

CCS HCS SB 226 -- TAXATION
(Vetoed by Governor)

This bill modifies provisions relating to taxation.

PROPERTY TAXES (Sections 137.115 and 139.305, RSMo)

This bill increases the number of hours of operation per year a noncommercial aircraft at least 25 years old can fly from less than 50 hours to less than 200 hours in order to be assessed and valued at 5% of the aircraft's true value for property tax purposes (Section 137.115).

Beginning January 1, 2021, this bill allows a taxpayer that is a resident of a city or county that imposes one or more restrictive orders for a combined total in excess of 15 days in a calendar year to receive a credit against property taxes owed on such affected property. A restrictive order is any city-wide or county-wide ordinance or order imposed by a city or county that prohibits or otherwise restricts the use of a taxpayer's real property, including, but not limited to, occupancy restrictions, but will not include any ordinance or order prohibiting or restricting the use of a taxpayer's real property due to a violation of a public health or safety code.

The amount of the credit will be a percentage of the property tax liability that is equal to the percentage of the calendar year that the restrictions on the use of the property were in place, provided that the first 15 total combined days of all such orders will not count toward such calculation of the credit. A taxpayer must timely pay all property taxes in full prior to submitting a statement to the county collector requesting the credit authorized by the bill by December 31st. Within 30 days of the receipt of such statement, the city or county must issue a refund to the taxpayer for the amount of the property tax owed to such taxpayer.

A taxpayer receiving a tax credit under the bill that leases or rents all or a portion of his or her affected real property to one or more other taxpayers must distribute the tax credit on a pro rata basis to the taxpayers who are current on all lease or rental payments owed to the taxpayer receiving the credit.

The credit authorized by this bill will only apply to real property tax liabilities owed to a city or county imposing a restrictive order, and will not apply to property tax liabilities owed to any other taxing jurisdiction or to property tax liabilities owed on tangible personal property.

This provision contains an emergency clause (Section 139.305).

INCOME TAXES (Section 143.121)

This bill allows taxpayers authorized under the Missouri Constitution to operate a business related to medical marijuana to claim an income tax deduction in an amount equal to any expenditures otherwise allowable as a federal income tax deduction, but that are disallowed for federal purposes because marijuana is a controlled substance under federal law.

SALES TAX EXEMPTIONS (Sections 144.011 and 144.813)

This bill provides that the definition of "retail sale" or "sale at retail" for the purposes of the imposition of sales taxes will not apply to the purchase by a retailer of products that are intended for resale but that cannot be resold because of theft or because the product is damaged and cannot be resold, or to the purchase by a grocery store of food that is intended for resale but that cannot be resold because of theft or because the food has become spoiled and would not be safe for consumption.

This bill provides a sales tax exemption for sales of class III medical devices that use electric fields for the purposes of treatment of cancer, including components and repair parts and disposable or single patient use supplies required for the use of such supplies.

SALES TAX FILING PERIODS (Section 144.080)

Currently, statutory sales tax collection thresholds are provided to determine the frequency at which sellers must file and remit sales taxes collected, with such periods being quarter-monthly, monthly, quarterly, and annually. Current law also allows the Department of Revenue to increase, but not decrease, such thresholds through rule. This bill modifies the statutory thresholds for the monthly, quarterly, and annual filing periods.

For monthly filing, the threshold is changed from at least \$250 in the first or second month of a calendar quarter to at least \$500 per calendar month during the previous calendar year.

For quarterly filing, the threshold is changed from at least \$45 in a calendar quarter, to less than \$500 per calendar month, but at least \$200 in a calendar quarter during the previous calendar year.

For annual filing, the threshold is changed from less than \$45 per calendar quarter to less than \$200 per calendar quarter during the previous calendar year.

SALES TAX RETENTION (Section 144.142)

Beginning August 28, 2021, and ending June 30, 2023, this bill authorizes sellers to deduct and retain 100% of the state portion of sales tax levied on purchases of admission tickets to movies, films, and musical performances, as well as on sales of concessions sold onsite at such seller's place of business.