

FIRST REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 131**  
**94TH GENERAL ASSEMBLY**

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Reported from the Special Committee on Tax Reform February 26, 2007 with recommendation that House Committee Substitute for House Bill No. 131 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(21)(f).

D. ADAM CRUMBLISS, Chief Clerk

0716L.02C

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**AN ACT**

To amend chapter 144, RSMo, by adding thereto one new section relating to sales and use taxes on manufacturing.

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

Section A. Chapter 144, RSMo, is amended by adding thereto one new section, to be known as section 144.054, to read as follows:

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

(1) "Processing", any mode of treatment, act, or series of acts performed upon materials to transform or reduce them to a different state or thing, including treatment necessary to maintain or preserve such processing by the producer at the production facility;

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

2. In addition to all other exemptions granted under this chapter, there is hereby specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to 144.761, and section 238.235, RSMo, and the local sales tax law as defined in section 32.085, RSMo, and from the computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and section 238.235, RSMo, and the local sales tax law as defined in section 32.085, RSMo, electrical energy and gas, whether natural,

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 **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 in the processing of recovered materials,**  
18 **or used in research and development related to manufacturing, processing, compounding,**  
19 **mining, or producing any product.**

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