

SECOND REGULAR SESSION

HOUSE BILL NO. 1810

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES COOPER (120) (Sponsor) AND SKAGGS (Co-sponsor).

Read 1st time January 24, 2008 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

4268L.01I

AN ACT

To repeal sections 137.1018 and 144.054, RSMo, and to enact in lieu thereof three new sections relating to sales and use taxes on manufacturing.

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

Section A. Sections 137.1018 and 144.054, RSMo, are repealed and three new sections
2 enacted in lieu thereof, to be known as sections 137.1018, 142.825, and 144.054, to read as
3 follows:

137.1018. 1. The commission shall ascertain the statewide average rate of property taxes
2 levied the preceding year, based upon the total assessed valuation of the railroad and street
3 railway companies and the total property taxes levied upon the railroad and street railway
4 companies. It shall determine total property taxes levied from reports prescribed by the
5 commission from the railroad and street railway companies. Total taxes levied shall not include
6 revenues from the surtax on subclass three real property.

7 2. The commission shall report its determination of average property tax rate for the
8 preceding year, together with the taxable distributable assessed valuation of each freight line
9 company for the current year to the director no later than October first of each year.

10 3. Taxes on property of such freight line companies shall be collected at the state level
11 by the director on behalf of the counties and other local public taxing entities and shall be
12 distributed in accordance with sections 137.1021 and 137.1024. The director shall tax such
13 property based upon the distributable assessed valuation attributable to Missouri of each freight
14 line company, using the average tax rate for the preceding year of the railroad and street railway

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 companies certified by the commission. Such tax shall be due and payable on or before
16 December thirty-first of the year levied and, if it becomes delinquent, shall be subject to a penalty
17 equal to that specified in section 140.100, RSMo.

18 **4. (1) As used in this subsection, the following terms mean:**

19 **(a) "Eligible expenses", expenses incurred in this state to manufacture, maintain,**
20 **or improve a freight line company's qualified rolling stock;**

21 **(b) "Qualified rolling stock", any freight, stock, refrigerator, or other railcars**
22 **subject to the tax levied under this section.**

23 **(2) For all taxable years beginning on or after January 1, 2009, a freight line**
24 **company shall be allowed a credit against the tax levied under this section for the**
25 **applicable tax year. The tax credit amount shall be equal to the amount of eligible**
26 **expenses incurred during the calendar year immediately preceding the tax year for which**
27 **the credit under this section is claimed. The amount of the tax credit issued shall not**
28 **exceed the freight line company's liability for the tax levied under this section for the tax**
29 **year for which the credit is claimed.**

30 **(3) A freight line company may apply for the credit by submitting to the**
31 **commission an application in the form prescribed by the state tax commission.**

32 **(4) The state shall reimburse, on an annual basis, any political subdivision of this**
33 **state for any decrease in revenue due to the provisions of this section.**

142.825. Notwithstanding any rule or law to the contrary, the department of
2 **revenue shall promulgate a uniform and simplified rule for all motor fuel tax exemptions.**
3 **This uniform and simplified rule shall preempt all similar existing rules, shall minimize,**
4 **if applicable, the time between requesting a refund and receiving a refund, and shall**
5 **ensure that any document and administrative burdens be kept to a minimum and be**
6 **shared equitably by the fuel wholesaler or fuel retailer and the tax exempt entity. Any rule**
7 **or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under**
8 **the authority delegated in this section shall become effective only if it complies with and**
9 **is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028,**
10 **RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers**
11 **vested with the general assembly under chapter 536, RSMo, to review, to delay the effective**
12 **date, or to disapprove and annul a rule are subsequently held unconstitutional, then the**
13 **grant of rulemaking authority and any rule proposed or adopted after August 28, 2008,**
14 **shall be invalid and void.**

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 materials
3 to transform or reduce them to a different state or thing, including treatment necessary to
4 maintain or preserve such processing by the producer at the production facility;

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

8 2. In addition to all other exemptions granted under this chapter, there is hereby
9 specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to
10 144.761, **and section 238.235, RSMo, and the local sales tax law as defined in section 32.085,**
11 **RSMo**, and from the computation of the tax levied, assessed, or payable under sections 144.010
12 to 144.525 and 144.600 to 144.761, **and section 238.235, RSMo, and the local sales tax law**
13 **as defined in section 32.085, RSMo**, electrical energy and gas, whether natural, artificial, or
14 propane, water, coal, and energy sources, chemicals, machinery, equipment, and materials used
15 or consumed in the manufacturing, processing, compounding, mining, or producing of any
16 product, or used or consumed in the processing of recovered materials, or used in research and
17 development related to manufacturing, processing, compounding, mining, or producing any
18 product. The exemptions granted in this subsection shall not apply to local sales taxes as defined
19 in section 32.085, RSMo, and the provisions of this subsection shall be in addition to any state
20 and local sales tax exemption provided in section 144.030.

21 3. In addition to all other exemptions granted under this chapter, there is hereby
22 specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to
23 144.761, and section 238.235, RSMo, and the local sales tax law as defined in section 32.085,
24 RSMo, and from the computation of the tax levied, assessed, or payable under sections 144.010
25 to 144.525 and 144.600 to 144.761, and section 238.235, RSMo, and the local sales tax law as
26 defined in section 32.085, RSMo, all utilities, machinery, and equipment used or consumed
27 directly in television or radio broadcasting and all sales and purchases of tangible personal
28 property, utilities, services, or any other transaction that would otherwise be subject to the state
29 or local sales or use tax when such sales are made to or purchases are made by a contractor for
30 use in fulfillment of any obligation under a defense contract with the United States government,
31 and all sales and leases of tangible personal property by any county, city, incorporated town, or
32 village, provided such sale or lease is authorized under chapter 100, RSMo, and such transaction
33 is certified for sales tax exemption by the department of economic development, and tangible
34 personal property [used for railroad infrastructure] brought into this state for processing,
35 fabrication, or other modification for use outside the state in the regular course of business.

✓