

HCS SB 693 -- TAXATION

SPONSOR: Parson (Jones, 50)

COMMITTEE ACTION: Voted "Do Pass" by the Committee on General Laws by a vote of 10 to 3.

This bill changes the laws regarding taxation. In its main provisions, the bill:

- (1) Removes the expiration date for the installation of fire sprinklers in certain buildings (Section 67.281, RSMo);
- (2) Authorizes, upon voter approval, the creation of a Recreational and Community Center District that includes only the area encompassed by the Liberty School District, and a sales tax not to exceed .5% on all retail sales made within the recreational and community center district for funding the construction, maintenance, operation, and purchase of equipment for community centers and other purposes of recreation and wellness as determined by the board (Section 67.585);
- (3) Authorizes Perry County to impose, upon voter approval, a transient guest tax of up to 6% per occupied room per night to be used solely for the promotion of tourism (Section 67.1367);
- (4) Exempts taxes imposed on sales for capital improvements in certain counties enacted after August 28, 2013, for the purpose of funding emergency communication systems from the provisions regarding tax increment financing local sales taxes (Section 99.845);
- (5) Prevents local ballots measures from passing ordinances that restrict access to state and local incentives. This affects local ballots measures that affect business entities that operate outside the local boundaries and receive incentives from the state (Section 135.980);
- (6) Specifies that the charitable property exemption from property taxation includes homes for the aged operated by an organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and is consistent with Internal Revenue Service revenue ruling 72-124, if applicable, for as long as the ruling is in effect (Section 137.100);
- (7) Changes the apportionment percentage for taxing purposes to be more in line with the economic presence of the taxpayer in Missouri (Section 143.451);

(8) Authorizes a sales and use tax exemption for materials, manufactured goods, machinery, parts, utilities, chemicals, soaps, detergents, cleaning and sanitizing agents, and other ingredients consumed by commercial and industrial laundry operators to treat, clean, and sanitize textiles and other materials (Section 144.030);

(9) Specifies that there will be no transportation development district, local or state sales and use taxes on the titling of a motor vehicle with a model year of at least 10 years prior to the year in which the vehicle is being titled (Section 144.030);

(10) Specifies that a fee charged to become a founder club member or for the right of first refusal to purchase or decline tickets for admission to events at the Sprint Center is exempt from state and local sales and use tax (Section 144.1030); and

(11) Specifies that it is unlawful for a person or entity to engage in the speculative accumulation of asphalt roofing shingles in St. Louis City (Section 407.1610).

PROPONENTS: Supporters say that the bill provides relief for those purchasing older vehicles on which original sales taxes have already been paid.

Testifying for the bill was Senator Parson.

OPPONENTS: Those opposed to the bill are concerned about the loss to state and local revenue due to the decrease in vehicle sales taxes.

Testifying against the bill were Roberta Broeker, Chief Financial Officer, Missouri Department of Transportation; Missouri Association of Counties; Missouri Municipal League; and Missouri Asphalt Pavement Association.