

## HB 2172 -- USE TAXES

SPONSOR: Fitzwater

### USE TAX MAPPING

Currently, the Department of Revenue maintains a mapping feature on its website that displays various sales tax information. This bill requires such mapping feature to include use tax information. Political subdivisions collecting a use tax must send such data to the Department of Revenue by January 1, 2021, and the department must implement the mapping feature using the use tax data by August 28, 2021 (Section 32.310, RSMo).

### CASH OPERATING EXPENSE FUND

This bill creates the "Cash Operating Expense Fund", which will consist of use tax revenues collected under the provisions of this bill from marketplace facilitators, any funds appropriated to the Office of the Governor for expenses incident to emergency duties performed by the National Guard that are unexpended at the end of a fiscal year, and funds appropriated by the General Assembly.

The Governor may transfer funds from the fund into the General Revenue Fund in any fiscal year in which actual revenues are less than the revenue estimates upon which appropriations were based or in which there is a budget need due to a natural disaster, as proclaimed by the Governor to be an emergency.

If the balance in the fund at the close of any fiscal year exceeds 2.5% of the net General Revenue collections for the previous year, such excess will be divided evenly between the State Road Fund and debt retirement related to bonds issued by or on behalf of the state, as described in the bill (Section 33.572).

### ECONOMIC NEXUS

Beginning January 1, 2022, this bill modifies the definition of "engaging in business activities in this state" for use tax purposes to include selling tangible personal property for delivery into this state, provided such vendor had cumulative gross receipts of at least \$100,000 from such sales in the previous or current calendar year (Section 144.605).

### TAXING JURISDICTION DATABASE

This bill requires the Director of the Department of Revenue to provide and maintain a downloadable electronic database at no cost to the user of the database for taxing jurisdiction boundary

changes and tax rates. Such databases may be directly provided by the director, or may be provided by a third party as designated by the director.

Vendors will not be liable for reliance upon erroneous data provided by the director on tax rates, boundaries, or taxing jurisdiction assignments (Section 144.637).

#### MARKETPLACE FACILITATORS

By January 1, 2022, "marketplace facilitators", as defined in the bill, that engage in business activities in the state will register with the department to collect and remit use 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 will include those made directly by the marketplace facilitator as well as those made by marketplace sellers through the marketplace facilitator's marketplace.

Marketplace facilitators properly collecting and remitting use tax in a timely manner will be eligible for any discount provided for under current law.

Marketplace facilitators will provide purchasers with a statement or invoice showing that the use tax was collected and will be remitted on the purchaser's behalf (Section 144.752).

#### LOCAL USE TAX BALLOT LANGUAGE

This bill modifies ballot language required for the submission of a local use tax to voters by including language stating that the approval of the local use tax will eliminate the disparity in tax rates collected by local and out-of-state sellers by imposing the same rate on all sellers (Section 144.757).

#### EFFECTIVE DATE

The provision relating to creating the Cash Operating Expense Fund contains an emergency clause.

The provisions relating to economic nexus and marketplace facilitators will become effective January 1, 2022.

The remaining provisions will become effective August 28, 2020.