

HB 223 -- SALES TAX REFUNDS FOR TAX ASSESSMENTS

SPONSOR: Moon

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Ways and Means by a vote of 12 to 1. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 7 to 5.

This bill requires the Department of Revenue to refund the sales tax paid in a ten-year period between 2005 and 2015 as a result of an audit when the department expanded its interpretation of sales tax law and the taxpayer did not collect the tax from its customers. The total amount that can be refunded under this bill is \$5 million.

This bill is similar to HB 2270 (2016).

PROPOSERS: Supporters say that this bill authorizes the repayment of taxes paid because of Department of Revenue (DOR) interpretations and notification by audit. In 2015, SB 18 passed to address this concern for the future. This bill will allow amounts already paid to be refunded. Many businesses across Missouri were treated this way and had to pay taxes they had not collected. The businesses deserve restitution. DOR provides conflicting information regarding this issue. DOR is required to notify businesses of their eligibility for this credit, when they have been paid. One gym had to pay four years of sales tax not collected on services provided while three other gyms in the city are not collecting sales tax. The gym was assessed \$230,000 tax due and finally settled when he came to the legislature and DOR agreed to accept \$36,000.

Testifying for the bill were Representative Moon and T.J. Rehak, Xtreme Gymnastics.

OPPOSERS: There was no opposition voiced to the committee.