

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

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

1 AMEND House Substitute for House Committee Substitute for Senate Substitute for Senate  
2 Committee Substitute for Senate Bill No. 133, Page 6, Section 135.030, Line 63, by inserting after  
3 all of said section and line the following:  
4

5 "137.122. 1. As used in this section, the following terms mean:

6 (1) "Business personal property", tangible personal property which is used in a trade or  
7 business or used for production of income and which has a determinable life of longer than one year  
8 except that supplies used by a business shall also be considered business personal property, but shall  
9 not include livestock, farm machinery, grain and other agricultural crops in an unmanufactured  
10 condition, property subject to the motor vehicle registration provisions of chapter 301, property  
11 assessed under section 137.078, the property of rural electric cooperatives under chapter 394, or  
12 property assessed by the state tax commission under chapters 151, 153, and 155, section 137.022,  
13 and sections 137.1000 to 137.1030;

14 (2) "Class life", the class life of property as set out in the federal Modified Accelerated Cost  
15 Recovery System life tables or their successors under the Internal Revenue Code as amended;

16 (3) "Economic or functional obsolescence", a loss in value of personal property above and  
17 beyond physical deterioration and age of the property. Such loss may be the result of economic or  
18 functional obsolescence or both;

19 (4) "Original cost", the price the current owner, the taxpayer, paid for the item without  
20 freight, installation, or sales or use tax. In the case of acquisition of items of personal property as  
21 part of an acquisition of an entity, the original cost shall be the historical cost of those assets  
22 remaining in place and in use and the placed-in-service date shall be the date of acquisition by the  
23 entity being acquired;

24 (5) "Placed in service", property is placed in service when it is ready and available for a  
25 specific use, whether in a business activity, an income-producing activity, a tax-exempt activity, or a  
26 personal activity. Even if the property is not being used, the property is in service when it is ready  
27 and available for its specific use;

28 (6) "Recovery period", the period over which the original cost of depreciable tangible  
29 personal property shall be depreciated for property tax purposes and shall be the same as the  
30 recovery period allowed for such property under the Internal Revenue Code.

31 2. To establish uniformity in the assessment of depreciable tangible personal property, each  
32 assessor shall use the standardized schedule of depreciation in this section to determine the assessed  
33 valuation of depreciable tangible personal property for the purpose of estimating the value of such  
34 property subject to taxation under this chapter.

35 3. For purposes of this section, and to estimate the value of depreciable tangible personal  
36 property for mass appraisal purposes, each assessor shall value depreciable tangible personal

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property by applying the class life and recovery period to the original cost of the property according to the following depreciation schedule. The percentage shown for the first year shall be the percentage of the original cost used for January first of the year following the year of acquisition of the property, and the percentage shown for each succeeding year shall be the percentage of the original cost used for January first of the respective succeeding year as follows:

Year	Recovery Period in Years						
	3	5	7	10	15	20	
1	75.00	85.00	89.29	92.50	95.00	96.25	
2	37.50	59.50	70.16	78.62	85.50	89.03	
3	12.50	41.65	55.13	66.83	76.95	82.35	
4	5.00	24.99	42.88	56.81	69.25	76.18	
5		10.00	30.63	48.07	62.32	70.46	
6			18.38	39.33	56.09	65.18	
7			10.00	30.59	50.19	60.29	
8				21.85	44.29	55.77	
9				15.00	38.38	51.31	
10					32.48	46.85	
11					26.57	42.38	
12					20.67	37.92	
13					15.00	33.46	
14						29.00	
15						24.54	
16						20.08	
17						20.00	

Depreciable tangible personal property in all recovery periods shall continue in subsequent years to have the depreciation factor last listed in the appropriate column so long as it is owned or held by the taxpayer. The state tax commission shall study and analyze the values established by this method of assessment and in every odd-numbered year make recommendations to the joint committee on tax policy pertaining to any changes in this methodology, if any, that are warranted.

4. Such estimate of value determined under this section shall be presumed to be correct for the purpose of determining the true value in money of the depreciable tangible personal property, but such estimation may be disproved by a taxpayer by substantial and persuasive evidence of the true value in money under any method determined by the state tax commission to be correct, including, but not limited to, an appraisal of the tangible personal property specifically utilizing generally accepted appraisal techniques, and contained in a narrative appraisal report in accordance with the Uniform Standards of Professional Appraisal Practice or by proof of economic or functional obsolescence or evidence of excessive physical deterioration. For purposes of appeal of the provisions of this section, the salvage or scrap value of depreciable tangible personal property may only be considered if the property is not in use as of the assessment date.

5. This section shall not apply to business personal property placed in service before January 2, 2006. Nothing in this section shall create a presumption as to the proper method of determining the assessed valuation of business personal property placed in service before January 2, 2006.

6. The provisions of this section are not intended to modify the definition of tangible personal property as defined in section 137.010.

7. (1) As of January 1, 2024, this section shall apply to all real property, placed in service at any time, that is stationary property used for distribution or storage of liquid and gaseous products including water, sewage, and natural gas that is not propane or LP gas, but not including petroleum

1 products.

2 (2) To estimate the value of the real property described in this subsection, each assessor  
 3 shall value such property by applying a 20-year recovery period to the original cost of the property  
 4 according to the 20-year depreciation schedule set forth in subsection 3 of this section.  
 5 Notwithstanding subsection 5 of this section, the presumption as to the proper method of  
 6 determining the assessed value of such property shall apply regardless of when such property was  
 7 placed in service.

8 (3) Each taxpayer owning real property described in this subsection shall provide to an  
 9 assessor, no later than May first of the applicable tax year, the original cost and year placed in  
 10 service of such property located in the assessor's jurisdiction summarized in a format that is  
 11 substantially similar to the real property reporting and valuation forms contained in chapter VII,  
 12 section 7.4 of the state tax commission assessor manual, revision date March 23, 2016, or any  
 13 revision adopted by the state tax commission thereafter. Such information shall be provided for each  
 14 taxing district within the assessor's jurisdiction if the assessor provides the taxpayer with a map or  
 15 description sufficient to identify each taxing district and such information for each taxing district is  
 16 maintained by and readily available to the taxpayer. The taxpayer shall certify under penalty of  
 17 perjury that the information provided to the assessor pursuant to this subsection is accurate to the  
 18 best of its knowledge. All information provided to an assessor pursuant to this subsection shall be  
 19 considered proprietary information and shall be accessible only to the assessor and the assessor's  
 20 staff for internal use only."; and

21  
 22 Further amend said bill, Page 12, Section 143.161, Line 28, by inserting after all of said section and  
 23 line the following:  
 24

25 "144.030. 1. There is hereby specifically exempted from the provisions of sections 144.010  
 26 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to sections  
 27 144.010 to 144.525 such retail sales as may be made in commerce between this state and any other  
 28 state of the United States, or between this state and any foreign country, and any retail sale which  
 29 the state of Missouri is prohibited from taxing pursuant to the Constitution or laws of the United  
 30 States of America, and such retail sales of tangible personal property which the general assembly of  
 31 the state of Missouri is prohibited from taxing or further taxing by the constitution of this state.

32 2. There are also specifically exempted from the provisions of the local sales tax law as  
 33 defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.761  
 34 and from the computation of the tax levied, assessed or payable pursuant to the local sales tax law as  
 35 defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to  
 36 144.745:

37 (1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of such  
 38 excise tax is refunded pursuant to section 142.824; or upon the sale at retail of fuel to be consumed  
 39 in manufacturing or creating gas, power, steam, electrical current or in furnishing water to be sold  
 40 ultimately at retail; or feed for livestock or poultry; or grain to be converted into foodstuffs which  
 41 are to be sold ultimately in processed form at retail; or seed, limestone or fertilizer which is to be  
 42 used for seeding, liming or fertilizing crops which when harvested will be sold at retail or will be  
 43 fed to livestock or poultry to be sold ultimately in processed form at retail; economic poisons  
 44 registered pursuant to the provisions of the Missouri pesticide registration [law] act, sections

1 ~~[281.220]~~ 281.210 to 281.310, which are to be used in connection with the growth or production of  
2 crops, fruit trees or orchards applied before, during, or after planting, the crop of which when  
3 harvested will be sold at retail or will be converted into foodstuffs which are to be sold ultimately in  
4 processed form at retail;

5 (2) Materials, manufactured goods, machinery and parts which when used in manufacturing,  
6 processing, compounding, mining, producing or fabricating become a component part or ingredient  
7 of the new personal property resulting from such manufacturing, processing, compounding, mining,  
8 producing or fabricating and which new personal property is intended to be sold ultimately for final  
9 use or consumption; and materials, including without limitation, gases and manufactured goods,  
10 including without limitation slagging materials and firebrick, which are ultimately consumed in the  
11 manufacturing process by blending, reacting or interacting with or by becoming, in whole or in part,  
12 component parts or ingredients of steel products intended to be sold ultimately for final use or  
13 consumption;

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

17 (4) Replacement machinery, equipment, and parts and the materials and supplies solely  
18 required for the installation or construction of such replacement machinery, equipment, and parts,  
19 used directly in manufacturing, mining, fabricating or producing a product which is intended to be  
20 sold ultimately for final use or consumption; and machinery and equipment, and the materials and  
21 supplies required solely for the operation, installation or construction of such machinery and  
22 equipment, purchased and used to establish new, or to replace or expand existing, material recovery  
23 processing plants in this state. For the purposes of this subdivision, a "material recovery processing  
24 plant" means a facility that has as its primary purpose the recovery of materials into a usable product  
25 or a different form which is used in producing a new product and shall include a facility or  
26 equipment which are used exclusively for the collection of recovered materials for delivery to a  
27 material recovery processing plant but shall not include motor vehicles used on highways. For  
28 purposes of this section, the terms motor vehicle and highway shall have the same meaning pursuant  
29 to section 301.010. For the purposes of this subdivision, subdivision (5) of this subsection, and  
30 section 144.054, as well as the definition in subdivision (9) of subsection 1 of section 144.010, the  
31 term "product" includes telecommunications services and the term "manufacturing" shall include the  
32 production, or production and transmission, of telecommunications services. The preceding  
33 sentence does not make a substantive change in the law and is intended to clarify that the term  
34 "manufacturing" has included and continues to include the production and transmission of  
35 "telecommunications services", as enacted in this subdivision and subdivision (5) of this subsection,  
36 as well as the definition in subdivision (9) of subsection 1 of section 144.010. The preceding two  
37 sentences reaffirm legislative intent consistent with the interpretation of this subdivision and  
38 subdivision (5) of this subsection in *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d  
39 763 (Mo. banc 2002) and *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo.

1 banc 2005), and accordingly abrogates the Missouri supreme court's interpretation of those  
2 exemptions in *IBM Corporation v. Director of Revenue*, 491 S.W.3d 535 (Mo. banc 2016) to the  
3 extent inconsistent with this section and *Southwestern Bell Tel. Co. v. Director of Revenue*, 78  
4 S.W.3d 763 (Mo. banc 2002) and *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d  
5 226 (Mo. banc 2005). The construction and application of this subdivision as expressed by the  
6 Missouri supreme court in *DST Systems, Inc. v. Director of Revenue*, 43 S.W.3d 799 (Mo. banc  
7 2001); *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and  
8 *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), is hereby  
9 affirmed. Material recovery is not the reuse of materials within a manufacturing process or the use  
10 of a product previously recovered. The material recovery processing plant shall qualify under the  
11 provisions of this section regardless of ownership of the material being recovered;

12 (5) Machinery and equipment, and parts and the materials and supplies solely required for  
13 the installation or construction of such machinery and equipment, purchased and used to establish  
14 new or to expand existing manufacturing, mining or fabricating plants in the state if such machinery  
15 and equipment is used directly in manufacturing, mining or fabricating a product which is intended  
16 to be sold ultimately for final use or consumption. The construction and application of this  
17 subdivision as expressed by the Missouri supreme court in *DST Systems, Inc. v. Director of*  
18 *Revenue*, 43 S.W.3d 799 (Mo. banc 2001); *Southwestern Bell Tel. Co. v. Director of Revenue*, 78  
19 S.W.3d 763 (Mo. banc 2002); and *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d  
20 226 (Mo. banc 2005), is hereby affirmed;

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

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

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

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

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

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

36 (12) Electrical energy used in the actual primary manufacture, processing, compounding,  
37 mining or producing of a product, or electrical energy used in the actual secondary processing or  
38 fabricating of the product, or a material recovery processing plant as defined in subdivision (4) of  
39 this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical energy so

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

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

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

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

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

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

31 (18) All sales of insulin, and all sales, rentals, repairs, and parts of durable medical  
32 equipment, prosthetic devices, and orthopedic devices as defined on January 1, 1980, by the federal  
33 Medicare program pursuant to Title XVIII of the Social Security Act of 1965, including the items  
34 specified in Section 1862(a)(12) of that act (42 U.S.C. Section 1395y, as amended), and also  
35 specifically including hearing aids and hearing aid supplies and all sales of drugs which may be  
36 legally dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed  
37 to administer those items, including samples and materials used to manufacture samples which may  
38 be dispensed by a practitioner authorized to dispense such samples and all sales or rental of medical  
39 oxygen, home respiratory equipment and accessories including parts, and hospital beds and

1 accessories and ambulatory aids including parts, and all sales or rental of manual and powered  
2 wheelchairs including parts, and stairway lifts, Braille writers, electronic Braille equipment and, if  
3 purchased or rented by or on behalf of a person with one or more physical or mental disabilities to  
4 enable them to function more independently, all sales or rental of scooters including parts, and  
5 reading machines, electronic print enlargers and magnifiers, electronic alternative and augmentative  
6 communication devices, and items used solely to modify motor vehicles to permit the use of such  
7 motor vehicles by individuals with disabilities or sales of over-the-counter or nonprescription drugs  
8 to individuals with disabilities, and drugs required by the Food and Drug Administration to meet the  
9 over-the-counter drug product labeling requirements in 21 CFR 201.66, or its successor, as  
10 prescribed by a health care practitioner licensed to prescribe;

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

14 (20) All sales of aircraft to common carriers for storage or for use in interstate commerce  
15 and all sales made by or to not-for-profit civic, social, service or fraternal organizations, including  
16 fraternal organizations which have been declared tax-exempt organizations pursuant to Section  
17 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or charitable  
18 functions and activities and all sales made to eleemosynary and penal institutions and industries of  
19 the state, and all sales made to any private not-for-profit institution of higher education not  
20 otherwise excluded pursuant to subdivision (19) of this subsection or any institution of higher  
21 education supported by public funds, and all sales made to a state relief agency in the exercise of  
22 relief functions and activities;

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

29 (22) All sales made to any private not-for-profit elementary or secondary school, all sales of  
30 feed additives, medications or vaccines administered to livestock or poultry in the production of  
31 food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for food or  
32 fiber, all sales of bedding used in the production of livestock or poultry for food or fiber, all sales of  
33 propane or natural gas, electricity or diesel fuel used exclusively for drying agricultural crops,  
34 natural gas used in the primary manufacture or processing of fuel ethanol as defined in section  
35 142.028, natural gas, propane, and electricity used by an eligible new generation cooperative or an  
36 eligible new generation processing entity as defined in section 348.432, and all sales of farm  
37 machinery and equipment, other than airplanes, motor vehicles and trailers, and any freight charges  
38 on any exempt item. As used in this subdivision, the term "feed additives" means tangible personal  
39 property which, when mixed with feed for livestock or poultry, is to be used in the feeding of

1 livestock or poultry. As used in this subdivision, the term "pesticides" includes adjuvants such as  
 2 crop oils, surfactants, wetting agents and other assorted pesticide carriers used to improve or  
 3 enhance the effect of a pesticide and the foam used to mark the application of pesticides and  
 4 herbicides for the production of crops, livestock or poultry. As used in this subdivision, the term  
 5 "farm machinery and equipment" shall mean:

6 (a) New or used farm tractors and such other new or used farm machinery and equipment,  
 7 including utility vehicles used for any agricultural use, and repair or replacement parts thereon and  
 8 any accessories for and upgrades to such farm machinery and equipment and rotary mowers used for  
 9 any agricultural purposes. For the purposes of this subdivision, "utility vehicle" shall mean any  
 10 motorized vehicle manufactured and used exclusively for off-highway use which is more than fifty  
 11 inches but no more than eighty inches in width, measured from outside of tire rim to outside of tire  
 12 rim, with an unladen dry weight of three thousand five hundred pounds or less, traveling on four or  
 13 six wheels;

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

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

18 a. Used exclusively for agricultural purposes;

19 b. Used on land owned or leased for the purpose of producing farm products; and

20 c. Used directly in producing farm products to be sold ultimately in processed form or  
 21 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold  
 22 ultimately in processed form at retail;

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

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

35 (b) Regulated utility sellers shall determine whether individual purchases are exempt or  
 36 nonexempt based upon the seller's utility service rate classifications as contained in tariffs on file  
 37 with and approved by the Missouri public service commission. Sales and purchases made pursuant  
 38 to the rate classification "residential" and sales to and purchases made by or on behalf of the  
 39 occupants of residential apartments or condominiums through a single or master meter, including



1 service for common areas and facilities and vacant units, shall be considered as sales made for  
2 domestic use and such sales shall be exempt from sales tax. Sellers shall charge sales tax upon the  
3 entire amount of purchases classified as nondomestic use. The seller's utility service rate  
4 classification and the provision of service thereunder shall be conclusive as to whether or not the  
5 utility must charge sales tax;

6 (c) Each person making domestic use purchases of services or property and who uses any  
7 portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day of  
8 the fourth month following the year of purchase, and without assessment, notice or demand, file a  
9 return and pay sales tax on that portion of nondomestic purchases. Each person making  
10 nondomestic purchases of services or property and who uses any portion of the services or property  
11 so purchased for domestic use, and each person making domestic purchases on behalf of occupants  
12 of residential apartments or condominiums through a single or master meter, including service for  
13 common areas and facilities and vacant units, under a nonresidential utility service rate  
14 classification may, between the first day of the first month and the fifteenth day of the fourth month  
15 following the year of purchase, apply for credit or refund to the director of revenue and the director  
16 shall give credit or make refund for taxes paid on the domestic use portion of the purchase. The  
17 person making such purchases on behalf of occupants of residential apartments or condominiums  
18 shall have standing to apply to the director of revenue for such credit or refund;

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

22 (25) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4071, 4081,  
23 ~~[4091,]~~ 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of revenue  
24 shall promulgate rules pursuant to chapter 536 to eliminate all state and local sales taxes on such  
25 excise taxes;

26 (26) Sales of fuel consumed or used in the operation of ships, barges, or waterborne vessels  
27 which are used primarily in or for the transportation of property or cargo, or the conveyance of  
28 persons for hire, on navigable rivers bordering on or located in part in this state, if such fuel is  
29 delivered by the seller to the purchaser's barge, ship, or waterborne vessel while it is afloat upon  
30 such river;

31 (27) All sales made to an interstate compact agency created pursuant to sections 70.370 to  
32 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities of such agency  
33 as provided pursuant to the compact;

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

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

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

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

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

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

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

15 (35) All sales of feed which are developed for and used in the feeding of pets owned by a  
16 commercial breeder when such sales are made to a commercial breeder, as defined in section  
17 273.325, and licensed pursuant to sections 273.325 to 273.357;

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

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

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

36 (37) All sales or other transfers of tangible personal property to a lessor who leases the  
37 property under a lease of one year or longer executed or in effect at the time of the sale or other  
38 transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections  
39 238.010 to 238.100;

1           (38) Sales of tickets to any collegiate athletic championship event that is held in a facility  
2 owned or operated by a governmental authority or commission, a quasi-governmental agency, a  
3 state university or college or by the state or any political subdivision thereof, including a  
4 municipality, and that is played on a neutral site and may reasonably be played at a site located  
5 outside the state of Missouri. For purposes of this subdivision, "neutral site" means any site that is  
6 not located on the campus of a conference member institution participating in the event;

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

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

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

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

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

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

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

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

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

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

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

10 (c) "Internet access", a service that enables users to connect to the internet to access content,  
11 information, or other services without regard to whether the service is referred to as  
12 telecommunications, communications, transmission, or similar services, and without regard to  
13 whether a provider of the service is subject to regulation by the Federal Communications  
14 Commission as a common carrier under 47 U.S.C. Section 201, et seq. For purposes of this  
15 subdivision, internet access also includes: the purchase, use, or sale of communications services,  
16 including telecommunications services as defined in section 144.010, to the extent the  
17 communications services are purchased, used, or sold to provide the service described in this  
18 subdivision or to otherwise enable users to access content, information, or other services offered  
19 over the internet; services that are incidental to the provision of a service described in this  
20 subdivision, when furnished to users as part of such service, including a home page, electronic mail,  
21 and instant messaging, including voice-capable and video-capable electronic mail and instant  
22 messaging, video clips, and personal electronic storage capacity; a home page electronic mail and  
23 instant messaging, including voice-capable and video-capable electronic mail and instant  
24 messaging, video clips, and personal electronic storage capacity that are provided independently or  
25 that are not packed with internet access. As used in this subdivision, internet access does not  
26 include voice, audio, and video programming or other products and services, except services  
27 described in this paragraph or this subdivision, that use internet protocol or any successor protocol  
28 and for which there is a charge, regardless of whether the charge is separately stated or aggregated  
29 with the charge for services described in this paragraph or this subdivision;

30 (d) "Tax", any charge imposed by the state or a political subdivision of the state for the  
31 purpose of generating revenues for governmental purposes and that is not a fee imposed for a  
32 specific privilege, service, or benefit conferred, except as described as otherwise under this  
33 subdivision, or any obligation imposed on a seller to collect and to remit to the state or a political  
34 subdivision of the state any gross retail tax, sales tax, or use tax imposed on a buyer by such a  
35 governmental entity. The term tax shall not include any franchise fee or similar fee imposed or  
36 authorized under sections 67.1830 to 67.1846 or section 67.2689; Section 622 or 653 of the  
37 Communications Act of 1934, 47 U.S.C. Section 542 and 47 U.S.C. Section 573; or any other fee  
38 related to obligations of telecommunications carriers under the Communications Act of 1934, 47  
39 U.S.C. Section 151, et seq., except to the extent that:

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

4 b. The fee is imposed for the use of a public right-of-way based on a percentage of the  
 5 service revenue, and the fee exceeds the incremental direct costs incurred by the governmental  
 6 authority associated with the provision of that right-of-way to the provider of internet access service.

7  
 8 Nothing in this subdivision shall be interpreted as an exemption from taxes due on goods or services  
 9 that were subject to tax on January 1, 2016;

10 (46) All purchases by a company of solar photovoltaic energy systems, components used to  
 11 construct a solar photovoltaic energy system, and all purchases of materials and supplies used  
 12 directly to construct or make improvements to such systems, provided that such systems:

13 (a) Are sold or leased to an end user; or

14 (b) Are used to produce, collect and transmit electricity for resale or retail;

15 (47) All sales of diapers, incontinence products, and feminine hygiene products. For the  
 16 purposes of this subdivision, the following terms mean:

17 (a) "Diapers", absorbent garments worn by infants or toddlers who are not toilet-trained or  
 18 by individuals who are incapable of controlling their bladder or bowel movements;

19 (b) "Feminine hygiene products", tampons, pads, liners, and cups;

20 (c) "Incontinence products", products designed specifically for hygiene matters related to  
 21 urinary incontinence.

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

33  
 34 Further amend said bill by amending the title, enacting clause, and intersectional references  
 35 accordingly.