

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, Pages 6-8, Section 142.822, Lines 1-74, by deleting
3 all of said section and lines and inserting in lieu thereof the following:
4

5 "137.115. 1. All other laws to the contrary notwithstanding, the assessor or the assessor's
6 deputies in all counties of this state including the City of St. Louis shall annually make a list of all
7 real and tangible personal property taxable in the assessor's city, county, town or district. Except as
8 otherwise provided in subsection 3 of this section and section 137.078, for all calendar years ending
9 on or before December 31, 2023, the assessor shall annually assess all personal property at thirty-
10 three and one-third percent of its true value in money as of January first of each calendar year.
11 Except as otherwise provided in subsection 3 of this section and section 137.078, for all calendar
12 years beginning on or after January 1, 2024, the assessor shall annually assess all personal property
13 at thirty-two and eight-tenths percent of its true value in money as of January first of each calendar
14 year. The assessor shall annually assess all real property, including any new construction and
15 improvements to real property, and possessory interests in real property at the percent of its true
16 value in money set in subsection 5 of this section. The true value in money of any possessory
17 interest in real property in subclass (3), where such real property is on or lies within the ultimate
18 airport boundary as shown by a federal airport layout plan, as defined by 14 CFR 151.5, of a
19 commercial airport having a FAR Part 139 certification and owned by a political subdivision, shall
20 be the otherwise applicable true value in money of any such possessory interest in real property, less
21 the total dollar amount of costs paid by a party, other than the political subdivision, towards any new
22 construction or improvements on such real property completed after January 1, 2008, and which are
23 included in the above-mentioned possessory interest, regardless of the year in which such costs were
24 incurred or whether such costs were considered in any prior year. The assessor shall annually assess
25 all real property in the following manner: new assessed values shall be determined as of January
26 first of each odd-numbered year and shall be entered in the assessor's books; those same assessed
27 values shall apply in the following even-numbered year, except for new construction and property
28 improvements which shall be valued as though they had been completed as of January first of the
29 preceding odd-numbered year. The assessor may call at the office, place of doing business, or
30 residence of each person required by this chapter to list property, and require the person to make a
31 correct statement of all taxable tangible personal property owned by the person or under his or her
32 care, charge or management, taxable in the county. On or before January first of each even-
33 numbered year, the assessor shall prepare and submit a two-year assessment maintenance plan to the
34 county governing body and the state tax commission for their respective approval or modification.
35 The county governing body shall approve and forward such plan or its alternative to the plan to the
36 state tax commission by February first. If the county governing body fails to forward the plan or its

Action Taken _____ Date _____

alternative to the plan to the state tax commission by February first, the assessor's plan shall be considered approved by the county governing body. If the state tax commission fails to approve a plan and if the state tax commission and the assessor and the governing body of the county involved are unable to resolve the differences, in order to receive state cost-share funds outlined in section 137.750, the county or the assessor shall petition the administrative hearing commission, by May first, to decide all matters in dispute regarding the assessment maintenance plan. Upon agreement of the parties, the matter may be stayed while the parties proceed with mediation or arbitration upon terms agreed to by the parties. The final decision of the administrative hearing commission shall be subject to judicial review in the circuit court of the county involved. In the event a valuation of subclass (1) real property within any county with a charter form of government, or within a city not within a county, is made by a computer, computer-assisted method or a computer program, the burden of proof, supported by clear, convincing and cogent evidence to sustain such valuation, shall be on the assessor at any hearing or appeal. In any such county, unless the assessor proves otherwise, there shall be a presumption that the assessment was made by a computer, computer-assisted method or a computer program. Such evidence shall include, but shall not be limited to, the following:

(1) The findings of the assessor based on an appraisal of the property by generally accepted appraisal techniques; and

(2) The purchase prices from sales of at least three comparable properties and the address or location thereof. As used in this subdivision, the word "comparable" means that:

(a) Such sale was closed at a date relevant to the property valuation; and

(b) Such properties are not more than one mile from the site of the disputed property, except where no similar properties exist within one mile of the disputed property, the nearest comparable property shall be used. Such property shall be within five hundred square feet in size of the disputed property, and resemble the disputed property in age, floor plan, number of rooms, and other relevant characteristics.

2. Assessors in each county of this state and the City of St. Louis may send personal property assessment forms through the mail.

3. The following items of personal property shall each constitute separate subclasses of tangible personal property and shall be assessed and valued for the purposes of taxation at the following percentages of their true value in money:

(1) Grain and other agricultural crops in an unmanufactured condition, one-half of one percent;

(2) Livestock, twelve percent;

(3) Farm machinery, twelve percent;

(4) Motor vehicles which are eligible for registration as and are registered as historic motor vehicles pursuant to section 301.131 and aircraft which are at least twenty-five years old and which are used solely for noncommercial purposes and are operated less than two hundred hours per year or aircraft that are home built from a kit, five percent;

(5) Poultry, twelve percent; and

(6) Tools and equipment used for pollution control and tools and equipment used in retooling for the purpose of introducing new product lines or used for making improvements to existing products by any company which is located in a state enterprise zone and which is identified by any standard industrial classification number cited in subdivision (7) of section 135.200, twenty-five percent.

4. The person listing the property shall enter a true and correct statement of the property, in a printed blank prepared for that purpose. The statement, after being filled out, shall be signed and either affirmed or sworn to as provided in section 137.155. The list shall then be delivered to the assessor.

1 5. (1) All subclasses of real property, as such subclasses are established in Section 4(b) of
2 Article X of the Missouri Constitution and defined in section 137.016, shall be assessed at the
3 following percentages of true value:

- 4 (a) For real property in subclass (1), nineteen percent;
- 5 (b) For real property in subclass (2), twelve percent; and
- 6 (c) For real property in subclass (3), thirty-two percent.

7 (2) A taxpayer may apply to the county assessor, or, if not located within a county, then the
8 assessor of such city, for the reclassification of such taxpayer's real property if the use or purpose of
9 such real property is changed after such property is assessed under the provisions of this chapter. If
10 the assessor determines that such property shall be reclassified, he or she shall determine the
11 assessment under this subsection based on the percentage of the tax year that such property was
12 classified in each subclassification.

13 6. Manufactured homes, as defined in section 700.010, which are actually used as dwelling
14 units shall be assessed at the same percentage of true value as residential real property for the
15 purpose of taxation. The percentage of assessment of true value for such manufactured homes shall
16 be the same as for residential real property. If the county collector cannot identify or find the
17 manufactured home when attempting to attach the manufactured home for payment of taxes owed
18 by the manufactured home owner, the county collector may request the county commission to have
19 the manufactured home removed from the tax books, and such request shall be granted within thirty
20 days after the request is made; however, the removal from the tax books does not remove the tax
21 lien on the manufactured home if it is later identified or found. For purposes of this section, a
22 manufactured home located in a manufactured home rental park, rental community or on real estate
23 not owned by the manufactured home owner shall be considered personal property. For purposes of
24 this section, a manufactured home located on real estate owned by the manufactured home owner
25 may be considered real property.

26 7. Each manufactured home assessed shall be considered a parcel for the purpose of
27 reimbursement pursuant to section 137.750, unless the manufactured home is deemed to be real
28 estate as defined in subsection 7 of section 442.015 and assessed as a realty improvement to the
29 existing real estate parcel.

30 8. Any amount of tax due and owing based on the assessment of a manufactured home shall
31 be included on the personal property tax statement of the manufactured home owner unless the
32 manufactured home is deemed to be real estate as defined in subsection 7 of section 442.015, in
33 which case the amount of tax due and owing on the assessment of the manufactured home as a realty
34 improvement to the existing real estate parcel shall be included on the real property tax statement of
35 the real estate owner.

36 9. (1) To determine the true value in money for motor vehicles, the assessor of each county
37 and each city not within a county shall use the [trade-in value published in the October issue of the
38 National Automobile Dealers' Association Official Used Car Guide, or its successor publication, as
39 the recommended guide of information for determining the true value of motor vehicles described in
40 such publication. The assessor shall not use a value that is greater than the average trade-in value in
41 determining the true value of the motor vehicle without performing a physical inspection of the
42 motor vehicle. For vehicles two years old or newer from a vehicle's model year, the assessor may
43 use a value other than average without performing a physical inspection of the motor vehicle. In the
44 absence of a listing for a particular motor vehicle in such publication, the assessor shall use such
45 information or publications which in the assessor's judgment will fairly estimate the true value in
46 money of the motor vehicle.] trade-in value published in the current or any of the three immediately
47 previous years' October issue of a nationally recognized automotive trade publication selected by the
48 state tax commission. The assessor shall not use a value that is greater than the average trade-in
49 value for such motor vehicle in determining the true value of the motor vehicle without performing

a physical inspection of the motor vehicle. For vehicles two years old or newer from a vehicle's model year, the assessor may use a value other than the average without performing a physical inspection of the motor vehicle. In the absence of a listing for a particular motor vehicle in such publication, the assessor shall use such information or publications which, in the assessor's judgment, will fairly estimate the true value in money of the motor vehicle.

(2) For all tax years beginning on or after January 1, 2025, the assessor shall apply the following depreciation schedule to the trade-in value of the motor vehicle as determined pursuant to subdivision (1) of this subsection:

<u>Years since manufacture</u>	<u>Percent Depreciation</u>
<u>Current</u>	<u>15</u>
<u>1</u>	<u>25</u>
<u>2</u>	<u>32.5</u>
<u>3</u>	<u>39.3</u>
<u>4</u>	<u>45.3</u>
<u>5</u>	<u>50.8</u>
<u>6</u>	<u>55.7</u>
<u>7</u>	<u>60.1</u>
<u>8</u>	<u>64.1</u>
<u>9</u>	<u>67.7</u>
<u>10</u>	<u>71</u>
<u>11</u>	<u>75.2</u>
<u>12</u>	<u>79.2</u>
<u>13</u>	<u>83.2</u>
<u>14</u>	<u>87.2</u>
<u>15</u>	<u>90</u>
<u>Greater than 15</u>	<u>99.9% or a minimum value of \$300, whichever is higher</u>

Notwithstanding the provisions of this subdivision to the contrary, in no case shall the assessed value of a motor vehicle, as depreciated pursuant to this subdivision, be less than three hundred dollars.

(3) To implement the provisions of this subsection without large variations from the method in effect prior to January 1, 2024, the assessor shall assume that the last valuation tables used prior to October 1, 2024, are fair valuations and these valuations shall be depreciated from the table

1 provided in subdivision (2) of this subsection until the end of their useful life. The state tax
2 commission shall secure an annual appropriation from the general assembly for the publication used
3 pursuant to subdivision (1) of this subsection. The state tax commission or the state of Missouri
4 shall be the registered user of the publication with rights to allow all assessors access to the
5 publication. The publication shall be available to all assessors by December fifteenth of each year.

6 10. Before the assessor may increase the assessed valuation of any parcel of subclass (1)
7 real property by more than fifteen percent since the last assessment, excluding increases due to new
8 construction or improvements, the assessor shall conduct a physical inspection of such property.

9 11. If a physical inspection is required, pursuant to subsection 10 of this section, the assessor
10 shall notify the property owner of that fact in writing and shall provide the owner clear written
11 notice of the owner's rights relating to the physical inspection. If a physical inspection is required,
12 the property owner may request that an interior inspection be performed during the physical
13 inspection. The owner shall have no less than thirty days to notify the assessor of a request for an
14 interior physical inspection.

15 12. A physical inspection, as required by subsection 10 of this section, shall include, but not
16 be limited to, an on-site personal observation and review of all exterior portions of the land and any
17 buildings and improvements to which the inspector has or may reasonably and lawfully gain
18 external access, and shall include an observation and review of the interior of any buildings or
19 improvements on the property upon the timely request of the owner pursuant to subsection 11 of this
20 section. Mere observation of the property via a drive-by inspection or the like shall not be
21 considered sufficient to constitute a physical inspection as required by this section.

22 13. A county or city collector may accept credit cards as proper form of payment of
23 outstanding property tax or license due. No county or city collector may charge surcharge for
24 payment by credit card which exceeds the fee or surcharge charged by the credit card bank,
25 processor, or issuer for its service. A county or city collector may accept payment by electronic
26 transfers of funds in payment of any tax or license and charge the person making such payment a fee
27 equal to the fee charged the county by the bank, processor, or issuer of such electronic payment.

28 14. Any county or city not within a county in this state may, by an affirmative vote of the
29 governing body of such county, opt out of the provisions of this section and sections 137.073,
30 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second
31 regular session and section 137.073 as modified by house committee substitute for senate substitute
32 for senate committee substitute for senate bill no. 960, ninety-second general assembly, second
33 regular session, for the next year of the general reassessment, prior to January first of any year. No
34 county or city not within a county shall exercise this opt-out provision after implementing the
35 provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no.
36 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by
37 house committee substitute for senate substitute for senate committee substitute for senate bill no.
38 960, ninety-second general assembly, second regular session, in a year of general reassessment. For
39 the purposes of applying the provisions of this subsection, a political subdivision contained within
40 two or more counties where at least one of such counties has opted out and at least one of such
41 counties has not opted out shall calculate a single tax rate as in effect prior to the enactment of house
42 bill no. 1150 of the ninety-first general assembly, second regular session. A governing body of a
43 city not within a county or a county that has opted out under the provisions of this subsection may
44 choose to implement the provisions of this section and sections 137.073, 138.060, and 138.100 as
45 enacted by house bill no. 1150 of the ninety-first general assembly, second regular session, and
46 section 137.073 as modified by house committee substitute for senate substitute for senate
47 committee substitute for senate bill no. 960, ninety-second general assembly, second regular session,
48 for the next year of general reassessment, by an affirmative vote of the governing body prior to
49 December thirty-first of any year.

1 15. The governing body of any city of the third classification with more than twenty-six
 2 thousand three hundred but fewer than twenty-six thousand seven hundred inhabitants located in any
 3 county that has exercised its authority to opt out under subsection 14 of this section may levy
 4 separate and differing tax rates for real and personal property only if such city bills and collects its
 5 own property taxes or satisfies the entire cost of the billing and collection of such separate and
 6 differing tax rates. Such separate and differing rates shall not exceed such city's tax rate ceiling.

7 16. Any portion of real property that is available as reserve for strip, surface, or coal mining
 8 for minerals for purposes of excavation for future use or sale to others that has not been bonded and
 9 permitted under chapter 444 shall be assessed based upon how the real property is currently being
 10 used. Any information provided to a county assessor, state tax commission, state agency, or
 11 political subdivision responsible for the administration of tax policies shall, in the performance of its
 12 duties, make available all books, records, and information requested, except such books, records,
 13 and information as are by law declared confidential in nature, including individually identifiable
 14 information regarding a specific taxpayer or taxpayer's mine property. For purposes of this
 15 subsection, "mine property" shall mean all real property that is in use or readily available as a
 16 reserve for strip, surface, or coal mining for minerals for purposes of excavation for current or future
 17 use or sale to others that has been bonded and permitted under chapter 444."; and

18
 19 Further amend said bill, Pages 9-11, Section 143.125, Lines 1-62, by deleting all of said section and
 20 lines; 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, sections 281.220 to
 45 281.310, which are to be used in connection with the growth or production of crops, fruit trees or
 46 orchards applied before, during, or after planting, the crop of which when harvested will be sold at
 47 retail or will be converted into foodstuffs which are to be sold ultimately in processed form at retail;

48 (2) Materials, manufactured goods, machinery and parts which when used in manufacturing,
 49 processing, compounding, mining, producing or fabricating become a component part or ingredient

1 of the new personal property resulting from such manufacturing, processing, compounding, mining,
2 producing or fabricating and which new personal property is intended to be sold ultimately for final
3 use or consumption; and materials, including without limitation, gases and manufactured goods,
4 including without limitation slagging materials and firebrick, which are ultimately consumed in the
5 manufacturing process by blending, reacting or interacting with or by becoming, in whole or in part,
6 component parts or ingredients of steel products intended to be sold ultimately for final use or
7 consumption;

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

11 (4) Replacement machinery, equipment, and parts and the materials and supplies solely
12 required for the installation or construction of such replacement machinery, equipment, and parts,
13 used directly in manufacturing, mining, fabricating or producing a product which is intended to be
14 sold ultimately for final use or consumption; and machinery and equipment, and the materials and
15 supplies required solely for the operation, installation or construction of such machinery and
16 equipment, purchased and used to establish new, or to replace or expand existing, material recovery
17 processing plants in this state. For the purposes of this subdivision, a "material recovery processing
18 plant" means a facility that has as its primary purpose the recovery of materials into a usable product
19 or a different form which is used in producing a new product and shall include a facility or
20 equipment which are used exclusively for the collection of recovered materials for delivery to a
21 material recovery processing plant but shall not include motor vehicles used on highways. For
22 purposes of this section, the terms motor vehicle and highway shall have the same meaning pursuant
23 to section 301.010. For the purposes of this subdivision, subdivision (5) of this subsection, and
24 section 144.054, as well as the definition in subdivision (9) of subsection 1 of section 144.010, the
25 term "product" includes telecommunications services and the term "manufacturing" shall include the
26 production, or production and transmission, of telecommunications services. The preceding
27 sentence does not make a substantive change in the law and is intended to clarify that the term
28 "manufacturing" has included and continues to include the production and transmission of
29 "telecommunications services", as enacted in this subdivision and subdivision (5) of this subsection,
30 as well as the definition in subdivision (9) of subsection 1 of section 144.010. The preceding two
31 sentences reaffirm legislative intent consistent with the interpretation of this subdivision and
32 subdivision (5) of this subsection in *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d
33 763 (Mo. banc 2002) and *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo.
34 banc 2005), and accordingly abrogates the Missouri supreme court's interpretation of those
35 exemptions in *IBM Corporation v. Director of Revenue*, 491 S.W.3d 535 (Mo. banc 2016) to the
36 extent inconsistent with this section and *Southwestern Bell Tel. Co. v. Director of Revenue*, 78
37 S.W.3d 763 (Mo. banc 2002) and *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d
38 226 (Mo. banc 2005). The construction and application of this subdivision as expressed by the
39 Missouri supreme court in *DST Systems, Inc. v. Director of Revenue*, 43 S.W.3d 799 (Mo. banc
40 2001); *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and
41 *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), is hereby
42 affirmed. Material recovery is not the reuse of materials within a manufacturing process or the use
43 of a product previously recovered. The material recovery processing plant shall qualify under the
44 provisions of this section regardless of ownership of the material being recovered;

45 (5) Machinery and equipment, and parts and the materials and supplies solely required for
46 the installation or construction of such machinery and equipment, purchased and used to establish
47 new or to expand existing manufacturing, mining or fabricating plants in the state if such machinery
48 and equipment is used directly in manufacturing, mining or fabricating a product which is intended
49 to be sold ultimately for final use or consumption. The construction and application of this

1 subdivision as expressed by the Missouri supreme court in *DST Systems, Inc. v. Director of*
2 *Revenue*, 43 S.W.3d 799 (Mo. banc 2001); *Southwestern Bell Tel. Co. v. Director of Revenue*, 78
3 S.W.3d 763 (Mo. banc 2002); and *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d
4 226 (Mo. banc 2005), is hereby affirmed;

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

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

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

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

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

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

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

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

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

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

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

43 (17) All amounts paid or charged for admission or participation or other fees paid by or
44 other charges to individuals in or for any place of amusement, entertainment or recreation, games or
45 athletic events, including museums, fairs, zoos and planetariums, owned or operated by a
46 municipality or other political subdivision where all the proceeds derived therefrom benefit the
47 municipality or other political subdivision and do not inure to any private person, firm, or
48 corporation, provided, however, that a municipality or other political subdivision may enter into
49 revenue-sharing agreements with private persons, firms, or corporations providing goods or

1 services, including management services, in or for the place of amusement, entertainment or
2 recreation, games or athletic events, and provided further that nothing in this subdivision shall
3 exempt from tax any amounts retained by any private person, firm, or corporation under such
4 revenue-sharing agreement;

5 (18) All sales of insulin, and all sales, rentals, repairs, and parts of durable medical
6 equipment, prosthetic devices, and orthopedic devices as defined on January 1, 1980, by the federal
7 Medicare program pursuant to Title XVIII of the Social Security Act of 1965, including the items
8 specified in Section 1862(a)(12) of that act, and also specifically including hearing aids and hearing
9 aid supplies and all sales of drugs which may be legally dispensed by a licensed pharmacist only
10 upon a lawful prescription of a practitioner licensed to administer those items, including samples
11 and materials used to manufacture samples which may be dispensed by a practitioner authorized to
12 dispense such samples and all sales or rental of medical oxygen, home respiratory equipment and
13 accessories including parts, and hospital beds and accessories and ambulatory aids including parts,
14 and all sales or rental of manual and powered wheelchairs including parts, and stairway lifts, Braille
15 writers, electronic Braille equipment and, if purchased or rented by or on behalf of a person with
16 one or more physical or mental disabilities to enable them to function more independently, all sales
17 or rental of scooters including parts, and reading machines, electronic print enlargers and
18 magnifiers, electronic alternative and augmentative communication devices, and items used solely
19 to modify motor vehicles to permit the use of such motor vehicles by individuals with disabilities or
20 sales of over-the-counter or nonprescription drugs to individuals with disabilities, and drugs
21 required by the Food and Drug Administration to meet the over-the-counter drug product labeling
22 requirements in 21 CFR 201.66, or its successor, as prescribed by a health care practitioner licensed
23 to prescribe;

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

27 (20) All sales of aircraft to common carriers for storage or for use in interstate commerce
28 and all sales made by or to not-for-profit civic, social, service or fraternal organizations, including
29 fraternal organizations which have been declared tax-exempt organizations pursuant to Section
30 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or charitable
31 functions and activities and all sales made to eleemosynary and penal institutions and industries of
32 the state, and all sales made to any private not-for-profit institution of higher education not
33 otherwise excluded pursuant to subdivision (19) of this subsection or any institution of higher
34 education supported by public funds, and all sales made to a state relief agency in the exercise of
35 relief functions and activities;

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

42 (22) All sales made to any private not-for-profit elementary or secondary school, all sales of
43 feed additives, medications or vaccines administered to livestock or poultry in the production of
44 food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for food or
45 fiber, all sales of bedding used in the production of livestock or poultry for food or fiber, all sales of
46 propane or natural gas, electricity or diesel fuel used exclusively for drying agricultural crops,
47 natural gas used in the primary manufacture or processing of fuel ethanol as defined in section
48 142.028, natural gas, propane, and electricity used by an eligible new generation cooperative or an
49 eligible new generation processing entity as defined in section 348.432, and all sales of farm

1 machinery and equipment, other than airplanes, motor vehicles and trailers, and any freight charges
 2 on any exempt item. As used in this subdivision, the term "feed additives" means tangible personal
 3 property which, when mixed with feed for livestock or poultry, is to be used in the feeding of
 4 livestock or poultry. As used in this subdivision, the term "pesticides" includes adjuvants such as
 5 crop oils, surfactants, wetting agents and other assorted pesticide carriers used to improve or
 6 enhance the effect of a pesticide and the foam used to mark the application of pesticides and
 7 herbicides for the production of crops, livestock or poultry. As used in this subdivision, the term
 8 "farm machinery and equipment" shall mean:

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

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

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

- 21 a. Used exclusively for agricultural purposes;
- 22 b. Used on land owned or leased for the purpose of producing farm products; and
- 23 c. Used directly in producing farm products to be sold ultimately in processed form or
 24 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold
 25 ultimately in processed form at retail;

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

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

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

48 (c) Each person making domestic use purchases of services or property and who uses any
 49 portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day of

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

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

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

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

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

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

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

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

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

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

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

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

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

(36) All purchases by a contractor on behalf of an entity located in another state, provided that the entity is authorized to issue a certificate of exemption for purchases to a contractor under the

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

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

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

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

(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

1 pulled by such motor vehicles, that are actually used in the normal course of business to haul
 2 property on the public highways of the state, and that are capable of hauling loads commensurate
 3 with the motor vehicle's registered weight; and the materials, replacement parts, and equipment
 4 purchased for use directly upon, and for the repair and maintenance or manufacture of such vehicles.
 5 For purposes of this subdivision, "motor vehicle" and "public highway" shall have the meaning as
 6 ascribed in section 390.020;

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

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

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

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

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

49 a. The fee is not imposed for the purpose of recovering direct costs incurred by the

1 franchising or other governmental authority from providing the specific privilege, service, or benefit
 2 conferred to the payer of the fee; or

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

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

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

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

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

14 (47) All sales of used tangible personal property purchased by a consumer for use or
 15 consumption, and not for resale, for valuable consideration directly from a seller at an auction of
 16 used tangible personal property or from another consumer. For the purposes of this section, "used
 17 tangible personal property" is any tangible personal property that is sold a second time at an auction
 18 or any number of additional subsequent times after the initial point of sale at an auction, upon which
 19 a sales tax is levied. The term "used tangible personal property" shall not include motor vehicles,
 20 trailers, boats, or outboard motors purchased or acquired for use on the highways or waters of this
 21 state which are required to be titled under the laws of the state of Missouri.

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.

33 144.615. There are specifically exempted from the taxes levied in sections 144.600 to
 34 144.745:

35 (1) Property, the storage, use or consumption of which this state is prohibited from taxing
 36 pursuant to the constitution or laws of the United States or of this state;

37 (2) Property, the gross receipts from the sale of which are required to be included in the
 38 measure of the tax imposed pursuant to the Missouri sales tax law;

39 (3) Tangible personal property, the sale or other transfer of which, if made in this state,
 40 would be exempt from or not subject to the Missouri sales tax pursuant to the provisions of
 41 subsection 2 of section 144.030;

42 (4) Motor vehicles, trailers, boats, and outboard motors subject to the tax imposed by
 43 section 144.020;

44 (5) Tangible personal property which has been subjected to a tax by any other state in this
 45 respect to its sales or use; provided, if such tax is less than the tax imposed by sections 144.600 to
 46 144.745, such property, if otherwise taxable, shall be subject to a tax equal to the difference between
 47 such tax and the tax imposed by sections 144.600 to 144.745;

48 (6) Tangible personal property held by processors, retailers, importers, manufacturers,

1 wholesalers, or jobbers solely for resale in the regular course of business;

2 (7) Personal and household effects and farm machinery used while an individual was a bona
3 fide resident of another state and who thereafter became a resident of this state, or tangible personal
4 property brought into the state by a nonresident for his own storage, use or consumption while
5 temporarily within the state;

6 (8) Tangible personal property purchased by a consumer for use or consumption, and not for
7 resale, for valuable consideration directly from a seller at an auction of used tangible personal
8 property or from another consumer. For the purposes of this section, "used tangible personal
9 property" is any tangible personal property that is sold a second time at an auction or any number of
10 additional subsequent times after the initial point of sale at an auction, upon which a sales tax is
11 levied. The term "used tangible personal property" shall not include motor vehicles, trailers, boats,
12 or outboard motors purchased or acquired for use on the highways or waters of this state which are
13 required to be titled under the laws of the state of Missouri.

14 Section B. Because immediate action is necessary to protect taxpayers from inflated values
15 and rapidly increasing prices, the repeal and reenactment of section 137.115 of section A of this act
16 is deemed necessary for the immediate preservation of the public health, welfare, peace, and safety,
17 and is hereby declared to be an emergency act within the meaning of the constitution, and the repeal
18 and reenactment of section 137.115 of section A of this act shall be in full force and effect upon its
19 passage and approval."; and

20
21 Further amend said bill by amending the title, enacting clause, and intersectional references
22 accordingly.
23