

HB 548 -- TAXATION

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INCOME TAX

Currently, the top rate of income tax will be reduced from 6% to 5.5%, with each cut becoming effective if net general revenue collections meet a certain trigger, with an additional reduction in the top rate of tax of 0.4% to take effect this calendar year.

This bill reduces the top tax rate a further 0.14% on January 1, 2020. Additionally, this bill will adjust the top tax rate over a period of two years beginning with the 2021 calendar year. During this period of adjustment, for every additional \$40 million in sales tax revenue received in a tax year over a 4% increase in sales tax revenue received in the previous tax year, the top tax rate will be reduced 0.05%. For every \$40 million by which the sales tax revenue received in a tax year fails to equal a 4% increase in the amount of sales tax revenue collected in the previous tax year, the top rate will be increased 0.05%. Any adjustment will take effect on January 1 of the calendar year following the year in which a change in sales tax revenue triggered an adjustment (Section 143.011, RSMo).

SIMPLIFIED REMOTE SALES TAX

This bill defines an "eligible seller" as a person or business selling tangible personal property or services designated and defined as taxable under current law for delivery into Missouri who does not have a physical presence in the state but who meets either of the following criteria in the previous or current calendar year:

(1) The seller's gross revenue from delivery of tangible personal property into this state in the previous or current calendar year exceeds \$100,000; or

(2) The seller sold tangible personal property into this state in 200 or more separate transactions in the previous or current calendar year (Section 144.530).

This bill requires all eligible sellers in this state to participate in the "Simplified Remote Sales Tax Remittance Program," and shall collect, report, and remit the state sales tax authorized in this bill according to any rules of the program as may be promulgated by the Department of Revenue. This bill sets no obligation to collect and remit taxes until January 1, 2020 (Section 144.535).

The simplified remote sales tax due shall be 4.225% of the sales price on any tangible personal property other than motor vehicles, trailers, and other vehicles required to be titled. No other rate or sales or use tax shall be required to be collected, regardless of the actual combined tax rate that may be otherwise applicable at the location of the purchaser. The seller shall provide the purchaser with a statement or invoice showing that the simplified remote sales tax was collected and is to be remitted on the purchaser's behalf (Section 144.540).

Any purchaser who pays a simplified remote sales tax that is higher than the actual combined state and local sales tax levied in the locality where the sale was delivered may file for a refund of the excess amount paid. Such refund claims shall be filed according to procedures established by the department. Purchasers filing for a refund shall maintain records documenting the amount of simplified remote sales tax paid (Section 144.545).

MARKETPLACE FACILITATORS

By January 1, 2020, marketplace facilitators, as defined in the bill, that meet the sales tax economic nexus threshold established in the bill will register with the Department of Revenue to collect and remit sales tax on sales made into the state through the marketplace facilitator's marketplace by or on behalf of a marketplace seller, as defined in the bill. Such retail sales shall include those made directly by the marketplace facilitator as well as those made by marketplace sellers through the marketplace facilitator's marketplace.

Marketplace facilitators required to collect and remit sales tax under this bill may do so under the provisions of the Simplified Remote Sales Tax Remittance Program established by the bill. Marketplace facilitators properly collecting and remitting sales tax in a timely manner shall be eligible for any discount provided for under current law.

Marketplace facilitators shall provide purchasers with a statement or invoice showing that the sales tax was collected and will be remitted on the purchaser's behalf (Section 144.575).