

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1237
97TH GENERAL ASSEMBLY

4485H.02C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 143.183, RSMo, and to enact in lieu thereof one new section relating to nonresident entertainer income taxes.

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

Section A. Section 143.183, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.183, to read as follows:

143.183. 1. As used in this section, the following terms mean:

(1) "Nonresident entertainer", a person residing or registered as a corporation outside this state who, for compensation, performs any vocal, instrumental, musical, comedy, dramatic, dance or other performance in this state before a live audience and any other person traveling with and performing services on behalf of a nonresident entertainer, including a nonresident entertainer who is paid compensation for providing entertainment as an independent contractor, a partnership that is paid compensation for entertainment provided by nonresident entertainers, a corporation that is paid compensation for entertainment provided by nonresident entertainers, or any other entity that is paid compensation for entertainment provided by nonresident entertainers;

(2) "Nonresident member of a professional athletic team", a professional athletic team member who resides outside this state, including any active player, any player on the disabled list if such player is in uniform on the day of the game at the site of the game, and any other person traveling with and performing services on behalf of a professional athletic team;

(3) "Personal service income" includes exhibition and regular season salaries and wages, guaranteed payments, strike benefits, deferred payments, severance pay, bonuses, and any other type of compensation paid to the nonresident entertainer or nonresident member of a professional

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.

18 athletic team, but does not include prizes, bonuses or incentive money received from competition
19 in a livestock, equine or rodeo performance, exhibition or show;

20 (4) "Professional athletic team" includes, but is not limited to, any professional baseball,
21 basketball, football, soccer and hockey team.

22 2. Any person, venue, or entity who pays compensation to a nonresident entertainer shall
23 deduct and withhold from such compensation as a prepayment of tax an amount equal to two
24 percent of the total compensation if the amount of compensation is in excess of three hundred
25 dollars paid to the nonresident entertainer. For purposes of this section, the term "person, venue,
26 or entity who pays compensation" shall not be construed to include any person, venue, or entity
27 that is exempt from taxation under 26 U.S.C. Section 501(c)(3), as amended, and that pays an
28 amount to the nonresident entertainer for the entertainer's appearance but receives no benefit
29 from the entertainer's appearance other than the entertainer's performance.

30 3. Any person, venue, or entity required to deduct and withhold tax pursuant to
31 subsection 2 of this section shall, for each calendar quarter, on or before the last day of the month
32 following the close of such calendar quarter, remit the taxes withheld in such form or return as
33 prescribed by the director of revenue and pay over to the director of revenue or to a depository
34 designated by the director of revenue the taxes so required to be deducted and withheld.

35 4. Any person, venue, or entity subject to this section shall be considered an employer
36 for purposes of section 143.191, and shall be subject to all penalties, interest, and additions to
37 tax provided in this chapter for failure to comply with this section.

38 5. Notwithstanding other provisions of this chapter to the contrary, the commissioner of
39 administration, for all taxable years beginning on or after January 1, 1999, but none after
40 December 31, [2015] **2020**, shall annually estimate the amount of state income tax revenues
41 collected pursuant to this chapter which are received from nonresident members of professional
42 athletic teams and nonresident entertainers. For fiscal year 2000, and for each subsequent fiscal
43 year for a period of [sixteen] **twenty-one** years, sixty percent of the annual estimate of taxes
44 generated from the nonresident entertainer and professional athletic team income tax shall be
45 allocated annually to the Missouri arts council trust fund, and shall be transferred, **subject to**
46 **appropriations**, from the general revenue fund to the Missouri arts council trust fund established
47 in section 185.100 and any amount transferred shall be in addition to such agency's budget base
48 for each fiscal year. The director shall by rule establish the method of determining the portion
49 of personal service income of such persons that is allocable to Missouri.

50 6. Notwithstanding the provisions of sections 186.050 to 186.067 to the contrary, the
51 commissioner of administration, for all taxable years beginning on or after January 1, 1999, but
52 for none after December 31, [2015] **2020**, shall estimate annually the amount of state income tax
53 revenues collected pursuant to this chapter which are received from nonresident members of

54 professional athletic teams and nonresident entertainers. For fiscal year 2000, and for each
55 subsequent fiscal year for a period of [sixteen] **twenty-one** years, ten percent of the annual
56 estimate of taxes generated from the nonresident entertainer and professional athletic team
57 income tax shall be allocated annually to the Missouri humanities council trust fund, and shall
58 be transferred, **subject to appropriations**, from the general revenue fund to the Missouri
59 humanities council trust fund established in section 186.055 and any amount transferred shall
60 be in addition to such agency's budget base for each fiscal year.

61 7. Notwithstanding other provisions of section 182.812 to the contrary, the commissioner
62 of administration, for all taxable years beginning on or after January 1, 1999, but for none after
63 December 31, [2015] **2020**, shall estimate annually the amount of state income tax revenues
64 collected pursuant to this chapter which are received from nonresident members of professional
65 athletic teams and nonresident entertainers. For fiscal year 2000, and for each subsequent fiscal
66 year for a period of [sixteen] **twenty-one** years, ten percent of the annual estimate of taxes
67 generated from the nonresident entertainer and professional athletic team income tax shall be
68 allocated annually to the Missouri state library networking fund, and shall be transferred, **subject**
69 **to appropriations**, from the general revenue fund to the secretary of state for distribution to
70 public libraries for acquisition of library materials as established in section 182.812 and any
71 amount transferred shall be in addition to such agency's budget base for each fiscal year.

72 8. Notwithstanding other provisions of section 185.200 to the contrary, the commissioner
73 of administration, for all taxable years beginning on or after January 1, 1999, but for none after
74 December 31, [2015] **2020**, shall estimate annually the amount of state income tax revenues
75 collected pursuant to this chapter which are received from nonresident members of professional
76 athletic teams and nonresident entertainers. For fiscal year 2000, and for each subsequent fiscal
77 year for a period of [sixteen] **twenty-one** years, ten percent of the annual estimate of taxes
78 generated from the nonresident entertainer and professional athletic team income tax shall be
79 allocated annually to the Missouri public television broadcasting corporation special fund, and
80 shall be transferred, **subject to appropriations**, from the general revenue fund to the Missouri
81 public television broadcasting corporation special fund, and any amount transferred shall be in
82 addition to such agency's budget base for each fiscal year; provided, however, that twenty-five
83 percent of such allocation shall be used for grants to public radio stations which were qualified
84 by the corporation for public broadcasting as of November 1, 1996. Such grants shall be
85 distributed to each of such public radio stations in this state after receipt of the station's
86 certification of operating and programming expenses for the prior fiscal year. Certification shall
87 consist of the most recent fiscal year financial statement submitted by a station to the corporation
88 for public broadcasting. The grants shall be divided into two categories, an annual basic service
89 grant and an operating grant. The basic service grant shall be equal to thirty-five percent of the

90 total amount and shall be divided equally among the public radio stations receiving grants. The
91 remaining amount shall be distributed as an operating grant to the stations on the basis of the
92 proportion that the total operating expenses of the individual station in the prior fiscal year bears
93 to the aggregate total of operating expenses for the same fiscal year for all Missouri public radio
94 stations which are receiving grants.

95 9. Notwithstanding other provisions of section 253.402 to the contrary, the commissioner
96 of administration, for all taxable years beginning on or after January 1, 1999, but for none after
97 December 31, [2015] **2020**, shall estimate annually the amount of state income tax revenues
98 collected pursuant to this chapter which are received from nonresident members of professional
99 athletic teams and nonresident entertainers. For fiscal year 2000, and for each subsequent fiscal
100 year for a period of [sixteen] **twenty-one** years, ten percent of the annual estimate of taxes
101 generated from the nonresident entertainer and professional athletic team income tax shall be
102 allocated annually to the Missouri department of natural resources Missouri historic preservation
103 revolving fund, and shall be transferred, **subject to appropriations**, from the general revenue
104 fund to the Missouri department of natural resources Missouri historic preservation revolving
105 fund established in section 253.402 and any amount transferred shall be in addition to such
106 agency's budget base for each fiscal year. [As authorized pursuant to subsection 2 of section
107 30.953, it is the intention and desire of the general assembly that the state treasurer convey, to
108 the Missouri investment trust on January 1, 1999, up to one hundred percent of the balances of
109 the Missouri arts council trust fund established pursuant to section 185.100 and the Missouri
110 humanities council trust fund established pursuant to section 186.055. The funds shall be
111 reconveyed to the state treasurer by the investment trust as follows: the Missouri arts council
112 trust fund, no earlier than January 2, 2009; and the Missouri humanities council trust fund, no
113 earlier than January 2, 2009.]

114 10. This section shall not be construed to apply to any person who makes a presentation
115 for professional or technical education purposes or to apply to any presentation that is part of a
116 seminar, conference, convention, school, or similar program format designed to provide
117 professional or technical education.

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