

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By \_\_\_\_\_

1 AMEND House Committee Substitute for Senate Committee Substitute for Senate Bill No. 908,  
2 Page 23, Section 99.865, Line 89, by inserting after all of said section and line the following:

3  
4 "135.305. A Missouri wood energy producer shall be eligible for a tax credit on taxes  
5 otherwise due under chapter 143, except sections 143.191 to 143.261, as a production incentive to  
6 produce processed wood products in a qualified wood-producing facility using Missouri forest  
7 product residue. The tax credit to the wood energy producer shall be five dollars per ton of  
8 processed material. The credit may be claimed for a period of five years and is to be a tax credit  
9 against the tax otherwise due. No new tax credits, provided for under sections 135.300 to 135.311,  
10 shall be authorized after June 30, ~~[2020]~~ 2028. In no event shall the aggregate amount of all tax  
11 credits allowed under sections 135.300 to 135.311 exceed six million dollars in any given fiscal  
12 year. There shall be no tax credits authorized under sections 135.300 to 135.311 unless an  
13 appropriation is made for such tax credits.

14 135.686. 1. This section shall be known and may be cited as the "Meat Processing Facility  
15 Investment Tax Credit Act".

16 2. As used in this section, the following terms mean:

17 (1) "Authority", the agricultural and small business development authority established in  
18 chapter 348;

19 (2) "Meat processing facility", any commercial plant, as defined under section 265.300, at  
20 which livestock are slaughtered or at which meat or meat products are processed for sale  
21 commercially and for human consumption;

22 (3) "Meat processing modernization or expansion", constructing, improving, or acquiring  
23 buildings or facilities, or acquiring equipment for meat processing including the following, if used  
24 exclusively for meat processing and if acquired and placed in service in this state during tax years  
25 beginning on or after January 1, 2017, but ending on or before December 31, ~~[2024]~~ 2028:

26 (a) Building construction including livestock handling, product intake, storage, and  
27 warehouse facilities;

28 (b) Building additions;

29 (c) Upgrades to utilities including water, electric, heat, refrigeration, freezing, and waste  
30 facilities;

31 (d) Livestock intake and storage equipment;

32 (e) Processing and manufacturing equipment including cutting equipment, mixers, grinders,  
33 sausage stuffers, meat smokers, curing equipment, cooking equipment, pipes, motors, pumps, and  
34 valves;

35 (f) Packaging and handling equipment including sealing, bagging, boxing, labeling,  
36 conveying, and product movement equipment;

Action Taken \_\_\_\_\_ Date \_\_\_\_\_

- 1 (g) Warehouse equipment including storage and curing racks;
- 2 (h) Waste treatment and waste management equipment including tanks, blowers, separators,
- 3 dryers, digesters, and equipment that uses waste to produce energy, fuel, or industrial products;
- 4 (i) Computer software and hardware used for managing the claimant's meat processing
- 5 operation including software and hardware related to logistics, inventory management, production
- 6 plant controls, and temperature monitoring controls; and
- 7 (j) Construction or expansion of retail facilities or the purchase or upgrade of retail
- 8 equipment for the commercial sale of meat products if the retail facility is located at the same
- 9 location as the meat processing facility;
- 10 (4) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding
- 11 withholding tax imposed under sections 143.191 to 143.265, or otherwise due under chapter 147;
- 12 (5) "Taxpayer", any individual or entity who:
- 13 (a) Is subject to the tax imposed under chapter 143, excluding withholding tax imposed
- 14 under sections 143.191 to 143.265, or the tax imposed under chapter 147;
- 15 (b) In the case of an individual, is a resident of this state as verified by a 911 address or, in
- 16 the absence of a 911 system, a physical address; and
- 17 (c) Owns a meat processing facility located in this state and employs a combined total of
- 18 fewer than five hundred individuals in all meat processing facilities owned by the individual or
- 19 entity in this country;
- 20 (6) "Used exclusively", used to the exclusion of all other uses except for use not exceeding
- 21 five percent of total use.

22 3. For all tax years beginning on or after January 1, 2017, but ending on or before December

23 31, ~~[2024]~~ 2028, a taxpayer shall be allowed a tax credit for meat processing modernization or

24 expansion related to the taxpayer's meat processing facility. The tax credit amount shall be equal to

25 twenty-five percent of the amount the taxpayer paid in the tax year for meat processing

26 modernization or expansion.

27 4. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state

28 tax liability for the tax year for which the credit is claimed. No tax credit claimed under this section

29 shall be refundable. The tax credit shall be claimed in the tax year in which the meat processing

30 modernization or expansion expenses were paid, but any amount of credit that the taxpayer is

31 prohibited by this section from claiming in a tax year may be carried forward to any of the

32 taxpayer's four subsequent tax years. The total amount of tax credits that any taxpayer may claim

33 shall not exceed seventy-five thousand dollars per year. If two or more persons own and operate the

34 meat processing facility, each person may claim a credit under this section in proportion to ~~[his or~~

35 ~~her]~~ such person's ownership interest; except that, the aggregate amount of the credits claimed by all

36 persons who own and operate the meat processing facility shall not exceed seventy-five thousand

37 dollars per year. The amount of tax credits authorized in this section ~~[and section 135.679]~~ in a

38 calendar year shall not exceed two million dollars. Tax credits shall be issued on an as-received

39 application basis until the calendar year limit is reached. Any credits not issued in any calendar year

40 shall expire and shall not be issued in any subsequent year.

41 5. To claim the tax credit allowed under this section, the taxpayer shall submit to the

42 authority an application for the tax credit on a form provided by the authority and any application

43 fee imposed by the authority. The application shall be filed with the authority at the end of each

44 calendar year in which a meat processing modernization or expansion project was completed and for

45 which a tax credit is claimed under this section. The application shall include any certified

46 documentation, proof of meat processing modernization or expansion, and any other information

47 required by the authority. All required information obtained by the authority shall be confidential

48 and not disclosed except by court order, subpoena, or as otherwise provided by law. If the taxpayer

49 and the meat processing modernization or expansion meet all criteria required by this section and

1 approval is granted by the authority, the authority shall issue a tax credit certificate in the  
 2 appropriate amount. Tax credit certificates issued under this section may be assigned, transferred,  
 3 sold, or otherwise conveyed, and the new owner of the tax credit certificate shall have the same  
 4 rights in the tax credit as the original taxpayer. If a tax credit certificate is assigned, transferred,  
 5 sold, or otherwise conveyed, a notarized endorsement shall be filed with the authority specifying the  
 6 name and address of the new owner of the tax credit certificate and the value of the tax credit.

7 6. Any information provided under this section shall be confidential information, to be  
 8 shared with no one except state and federal animal health officials, except as provided in subsection  
 9 5 of this section.

10 7. The authority shall promulgate rules establishing a process for verifying that a facility's  
 11 modernization or expansion for which tax credits were allowed under this section has in fact  
 12 expanded the facility's production within three years of the issuance of the tax credit and if not, the  
 13 authority shall promulgate through rulemaking a process by which the taxpayer shall repay the  
 14 authority an amount equal to that of the tax credit allowed.

15 8. The authority shall, at least annually, submit a report to the Missouri general assembly  
 16 reviewing the costs and benefits of the program established under this section.

17 9. The authority may promulgate rules to implement the provisions of this section. Any rule  
 18 or portion of a rule, as that term is defined in section 536.010, that is created under the authority  
 19 delegated in this section shall become effective only if it complies with and is subject to all of the  
 20 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are  
 21 nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to  
 22 review, to delay the effective date, or to disapprove and annul a rule are subsequently held  
 23 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after  
 24 August 28, 2016, shall be invalid and void.

25 10. This section shall not be subject to the Missouri sunset act, sections 23.250 to 23.298.

26 135.755. 1. For the purposes of this section, the following terms shall mean:

27 (1) "Department", the Missouri department of revenue;

28 (2) "Distributor", a person, firm, or corporation doing business in this state that:

29 (a) Produces, refines, blends, compounds, or manufactures motor fuel;

30 (b) Imports motor fuel into the state; or

31 (c) Is engaged in distribution of motor fuel;

32 (3) "Higher ethanol blend", a fuel capable of being dispensed directly into motor vehicle  
 33 fuel tanks for consumption that is comprised of at least fifteen percent but not more than eighty-five  
 34 percent ethanol;

35 (4) "Retail dealer", a person, firm, or corporation doing business in this state that owns or  
 36 operates a retail service station in this state;

37 (5) "Retail service station", a location in this state from which higher ethanol blend is sold to  
 38 the general public and is dispensed directly into motor vehicle fuel tanks for consumption.

39 2. For all tax years beginning on or after January 1, 2023, a retail dealer that sells higher  
 40 ethanol blend at such retail dealer's retail service station or a distributor that sells higher ethanol  
 41 blend directly to the final user located in this state shall be allowed a tax credit to be taken against  
 42 the retail dealer's or distributor's state income tax liability. The amount of the credit shall equal five  
 43 cents per gallon of higher ethanol blend sold by the retail dealer and dispensed through metered  
 44 pumps at the retail dealer's retail service station or by a distributor directly to the final user located  
 45 in this state during the tax year in which the tax credit is claimed. Tax credits authorized pursuant to  
 46 this section shall not be transferred, sold, or assigned. If the amount of the tax credit exceeds the  
 47 taxpayer's state tax liability, the difference shall not be refundable but may be carried forward to any  
 48 of the five subsequent tax years. The total amount of tax credits authorized pursuant to this section  
 49 for any given fiscal year shall not exceed five million dollars.

3. In the event the total amount of tax credits claimed under this section exceeds the amount of available tax credits, the tax credits shall be apportioned among all eligible retail dealers and distributors claiming a tax credit by April fifteenth, or as directed by section 143.851, of the fiscal year in which the tax credit is claimed.

4. The tax credit allowed by this section shall be claimed by such taxpayer at the time such taxpayer files a return and shall be applied against the income tax liability imposed by chapter 143, excluding the withholding tax imposed by sections 143.191 to 143.265, after reduction for all other credits allowed thereon. The department may require any documentation it deems necessary to implement the provisions of this section.

5. The department shall promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2022, shall be invalid and void.

6. Under section 23.253 of the Missouri sunset act:

(1) The provisions of this section shall automatically sunset on December 31, 2028, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.

135.775. 1. As used in this section, the following terms mean:

(1) "Biodiesel blend", a blend of diesel fuel and biodiesel fuel of at least five percent and not more than twenty percent for on-road and off-road diesel-fueled vehicle use;

(2) "Biodiesel fuel", a renewable, biodegradable, mono alkyl ester combustible liquid fuel that is derived from agricultural and other plant oils or animal fats and that meets the most recent version of the ASTM International D6751 Standard Specification for Biodiesel Fuel Blend Stock. A fuel shall be deemed to be biodiesel fuel if the fuel consists of a pure B100 or B99 ratio. Biodiesel produced from palm oil is not biodiesel fuel for the purposes of this section unless the palm oil is contained within waste oil and grease collected within the United States;

(3) "B99", a blend of ninety-nine percent biodiesel fuel that meets the most recent version of the ASTM International D6751 Standard Specification for Biodiesel Fuel Blend Stock with a minimum of one-tenth of one percent and maximum of one percent diesel fuel that meets the most recent version of the ASTM International D975 Standard Specification for Diesel Fuel;

(4) "Department", the Missouri department of revenue;

(5) "Distributor", a person, firm, or corporation doing business in this state that:

(a) Produces, refines, blends, compounds, or manufactures motor fuel;

(b) Imports motor fuel into the state; or

(c) Is engaged in distribution of motor fuel;

(6) "Retail dealer", a person, firm, or corporation doing business in this state that owns or operates a retail service station in this state;

(7) "Retail service station", a location in this state from which biodiesel blend is sold to the general public and is dispensed directly into motor vehicle fuel tanks for consumption at retail.

2. For all tax years beginning on or after January 1, 2023, a retail dealer that sells a biodiesel blend at a retail service station or a distributor that sells a biodiesel blend directly to the final user located in this state shall be allowed a tax credit to be taken against the retail dealer or distributor's

1 state income tax liability. The amount of the credit shall be equal to:

2 (1) Two cents per gallon of biodiesel blend of at least five percent but not more than ten  
 3 percent sold by the retail dealer at a retail service station or by a distributor directly to the final user  
 4 located in this state during the tax year in which the tax credit is claimed; and

5 (2) Five cents per gallon of biodiesel blend in excess of ten percent but not more than  
 6 twenty percent sold by the retail dealer at a retail service station or by a distributor directly to the  
 7 final user located in this state during the tax year in which the tax credit is claimed.

8 3. Tax credits authorized under this section shall not be transferred, sold, or assigned. If the  
 9 amount of the tax credit exceeds the taxpayer's state tax liability, the difference shall be refundable.  
 10 The total amount of tax credits authorized under this section for any given fiscal year shall not  
 11 exceed sixteen million dollars.

12 4. In the event the total amount of tax credits claimed under this section exceeds the amount  
 13 of available tax credits, the tax credits shall be apportioned among all eligible retail dealers and  
 14 distributors claiming a tax credit by April fifteenth, or as directed by section 143.851, of the fiscal  
 15 year in which the tax credit is claimed.

16 5. The tax credit allowed by this section shall be claimed by such taxpayer at the time such  
 17 taxpayer files a return and shall be applied against the income tax liability imposed by chapter 143,  
 18 excluding the withholding tax imposed by sections 143.191 to 143.265, after reduction for all other  
 19 credits allowed thereon. The department may require any documentation it deems necessary to  
 20 administer the provisions of this section.

21 6. Notwithstanding any other provision of law to contrary, if the tax credit cap in this section  
 22 is not met, the remaining amount of tax credits available to claim shall be applied to the tax credit in  
 23 section 135.778 if the tax credit cap in section 135.778 has been met.

24 7. Notwithstanding the provisions of section 32.057 to the contrary, the department may  
 25 work with the division of weights and measures within the department of agriculture to validate that  
 26 the biodiesel blend a retail dealer or distributor claims for the tax credit authorized under this section  
 27 contains a sufficient percentage of biodiesel fuel.

28 8. The department shall promulgate rules to implement and administer the provisions of this  
 29 section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created  
 30 pursuant to the authority delegated in this section shall become effective only if it complies with and  
 31 is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and  
 32 chapter 536 are nonseverable, and if any of the powers vested with the general assembly pursuant to  
 33 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently  
 34 held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after  
 35 August 28, 2022, shall be invalid and void.

36 9. Under section 23.253 of the Missouri sunset act:

37 (1) The provisions of the new program authorized under this section shall automatically  
 38 sunset on December 31, 2028, unless reauthorized by an act of the general assembly;

39 (2) If such program is reauthorized, the program authorized under this section shall  
 40 automatically sunset twelve years after the effective date of the reauthorization of this section; and

41 (3) This section shall terminate on September first of the calendar year immediately  
 42 following the calendar year in which the program authorized under this section is sunset. The  
 43 termination of the program as described in this subsection shall not be construed to preclude any  
 44 qualified taxpayer who claims any benefit under any program that is sunset under this subsection  
 45 from claiming such benefit for all allowable activities related to such claim that were completed  
 46 before the program was sunset or to eliminate any responsibility of the department to verify the  
 47 continued eligibility of qualified individuals receiving tax credits and to enforce other requirements  
 48 of law that applied before the program was sunset.

49 135.778. 1. For the purposes of this section, the following terms shall mean:

(1) "Biodiesel fuel", a renewable, biodegradable, mono alkyl ester combustible liquid fuel that is derived from agricultural and other plant oils or animal fats and that meets the most recent version of the ASTM International D6751 Standard Specification for Biodiesel Fuel Blend Stock. A fuel shall be deemed to be biodiesel fuel if the fuel consists of a pure B100 or B99 ratio. Biodiesel produced from palm oil is not biodiesel fuel for the purposes of this section unless the palm oil is contained within waste oil and grease collected within the United States;

(2) "B99", a blend of ninety-nine percent biodiesel fuel that meets the most recent version of the ASTM International D6751 Standard Specification for Biodiesel Fuel Blend Stock with a minimum of one-tenth of one percent and maximum of one percent diesel fuel that meets the most recent version of the ASTM International D975 Standard Specification for Diesel Fuel;

(3) "Department", the Missouri department of revenue;

(4) "Missouri biodiesel producer", a person, firm, or corporation doing business in this state that produces biodiesel fuel in this state, is registered with the United States Environmental Protection Agency according to the requirements of 40 CFR Part 79, and has begun construction on such facility or has been selling biodiesel fuel produced at such facility on or before August 28, 2022.

2. For all tax years beginning on or after January 1, 2023, a Missouri biodiesel producer shall be allowed a tax credit to be taken against the producer's state income tax liability. The amount of the tax credit shall be two cents per gallon of biodiesel fuel produced by the Missouri biodiesel producer.

3. Tax credits authorized under this section shall not be transferred, sold, or assigned. If the amount of the tax credit exceeds the taxpayer's state tax liability, the difference shall be refundable. The total amount of tax credits authorized under this section for any given fiscal year shall not exceed four million dollars.

4. In the event the total amount of tax credits claimed under this section exceeds the amount of available tax credits, the tax credits shall be apportioned among all eligible Missouri biodiesel producers claiming the credit by April fifteenth, or as directed by section 143.851, of the fiscal year in which the tax credit is claimed.

5. The tax credit authorized under this section shall be claimed by such taxpayer at the time such taxpayer files a return and shall be applied against the income tax liability imposed by chapter 143 after reduction for all other credits allowed thereon. The department may require any documentation it deems necessary to administer the provisions of this section.

6. Notwithstanding any other provision of law to contrary, if the tax credit cap in this section is not met, the remaining amount of tax credits available to claim shall be applied to the tax credit in section 135.775 if the tax credit cap in section 135.775 has been met.

7. The department shall promulgate rules to implement and administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created pursuant to the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2022, shall be invalid and void.

8. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset on December 31, 2028, unless reauthorized by an act of the general assembly;

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately

1 following the calendar year in which the program authorized under this section is sunset. The  
 2 termination of the program as described in this subsection shall not be construed to preclude any  
 3 qualified taxpayer who claims any benefit under any program that is sunset under this subsection  
 4 from claiming such benefit for all allowable activities related to such claim that were completed  
 5 before the program was sunset, or to eliminate any responsibility of the department to verify the  
 6 continued eligibility of qualified individuals receiving tax credits and to enforce other requirements  
 7 of law that applied before the program was sunset.

8 135.1610. 1. As used in this section, the following terms mean:

9 (1) "Eligible expenses", expenses incurred in the construction or development of  
 10 establishing or improving an urban farm in an urban area. The term "eligible expenses" shall not  
 11 include any expense for labor or any expense incurred to grow medical marijuana or industrial  
 12 hemp;

13 (2) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding  
 14 withholding tax imposed under sections 143.191 to 143.265;

15 (3) "Taxpayer", any individual, partnership, or corporation as described under section  
 16 143.441 or 143.471 that is subject to the tax imposed under chapter 143, excluding withholding tax  
 17 imposed under sections 143.191 to 143.265, or any charitable organization that is exempt from  
 18 federal income tax and whose Missouri unrelated business taxable income, if any, would be subject  
 19 to the state income tax imposed under chapter 143;

20 (4) "Urban area", an urbanized area as defined by the United States Census Bureau;

21 (5) "Urban farm", an agricultural plot or facility in an urban area that produces agricultural  
 22 food products used solely for distribution to the public by sale or donation. "Urban farm" shall  
 23 include community-run gardens. "Urban farm" shall not include personal farms or residential lots  
 24 for personal use.

25 2. For all tax years beginning on or after January 1, 2023, a taxpayer shall be allowed to  
 26 claim a tax credit against the taxpayer's state tax liability in an amount equal to fifty percent of the  
 27 taxpayer's eligible expenses for establishing or improving an urban farm that focuses on food  
 28 production.

29 3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state  
 30 tax liability in the tax year for which the credit is claimed, and the taxpayer shall not be allowed to  
 31 claim a tax credit under this section in excess of five thousand dollars for each urban farm. The  
 32 total amount of tax credits that may be authorized for all taxpayers for eligible expenses incurred on  
 33 any given urban farm shall not exceed twenty-five thousand dollars. Any tax credit that cannot be  
 34 claimed in the tax year the contribution was made may be carried over to the next three succeeding  
 35 tax years until the full credit is claimed.

36 4. The total amount of tax credits that may be authorized under this section shall not exceed  
 37 two hundred thousand dollars in any calendar year.

38 5. Tax credits issued under the provisions of this section shall not be transferred, sold, or  
 39 assigned.

40 6. The Missouri agriculture and small business authority shall recapture the amount of tax  
 41 credits issued to any taxpayer who, after receiving such tax credit, uses the urban farm for the  
 42 personal benefit of the taxpayer instead of for producing agricultural food products used solely for  
 43 distribution to the public by sale or donation.

44 7. The Missouri agriculture and small business development authority may promulgate rules  
 45 to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in  
 46 section 536.010, that is created under the authority delegated in this section shall become effective  
 47 only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable,  
 48 section 536.028. This section and chapter 536 are nonseverable, and if any of the powers vested  
 49 with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to

disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2022, shall be invalid and void.

8. Under section 23.253 of the Missouri sunset act:

(1) The program authorized under this section shall automatically sunset on December thirty-first, six years after the effective date of this section unless reauthorized by an act of the general assembly;

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset on December thirty-first, twelve years after the effective date of the reauthorization of this section;

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset; and

(4) Nothing in this subsection shall prevent a taxpayer from claiming a tax credit properly issued before the program was sunset in a tax year after the program is sunset."; and

Further amend said bill, Page 38, Section 137.115, Lines 210, by inserting after all of said section and line the following:

"137.1018. 1. The commission shall ascertain the statewide average rate of property taxes levied the preceding year, based upon the total assessed valuation of the railroad and street railway companies and the total property taxes levied upon the railroad and street railway companies. It shall determine total property taxes levied from reports prescribed by the commission from the railroad and street railway companies. Total taxes levied shall not include revenues from the surtax on subclass three real property.

2. The commission shall report its determination of average property tax rate for the preceding year, together with the taxable distributable assessed valuation of each freight line company for the current year to the director no later than October first of each year.

3. Taxes on property of such freight line companies shall be collected at the state level by the director on behalf of the counties and other local public taxing entities and shall be distributed in accordance with sections 137.1021 and 137.1024. The director shall tax such property based upon the distributable assessed valuation attributable to Missouri of each freight line company, using the average tax rate for the preceding year of the railroad and street railway companies certified by the commission. Such tax shall be due and payable on or before December thirty-first of the year levied and, if it becomes delinquent, shall be subject to a penalty equal to that specified in section 140.100.

4. (1) As used in this subsection, the following terms mean:

(a) "Eligible expenses", expenses incurred in this state to manufacture, maintain, or improve a freight line company's qualified rolling stock;

(b) "Qualified rolling stock", any freight, stock, refrigerator, or other railcars subject to the tax levied under this section.

(2) For all taxable years beginning on or after January 1, 2009, a freight line company shall, subject to appropriation, be allowed a credit against the tax levied under this section for the applicable tax year. The tax credit amount shall be equal to the amount of eligible expenses incurred during the calendar year immediately preceding the tax year for which the credit under this section is claimed. The amount of the tax credit issued shall not exceed the freight line company's liability for the tax levied under this section for the tax year for which the credit is claimed.

(3) A freight line company may apply for the credit by submitting to the commission an application in the form prescribed by the state tax commission.

(4) Subject to appropriation, the state shall reimburse, on an annual basis, any political subdivision of this state for any decrease in revenue due to the provisions of this subsection.

5. Pursuant to section 23.253 of the Missouri sunset act:



1 (1) The program authorized under subsection 4 of this section shall expire on August 28,  
2 [2020] 2028; and

3 (2) Subsection 4 of this section shall terminate on September 1, [2024] 2029.

4 144.030. 1. There is hereby specifically exempted from the provisions of sections 144.010  
5 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to sections  
6 144.010 to 144.525 such retail sales as may be made in commerce between this state and any other  
7 state of the United States, or between this state and any foreign country, and any retail sale which  
8 the state of Missouri is prohibited from taxing pursuant to the Constitution or laws of the United  
9 States of America, and such retail sales of tangible personal property which the general assembly of  
10 the state of Missouri is prohibited from taxing or further taxing by the constitution of this state.

11 2. There are also specifically exempted from the provisions of the local sales tax law as  
12 defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.761  
13 and from the computation of the tax levied, assessed or payable pursuant to the local sales tax law as  
14 defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to  
15 144.745:

16 (1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of such  
17 excise tax is refunded pursuant to section 142.824; or upon the sale at retail of fuel to be consumed  
18 in manufacturing or creating gas, power, steam, electrical current or in furnishing water to be sold  
19 ultimately at retail; or feed for livestock or poultry; or grain to be converted into foodstuffs which  
20 are to be sold ultimately in processed form at retail; or seed, limestone or fertilizer which is to be  
21 used for seeding, liming or fertilizing crops which when harvested will be sold at retail or will be  
22 fed to livestock or poultry to be sold ultimately in processed form at retail; economic poisons  
23 registered pursuant to the provisions of the Missouri pesticide registration law, sections 281.220 to  
24 281.310, which are to be used in connection with the growth or production of crops, fruit trees or  
25 orchards applied before, during, or after planting, the crop of which when harvested will be sold at  
26 retail or will be converted into foodstuffs which are to be sold ultimately in processed form at retail;

27 (2) Materials, manufactured goods, machinery and parts which when used in manufacturing,  
28 processing, compounding, mining, producing or fabricating become a component part or ingredient  
29 of the new personal property resulting from such manufacturing, processing, compounding, mining,  
30 producing or fabricating and which new personal property is intended to be sold ultimately for final  
31 use or consumption; and materials, including without limitation, gases and manufactured goods,  
32 including without limitation slagging materials and firebrick, which are ultimately consumed in the  
33 manufacturing process by blending, reacting or interacting with or by becoming, in whole or in part,  
34 component parts or ingredients of steel products intended to be sold ultimately for final use or  
35 consumption;

36 (3) Materials, replacement parts and equipment purchased for use directly upon, and for the  
37 repair and maintenance or manufacture of, motor vehicles, watercraft, railroad rolling stock or  
38 aircraft engaged as common carriers of persons or property;

39 (4) Replacement machinery, equipment, and parts and the materials and supplies solely  
40 required for the installation or construction of such replacement machinery, equipment, and parts,  
41 used directly in manufacturing, mining, fabricating or producing a product which is intended to be  
42 sold ultimately for final use or consumption; and machinery and equipment, and the materials and  
43 supplies required solely for the operation, installation or construction of such machinery and  
44 equipment, purchased and used to establish new, or to replace or expand existing, material recovery  
45 processing plants in this state. For the purposes of this subdivision, a "material recovery processing  
46 plant" means a facility that has as its primary purpose the recovery of materials into a usable product  
47 or a different form which is used in producing a new product and shall include a facility or  
48 equipment which are used exclusively for the collection of recovered materials for delivery to a  
49 material recovery processing plant but shall not include motor vehicles used on highways. For

purposes of this section, the terms motor vehicle and highway shall have the same meaning pursuant to section 301.010. For the purposes of this subdivision, subdivision (5) of this subsection, and section 144.054, as well as the definition in subdivision (9) of subsection 1 of section 144.010, the term "product" includes telecommunications services and the term "manufacturing" shall include the production, or production and transmission, of telecommunications services. The preceding sentence does not make a substantive change in the law and is intended to clarify that the term "manufacturing" has included and continues to include the production and transmission of "telecommunications services", as enacted in this subdivision and subdivision (5) of this subsection, as well as the definition in subdivision (9) of subsection 1 of section 144.010. The preceding two sentences reaffirm legislative intent consistent with the interpretation of this subdivision and subdivision (5) of this subsection in *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002) and *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), and accordingly abrogates the Missouri supreme court's interpretation of those exemptions in *IBM Corporation v. Director of Revenue*, 491 S.W.3d 535 (Mo. banc 2016) to the extent inconsistent with this section and *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002) and *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005). The construction and application of this subdivision as expressed by the Missouri supreme court in *DST Systems, Inc. v. Director of Revenue*, 43 S.W.3d 799 (Mo. banc 2001); *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), is hereby affirmed. Material recovery is not the reuse of materials within a manufacturing process or the use of a product previously recovered. The material recovery processing plant shall qualify under the provisions of this section regardless of ownership of the material being recovered;

(5) Machinery and equipment, and parts and the materials and supplies solely required for the installation or construction of such machinery and equipment, purchased and used to establish new or to expand existing manufacturing, mining or fabricating plants in the state if such machinery and equipment is used directly in manufacturing, mining or fabricating a product which is intended to be sold ultimately for final use or consumption. The construction and application of this subdivision as expressed by the Missouri supreme court in *DST Systems, Inc. v. Director of Revenue*, 43 S.W.3d 799 (Mo. banc 2001); *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), is hereby affirmed;

(6) Tangible personal property which is used exclusively in the manufacturing, processing, modification or assembling of products sold to the United States government or to any agency of the United States government;

(7) Animals or poultry used for breeding or feeding purposes, or captive wildlife;

(8) Newsprint, ink, computers, photosensitive paper and film, toner, printing plates and other machinery, equipment, replacement parts and supplies used in producing newspapers published for dissemination of news to the general public;

(9) The rentals of films, records or any type of sound or picture transcriptions for public commercial display;

(10) Pumping machinery and equipment used to propel products delivered by pipelines engaged as common carriers;

(11) Railroad rolling stock for use in transporting persons or property in interstate commerce and motor vehicles licensed for a gross weight of twenty-four thousand pounds or more or trailers used by common carriers, as defined in section 390.020, in the transportation of persons or property;

(12) Electrical energy used in the actual primary manufacture, processing, compounding, mining or producing of a product, or electrical energy used in the actual secondary processing or

fabricating of the product, or a material recovery processing plant as defined in subdivision (4) of this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical energy so used exceeds ten percent of the total cost of production, either primary or secondary, exclusive of the cost of electrical energy so used or if the raw materials used in such processing contain at least twenty-five percent recovered materials as defined in section 260.200. There shall be a rebuttable presumption that the raw materials used in the primary manufacture of automobiles contain at least twenty-five percent recovered materials. For purposes of this subdivision, "processing" means any mode of treatment, act or series of acts performed upon materials to transform and reduce them to a different state or thing, including treatment necessary to maintain or preserve such processing by the producer at the production facility;

(13) Anodes which are used or consumed in manufacturing, processing, compounding, mining, producing or fabricating and which have a useful life of less than one year;

(14) Machinery, equipment, appliances and devices purchased or leased and used solely for the purpose of preventing, abating or monitoring air pollution, and materials and supplies solely required for the installation, construction or reconstruction of such machinery, equipment, appliances and devices;

(15) Machinery, equipment, appliances and devices purchased or leased and used solely for the purpose of preventing, abating or monitoring water pollution, and materials and supplies solely required for the installation, construction or reconstruction of such machinery, equipment, appliances and devices;

(16) Tangible personal property purchased by a rural water district;

(17) All amounts paid or charged for admission or participation or other fees paid by or other charges to individuals in or for any place of amusement, entertainment or recreation, games or athletic events, including museums, fairs, zoos and planetariums, owned or operated by a municipality or other political subdivision where all the proceeds derived therefrom benefit the municipality or other political subdivision and do not inure to any private person, firm, or corporation, provided, however, that a municipality or other political subdivision may enter into revenue-sharing agreements with private persons, firms, or corporations providing goods or services, including management services, in or for the place of amusement, entertainment or recreation, games or athletic events, and provided further that nothing in this subdivision shall exempt from tax any amounts retained by any private person, firm, or corporation under such revenue-sharing agreement;

(18) All sales of insulin, and all sales, rentals, repairs, and parts of durable medical equipment, prosthetic devices, and orthopedic devices as defined on January 1, 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of 1965, including the items specified in Section 1862(a)(12) of that act, and also specifically including hearing aids and hearing aid supplies and all sales of drugs which may be legally dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to administer those items, including samples and materials used to manufacture samples which may be dispensed by a practitioner authorized to dispense such samples and all sales or rental of medical oxygen, home respiratory equipment and accessories including parts, and hospital beds and accessories and ambulatory aids including parts, and all sales or rental of manual and powered wheelchairs including parts, and stairway lifts, Braille writers, electronic Braille equipment and, if purchased or rented by or on behalf of a person with one or more physical or mental disabilities to enable them to function more independently, all sales or rental of scooters including parts, and reading machines, electronic print enlargers and magnifiers, electronic alternative and augmentative communication devices, and items used solely to modify motor vehicles to permit the use of such motor vehicles by individuals with disabilities or sales of over-the-counter or nonprescription drugs to individuals with disabilities, and drugs required by the Food and Drug Administration to meet the over-the-counter drug product labeling

requirements in 21 CFR 201.66, or its successor, as prescribed by a health care practitioner licensed to prescribe;

(19) All sales made by or to religious and charitable organizations and institutions in their religious, charitable or educational functions and activities and all sales made by or to all elementary and secondary schools operated at public expense in their educational functions and activities;

(20) All sales of aircraft to common carriers for storage or for use in interstate commerce and all sales made by or to not-for-profit civic, social, service or fraternal organizations, including fraternal organizations which have been declared tax-exempt organizations pursuant to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or charitable functions and activities and all sales made to eleemosynary and penal institutions and industries of the state, and all sales made to any private not-for-profit institution of higher education not otherwise excluded pursuant to subdivision (19) of this subsection or any institution of higher education supported by public funds, and all sales made to a state relief agency in the exercise of relief functions and activities;

(21) All ticket sales made by benevolent, scientific and educational associations which are formed to foster, encourage, and promote progress and improvement in the science of agriculture and in the raising and breeding of animals, and by nonprofit summer theater organizations if such organizations are exempt from federal tax pursuant to the provisions of the Internal Revenue Code and all admission charges and entry fees to the Missouri state fair or any fair conducted by a county agricultural and mechanical society organized and operated pursuant to sections 262.290 to 262.530;

(22) All sales made to any private not-for-profit elementary or secondary school, all sales of feed additives, medications or vaccines administered to livestock or poultry in the production of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber, all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying agricultural crops, natural gas used in the primary manufacture or processing of fuel ethanol as defined in section 142.028, natural gas, propane, and electricity used by an eligible new generation cooperative or an eligible new generation processing entity as defined in section 348.432, and all sales of farm machinery and equipment, other than airplanes, motor vehicles and trailers, and any freight charges on any exempt item. As used in this subdivision, the term "feed additives" means tangible personal property which, when mixed with feed for livestock or poultry, is to be used in the feeding of livestock or poultry. As used in this subdivision, the term "pesticides" includes adjuvants such as crop oils, surfactants, wetting agents and other assorted pesticide carriers used to improve or enhance the effect of a pesticide and the foam used to mark the application of pesticides and herbicides for the production of crops, livestock or poultry. As used in this subdivision, the term "farm machinery and equipment" ~~means~~ shall mean:

(a) New or used farm tractors and such other new or used farm machinery and equipment, including utility vehicles used for any agricultural use, and repair or replacement parts thereon and any accessories for and upgrades to such farm machinery and equipment~~;~~ and rotary mowers used ~~[exclusively]~~ for any agricultural purposes~~[-and];~~

(b) Supplies and lubricants used exclusively, solely, and directly for producing crops, raising and feeding livestock, fish, poultry, pheasants, chukar, quail, or for producing milk for ultimate sale at retail, including field drain tile~~;~~; and

(c) One-half of each purchaser's purchase of diesel fuel therefor which is:

~~[(a)]~~ a. Used exclusively for agricultural purposes;

~~[(b)]~~ b. Used on land owned or leased for the purpose of producing farm products; and

~~[(c)]~~ c. Used directly in producing farm products to be sold ultimately in processed form or otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold ultimately in processed form at retail;

1 For the purposes of this subdivision, "utility vehicle" shall mean any motorized vehicle  
2 manufactured and used exclusively for off-highway use which is more than fifty inches but no more  
3 than eighty inches in width, measured from outside of tire rim to outside of tire rim, with an unladen  
4 dry weight of three thousand five hundred pounds or less, traveling on four or six wheels.

5 (23) Except as otherwise provided in section 144.032, all sales of metered water service,  
6 electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil for  
7 domestic use and in any city not within a county, all sales of metered or unmetered water service for  
8 domestic use:

9 (a) "Domestic use" means that portion of metered water service, electricity, electrical  
10 current, natural, artificial or propane gas, wood, coal or home heating oil, and in any city not within  
11 a county, metered or unmetered water service, which an individual occupant of a residential  
12 premises uses for nonbusiness, noncommercial or nonindustrial purposes. Utility service through a  
13 single or master meter for residential apartments or condominiums, including service for common  
14 areas and facilities and vacant units, shall be deemed to be for domestic use. Each seller shall  
15 establish and maintain a system whereby individual purchases are determined as exempt or  
16 nonexempt;

17 (b) Regulated utility sellers shall determine whether individual purchases are exempt or  
18 nonexempt based upon the seller's utility service rate classifications as contained in tariffs on file  
19 with and approved by the Missouri public service commission. Sales and purchases made pursuant  
20 to the rate classification "residential" and sales to and purchases made by or on behalf of the  
21 occupants of residential apartments or condominiums through a single or master meter, including  
22 service for common areas and facilities and vacant units, shall be considered as sales made for  
23 domestic use and such sales shall be exempt from sales tax. Sellers shall charge sales tax upon the  
24 entire amount of purchases classified as nondomestic use. The seller's utility service rate  
25 classification and the provision of service thereunder shall be conclusive as to whether or not the  
26 utility must charge sales tax;

27 (c) Each person making domestic use purchases of services or property and who uses any  
28 portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day of  
29 the fourth month following the year of purchase, and without assessment, notice or demand, file a  
30 return and pay sales tax on that portion of nondomestic purchases. Each person making  
31 nondomestic purchases of services or property and who uses any portion of the services or property  
32 so purchased for domestic use, and each person making domestic purchases on behalf of occupants  
33 of residential apartments or condominiums through a single or master meter, including service for  
34 common areas and facilities and vacant units, under a nonresidential utility service rate  
35 classification may, between the first day of the first month and the fifteenth day of the fourth month  
36 following the year of purchase, apply for credit or refund to the director of revenue and the director  
37 shall give credit or make refund for taxes paid on the domestic use portion of the purchase. The  
38 person making such purchases on behalf of occupants of residential apartments or condominiums  
39 shall have standing to apply to the director of revenue for such credit or refund;

40 (24) All sales of handicraft items made by the seller or the seller's spouse if the seller or the  
41 seller's spouse is at least sixty-five years of age, and if the total gross proceeds from such sales do  
42 not constitute a majority of the annual gross income of the seller;

43 (25) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4071, 4081, 4091,  
44 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of revenue shall  
45 promulgate rules pursuant to chapter 536 to eliminate all state and local sales taxes on such excise  
46 taxes;

47 (26) Sales of fuel consumed or used in the operation of ships, barges, or waterborne vessels  
48 which are used primarily in or for the transportation of property or cargo, or the conveyance of  
49 persons for hire, on navigable rivers bordering on or located in part in this state, if such fuel is

1 delivered by the seller to the purchaser's barge, ship, or waterborne vessel while it is afloat upon  
2 such river;

3 (27) All sales made to an interstate compact agency created pursuant to sections 70.370 to  
4 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities of such agency  
5 as provided pursuant to the compact;

6 (28) Computers, computer software and computer security systems purchased for use by  
7 architectural or engineering firms headquartered in this state. For the purposes of this subdivision,  
8 "headquartered in this state" means the office for the administrative management of at least four  
9 integrated facilities operated by the taxpayer is located in the state of Missouri;

10 (29) All livestock sales when either the seller is engaged in the growing, producing or  
11 feeding of such livestock, or the seller is engaged in the business of buying and selling, bartering or  
12 leasing of such livestock;

13 (30) All sales of barges which are to be used primarily in the transportation of property or  
14 cargo on interstate waterways;

15 (31) Electrical energy or gas, whether natural, artificial or propane, water, or other utilities  
16 which are ultimately consumed in connection with the manufacturing of cellular glass products or in  
17 any material recovery processing plant as defined in subdivision (4) of this subsection;

18 (32) Notwithstanding other provisions of law to the contrary, all sales of pesticides or  
19 herbicides used in the production of crops, aquaculture, livestock or poultry;

20 (33) Tangible personal property and utilities purchased for use or consumption directly or  
21 exclusively in the research and development of agricultural/biotechnology and plant genomics  
22 products and prescription pharmaceuticals consumed by humans or animals;

23 (34) All sales of grain bins for storage of grain for resale;

24 (35) All sales of feed which are developed for and used in the feeding of pets owned by a  
25 commercial breeder when such sales are made to a commercial breeder, as defined in section  
26 273.325, and licensed pursuant to sections 273.325 to 273.357;

27 (36) All purchases by a contractor on behalf of an entity located in another state, provided  
28 that the entity is authorized to issue a certificate of exemption for purchases to a contractor under the  
29 provisions of that state's laws. For purposes of this subdivision, the term "certificate of exemption"  
30 shall mean any document evidencing that the entity is exempt from sales and use taxes on purchases  
31 pursuant to the laws of the state in which the entity is located. Any contractor making purchases on  
32 behalf of such entity shall maintain a copy of the entity's exemption certificate as evidence of the  
33 exemption. If the exemption certificate issued by the exempt entity to the contractor is later  
34 determined by the director of revenue to be invalid for any reason and the contractor has accepted  
35 the certificate in good faith, neither the contractor or the exempt entity shall be liable for the  
36 payment of any taxes, interest and penalty due as the result of use of the invalid exemption  
37 certificate. Materials shall be exempt from all state and local sales and use taxes when purchased by  
38 a contractor for the purpose of fabricating tangible personal property which is used in fulfilling a  
39 contract for the purpose of constructing, repairing or remodeling facilities for the following:

40 (a) An exempt entity located in this state, if the entity is one of those entities able to issue  
41 project exemption certificates in accordance with the provisions of section 144.062; or

42 (b) An exempt entity located outside the state if the exempt entity is authorized to issue an  
43 exemption certificate to contractors in accordance with the provisions of that state's law and the  
44 applicable provisions of this section;

45 (37) All sales or other transfers of tangible personal property to a lessor who leases the  
46 property under a lease of one year or longer executed or in effect at the time of the sale or other  
47 transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections  
48 238.010 to 238.100;

49 (38) Sales of tickets to any collegiate athletic championship event that is held in a facility

owned or operated by a governmental authority or commission, a quasi-governmental agency, a state university or college or by the state or any political subdivision thereof, including a municipality, and that is played on a neutral site and may reasonably be played at a site located outside the state of Missouri. For purposes of this subdivision, "neutral site" means any site that is not located on the campus of a conference member institution participating in the event;

(39) All purchases by a sports complex authority created under section 64.920, and all sales of utilities by such authority at the authority's cost that are consumed in connection with the operation of a sports complex leased to a professional sports team;

(40) All materials, replacement parts, and equipment purchased for use directly upon, and for the modification, replacement, repair, and maintenance of aircraft, aircraft power plants, and aircraft accessories;

(41) Sales of sporting clays, wobble, skeet, and trap targets to any shooting range or similar places of business for use in the normal course of business and money received by a shooting range or similar places of business from patrons and held by a shooting range or similar place of business for redistribution to patrons at the conclusion of a shooting event;

(42) All sales of motor fuel, as defined in section 142.800, used in any watercraft, as defined in section 306.010;

(43) Any new or used aircraft sold or delivered in this state to a person who is not a resident of this state or a corporation that is not incorporated in this state, and such aircraft is not to be based in this state and shall not remain in this state more than ten business days subsequent to the last to occur of:

(a) The transfer of title to the aircraft to a person who is not a resident of this state or a corporation that is not incorporated in this state; or

(b) The date of the return to service of the aircraft in accordance with 14 CFR 91.407 for any maintenance, preventive maintenance, rebuilding, alterations, repairs, or installations that are completed contemporaneously with the transfer of title to the aircraft to a person who is not a resident of this state or a corporation that is not incorporated in this state;

(44) Motor vehicles registered in excess of fifty-four thousand pounds, and the trailers pulled by such motor vehicles, that are actually used in the normal course of business to haul property on the public highways of the state, and that are capable of hauling loads commensurate with the motor vehicle's registered weight; and the materials, replacement parts, and equipment purchased for use directly upon, and for the repair and maintenance or manufacture of such vehicles. For purposes of this subdivision, "motor vehicle" and "public highway" shall have the meaning as ascribed in section 390.020;

(45) All internet access or the use of internet access regardless of whether the tax is imposed on a provider of internet access or a buyer of internet access. For purposes of this subdivision, the following terms shall mean:

(a) "Direct costs", costs incurred by a governmental authority solely because of an internet service provider's use of the public right-of-way. The term shall not include costs that the governmental authority would have incurred if the internet service provider did not make such use of the public right-of-way. Direct costs shall be determined in a manner consistent with generally accepted accounting principles;

(b) "Internet", computer and telecommunications facilities, including equipment and operating software, that comprises the interconnected worldwide network that employ the transmission control protocol or internet protocol, or any predecessor or successor protocols to that protocol, to communicate information of all kinds by wire or radio;

(c) "Internet access", a service that enables users to connect to the internet to access content, information, or other services without regard to whether the service is referred to as telecommunications, communications, transmission, or similar services, and without regard to

whether a provider of the service is subject to regulation by the Federal Communications Commission as a common carrier under 47 U.S.C. Section 201, et seq. For purposes of this subdivision, internet access also includes: the purchase, use, or sale of communications services, including telecommunications services as defined in section 144.010, to the extent the communications services are purchased, used, or sold to provide the service described in this subdivision or to otherwise enable users to access content, information, or other services offered over the internet; services that are incidental to the provision of a service described in this subdivision, when furnished to users as part of such service, including a home page, electronic mail, and instant messaging, including voice-capable and video-capable electronic mail and instant messaging, video clips, and personal electronic storage capacity; a home page electronic mail and instant messaging, including voice-capable and video-capable electronic mail and instant messaging, video clips, and personal electronic storage capacity that are provided independently or that are not packed with internet access. As used in this subdivision, internet access does not include voice, audio, and video programming or other products and services, except services described in this paragraph or this subdivision, that use internet protocol or any successor protocol and for which there is a charge, regardless of whether the charge is separately stated or aggregated with the charge for services described in this paragraph or this subdivision;

(d) "Tax", any charge imposed by the state or a political subdivision of the state for the purpose of generating revenues for governmental purposes and that is not a fee imposed for a specific privilege, service, or benefit conferred, except as described as otherwise under this subdivision, or any obligation imposed on a seller to collect and to remit to the state or a political subdivision of the state any gross retail tax, sales tax, or use tax imposed on a buyer by such a governmental entity. The term tax shall not include any franchise fee or similar fee imposed or authorized under section 67.1830 or 67.2689; Section 622 or 653 of the Communications Act of 1934, 47 U.S.C. Section 542 and 47 U.S.C. Section 573; or any other fee related to obligations of telecommunications carriers under the Communications Act of 1934, 47 U.S.C. Section 151, et seq., except to the extent that:

a. The fee is not imposed for the purpose of recovering direct costs incurred by the franchising or other governmental authority from providing the specific privilege, service, or benefit conferred to the payer of the fee; or

b. The fee is imposed for the use of a public right-of-way based on a percentage of the service revenue, and the fee exceeds the incremental direct costs incurred by the governmental authority associated with the provision of that right-of-way to the provider of internet access service. Nothing in this subdivision shall be interpreted as an exemption from taxes due on goods or services that were subject to tax on January 1, 2016.

3. Any ruling, agreement, or contract, whether written or oral, express or implied, between a person and this state's executive branch, or any other state agency or department, stating, agreeing, or ruling that such person is not required to collect sales and use tax in this state despite the presence of a warehouse, distribution center, or fulfillment center in this state that is owned or operated by the person or an affiliated person shall be null and void unless it is specifically approved by a majority vote of each of the houses of the general assembly. For purposes of this subsection, an "affiliated person" means any person that is a member of the same controlled group of corporations as defined in Section 1563(a) of the Internal Revenue Code of 1986, as amended, as the vendor or any other entity that, notwithstanding its form of organization, bears the same ownership relationship to the vendor as a corporation that is a member of the same controlled group of corporations as defined in Section 1563(a) of the Internal Revenue Code, as amended."; and

Further amend said bill, Page 42, Section 238.222, Line 40, by inserting after all of said section and line the following:



1 "348.436. The provisions of sections 348.430 to 348.436 shall expire December 31, [2021]  
2 2028."; and  
3

4 Further amend said bill, Page 43, Section B, Lines 1-5, by deleting all of said lines and inserting in  
5 lieu thereof the following:  
6

7 "Section B. Because immediate action is necessary to promote agricultural economic  
8 opportunities in this state and to protect taxpayers from inflated values and rapidly increasing prices,  
9 the repeal and reenactment of sections 135.305, 135.686, 137.115, and 348.436, and the enactment  
10 of sections 135.755, 135.775, 135.778, and 135.1610 of this act are deemed necessary for the  
11 immediate preservation of the public health, welfare, peace, and safety, and is hereby declared to be  
12 an emergency act within the meaning of the constitution, and the repeal and reenactment of sections  
13 135.305, 135.686, 137.115, and 348.436, and the enactment of sections 135.755, 135.775, 135.778,  
14 and 135.1610 of this act shall be in full force and effect upon its passage and approval."; and  
15

16 Further amend said bill by amending the title, enacting clause, and intersectional references  
17 accordingly.