

SS SB 928 -- SALES TAX COLLECTIONS

SPONSOR: Lager (Sutherland)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on General Laws by a vote of 14 to 0.

This substitute changes the laws regarding sales tax collections. In its main provisions, the substitute:

(1) Clarifies that certain purchases made for resale are not to be considered as retail for sales and use tax purposes when the subsequent sale is taxed in the state or another state, is for resale, is excluded from tax, is subject to tax but is exempt, or is exempt in another state where the subsequent sale occurs;

(2) Clarifies that operators of amusement parks and places of entertainment or recreation, including games or athletic events, must charge sales taxes on the amount of gross receipts charged for admission, but any subsequent sale of the admissions or seating accommodations will not be subject to the taxes and clarifies that operators of hotels, motels, taverns, restaurants, drugstores, dining cars, or tourist camps must charge sales taxes on the amount of gross receipts charged for all rooms, meals, and drinks furnished at the establishment, but any subsequent sale of those same rooms, meals, and drinks is exempt from sales and use taxes; and

(3) Exempts from local sales taxes the sales of sporting clays, wobble, skeet, and trap targets to a shooting range or similar business for use in the normal course of business as well as moneys received by a shooting range or a similar business from patrons and held for redistribution to patrons at the conclusion of a shooting event.

The substitute contains an emergency clause.

FISCAL NOTE: Estimated Cost on General Revenue Fund of More than \$100,000 in FY 2011, FY 2012, and FY 2013. Estimated Cost on Other State Funds of Unknown in FY 2011, FY 2012, and FY 2013.

PROPOSERS: Supporters say that the bill will supersede court interpretations of state statutes that result in double taxation by imposing sales taxes on those who sell products to tax exempt entities such as schools, churches, electric cooperatives, and state and local governments. The bill should be limited in scope and noncontroversial because of the urgent need to benefit Missouri consumers and businesses.

Testifying for the bill were Senator Lager; Ameren UE; Missouri

Restaurant Association; Missouri Chamber of Commerce and Industry; Missouri Hotel and Lodging Association; Missouri Retailers Association; Missouri Association of Counties; Missouri Municipal League; Association of Missouri Electric Cooperatives; Associated General Contractors of Missouri; Associated Industries of Missouri; Boeing Company; Missouri Energy Development Association; Dale Amick, Southwestern Farm Equipment Dealers Association; and Richard Wiles and Associates.

OPPONENTS: There was no opposition voiced to the committee.