

FIRST REGULAR SESSION

HOUSE BILL NO. 736

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE JUSTUS.

0267H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 144, RSMo, by adding thereto two new sections relating to sales and use tax, with a delayed effective date.

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

Section A. Chapter 144, RSMo, is amended by adding thereto two new sections, to be known as sections 144.111 and 144.112, to read as follows:

144.111. 1. All retail sales in Missouri, excluding leases and rentals, of tangible personal property or digital goods shall be sourced to the location from which the seller ships the order or, if the seller does not ship the order, to the location where the seller receives the order.

2. This section shall only apply if:

(1) The location where the seller receives the order and the location where the purchaser receives the product are both in Missouri; or

(2) The location where the seller receives the order is within a jurisdiction that has entered into a reciprocal taxing agreement with the state of Missouri, as described under section 144.112.

144.112. 1. The department of revenue is hereby granted the authority to enter into a reciprocal taxing agreement with any state, territory of the United States, or the District of Columbia. The agreement hereby authorized shall, in substance, state that:

(1) All retail sales, excluding leases and rentals, made by a purchaser in Missouri from an out-of-state seller shall be sourced to the location from which the order is shipped or, if the seller does not ship the order, to the location where the seller receives the order. The state of Missouri shall not have claim to any sales or use tax from such retail sales.

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.

8 **Local taxing jurisdictions within the state of Missouri shall not have claim to any sales or**
9 **use tax from such retail sales; and**

10 **(2) All retail sales, excluding leases and rentals, made by a purchaser outside of**
11 **Missouri from a seller in Missouri shall be sourced to the location from which the order**
12 **is shipped or, if the seller does not ship the order, to the location where the seller receives**
13 **the order. No state or local taxing jurisdiction outside the state of Missouri shall have any**
14 **claim to any sales or use tax from such retail sales.**

15 **2. Upon entering into an agreement as described in subsection 1 of this section, the**
16 **department of revenue shall publish the terms of the agreement and provide official**
17 **guidance on how the agreement affects prospective purchasers and sellers within the state**
18 **of Missouri.**

Section B. The enactment of sections 144.111 and 144.112 of Section A of this act shall
2 become effective on January 1, 2020.

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