acquired for use, storage or consumption in this state;

46           (7) "Sale", any transfer, barter or exchange of the title or ownership of tangible personal  
47 property, or the right to use, store or consume the same, for a consideration paid or to be paid,  
48 and any transaction whether called leases, rentals, bailments, loans, conditional sales or  
49 otherwise, and notwithstanding that the title or possession of the property or both is retained for  
50 security. For the purpose of this law the place of delivery of the property to the purchaser, user,  
51 storer or consumer is deemed to be the place of sale, whether the delivery be by the vendor or  
52 by common carriers, private contractors, mails, express, agents, salesmen, solicitors, hawkers,  
53 representatives, consignors, peddlers, canvassers or otherwise;

54           (8) "Sales price", the consideration including the charges for services, except charges  
55 incident to the extension of credit, paid or given, or contracted to be paid or given, by the  
56 purchaser to the vendor for the tangible personal property, including any services that are a part  
57 of the sale, valued in money, whether paid in money or otherwise, and any amount for which  
58 credit is given to the purchaser by the vendor, without any deduction therefrom on account of the  
59 cost of the property sold, the cost of materials used, labor or service cost, losses or any other  
60 expenses whatsoever, except that cash discounts allowed and taken on sales shall not be included

61 and "sales price" shall not include the amount charged for property returned by customers upon  
62 rescission of the contract of sales when the entire amount charged therefor is refunded either in  
63 cash or credit or the amount charged for labor or services rendered in installing or applying the  
64 property sold, the use, storage or consumption of which is taxable pursuant to sections 144.600  
65 to 144.745. In determining the amount of tax due pursuant to sections 144.600 to 144.745, any  
66 charge incident to the extension of credit shall be specifically exempted;

67 (9) "Selling agent", every person acting as a representative of a principal, when such  
68 principal is not registered with the director of revenue of the state of Missouri for the collection  
69 of the taxes imposed pursuant to sections 144.010 to 144.525 or sections 144.600 to 144.745 and  
70 who receives compensation by reason of the sale of tangible personal property of the principal,  
71 if such property is to be stored, used, or consumed in this state;

72 (10) "Storage", any keeping or retention in this state of tangible personal property  
73 purchased from a vendor, except property for sale or property that is temporarily kept or retained  
74 in this state for subsequent use outside the state;

75 (11) "Tangible personal property", all items subject to the Missouri sales tax as provided  
76 in subdivisions (1) and (3) of section 144.020;

77 (12) "Taxpayer", any person remitting the tax or who should remit the tax levied by  
78 sections 144.600 to 144.745;

79 (13) "Use", the exercise of any right or power over tangible personal property incident  
80 to the ownership or control of that property, except that it does not include the temporary storage  
81 of property in this state for subsequent use outside the state, or the sale of the property in the  
82 regular course of business;

83 (14) "Vendor", every person engaged in making sales of tangible personal property by  
84 mail order, by advertising, by agent or peddling tangible personal property, soliciting or taking  
85 orders for sales of tangible personal property, for storage, use or consumption in this state, all  
86 salesmen, solicitors, hawkers, representatives, consignees, peddlers or canvassers, as agents of  
87 the dealers, distributors, consignors, supervisors, principals or employers under whom they  
88 operate or from whom they obtain the tangible personal property sold by them, and every person  
89 who maintains a place of business in this state, maintains a stock of goods in this state, or  
90 engages in business activities within this state and every person who engages in this state in the  
91 business of acting as a selling agent for persons not otherwise vendors as defined in this  
92 subdivision. Irrespective of whether they are making sales on their own behalf or on behalf of  
93 the dealers, distributors, consignors, supervisors, principals or employers, they must be regarded  
94 as vendors and the dealers, distributors, consignors, supervisors, principals or employers must  
95 be regarded as vendors for the purposes of sections 144.600 to 144.745. A person shall not be  
96 considered a vendor for the purposes of sections 144.600 to 144.745 if all of the following apply:

97 (a) The person's total gross receipts did not exceed five hundred thousand dollars in this  
98 state, or twelve and one-half million dollars in the entire United States, in the immediately  
99 preceding calendar year;

100 (b) The person maintains no place of business in this state; and

101 (c) The person has no selling agents in this state.

147.010. 1. For the transitional year defined in subsection 4 of this section and each  
2 taxable year beginning on or after January 1, 1980, but before January 1, 2000, every corporation  
3 organized pursuant to or subject to chapter 351, RSMo, or pursuant to any other law of this state  
4 shall, in addition to all other fees and taxes now required or paid, pay an annual franchise tax to  
5 the state of Missouri equal to one-twentieth of one percent of the par value of its outstanding  
6 shares and surplus if its outstanding shares and surplus exceed two hundred thousand dollars, or  
7 if the outstanding shares of such corporation or any part thereof consist of shares without par  
8 value, then, in that event, for the purpose contained in this section, such shares shall be  
9 considered as having a value of five dollars per share unless the actual value of such shares  
10 exceeds five dollars per share, in which case the tax shall be levied and collected on the actual  
11 value and the surplus if the actual value and the surplus exceed two hundred thousand dollars.  
12 If such corporation employs a part of its outstanding shares in business in another state or  
13 country, then such corporation shall pay an annual franchise tax equal to one-twentieth of one  
14 percent of its outstanding shares and surplus employed in this state if its outstanding shares and  
15 surplus employed in this state **exceed** two hundred thousand dollars, and for the purposes of  
16 sections 147.010 to 147.120, such corporation shall be deemed to have employed in this state  
17 that proportion of its entire outstanding shares and surplus that its property and assets employed  
18 in this state bears to all its property and assets wherever located. A foreign corporation engaged  
19 in business in this state, whether pursuant to a certificate of authority issued pursuant to chapter  
20 351, RSMo, or not, shall be subject to this section. Any corporation whose outstanding shares  
21 and surplus as calculated in this subsection does not exceed two hundred thousand dollars shall  
22 state that fact on the annual report form prescribed by the secretary of state. For all taxable years  
23 beginning on or after January 1, 2000, the annual franchise tax shall be equal to one-thirtieth of  
24 one percent of the corporation's outstanding shares and surplus if the outstanding shares and  
25 surplus exceed one million dollars. Any corporation whose outstanding shares and surplus do  
26 not exceed one million dollars shall state that fact on the annual report form prescribed by the  
27 director of revenue.

28 2. Sections 147.010 to 147.120 shall not apply to corporations not organized for profit,  
29 nor to corporations organized pursuant to the provisions of chapter 349, RSMo, nor to express  
30 companies, which now pay an annual tax on their gross receipts in this state, nor to insurance  
31 companies, which pay an annual tax on their premium receipts in this state, nor to state, district,

32 county, town and farmers' mutual companies now organized or that may be hereafter organized  
33 pursuant to any of the laws of this state, organized for the sole purpose of writing fire, lightning,  
34 windstorm, tornado, cyclone, hail and plate glass and mutual automobile insurance and for the  
35 purpose of paying any loss incurred by any member by assessment, nor to any mutual insurance  
36 corporation not having shares, nor to a company or association organized to transact business of  
37 life or accident insurance on the assessment plan for the purpose of mutual protection and benefit  
38 to its members and the payment of stipulated sums of moneys to the family, heirs, executors,  
39 administrators or assigns of the deceased member, nor to foreign life, fire, accident, surety,  
40 liability, steam boiler, tornado, health, or other kind of insurance company of whatever nature  
41 coming within the provisions of section 147.050 and doing business in this state, nor to savings  
42 and loan associations and domestic and foreign regulated investment companies as defined by  
43 Section 170 of the Act of Congress commonly known as the "Revenue Act of 1942", nor to  
44 electric and telephone corporations organized pursuant to chapter 351, RSMo, and chapter 392,  
45 RSMo, prior to January 1, 1980, which have been declared tax exempt organizations pursuant  
46 to Section 501(c) of the Internal Revenue Code of 1986, nor for taxable years beginning after  
47 December 31, 1986, to banking institutions subject to the annual franchise tax imposed by  
48 sections 148.010 to 148.110, RSMo; but bank deposits shall be considered as funds of the  
49 individual depositor left for safekeeping and shall not be considered in computing the amount  
50 of tax collectible pursuant to the provisions of sections 147.010 to 147.120.

51         3. A corporation's "taxable year" for purposes of sections 147.010 to 147.120 shall be  
52 its taxable year as provided in section 143.271, RSMo.

53         4. A corporation's "transitional year" for the purposes of sections 147.010 to 147.120  
54 shall be its taxable year which includes parts of each of the years 1979 and 1980.

55         5. The franchise tax payable for a corporation's transitional year shall be computed by  
56 multiplying the amount otherwise due for that year by a fraction, the numerator of which is the  
57 number of months between January 1, 1980, and the end of the taxable year and the denominator  
58 of which is twelve. The franchise tax payable, if a corporation's taxable year is changed as  
59 provided in section 143.271, RSMo, shall be similarly computed pursuant to regulations  
60 prescribed by the director of revenue.

61         6. All franchise reports and franchise taxes shall be returned to the director of revenue.  
62 All checks and drafts remitted for payment of franchise taxes shall be made payable to the  
63 director of revenue.

64         7. Pursuant to section 32.057, RSMo, the director of revenue shall maintain the  
65 confidentiality of all franchise tax reports returned to the director.

66         8. The director of the department of revenue shall honor all existing agreements between  
67 taxpayers and the director of the department of revenue.



68           **9. Notwithstanding any other provision of this chapter to the contrary, whether a**  
69 **corporation has substantial nexus with this state for franchise tax purposes shall be**  
70 **determined without regard to whether the corporation is a related taxpayer as defined in**  
71 **subdivision (9) of section 135.100, RSMo, in regard to either a distribution facility in this**  
72 **state or a data storage facility in this state or any one of the following:**

73           **(1) Uses such distribution facility;**

74           **(2) Uses property at such distribution facility that is used at, or distributed from,**  
75 **that facility;**

76           **(3) Sells property shipped or distributed from such distribution facility;**

77           **(4) Uses such data storage facility;**

78           **(5) Uses property at such data storage facility where data is stored, manipulated,**  
79 **or processed from that facility; or**

80           **(6) Sells information that was stored, manipulated, or processed from such data**  
81 **storage facility.**

**163.016. Notwithstanding the provisions of section 163.011, for any school district**  
2 **located in more than one county and whose headquarters are located within a city of the**  
3 **fourth classification with more than two thousand five hundred but fewer than two**  
4 **thousand six hundred inhabitants and located in more than one county, the county**  
5 **signified in the school district number shall be the county in the district with the highest**  
6 **dollar value modifier.**

          208.750. 1. Sections 208.750 to 208.775 shall be known and may be cited as the  
2 "Family Development Account Program".

3           2. For purposes of sections 208.750 to 208.775, the following terms mean:

4           (1) "Account holder", a person who is the owner of a family development account;

5           (2) "Community-based organization", any religious or charitable association formed  
6 pursuant to chapter 352, RSMo, **or any nonprofit corporation formed under chapter 355,**  
7 **RSMo**, that is approved by the director of the department of economic development to  
8 implement the family development account program;

9           (3) "Department", the department of economic development;

10          (4) "Director", the director of the department of economic development;

11          (5) "Family development account", a financial instrument established pursuant to section  
12 208.760;

13          (6) "Family development account reserve fund", the fund created by an approved  
14 community-based organization for the purposes of funding the costs incurred in the  
15 administration of the program and for providing matching funds for moneys in family  
16 development accounts;

17 (7) "Federal poverty level", the most recent poverty income guidelines published in the  
18 calendar year by the United States Department of Health and Human Services;

19 (8) "Financial institution", any bank, trust company, savings bank, credit union or  
20 savings and loan association as defined in chapter 362, 369 or 370, RSMo, and with an office  
21 in Missouri which is approved by the director for participation in the program;

22 (9) "Program", the Missouri family development account program established in sections  
23 208.750 to 208.775;

24 (10) "Program contributor", a person or entity who makes a contribution to a family  
25 development account reserve fund and is not the account holder.

208.755. 1. There is hereby established within the department of economic development  
2 a program to be known as the "Family Development Account Program". The program shall  
3 provide eligible families and individuals with an opportunity to establish special savings  
4 accounts for moneys which may be used by such families and individuals for education, home  
5 ownership or small business capitalization.

6 2. The department shall solicit proposals from community-based organizations seeking  
7 to administer the accounts on a not-for-profit basis. Community-based organization proposals  
8 shall include:

9 (1) A requirement that the individual account holder or the family of an account holder  
10 match the contributions of a community-based organization member by contributing cash;

11 (2) A process for including account holders in decision making regarding the investment  
12 of funds in the accounts;

13 (3) Specifications of the population or populations targeted for priority participation in  
14 the program;

15 (4) A requirement that the individual account holder or the family of an account holder  
16 attend economic literacy seminars;

17 (5) A process for including economic literacy seminars in the family development  
18 account program; and

19 (6) A process for regular evaluation and review of family development accounts to  
20 ensure program compliance by account holders.

21 3. In reviewing the proposals of community-based organizations, the department shall  
22 consider the following factors:

23 (1) The not-for-profit status of such organization;

24 (2) The fiscal accountability of the community-based organization;

25 (3) The ability of the community-based organization to provide or raise moneys for  
26 matching contributions;

27 (4) The ability of the community-based organization to establish and administer a reserve  
28 fund account which shall receive all contributions from program contributors; and

29 (5) The significance and quality of proposed auxiliary services, including economic  
30 literacy seminars, and their relationship to the goals of the family development account program.

31 4. No more than [twenty] **fifteen** percent of all funds in the reserve fund account may  
32 be used for administrative costs of the program in each of the first two years of the program, and  
33 no more than [fifteen] **ten** percent of such funds may be used for administrative costs for any  
34 subsequent year. Funds deposited by account holders shall not be used for administrative costs.

35 5. The department shall promulgate rules and regulations to implement and administer  
36 the provisions of sections 208.750 to 208.775. No rule or portion of a rule promulgated pursuant  
37 to the authority of sections 208.750 to 208.775 shall become effective unless it has been  
38 promulgated pursuant to the provisions of chapter 536, RSMo.

**387.075. 1. Notwithstanding any provision of chapter 390, RSMo, chapter 622, RSMo, or this chapter to the contrary, any common carrier that is authorized to transport household goods by a certificate issued under section 390.051, RSMo, may file one or more applications to the state highways and transportation commission for approval of rate schedules, applicable to that carrier's intrastate transportation of household goods, that authorize periodic rate adjustments outside of general rate proceedings to reflect increases and decreases in the carrier's prudently incurred costs of providing transportation of property by motor vehicle. The filing of applications by common carriers under this section shall be authorized upon the same terms and conditions as provided in section 386.266, RSMo, with reference to the filing of applications to the public service commission by an electrical, gas, or water corporation. These applications shall be made in such form, and shall contain such information, as the state highways and transportation commission reasonably may require.**

14 **2. Notwithstanding any provision of chapter 390, RSMo, chapter 622, RSMo, or this chapter to the contrary, the state highways and transportation commission shall consider and determine every application filed under subsection 1 of this section, upon the same terms and conditions as provided in section 386.266, RSMo, with reference to the public service commission's consideration and determination of applications by an electrical, gas, or water corporation under that section.**

20 **3. In proceedings under this section, common carriers and the state highways and transportation commission shall be governed by the statutes and rules of practice and procedure that are applicable in motor carrier proceedings under this chapter and chapters 390, and 622, RSMo, except to the extent they are inconsistent with the requirements of this section. The statutes and rules that generally govern public service**

**25 commission proceedings relating to electrical, gas, and water corporations shall not apply**  
**26 in proceedings under this section.**

390.030. 1. The provisions of this chapter shall not apply to:

- 2 (1) School buses;
- 3 (2) Taxicabs;
- 4 (3) Motor vehicles while being used exclusively to transport;
- 5 (a) Stocker and feeder livestock from farm to farm, or from market to farm,
- 6 (b) Farm or dairy products including livestock from a farm or dairy,
- 7 (c) Agricultural limestone or fertilizer to farms,
- 8 (d) Property from farm to farm,
- 9 (e) Raw forest products from farm, or
- 10 (f) Cotton, cottonseed, and cottonseed hulls;
- 11 (4) Motor vehicles when operated under contract with the federal government for
- 12 carrying the United States mail and when on a trip provided in the contract;
- 13 (5) Motor vehicles used solely in the distribution of newspapers from the publisher to
- 14 subscribers or distributors;
- 15 (6) The transportation of passengers or property performed by a carrier pursuant to a
- 16 contract between the carrier and the state of Missouri or any civil subdivision thereof, where the
- 17 transportation services are paid directly to the carrier by the state of Missouri or civil
- 18 subdivision;
- 19 (7) Freight-carrying motor vehicles duly registered and licensed in conformity with the
- 20 provisions of chapter 301, RSMo, for a gross weight of six thousand pounds or less;
- 21 (8) The transportation of passengers or property wholly within a municipality, or
- 22 between contiguous municipalities, or within a commercial zone as defined in section 390.020,
- 23 or within a commercial zone established by the division of motor carrier and railroad safety
- 24 pursuant to the provisions of subdivision (4) of section 390.041; provided, the exemption in this
- 25 subdivision shall not apply to motor carriers of persons operating to, from or between points
- 26 located wholly or in part in counties now or hereafter having a population of more than three
- 27 hundred thousand persons, where such points are not within the same municipality and to motor
- 28 carriers of commodities in bulk to include liquids, in tank or hopper type vehicles, and in a
- 29 commercial zone as defined herein or by the division;
- 30 (9) Street railroads and public utilities other than common carriers as defined in section
- 31 386.020, RSMo;
- 32 (10) Motor vehicles whose operations in the state of Missouri are interstate in character
- 33 and are limited exclusively to a municipality and its commercial zone;

34 (11) Motor vehicles, commonly known as tow trucks or wreckers, designed and  
35 exclusively used in the business of towing or otherwise rendering assistance to abandoned,  
36 disabled or wrecked vehicles;

37 (12) Motor vehicles while being used solely by a group of employees to commute to and  
38 from their place or places of employment, except that the motor vehicle must be driven by a  
39 member of the group.

40 2. Nothing contained in this section shall be deemed to exempt the vehicles of driveway  
41 operators.

42 3. Except for the provisions of subdivision (5) of section 390.041, the provisions of this  
43 chapter shall not apply to private carriers.

44 4. No agency of state government nor any county or municipality or their agencies shall  
45 discriminate against any motor carrier or private carrier or deny any such carrier operating a  
46 motor vehicle public access to any building, facility or area owned by or operated for the public  
47 unless such discrimination or denial is based solely on reasonable vehicle size or weight  
48 considerations. The provisions of this subsection shall only apply in cities not within a county  
49 and first class counties with a charter form of government which adjoin any city not within a  
50 county.

51 **5. Beginning January 1, 2008, the exemptions in subdivisions (8) and (10) of**  
52 **subsection 1 of this section shall not apply to intrastate motor carriers that transport**  
53 **household goods.**

Section B. Because immediate action is necessary to protect innocent product sellers  
2 from liability, the repeal and reenactment of sections 144.605 and 147.010, and the enactment  
3 of section 143.006 of section A of this act is deemed necessary for the immediate preservation  
4 of the public health, welfare, peace, and safety, and is hereby declared to be an emergency act  
5 within the meaning of the constitution, and the repeal and reenactment of sections 144.605 and  
6 147.010, and the enactment of section 143.006 of section A of this act shall be in full force and  
7 effect upon its passage and approval.

✓