

**HOUSE** \_\_\_\_\_ **AMENDMENT NO.** \_\_\_\_\_

**Offered By**

1 AMEND House Committee Substitute for Senate Substitute for Senate Committee Substitute for  
2 Senate Bill No. 470, Page 2, Section 142.932, Line 29, by inserting after all of said line the  
3 following:

4 "144.030. 1. There is hereby specifically exempted from the provisions of sections  
5 144.010 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to  
6 sections 144.010 to 144.525 such retail sales as may be made in commerce between this state and  
7 any other state of the United States, or between this state and any foreign country, and any retail  
8 sale which the state of Missouri is prohibited from taxing pursuant to the Constitution or laws of  
9 the United States of America, and such retail sales of tangible personal property which the general  
10 assembly of the state of Missouri is prohibited from taxing or further taxing by the constitution of  
11 this state.

12 2. There are also specifically exempted from the provisions of the local sales tax law as  
13 defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to  
14 144.761 and from the computation of the tax levied, assessed or payable pursuant to the local  
15 sales tax law as defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and  
16 144.600 to 144.745:

17 (1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of  
18 such excise tax is refunded pursuant to section 142.824; or upon the sale at retail of fuel to be  
19 consumed in manufacturing or creating gas, power, steam, electrical current or in furnishing water  
20 to be sold ultimately at retail; or feed for livestock or poultry; or grain to be converted into  
21 foodstuffs which are to be sold ultimately in processed form at retail; or seed, limestone or  
22 fertilizer which is to be used for seeding, liming or fertilizing crops which when harvested will be  
23 sold at retail or will be fed to livestock or poultry to be sold ultimately in processed form at retail;  
24 economic poisons registered pursuant to the provisions of the Missouri pesticide registration law  
25 (sections 281.220 to 281.310) which are to be used in connection with the growth or production of  
26 crops, fruit trees or orchards applied before, during, or after planting, the crop of which when  
27 harvested will be sold at retail or will be converted into foodstuffs which are to be sold ultimately  
28 in processed form at retail;

29 (2) Materials, manufactured goods, machinery and parts which when used in

1 manufacturing, processing, compounding, mining, producing or fabricating become a component  
2 part or ingredient of the new personal property resulting from such manufacturing, processing,  
3 compounding, mining, producing or fabricating and which new personal property is intended to be  
4 sold ultimately for final use or consumption; and materials, including without limitation, gases  
5 and manufactured goods, including without limitation slagging materials and firebrick, which are  
6 ultimately consumed in the manufacturing process by blending, reacting or interacting with or by  
7 becoming, in whole or in part, component parts or ingredients of steel products intended to be  
8 sold ultimately for final use or consumption;

9 (3) Materials, replacement parts and equipment purchased for use directly upon, and for  
10 the repair and maintenance or manufacture of, motor vehicles, watercraft, railroad rolling stock or  
11 aircraft engaged as common carriers of persons or property;

12 (4) Motor vehicles registered in excess of fifty-four thousand pounds, and the trailers  
13 pulled by such motor vehicles, that are actually used in the normal course of business to haul  
14 property on the public highways of the state, and that are capable of hauling loads commensurate  
15 with the motor vehicle's registered weight; and the materials, replacement parts, and equipment  
16 purchased for use directly upon, and for the repair and maintenance or manufacture of such  
17 vehicles. For purposes of this subsection "motor vehicle" and "public highway" shall have the  
18 meaning as ascribed in section 390.020;

19 (5) Replacement machinery, equipment, and parts and the materials and supplies solely  
20 required for the installation or construction of such replacement machinery, equipment, and parts,  
21 used directly in manufacturing, mining, fabricating or producing a product which is intended to be  
22 sold ultimately for final use or consumption; and machinery and equipment, and the materials and  
23 supplies required solely for the operation, installation or construction of such machinery and  
24 equipment, purchased and used to establish new, or to replace or expand existing, material  
25 recovery processing plants in this state. For the purposes of this subdivision, a "material recovery  
26 processing plant" means a facility that has as its primary purpose the recovery of materials into a  
27 useable product or a different form which is used in producing a new product and shall include a  
28 facility or equipment which are used exclusively for the collection of recovered materials for  
29 delivery to a material recovery processing plant but shall not include motor vehicles used on  
30 highways. For purposes of this section, the terms motor vehicle and highway shall have the same  
31 meaning pursuant to section 301.010. Material recovery is not the reuse of materials within a  
32 manufacturing process or the use of a product previously recovered. The material recovery  
33 processing plant shall qualify under the provisions of this section regardless of ownership of the  
34 material being recovered;

35 [(5)] (6) Machinery and equipment, and parts and the materials and supplies solely  
36 required for the installation or construction of such machinery and equipment, purchased and used

1 to establish new or to expand existing manufacturing, mining or fabricating plants in the state,  
2 including any titled manufacturing or mining equipment, if such machinery and equipment is used  
3 directly in manufacturing, mining or fabricating a product which is intended to be sold ultimately  
4 for final use or consumption;

5 [(6)] (7) Tangible personal property which is used exclusively in the manufacturing,  
6 processing, modification or assembling of products sold to the United States government or to any  
7 agency of the United States government;

8 [(7)] (8) Animals or poultry used for breeding or feeding purposes, or captive wildlife;

9 [(8)] (9) Newsprint, ink, computers, photosensitive paper and film, toner, printing plates  
10 and other machinery, equipment, replacement parts and supplies used in producing newspapers  
11 published for dissemination of news to the general public;

12 [(9)] (10) The rentals of films, records or any type of sound or picture transcriptions for  
13 public commercial display;

14 [(10)] (11) Pumping machinery and equipment used to propel products delivered by  
15 pipelines engaged as common carriers;

16 [(11)] (12) Railroad rolling stock for use in transporting persons or property in interstate  
17 commerce and motor vehicles licensed for a gross weight of twenty-four thousand pounds or more  
18 or trailers used by common carriers, as defined in section 390.020, in the transportation of persons  
19 or property;

20 [(12)] (13) Electrical energy used in the actual primary manufacture, processing,  
21 compounding, mining or producing of a product, or electrical energy used in the actual secondary  
22 processing or fabricating of the product, or a material recovery processing plant as defined in  
23 subdivision (4) of this subsection, in facilities owned or leased by the taxpayer, if the total cost of  
24 electrical energy so used exceeds ten percent of the total cost of production, either primary or  
25 secondary, exclusive of the cost of electrical energy so used or if the raw materials used in such  
26 processing contain at least twenty-five percent recovered materials as defined in section 260.200.  
27 There shall be a rebuttable presumption that the raw materials used in the primary manufacture of  
28 automobiles contain at least twenty-five percent recovered materials. For purposes of this  
29 subdivision, "processing" means any mode of treatment, act or series of acts performed upon  
30 materials to transform and reduce them to a different state or thing, including treatment necessary  
31 to maintain or preserve such processing by the producer at the production facility;

32 [(13)] (14) Anodes which are used or consumed in manufacturing, processing,  
33 compounding, mining, producing or fabricating and which have a useful life of less than one year;

34 [(14)] (15) Machinery, equipment, appliances and devices purchased or leased and used  
35 solely for the purpose of preventing, abating or monitoring air pollution, and materials and  
36 supplies solely required for the installation, construction or reconstruction of such machinery,

1 equipment, appliances and devices;

2 [(15)] (16) Machinery, equipment, appliances and devices purchased or leased and used  
3 solely for the purpose of preventing, abating or monitoring water pollution, and materials and  
4 supplies solely required for the installation, construction or reconstruction of such machinery,  
5 equipment, appliances and devices;

6 [(16)] (17) Tangible personal property purchased by a rural water district;

7 [(17)] (18) All amounts paid or charged for admission or participation or other fees paid  
8 by or other charges to individuals in or for any place of amusement, entertainment or recreation,  
9 games or athletic events, including museums, fairs, zoos and planetariums, owned or operated by  
10 a municipality or other political subdivision where all the proceeds derived therefrom benefit the  
11 municipality or other political subdivision and do not inure to any private person, firm, or  
12 corporation;

13 [(18)] (19) All sales of insulin and prosthetic or orthopedic devices as defined on January  
14 1, 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of  
15 1965, including the items specified in Section 1862(a)(12) of that act, and also specifically  
16 including hearing aids and hearing aid supplies and all sales of drugs which may be legally  
17 dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to  
18 administer those items, including samples and materials used to manufacture samples which may  
19 be dispensed by a practitioner authorized to dispense such samples and all sales or rental of  
20 medical oxygen, home respiratory equipment and accessories, hospital beds and accessories and  
21 ambulatory aids, all sales or rental of manual and powered wheelchairs, stairway lifts, Braille  
22 writers, electronic Braille equipment and, if purchased or rented by or on behalf of a person with  
23 one or more physical or mental disabilities to enable them to function more independently, all  
24 sales or rental of scooters, reading machines, electronic print enlargers and magnifiers, electronic  
25 alternative and augmentative communication devices, and items used solely to modify motor  
26 vehicles to permit the use of such motor vehicles by individuals with disabilities or sales of  
27 over-the-counter or nonprescription drugs to individuals with disabilities, and drugs required by  
28 the Food and Drug Administration to meet the over-the-counter drug product labeling  
29 requirements in 21 CFR 201.66, or its successor, as prescribed by a health care practitioner  
30 licensed to prescribe;

31 [(19)] (20) All sales made by or to religious and charitable organizations and institutions  
32 in their religious, charitable or educational functions and activities and all sales made by or to all  
33 elementary and secondary schools operated at public expense in their educational functions and  
34 activities;

35 [(20)] (21) All sales of aircraft to common carriers for storage or for use in interstate  
36 commerce and all sales made by or to not-for-profit civic, social, service or fraternal

1 organizations, including fraternal organizations which have been declared tax-exempt  
2 organizations pursuant to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as  
3 amended, in their civic or charitable functions and activities and all sales made to eleemosynary  
4 and penal institutions and industries of the state, and all sales made to any private not-for-profit  
5 institution of higher education not otherwise excluded pursuant to subdivision (19) of this  
6 subsection or any institution of higher education supported by public funds, and all sales made to  
7 a state relief agency in the exercise of relief functions and activities;

8 [(21)] (22) All ticket sales made by benevolent, scientific and educational associations  
9 which are formed to foster, encourage, and promote progress and improvement in the science of  
10 agriculture and in the raising and breeding of animals, and by nonprofit summer theater  
11 organizations if such organizations are exempt from federal tax pursuant to the provisions of the  
12 Internal Revenue Code and all admission charges and entry fees to the Missouri state fair or any  
13 fair conducted by a county agricultural and mechanical society organized and operated pursuant to  
14 sections 262.290 to 262.530;

15 [(22)] (23) All sales made to any private not-for-profit elementary or secondary school, all  
16 sales of feed additives, medications or vaccines administered to livestock or poultry in the  
17 production of food or fiber, all sales of pesticides used in the production of crops, livestock or  
18 poultry for food or fiber, all sales of bedding used in the production of livestock or poultry for  
19 food or fiber, all sales of propane or natural gas, electricity or diesel fuel used exclusively for  
20 drying agricultural crops, natural gas used in the primary manufacture or processing of fuel  
21 ethanol as defined in section 142.028, natural gas, propane, and electricity used by an eligible new  
22 generation cooperative or an eligible new generation processing entity as defined in section  
23 348.432, and all sales of farm machinery and equipment, other than airplanes, motor vehicles and  
24 trailers, and any freight charges on any exempt item. As used in this subdivision, the term "feed  
25 additives" means tangible personal property which, when mixed with feed for livestock or poultry,  
26 is to be used in the feeding of livestock or poultry. As used in this subdivision, the term  
27 "pesticides" includes adjuvants such as crop oils, surfactants, wetting agents and other assorted  
28 pesticide carriers used to improve or enhance the effect of a pesticide and the foam used to mark  
29 the application of pesticides and herbicides for the production of crops, livestock or poultry. As  
30 used in this subdivision, the term "farm machinery and equipment" means new or used farm  
31 tractors and such other new or used farm machinery and equipment and repair or replacement  
32 parts thereon and any accessories for and upgrades to such farm machinery and equipment, rotary  
33 mowers used exclusively for agricultural purposes, and supplies and lubricants used exclusively,  
34 solely, and directly for producing crops, raising and feeding livestock, fish, poultry, pheasants,  
35 chukar, quail, or for producing milk for ultimate sale at retail, including field drain tile, and  
36 one-half of each purchaser's purchase of diesel fuel therefor which is:

- 1 (a) Used exclusively for agricultural purposes;
- 2 (b) Used on land owned or leased for the purpose of producing farm products; and
- 3 (c) Used directly in producing farm products to be sold ultimately in processed form or
- 4 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold
- 5 ultimately in processed form at retail;

6 [(23)] (24) Except as otherwise provided in section 144.032, all sales of metered water  
7 service, electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating  
8 oil for domestic use and in any city not within a county, all sales of metered or unmetered water  
9 service for domestic use:

10 (a) "Domestic use" means that portion of metered water service, electricity, electrical  
11 current, natural, artificial or propane gas, wood, coal or home heating oil, and in any city not  
12 within a county, metered or unmetered water service, which an individual occupant of a  
13 residential premises uses for nonbusiness, noncommercial or nonindustrial purposes. Utility  
14 service through a single or master meter for residential apartments or condominiums, including  
15 service for common areas and facilities and vacant units, shall be deemed to be for domestic use.  
16 Each seller shall establish and maintain a system whereby individual purchases are determined as  
17 exempt or nonexempt;

18 (b) Regulated utility sellers shall determine whether individual purchases are exempt or  
19 nonexempt based upon the seller's utility service rate classifications as contained in tariffs on file  
20 with and approved by the Missouri public service commission. Sales and purchases made  
21 pursuant to the rate classification "residential" and sales to and purchases made by or on behalf of  
22 the occupants of residential apartments or condominiums through a single or master meter,  
23 including service for common areas and facilities and vacant units, shall be considered as sales  
24 made for domestic use and such sales shall be exempt from sales tax. Sellers shall charge sales  
25 tax upon the entire amount of purchases classified as nondomestic use. The seller's utility service  
26 rate classification and the provision of service thereunder shall be conclusive as to whether or not  
27 the utility must charge sales tax;

28 (c) Each person making domestic use purchases of services or property and who uses any  
29 portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day  
30 of the fourth month following the year of purchase, and without assessment, notice or demand,  
31 file a return and pay sales tax on that portion of nondomestic purchases. Each person making  
32 nondomestic purchases of services or property and who uses any portion of the services or  
33 property so purchased for domestic use, and each person making domestic purchases on behalf of  
34 occupants of residential apartments or condominiums through a single or master meter, including  
35 service for common areas and facilities and vacant units, under a nonresidential utility service rate  
36 classification may, between the first day of the first month and the fifteenth day of the fourth

1 month following the year of purchase, apply for credit or refund to the director of revenue and the  
2 director shall give credit or make refund for taxes paid on the domestic use portion of the  
3 purchase. The person making such purchases on behalf of occupants of residential apartments or  
4 condominiums shall have standing to apply to the director of revenue for such credit or refund;

5 [(24)] (25) All sales of handicraft items made by the seller or the seller's spouse if the  
6 seller or the seller's spouse is at least sixty-five years of age, and if the total gross proceeds from  
7 such sales do not constitute a majority of the annual gross income of the seller;

8 [(25)] (26) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061,  
9 4071, 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director  
10 of revenue shall promulgate rules pursuant to chapter 536 to eliminate all state and local sales  
11 taxes on such excise taxes;

12 [(26)] (27) Sales of fuel consumed or used in the operation of ships, barges, or waterborne  
13 vessels which are used primarily in or for the transportation of property or cargo, or the  
14 conveyance of persons for hire, on navigable rivers bordering on or located in part in this state, if  
15 such fuel is delivered by the seller to the purchaser's barge, ship, or waterborne vessel while it is  
16 afloat upon such river;

17 [(27)] (28) All sales made to an interstate compact agency created pursuant to sections  
18 70.370 to 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities of  
19 such agency as provided pursuant to the compact;

20 [(28)] (29) Computers, computer software and computer security systems purchased for  
21 use by architectural or engineering firms headquartered in this state. For the purposes of this  
22 subdivision, "headquartered in this state" means the office for the administrative management of  
23 at least four integrated facilities operated by the taxpayer is located in the state of Missouri;

24 [(29)] (30) All livestock sales when either the seller is engaged in the growing, producing  
25 or feeding of such livestock, or the seller is engaged in the business of buying and selling,  
26 bartering or leasing of such livestock;

27 [(30)] (31) All sales of barges which are to be used primarily in the transportation of  
28 property or cargo on interstate waterways;

29 [(31)] (32) Electrical energy or gas, whether natural, artificial or propane, water, or other  
30 utilities which are ultimately consumed in connection with the manufacturing of cellular glass  
31 products or in any material recovery processing plant as defined in subdivision (4) of this  
32 subsection;

33 [(32)] (33) Notwithstanding other provisions of law to the contrary, all sales of pesticides  
34 or herbicides used in the production of crops, aquaculture, livestock or poultry;

35 [(33)] (34) Tangible personal property and utilities purchased for use or consumption  
36 directly or exclusively in the research and development of agricultural/biotechnology and plant

1 genomics products and prescription pharmaceuticals consumed by humans or animals;

2 [(34)] (35) All sales of grain bins for storage of grain for resale;

3 [(35)] (36) All sales of feed which are developed for and used in the feeding of pets  
4 owned by a commercial breeder when such sales are made to a commercial breeder, as defined in  
5 section 273.325, and licensed pursuant to sections 273.325 to 273.357;

6 [(36)] (37) All purchases by a contractor on behalf of an entity located in another state,  
7 provided that the entity is authorized to issue a certificate of exemption for purchases to a  
8 contractor under the provisions of that state's laws. For purposes of this subdivision, the term  
9 "certificate of exemption" shall mean any document evidencing that the entity is exempt from  
10 sales and use taxes on purchases pursuant to the laws of the state in which the entity is located.  
11 Any contractor making purchases on behalf of such entity shall maintain a copy of the entity's  
12 exemption certificate as evidence of the exemption. If the exemption certificate issued by the  
13 exempt entity to the contractor is later determined by the director of revenue to be invalid for any  
14 reason and the contractor has accepted the certificate in good faith, neither the contractor or the  
15 exempt entity shall be liable for the payment of any taxes, interest and penalty due as the result of  
16 use of the invalid exemption certificate. Materials shall be exempt from all state and local sales  
17 and use taxes when purchased by a contractor for the purpose of fabricating tangible personal  
18 property which is used in fulfilling a contract for the purpose of constructing, repairing or  
19 remodeling facilities for the following:

20 (a) An exempt entity located in this state, if the entity is one of those entities able to issue  
21 project exemption certificates in accordance with the provisions of section 144.062; or

22 (b) An exempt entity located outside the state if the exempt entity is authorized to issue an  
23 exemption certificate to contractors in accordance with the provisions of that state's law and the  
24 applicable provisions of this section;

25 [(37)] (38) All sales or other transfers of tangible personal property to a lessor who leases  
26 the property under a lease of one year or longer executed or in effect at the time of the sale or  
27 other transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441 or  
28 sections 238.010 to 238.100;

29 [(38)] (39) Sales of tickets to any collegiate athletic championship event that is held in a  
30 facility owned or operated by a governmental authority or commission, a quasi-governmental  
31 agency, a state university or college or by the state or any political subdivision thereof, including a  
32 municipality, and that is played on a neutral site and may reasonably be played at a site located  
33 outside the state of Missouri. For purposes of this subdivision, "neutral site" means any site that  
34 is not located on the campus of a conference member institution participating in the event;

35 [(39)] (40) All purchases by a sports complex authority created under section 64.920, and  
36 all sales of utilities by such authority at the authority's cost that are consumed in connection with

1 the operation of a sports complex leased to a professional sports team;  
2 [(40)] (41) Beginning January 1, 2009, but not after January 1, 2015, materials,  
3 replacement parts, and equipment purchased for use directly upon, and for the modification,  
4 replacement, repair, and maintenance of aircraft, aircraft power plants, and aircraft accessories;  
5 [(41)] (42) Sales of sporting clays, wobble, skeet, and trap targets to any shooting range or  
6 similar places of business for use in the normal course of business and money received by a  
7 shooting range or similar places of business from patrons and held by a shooting range or similar  
8 place of business for redistribution to patrons at the conclusion of a shooting event.”; and  
9  
10 Further amend said bill by amending the title, enacting clause, and intersectional references  
11 accordingly.