

SS#2 SCS SB 363 -- MOTOR VEHICLE TAX COLLECTION AND FEE OFFICES

SPONSOR: Griesheimer (Jones, 89)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on General Laws by a vote of 13 to 0.

Beginning January 1, 2012, this substitute allows the Director of the Department of Revenue to appoint any motor vehicle dealer to act as a fee agent for the department for the purpose of titling and registering a motor vehicle at the time of the initial sale or lease. Beginning July 1, 2010, dealers may apply to the department director to collect the sales and use tax on vehicles sold by the dealer. If authorized, the dealer must file a return and remit the tax collected, less a 2% timely filing deduction, to the department. Dealers will not be eligible for fee office fees or general revenue funds for collecting and remitting motor vehicle sales taxes. Dealers will be subject to the sales tax law under Chapter 144, RSMo, and must file a monthly sales tax report pursuant to Section 301.280.

Currently, if the trade-in and rebate amount is greater than the purchase price of a new motor vehicle, trailer, boat, or outboard motor, no tax is owed on that item. The substitute allows a taxpayer who trades-in or sells a motor vehicle, trailer, boat, or outboard motor for more than the purchase price of a subsequent motor vehicle, trailer, boat, or outboard motor to apply the excess amount to a subsequent purchase if purchased within 180 days of the original item. This provision will also apply to an item replaced due to theft, casualty, or loss.

The department director is required to award fee office contracts through a competitive bidding process with priority given to school districts or coalitions of school districts, charitable organizations, nonprofit organizations, and political subdivisions. All fees collected by a tax-exempt organization may be retained and used by the organization. The process of awarding a fee office contract by any public governmental body must be public, and no meeting may be closed or any record sealed.

FISCAL NOTE: Estimated Cost on General Revenue Fund of Unknown in FY 2010, Unknown in FY 2011, and Unknown - More than \$100,000 in FY 2012. Estimated Effect on Other State Funds of a cost of Unknown in FY 2010, a cost of Unknown in FY 2011, and an income of More than \$100,000 to a cost of Unknown in FY 2012.

PROPOSERS: Supporters say that the bill will allow motor vehicle dealers to collect taxes for the state. Currently, only four states do not allow this practice.

Testifying for the bill were Senator Griesheimer; and Mike Kehoe.

OPPONENTS: There was no opposition voiced to the committee.