

SS SCS SB 16 -- EXEMPTION FOR DELIVERY CHARGES

SPONSOR: Kraus

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Ways and Means by a vote of 10 to 0. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 12 to 0.

This bill authorizes a state and local sales and use tax exemption for usual and customary delivery charges connected to a purchase of tangible personal property when stated separately from the sale price.

This bill is the same as HCS HB 129 (2017).

PROPONENTS: Supporters say that after a Supreme Court decision, the Department of Revenue sent letters stating that sales tax must be paid on delivery charges causing confusion among businesses as to what delivery charges are taxable. Supporters want the law back to what was in place prior to the court decision. The law has always been that delivery fees are services as long as stated separately.

Testifying for the bill were Senator Kraus; Missouri Chamber of Commerce and Industry; National Federation of Independent Business; Missouri Society of Certified Public Accountants; Missouri Concrete Association; Missouri Grocers` Association; Missouri Retailers Association; Missouri Canoe & Floaters Association; Missouri Restaurant Association; Associated Industries of Missouri; and the Missouri Limestone Producers Association.

OPPONENTS: There was no opposition voiced to the committee.