

SECOND REGULAR SESSION

HOUSE BILL NO. 2254

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES NOLTE (Sponsor), SILVEY, TALBOY, BROWN (50),
NANCE AND LOEHNER (Co-sponsors).

5202L.03I

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 306.016, RSMo, and to enact in lieu thereof one new section relating to sales and use taxes on certain watercraft.

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

Section A. Section 306.016, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 306.016, to read as follows:

306.016. 1. [By January 1, 1995, the owner of any vessel documented by the United States Coast Guard on August 28, 1994, and] The new owner of any vessel purchased after August 28, 1994, **but before January 1, 2011**, who upon the sale or transfer of the vessel desires to document the vessel with the United States Coast Guard, shall apply for a vessel certificate of registration and pay a certification fee of seven dollars and fifty cents, an initial registration fee in an amount equal to the amount required for a certificate of number under section 306.030 and all applicable state and local [or in lieu watercraft] **sales and use** taxes as provided by law in effect on the date the vessel was documented or submit proof that all applicable registration fees have been paid to the department of revenue and all applicable **state and local sales and use** taxes or in lieu watercraft taxes have been paid in this or another state. Such application shall include the county in which such vessel will be normally maintained by the new owner. A certificate of registration and a set of registration decals in a form the director shall prescribe shall be issued for a documented vessel. A Missouri resident shall make application for a vessel certificate of registration within thirty days of acquiring or bringing the vessel into this state. A nonresident shall make application for a vessel certificate of registration within sixty days after acquiring a vessel in this state or bringing a vessel into this state if the

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.

17 vessel will be kept in this state for a period in excess of sixty consecutive days. A delinquency
 18 penalty fee of ten dollars shall be imposed for each thirty days of delinquency, not to exceed a
 19 total of thirty dollars. If the director of revenue learns that any person has failed to make
 20 application for a vessel certificate of registration in accordance with this section or has sold a
 21 vessel documented by the United States Coast Guard without obtaining a certificate of
 22 registration as provided in this section, the director shall cancel the registration of all vessels and
 23 outboard motors registered in the name of the person, either as sole owner or a co-owner, and
 24 shall notify the person that the cancellation will remain in force until the person pays the
 25 delinquency penalty fee together with all fees, charges, and payments which the person should
 26 have paid in connection with the vessel certificate of registration.

27 2. [A] **Beginning January 1, 2011, any** boat or vessel documented by the United States
 28 Coast Guard or other agency of the federal government and operated on the waters of this state
 29 shall [not] be liable for the payment of any state or local sales or use tax on the purchase[, but
 30 shall be liable for the payment of an in-lieu watercraft tax, which is hereby imposed]. The [fee
 31 in lieu of tax] **state and local sales and use taxes** imposed pursuant to this section shall not
 32 apply to United States Coast Guard registered vessels purchased for purposes of marine
 33 construction including, but not limited to, barges, dredges, marine cranes, and other marine
 34 equipment utilized for construction or dredging of waterways. The [in-lieu watercraft tax] **state**
 35 **and local sales and use taxes** shall be collected by the director of revenue **in the same manner**
 36 **in which other state and local sales and use taxes are collected**, and **such state sales and use**
 37 **taxes shall be** deposited in the state treasury to the credit of [general revenue and shall be
 38 appropriated for use by the Missouri state water patrol] **the veterans' commission capital**
 39 **improvements trust fund established in section 313.835**. Watercraft dealers in this state shall
 40 report to the director of revenue on forms furnished by the director the sale of each watercraft
 41 sold to a resident of this state. [If the watercraft is registered and licensed pursuant to the
 42 provisions of this chapter and all applicable sales taxes have been paid, the director shall not
 43 collect the in-lieu tax imposed by this subsection. If the watercraft is registered with the United
 44 States Coast Guard or other agency of the federal government and not under the provisions of
 45 this chapter the director shall bill the purchaser of the watercraft for the in-lieu tax imposed by
 46 this subsection. Any person who fails to pay the in-lieu tax due under this section, within thirty
 47 days after receipt of the bill from the director of revenue, shall be liable to the same penalties
 48 imposed by law for failure to pay sales and use taxes due the state.

49 The in-lieu tax shall be determined as follows:

50 PURCHASE PRICE OF WATERCRAFT	TAX DUE
51 Less than \$15,000	\$ 500.00
52 \$15,001 to \$30,000	650.00

53	\$30,001 to \$50,000	1,000.00
54	\$50,001 to \$100,000	1,400.00
55	\$100,001 to \$150,000	2,000.00
56	\$150,001 to \$200,000	3,000.00
57	\$200,001 to \$250,000	4,000.00
58	\$250,001 to \$300,000	5,000.00
59	\$300,001 to \$350,000	5,500.00
60	\$350,001 to \$400,000	6,000.00
61	\$400,001 to \$450,000	6,500.00
62	\$450,001 to \$500,000	7,500.00
63	\$500,001 to \$550,000	8,500.00
64	\$550,001 to \$650,000	9,500.00
65	\$650,001 to \$750,000	10,500.00
66	\$750,001 and above	add an additional 1,500.00
67	for each \$100,000 increment]	

68 3. The registration decals for any vessel documented by the United States Coast Guard
69 shall be in force and effect for a period of three years so long as the vessel is owned or held by
70 the original holder of the certificate of registration and shall be renewed upon application and
71 payment of a registration renewal fee equal to the amount required for a certificate of number
72 under section 306.030. The owner shall attach the registration decals to both sides of the forward
73 half of the bow of the documented vessel in a place that is fully visible.

74 4. The department of revenue may issue a temporary vessel certificate of registration
75 authorizing the operation of a vessel to be documented by the United States Coast Guard for not
76 more than sixty days. The temporary registration shall be made available by the department of
77 revenue and may be purchased from the department of revenue or from a dealer upon proof of
78 purchase of a vessel. The department shall make temporary certificates of registration available
79 to registered dealers in this state in sets of ten. The fee for the temporary certificates of
80 registration shall be five dollars each. No dealer shall charge more than five dollars for each
81 temporary certificate of registration issued. The temporary registration shall be valid for a period
82 of sixty days from the date of issuance by the department of revenue to the purchaser of the
83 vessel or from the date of sale of the vessel by a dealer from which the purchaser obtains a
84 certificate of registration. The temporary certificate of registration shall be issued on a form
85 prescribed by the department of revenue and issued only for the purchaser's use in the operation
86 of the vessel purchased to enable the purchaser to legally operate the vessel while a certificate
87 of registration is being obtained, and shall be displayed on no other vessel. Temporary
88 certificates of registration issued under this section shall not be transferable or renewable and

89 shall not be valid upon issuance of a proper certificate of registration. The dealer or authorized
90 agent shall insert the date of issuance and expiration date, year, make and the manufacturer's
91 identification number of the vessel on the temporary registration when issued to the purchaser.
92 The dealer shall complete the information on the temporary registration in full. Every dealer that
93 issues a temporary certificate of registration shall keep, for inspection by authorized officers, a
94 correct record of each temporary certificate of registration issued by the dealer by recording the
95 registration number, purchaser's name and address, year, make and manufacturer's identification
96 number of the vessel on which the temporary certificate of registration is to be used and the date
97 of issuance.

98 5. Upon the sale or transfer of any vessel documented by the United States Coast Guard
99 for which a certificate of registration has been issued, the registration shall be terminated. If the
100 new owner elects to have the vessel documented by the United States Coast Guard, the new
101 owner shall submit, in addition to the properly assigned certificate of registration, proof of
102 release from the documentation provided by the United States Coast Guard and shall comply
103 with the provisions of this section. If the new owner elects not to document the vessel with the
104 United States Coast Guard, the owner shall comply with the applicable provisions of this chapter.

105 6. The certificate of registration shall be available at all times for inspection on the vessel
106 for which it is issued, whenever the vessel is in operation.

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