

(Vetoed by the Governor)

This bill changes the laws regarding taxation.

In its main provisions, the bill:

(1) Adds receipts of royalties, license fees, and other income for the use of intangible property and services for compensation to the definition of "sales" in the formula a corporation uses to determine Missouri taxable income and provides guidance on how the items are apportioned to the state. Currently, in determining what portion of a corporation's income is taxable in Missouri, the business may use a method whereby the ratio of instate sales to total sales is multiplied by the net income. A method for determining whether sales of tangible property are to be considered instate is already established in current law. The bill specifies a process for all other sales;

(2) Requires the Department of Revenue to notify all affected sellers if the amount of sales tax due is modified by a decision of the department director, the Administrative Hearing Commission, or a court that changes which items of personal property or services are taxable before the modification can take effect. If the department fails to notify a seller of the change, the seller cannot be liable for the additional taxes to be collected until the seller is notified. The waiver of liability must not apply to any seller that had prior notice or that has previously remitted tax on the property or service which is subject to the decision;

(3) Removes the prohibition and allows a seller to advertise or state that the required sales tax will be assumed or absorbed into the price of the property sold or the service rendered if the amount of the tax is separately stated on the invoice or receipt; and

(4) Authorizes a state and local sales and use tax exemption for the amount paid that results in the right of first refusal for tickets to events at the Sprint Center in Kansas City but does not itself result in admission.