

House _____ Amendment NO. _____

Offered By

1 AMEND Senate Substitute for Senate Bill No. 23, Page 1, Section A, Line 3, by inserting after all of
2 said section and line the following:

3
4 "32.115. 1. The department of revenue shall grant a tax credit, to be applied in the
5 following order until used, against:

6 (1) The annual tax on gross premium receipts of insurance companies in chapter 148;

7 (2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section
8 148.030;

9 (3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030;

10 (4) The tax on other financial institutions in chapter 148;

11 (5) The corporation franchise tax in chapter 147;

12 (6) The state income tax in chapter 143; and

13 (7) The annual tax on gross receipts of express companies in chapter 153.

14 2. For proposals approved pursuant to section 32.110:

15 (1) The amount of the tax credit shall not exceed [~~fifty~~] seventy percent of the total amount
16 contributed during the taxable year by the business firm or, in the case of a financial institution,
17 where applicable, during the relevant income period in programs approved pursuant to section
18 32.110;

19 (2) Except as provided in subsection 2 or 5 of this section, a tax credit of up to seventy
20 percent may be allowed for contributions to programs where activities fall within the scope of
21 special program priorities as defined with the approval of the governor in regulations promulgated
22 by the director of the department of economic development;

23 (3) Except as provided in subsection 2 or 5 of this section, the tax credit allowed for
24 contributions to programs located in any community shall be equal to seventy percent of the total
25 amount contributed where such community is a city, town or village which has fifteen thousand or
26 less inhabitants as of the last decennial census and is located in a county which is either located in:

27 (a) An area that is not part of a standard metropolitan statistical area;

28 (b) A standard metropolitan statistical area but such county has only one city, town or
29 village which has more than fifteen thousand inhabitants; or

30 (c) A standard metropolitan statistical area and a substantial number of persons in such

Action Taken _____ Date _____

1 county derive their income from agriculture.

2
3 Such community may also be in an unincorporated area in such county as provided in subdivision
4 (1), (2) or (3) of this subsection. Except in no case shall the total economic benefit of the combined
5 federal and state tax savings to the taxpayer exceed the amount contributed by the taxpayer during
6 the tax year;

7 (4) Such tax credit allocation, equal to seventy percent of the total amount contributed, shall
8 not exceed four million dollars in fiscal year 1999 and six million dollars in fiscal year 2000 and any
9 subsequent fiscal year. When the maximum dollar limit on the seventy percent tax credit allocation
10 is committed, the tax credit allocation for such programs shall then be equal to fifty percent credit of
11 the total amount contributed. Regulations establishing special program priorities are to be
12 promulgated during the first month of each fiscal year and at such times during the year as the
13 public interest dictates. Such credit shall not exceed two hundred and fifty thousand dollars
14 annually except as provided in subdivision (5) of this subsection. No tax credit shall be approved
15 for any bank, bank and trust company, insurance company, trust company, national bank, savings
16 association, or building and loan association for activities that are a part of its normal course of
17 business. Any tax credit not used in the period the contribution was made may be carried over the
18 next five succeeding calendar or fiscal years until the full credit has been claimed. Except as
19 otherwise provided for proposals approved pursuant to section 32.111, 32.112 or 32.117, in no event
20 shall the total amount of all other tax credits allowed pursuant to sections 32.100 to 32.125 exceed
21 thirty-two million dollars in any one fiscal year, of which six million shall be credits allowed
22 pursuant to section 135.460. If six million dollars in credits are not approved, then the remaining
23 credits may be used for programs approved pursuant to sections 32.100 to 32.125;

24 (5) The credit may exceed two hundred fifty thousand dollars annually and shall not be
25 limited if community services, crime prevention, education, job training, physical revitalization or
26 economic development, as defined by section 32.105, is rendered in an area defined by federal or
27 state law as an impoverished, economically distressed, or blighted area or as a neighborhood
28 experiencing problems endangering its existence as a viable and stable neighborhood, or if the
29 community services, crime prevention, education, job training, physical revitalization or economic
30 development is limited to impoverished persons.

31 3. For proposals approved pursuant to section 32.111:

32 (1) The amount of the tax credit shall not exceed fifty-five percent of the total amount
33 invested in affordable housing assistance activities or market rate housing in distressed communities
34 as defined in section 135.530 by a business firm. Whenever such investment is made in the form of
35 an equity investment or a loan, as opposed to a donation alone, tax credits may be claimed only
36 where the loan or equity investment is accompanied by a donation which is eligible for federal
37 income tax charitable deduction, and where the total value of the tax credits herein plus the value of
38 the federal income tax charitable deduction is less than or equal to the value of the donation. Any
39 tax credit not used in the period for which the credit was approved may be carried over the next ten

1 succeeding calendar or fiscal years until the full credit has been allowed. If the affordable housing
2 units or market rate housing units in distressed communities for which a tax is claimed are within a
3 larger structure, parts of which are not the subject of a tax credit claim, then expenditures applicable
4 to the entire structure shall be reduced on a prorated basis in proportion to the ratio of the number of
5 square feet devoted to the affordable housing units or market rate housing units in distressed
6 communities, for purposes of determining the amount of the tax credit. The total amount of tax
7 credit granted for programs approved pursuant to section 32.111 for the fiscal year beginning July 1,
8 1991, shall not exceed two million dollars, to be increased by no more than two million dollars each
9 succeeding fiscal year, until the total tax credits that may be approved reaches ten million dollars in
10 any fiscal year;

11 (2) For any year during the compliance period indicated in the land use restriction
12 agreement, the owner of the affordable housing rental units for which a credit is being claimed shall
13 certify to the commission that all tenants renting claimed units are income eligible for affordable
14 housing units and that the rentals for each claimed unit are in compliance with the provisions of
15 sections 32.100 to 32.125. The commission is authorized, in its discretion, to audit the records and
16 accounts of the owner to verify such certification;

17 (3) In the case of owner-occupied affordable housing units, the qualifying owner occupant
18 shall, before the end of the first year in which credits are claimed, certify to the commission that the
19 occupant is income eligible during the preceding two years, and at the time of the initial purchase
20 contract, but not thereafter. The qualifying owner occupant shall further certify to the commission,
21 before the end of the first year in which credits are claimed, that during the compliance period
22 indicated in the land use restriction agreement, the cost of the affordable housing unit to the
23 occupant for the claimed unit can reasonably be projected to be in compliance with the provisions of
24 sections 32.100 to 32.125. Any succeeding owner occupant acquiring the affordable housing unit
25 during the compliance period indicated in the land use restriction agreement shall make the same
26 certification;

27 (4) If at any time during the compliance period the commission determines a project for
28 which a proposal has been approved is not in compliance with the applicable provisions of sections
29 32.100 to 32.125 or rules promulgated therefor, the commission may within one hundred fifty days
30 of notice to the owner either seek injunctive enforcement action against the owner, or seek legal
31 damages against the owner representing the value of the tax credits, or foreclose on the lien in the
32 land use restriction agreement, selling the project at a public sale, and paying to the owner the
33 proceeds of the sale, less the costs of the sale and less the value of all tax credits allowed herein.
34 The commission shall remit to the director of revenue the portion of the legal damages collected or
35 the sale proceeds representing the value of the tax credits. However, except in the event of
36 intentional fraud by the taxpayer, the proposal's certificate of eligibility for tax credits shall not be
37 revoked.

38 4. For proposals approved pursuant to section 32.112, the amount of the tax credit shall not
39 exceed fifty-five percent of the total amount contributed to a neighborhood organization by business

1 firms. Any tax credit not used in the period for which the credit was approved may be carried over
2 the next ten succeeding calendar or fiscal years until the full credit has been allowed. The total
3 amount of tax credit granted for programs approved pursuant to section 32.112 shall not exceed one
4 million dollars for each fiscal year. In the event the total amount of tax credits granted for programs
5 approved under section 32.111 for the fiscal year is less than ten million dollars, such amount may
6 be granted for programs approved under section 32.112 such that the combined amount awarded
7 under sections 32.111 and 32.112 annually does not exceed eleven million dollars.

8 5. The total amount of tax credits used for market rate housing in distressed communities
9 pursuant to sections 32.100 to 32.125 shall not exceed thirty percent of the total amount of all tax
10 credits authorized pursuant to sections 32.111 and 32.112.

11 135.457. 1. This section shall be known and may be cited as the "Intern and Apprentice
12 Recruitment Act".

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

14 (1) "Apprentice", an individual registered and participating in a qualified apprenticeship
15 program in Missouri who has completed at least one year in such qualified apprenticeship program;

16 (2) "Intern", a student who is enrolled at an approved private or public institution, as defined
17 in section 173.1102, and who has completed a minimum of thirty credit hours;

18 (3) "Qualified apprenticeship program", an approved apprenticeship program, as defined
19 under 29 CFR Part 29 and 29 U.S.C. Section 50, certified by the United States Department of Labor,
20 in partnership with the Missouri department of higher education and workforce development, and
21 conducted in Missouri;

22 (4) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding
23 withholding tax imposed under sections 143.191 to 143.265;

24 (5) "Taxpayer", any individual, firm, partner in a firm, corporation, partnership, shareholder
25 in an S corporation, or member of a limited liability company subject to the state income tax
26 imposed under chapter 143, 147, 148, or 153, excluding the withholding tax imposed under sections
27 143.191 to 143.265, and that engages in business in the apprentice's or intern's chosen field of study.

28 3. For all tax years beginning on or after January 1, 2024, a taxpayer shall be allowed to
29 claim a tax credit against the taxpayer's state tax liability in an amount equal to one thousand five
30 hundred dollars for each intern or apprentice hired at a pay rate equal to or greater than minimum
31 wage, provided that the following criteria are met:

32 (1) The total number of interns or apprentices employed for the tax year that the credit is
33 claimed exceeds the average number of interns or apprentices employed by the taxpayer over the
34 previous three years;

35 (2) Interns shall work a minimum of sixty hours per month for two consecutive months
36 during the tax year for which the credit is claimed and a copy of each intern's official transcript is
37 submitted with the claim for such tax credit; and

38 (3) Apprentices comply with all federal requirements of a qualified apprenticeship including
39 completing a minimum of two thousand hours of on-the-job training and one hundred forty-four

1 hours of required technical instruction in a calendar year and a copy of the qualified apprenticeship
2 program.

3 4. Notwithstanding any provision of section 32.057 or any other confidentiality provision of
4 state tax law to the contrary, the department of revenue may reveal the names and other necessary
5 information of all prior employers who have claimed an individual as an intern or apprentice under
6 this section, including the tax years in which such individual was claimed as a qualified apprentice.

7 5. The total amount of tax credits claimed by a taxpayer under this section shall not exceed
8 nine thousand dollars in any given tax year.

9 6. The cumulative amount of tax credits allowed to all taxpayers under this section shall not
10 exceed one million dollars per tax year. If the amount of tax credits claimed in a tax year under this
11 section exceeds one million dollars, priority shall be given to taxpayers that have been in business
12 for less than five years, with the remaining tax credits to be distributed based on the order in which
13 they are claimed.

14 7. Tax credits issued under the provisions of this section shall not be refundable. No tax
15 credit claimed under this section shall be carried forward to any subsequent tax year.

16 8. No tax credit claimed under this section shall be assigned, transferred, sold, or otherwise
17 conveyed.

18 9. The application for the tax credits under this section shall be made to the department of
19 economic development and shall include information on participation in the qualified apprenticeship
20 program or a copy of the official transcript for the intern being claimed, if applicable, and any other
21 such information that the department deems necessary. The department of economic development
22 shall prescribe the method for claiming the tax credits allowed in this section and shall certify to the
23 department of revenue each applicant that qualifies for a tax credit under this section.

24 10. The department of economic development shall prepare an annual report containing
25 statistical information regarding the tax credits issued under this section for the previous tax year,
26 including the total amount of tax credits claimed in the tax year, the average number of tax credits
27 claimed per taxpayer, the total number of interns claimed, the total number of apprentices claimed,
28 and the total amount expended on the program.

29 11. The department of economic development shall promulgate all necessary rules and
30 regulations for the administration of this section. Any rule or portion of a rule, as that term is
31 defined in section 536.010, that is created under the authority delegated in this section shall become
32 effective only if it complies with and is subject to all of the provisions of chapter 536 and, if
33 applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers
34 vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to
35 disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking
36 authority and any rule proposed or adopted after August 28, 2023, shall be invalid and void.

37 12. Under section 23.253 of the Missouri sunset act:

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

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

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

9 135.465. 1. As used in this section, the following terms mean:

10 (1) "Federal work opportunity credit", the work opportunity tax credit allowed under 26
11 U.S.C. Section 51, as amended;

12 (2) "Qualified taxpayer", any individual or entity subject to the state income tax imposed
13 under chapter 143, 147, 148, or 153, excluding the withholding tax imposed under sections 143.191
14 to 143.265, who is an employer that incurred or paid wages to an individual who is in a targeted
15 group and was employed in the state during the tax year for which the tax credit under this section is
16 claimed;

17 (3) "Targeted group", the same meaning as defined in 26 U.S.C. Section 51, as amended;

18 (4) "Tax credit", a credit against the tax otherwise due under chapter 143, 147, 148, or 153,
19 excluding withholding tax imposed under sections 143.191 to 143.265.

20 2. For all tax years beginning on or after January 1, 2024, a qualified taxpayer shall be
21 allowed to claim a tax credit against the taxpayer's state tax liability for wages incurred or paid by
22 the qualified taxpayer during the tax year to an individual who is in a targeted group and who is
23 employed in the state in an amount equal to the lesser of:

24 (1) One hundred percent of the federal work opportunity credit properly claimed for the tax
25 year by the qualified taxpayer on such taxpayer's federal income tax return with respect to such
26 wages, excluding any amount carried back or forward from another tax year in accordance with 26
27 U.S.C. Section 51, as amended; or

28 (2) The Missouri state income tax liability of the taxpayer for that tax year, except in the
29 case of an employer that is an organization exempt from taxation under 26 U.S.C. Section 501(c), as
30 amended.

31 3. An employer that is an organization exempt from taxation under 26 U.S.C. Section
32 501(c), as amended may apply the credit authorized under this section as a credit for the payment of
33 taxes that the organization is required to withhold from the wages of employees and required to pay
34 to the state.

35 4. Tax credits issued under the provisions of this section shall not be refundable. No tax
36 credit claimed under this section shall be carried forward to any subsequent tax year.

37 5. No tax credit claimed under this section shall be assigned, transferred, sold, or otherwise
38 conveyed.

1 6. The cumulative amount of tax credits allowed to all taxpayers under this section shall not
2 exceed ten million dollars per tax year. If the amount of tax credits claimed in a tax year under this
3 section exceeds ten million dollars, tax credits shall be allowed based on the order in which they are
4 claimed.

5 7. The department of revenue shall promulgate all necessary rules and regulations for the
6 administration of this section. Any rule or portion of a rule, as that term is defined in section
7 536.010, that is created under the authority delegated in this section shall become effective only if it
8 complies with and is subject to all of the provisions of chapter 536 and, if applicable, section
9 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the
10 general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and
11 annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any
12 rule proposed or adopted after August 28, 2023, shall be invalid and void.

13 8. Under section 23.253 of the Missouri sunset act:

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

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

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

22 137.1050. 1. For the purposes of this section, the following terms shall mean:

23 (1) "Eligible credit amount", the difference between an eligible taxpayer's real property tax
24 liability on such taxpayer's homestead for a given tax year, minus the real property tax liability on
25 such homestead in the year that the taxpayer became an eligible taxpayer;

26 (2) "Eligible taxpayer", a Missouri resident who:

27 (a) Is eligible for Social Security retirement benefits;

28 (b) Is an owner of record of a homestead or has a legal or equitable interest in such property
29 as evidenced by a written instrument; and

30 (c) Is liable for the payment of real property taxes on such homestead;

31 (3) "Homestead", real property actually occupied by an eligible taxpayer as the primary
32 residence. An eligible taxpayer shall not claim more than one primary residence;

33 (4) "Real property tax liability", the amount of revenue derived from the tax imposed on an
34 eligible taxpayer's homestead that is:

35 (a) Collected by the county in which such eligible taxpayer's homestead is located; and

36 (b) Available under state law for appropriation by such county in such county's annual
37 budget for county expenditures.

1 2. Any county authorized to impose a property tax may grant a property tax credit to eligible
 2 taxpayers residing in such county in an amount equal to the taxpayer's eligible credit amount,
 3 provided that:

4 (1) Such county adopts an ordinance authorizing such credit; or

5 (2) (a) A petition in support of a referendum on such a credit is signed by at least five
 6 percent of the registered voters of such county voting in the last gubernatorial election and the
 7 petition is delivered to the governing body of the county, which shall subsequently hold a
 8 referendum on such credit.

9 (b) The ballot of submission for the question submitted to the voters pursuant to paragraph
 10 (a) of this subdivision shall be in substantially the following form:

Shall the County of _____ exempt senior citizens from increases in the
property tax liability due on such seniors citizens' primary residence?

YES

NO

11
 12 If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of
 13 the proposal, then the credit shall be in effect.

14 3. A county granting an exemption pursuant to this section shall apply such exemption when
 15 calculating the eligible taxpayer's property tax liability for the tax year. The amount of the credit
 16 shall be noted on the statement of tax due sent to the eligible taxpayer by the county collector.

17 4. For the purposes of calculating property tax levies pursuant to section 137.073, the total
 18 amount of credits authorized by a county pursuant to this section shall be considered tax revenue, as
 19 such term is defined in section 137.073, actually received by the county.

20 143.022. 1. As used in this section, "business income" means the income greater than zero
 21 arising from transactions in the regular course of all of a taxpayer's trade or business and shall be
 22 limited to the Missouri source net profit from the combination of the following:

23 (1) The total combined profit as properly reported to the Internal Revenue Service on each
 24 Schedule C, or its successor form, filed; ~~and~~

25 (2) The total partnership and S corporation income or loss properly reported to the Internal
 26 Revenue Service on Part II of Schedule E, or its successor form;

27 (3) The total combined profit as properly reported to the Internal Revenue Service on each
 28 Schedule F, or its successor form, filed; and

29 (4) The total combined profit as properly reported to the Internal Revenue Service on each
 30 Form 4835, or its successor form, filed.

31 2. In addition to all other modifications allowed by law, there shall be subtracted from the
 32 federal adjusted gross income of an individual taxpayer a percentage of such individual's business
 33 income, to the extent that such amounts are included in federal adjusted gross income when
 34 determining such individual's Missouri adjusted gross income and are not otherwise subtracted or
 35 deducted in determining such individual's Missouri taxable income.

1 3. In the case of an S corporation described in section 143.471 or a partnership computing
2 the deduction allowed under subsection 2 of this section, taxpayers described in subdivision (1) or
3 (2) of this subsection shall be allowed such deduction apportioned in proportion to their share of
4 ownership of the business as reported on the taxpayer's Schedule K-1, or its successor form, for the
5 tax period for which such deduction is being claimed when determining the Missouri adjusted gross
6 income of:

7 (1) The shareholders of an S corporation as described in section 143.471;

8 (2) The partners in a partnership.

9 4. The percentage to be subtracted under subsection 2 of this section shall be increased over
10 a period of years. Each increase in the percentage shall be by five percent and no more than one
11 increase shall occur in a calendar year. The maximum percentage that may be subtracted is twenty
12 percent of business income. Any increase in the percentage that may be subtracted shall take effect
13 on January first of a calendar year and such percentage shall continue in effect until the next
14 percentage increase occurs. An increase shall only apply to tax years that begin on or after the
15 increase takes effect.

16 5. An increase in the percentage that may be subtracted under subsection 2 of this section
17 shall only occur if the amount of net general revenue collected in the previous fiscal year exceeds
18 the highest amount of net general revenue collected in any of the three fiscal years prior to such
19 fiscal year by at least one hundred fifty million dollars.

20 6. The first year that a taxpayer may make the subtraction under subsection 2 of this section
21 is 2017, provided that the provisions of subsection 5 of this section are met. If the provisions of
22 subsection 5 of this section are met, the percentage that may be subtracted in 2017 is five percent.";
23 and

24
25 Further amend said bill, Page 5, Section 144.020, Line 133, by inserting after all of said section and
26 line the following:

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

35 2. There are also specifically exempted from the provisions of the local sales tax law as
36 defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.761
37 and from the computation of the tax levied, assessed or payable pursuant to the local sales tax law as
38 defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to
39 144.745:

1 (1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of such
2 excise tax is refunded pursuant to section 142.824; or upon the sale at retail of fuel to be consumed
3 in manufacturing or creating gas, power, steam, electrical current or in furnishing water to be sold
4 ultimately at retail; or feed for livestock or poultry; or grain to be converted into foodstuffs which
5 are to be sold ultimately in processed form at retail; or seed, limestone or fertilizer which is to be
6 used for seeding, liming or fertilizing crops which when harvested will be sold at retail or will be
7 fed to livestock or poultry to be sold ultimately in processed form at retail; economic poisons
8 registered pursuant to the provisions of the Missouri pesticide registration law, sections 281.220 to
9 281.310, which are to be used in connection with the growth or production of crops, fruit trees or
10 orchards applied before, during, or after planting, the crop of which when harvested will be sold at
11 retail or will be converted into foodstuffs which are to be sold ultimately in processed form at retail;

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

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

24 (4) Replacement machinery, equipment, and parts and the materials and supplies solely
25 required for the installation or construction of such replacement machinery, equipment, and parts,
26 used directly in manufacturing, mining, fabricating or producing a product which is intended to be
27 sold ultimately for final use or consumption; and machinery and equipment, and the materials and
28 supplies required solely for the operation, installation or construction of such machinery and
29 equipment, purchased and used to establish new, or to replace or expand existing, material recovery
30 processing plants in this state. For the purposes of this subdivision, a "material recovery processing
31 plant" means a facility that has as its primary purpose the recovery of materials into a usable product
32 or a different form which is used in producing a new product and shall include a facility or
33 equipment which are used exclusively for the collection of recovered materials for delivery to a
34 material recovery processing plant but shall not include motor vehicles used on highways. For
35 purposes of this section, the terms motor vehicle and highway shall have the same meaning pursuant
36 to section 301.010. For the purposes of this subdivision, subdivision (5) of this subsection, and
37 section 144.054, as well as the definition in subdivision (9) of subsection 1 of section 144.010, the
38 term "product" includes telecommunications services and the term "manufacturing" shall include the
39 production, or production and transmission, of telecommunications services. The preceding

1 sentence does not make a substantive change in the law and is intended to clarify that the term
2 "manufacturing" has included and continues to include the production and transmission of
3 "telecommunications services", as enacted in this subdivision and subdivision (5) of this subsection,
4 as well as the definition in subdivision (9) of subsection 1 of section 144.010. The preceding two
5 sentences reaffirm legislative intent consistent with the interpretation of this subdivision and
6 subdivision (5) of this subsection in *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d
7 763 (Mo. banc 2002) and *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo.
8 banc 2005), and accordingly abrogates the Missouri supreme court's interpretation of those
9 exemptions in *IBM Corporation v. Director of Revenue*, 491 S.W.3d 535 (Mo. banc 2016) to the
10 extent inconsistent with this section and *Southwestern Bell Tel. Co. v. Director of Revenue*, 78
11 S.W.3d 763 (Mo. banc 2002) and *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d
12 226 (Mo. banc 2005). The construction and application of this subdivision as expressed by the
13 Missouri supreme court in *DST Systems, Inc. v. Director of Revenue*, 43 S.W.3d 799 (Mo. banc
14 2001); *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and
15 *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), is hereby
16 affirmed. Material recovery is not the reuse of materials within a manufacturing process or the use
17 of a product previously recovered. The material recovery processing plant shall qualify under the
18 provisions of this section regardless of ownership of the material being recovered;

19 (5) Machinery and equipment, and parts and the materials and supplies solely required for
20 the installation or construction of such machinery and equipment, purchased and used to establish
21 new or to expand existing manufacturing, mining or fabricating plants in the state if such machinery
22 and equipment is used directly in manufacturing, mining or fabricating a product which is intended
23 to be sold ultimately for final use or consumption. The construction and application of this
24 subdivision as expressed by the Missouri supreme court in *DST Systems, Inc. v. Director of*
25 *Revenue*, 43 S.W.3d 799 (Mo. banc 2001); *Southwestern Bell Tel. Co. v. Director of Revenue*, 78
26 S.W.3d 763 (Mo. banc 2002); and *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d
27 226 (Mo. banc 2005), is hereby affirmed;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (20) All sales of aircraft to common carriers for storage or for use in interstate commerce
24 and all sales made by or to not-for-profit civic, social, service or fraternal organizations, including
25 fraternal organizations which have been declared tax-exempt organizations pursuant to Section
26 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or charitable
27 functions and activities and all sales made to eleemosynary and penal institutions and industries of
28 the state, and all sales made to any private not-for-profit institution of higher education not
29 otherwise excluded pursuant to subdivision (19) of this subsection or any institution of higher
30 education supported by public funds, and all sales made to a state relief agency in the exercise of
31 relief functions and activities;

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

38 (22) All sales made to any private not-for-profit elementary or secondary school, all sales of
39 feed additives, medications or vaccines administered to livestock or poultry in the production of

1 food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for food or
2 fiber, all sales of bedding used in the production of livestock or poultry for food or fiber, all sales of
3 propane or natural gas, electricity or diesel fuel used exclusively for drying agricultural crops,
4 natural gas used in the primary manufacture or processing of fuel ethanol as defined in section
5 142.028, natural gas, propane, and electricity used by an eligible new generation cooperative or an
6 eligible new generation processing entity as defined in section 348.432, and all sales of farm
7 machinery and equipment, other than airplanes, motor vehicles and trailers, and any freight charges
8 on any exempt item. As used in this subdivision, the term "feed additives" means tangible personal
9 property which, when mixed with feed for livestock or poultry, is to be used in the feeding of
10 livestock or poultry. As used in this subdivision, the term "pesticides" includes adjuvants such as
11 crop oils, surfactants, wetting agents and other assorted pesticide carriers used to improve or
12 enhance the effect of a pesticide and the foam used to mark the application of pesticides and
13 herbicides for the production of crops, livestock or poultry. As used in this subdivision, the term
14 "farm machinery and equipment" shall mean:

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

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

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

27 a. Used exclusively for agricultural purposes;

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

29 c. Used directly in producing farm products to be sold ultimately in processed form or
30 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold
31 ultimately in processed form at retail;

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

36 (a) "Domestic use" means that portion of metered water service, electricity, electrical
37 current, natural, artificial or propane gas, wood, coal or home heating oil, and in any city not within
38 a county, metered or unmetered water service, which an individual occupant of a residential
39 premises uses for nonbusiness, noncommercial or nonindustrial purposes. Utility service through a

1 single or master meter for residential apartments or condominiums, including service for common
2 areas and facilities and vacant units, shall be deemed to be for domestic use. Each seller shall
3 establish and maintain a system whereby individual purchases are determined as exempt or
4 nonexempt;

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

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

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

31 (25) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4071, 4081,
32 [4091,] 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of revenue
33 shall promulgate rules pursuant to chapter 536 to eliminate all state and local sales taxes on such
34 excise taxes;

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

1 (27) All sales made to an interstate compact agency created pursuant to sections 70.370 to
2 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities of such agency
3 as provided pursuant to the compact;

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

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

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

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

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

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

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

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

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

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

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

4 (37) All sales or other transfers of tangible personal property to a lessor who leases the
5 property under a lease of one year or longer executed or in effect at the time of the sale or other
6 transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections
7 238.010 to 238.100;

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

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

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

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

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

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

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

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

36 (44) Motor vehicles registered in excess of fifty-four thousand pounds, and the trailers
37 pulled by such motor vehicles, that are actually used in the normal course of business to haul
38 property on the public highways of the state, and that are capable of hauling loads commensurate
39 with the motor vehicle's registered weight; and the materials, replacement parts, and equipment

1 purchased for use directly upon, and for the repair and maintenance or manufacture of such vehicles.
2 For purposes of this subdivision, "motor vehicle" and "public highway" shall have the meaning as
3 ascribed in section 390.020;

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

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

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

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

36 (d) "Tax", any charge imposed by the state or a political subdivision of the state for the
37 purpose of generating revenues for governmental purposes and that is not a fee imposed for a
38 specific privilege, service, or benefit conferred, except as described as otherwise under this
39 subdivision, or any obligation imposed on a seller to collect and to remit to the state or a political

1 subdivision of the state any gross retail tax, sales tax, or use tax imposed on a buyer by such a
 2 governmental entity. The term tax shall not include any franchise fee or similar fee imposed or
 3 authorized under sections 67.1830 to 67.1846 or section 67.2689; Section 622 or 653 of the
 4 Communications Act of 1934, 47 U.S.C. Section 542 and 47 U.S.C. Section 573; or any other fee
 5 related to obligations of telecommunications carriers under the Communications Act of 1934, 47
 6 U.S.C. Section 151, et seq., except to the extent that:

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

10 b. The fee is imposed for the use of a public right-of-way based on a percentage of the
 11 service revenue, and the fee exceeds the incremental direct costs incurred by the governmental
 12 authority associated with the provision of that right-of-way to the provider of internet access service.
 13

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

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

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

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

21 (47) All sales of used tangible personal property purchased by a consumer for use or
 22 consumption, and not for resale, for valuable consideration directly from a seller at an auction of
 23 used tangible property. The term "used tangible personal property" shall not include motor vehicles,
 24 trailers, boats, or outboard motors purchased or acquired for use on the highways or waters of this
 25 state which are required to be titled under the laws of the state of Missouri.

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

37
 38 Further amend said bill, Page 9, Section 144.070, Line 134, by deleting the word "may" and
 39 inserting in lieu thereof the words "[~~may~~] shall"; and

1
2 Further amend said bill and section, Pages 10-11, Lines 159-179, by deleting said lines and inserting
3 in lieu thereof the following:
4

5 "11. (1) Every motor vehicle dealer licensed under section 301.560, as soon as
6 technologically possible following the development and maintenance of a modernized, integrated
7 system for the titling of vehicles, issuance and renewal of vehicle registrations, issuance and
8 renewal of driver's licenses and identification cards, and perfection and release of liens and
9 encumbrances on vehicles, to be funded by the motor vehicle administration technology fund as
10 created in section 301.558, shall collect and remit the sales tax required under this section on all
11 motor vehicles that such dealer sells. In collecting and remitting this sales tax, motor vehicle
12 dealers shall be subject to all applicable provisions under sections 144.010 to 144.527.

13 (2) The director of revenue may promulgate all necessary rules and regulations for the
14 administration of this subsection. Any rule or portion of a rule, as that term is defined in section
15 536.010, that is created under the authority delegated in this subsection shall become effective only
16 if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section
17 536.028. This subsection and chapter 536 are nonseverable and if any of the powers vested with the
18 general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and
19 annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any
20 rule proposed or adopted after August 28, 2023, shall be invalid and void."; and
21

22 Further amend said bill and section, Page 11, Line 179, by inserting after all of said section and line
23 the following:
24

25 "144.615. There are specifically exempted from the taxes levied in sections 144.600 to
26 144.745:

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

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

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

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

36 (5) Tangible personal property which has been subjected to a tax by any other state in this
37 respect to its sales or use; provided, if such tax is less than the tax imposed by sections 144.600 to
38 144.745, such property, if otherwise taxable, shall be subject to a tax equal to the difference between
39 such tax and the tax imposed by sections 144.600 to 144.745;

40 (6) Tangible personal property held by processors, retailers, importers, manufacturers,
41 wholesalers, or jobbers solely for resale in the regular course of business;

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

5 (8) Tangible personal property purchased by a consumer for use or consumption, and not for
6 resale, for valuable consideration directly from a seller at an auction of used tangible property. The
7 term "used tangible personal property" shall not include motor vehicles, trailers, boats, or outboard
8 motors purchased or acquired for use on the highways or waters of this state which are required to
9 be titled under the laws of the state of Missouri.

10 407.812. 1. Any franchisor obtaining or renewing its license after August 28, 2010, shall be
11 bound by the provisions of the MVFP act and shall comply with it, and no franchise agreement
12 made, entered, modified, or renewed after August 28, 2010, shall avoid the requirements of the
13 MVFP act, or violate its provisions, and no franchise agreement shall be performed after the date the
14 franchisor's license is issued or renewed in such a manner that the franchisor avoids or otherwise
15 does not conform or comply with the requirements of the MVFP act. Notwithstanding the effective
16 date of any franchise agreement, all franchisor licenses and renewals thereof are issued subject to all
17 provisions of the MVFP act and chapter 301 and any regulations in effect upon the date of issuance,
18 as well as all future provisions of the MVFP act and chapter 301 and any regulations which may
19 become effective during the term of the license.

20 2. The provisions of the MVFP act shall apply to each franchise that a franchisor,
21 manufacturer, importer, or distributor has with a franchisee and all agreements between a franchisee
22 and a common entity or any person that is controlled by a franchisor.

23 3. No dealer or manufacturer licensed in this state under sections 301.550 to 301.573 shall
24 allow any subsidiary or related entity to engage in the business of selling motor vehicles, as defined
25 in section 301.010, to retail consumers in this state, except as otherwise permitted by law. Any
26 dealer or manufacturer licensed in this state shall have standing to enforce the provisions of this
27 subsection, provided that a franchise relationship exists between the parties.

28 4. No entity controlling, controlled by, or sharing a common parent entity or sibling entity
29 with a licensed dealer or manufacturer shall engage in the business of selling motor vehicles to retail
30 consumers in this state, except as permitted by sections 301.550 to 301.575 and the MVFP act. Any
31 dealer or manufacturer licensed in this state shall have standing to enforce the provisions of this
32 subsection.

33 5. No dealer or manufacturer not licensed in this state under sections 301.550 to 301.575
34 shall engage in the business of selling motor vehicles to retail consumers in this state, except as
35 permitted by sections 301.550 to 301.575 and the MVFP act. Any dealer or manufacturer in this
36 state shall have standing to enforce the provisions of this subsection, provided that a franchise
37 relationship exists between the parties.

38 6. Notwithstanding any provision of sections 301.550 to 301.575 to the contrary, a
39 manufacturer, importer, or distributor may engage in the business of selling motor vehicles to retail

1 consumers in this state from a dealership if the manufacturer, importer, or distributor owned the
2 dealership and initially submitted a dealer license application to the Missouri department of revenue
3 on or before August 28, 2023, provided that the license is subsequently granted, and the ownership
4 or controlling interest of such dealership is not transferred, sold, or conveyed to another person or
5 entity required to be licensed under this chapter.

6 407.828. 1. Notwithstanding any provision in a franchise to the contrary, each franchisor
7 shall specify in writing to each of its franchisees in this state the franchisee's obligations for
8 preparation, delivery, and warranty service on its products. The franchisor shall fairly and
9 reasonably compensate the franchisee for preparation, delivery, and warranty service required of the
10 franchisee by the franchisor. The franchisor shall provide the franchisee with the schedule of
11 compensation to be paid to the franchisee for parts, labor, and service, and the time allowance for
12 the performance of the labor and service for the franchisee's obligations for preparation, delivery,
13 and warranty service.

14 2. The schedule of compensation shall include reasonable compensation for diagnostic
15 work, as well as repair service and labor for the franchisee to meet its obligations for preparation,
16 delivery, and warranty service. The schedule shall also include reasonable and adequate time
17 allowances for the diagnosis and performance of preparation, delivery, and warranty service to be
18 performed in a careful and professional manner. In the determination of what constitutes reasonable
19 compensation for labor and service pursuant to this section, the principal factor to be given
20 consideration shall be the prevailing wage rates being charged for similar labor and service by
21 ~~[franchisees in the market in which the franchisee is doing business, and in no event shall the~~
22 ~~compensation of a franchisee for labor and service be less than the rates charged by]~~ the franchisee
23 for similar labor and service to retail customers for nonwarranty labor and service~~[-, provided that~~
24 ~~such rates are reasonable]~~. The primary factor in determining ~~[a fair and]~~ reasonable compensation
25 for parts under this section shall be the ~~[prevailing amount charged for similar parts by other same~~
26 ~~line-make franchisees in the market in which the franchisee is doing business and the fair and~~
27 ~~reasonable compensation for parts shall not be less than the]~~ amount charged by the franchisee for
28 similar parts to retail customers for nonwarranty parts~~[-, provided that such rates are reasonable. If~~
29 ~~another same line-make franchisee is not available within the market, then the prevailing amount~~
30 ~~charged for similar parts by other franchisees in the market shall be used as the primary factor]~~.

31 3. A franchisor shall perform all warranty obligations, including recall notices; include in
32 written notices of franchisor recalls to new motor vehicle owners and franchisees the expected date
33 by which necessary parts and equipment will be available to franchisees for the correction of the
34 defects; and ~~[reasonably]~~ compensate any of the franchisees in this state for repairs required by the
35 recall. ~~[Reasonable]~~ Compensation for parts~~[-]~~ and labor~~[-, and service]~~ for recall repairs shall be
36 determined under subsection 2 of this section.

37 4. No franchisor shall require a franchisee to submit a claim authorized under this section
38 sooner than thirty days after the franchisee completes the preparation, delivery, or warranty service
39 authorizing the claim for preparation, delivery, or warranty service. All claims made by a franchisee

1 under this section shall be paid within thirty days after their approval. All claims shall be either
2 approved or disapproved by the franchisor within thirty days after their receipt on a proper form
3 generally used by the franchisor and containing the usually required information therein. Any
4 claims not specifically disapproved in writing within thirty days after the receipt of the form shall be
5 considered to be approved and payment shall be made within fifteen days thereafter. A franchisee
6 shall not be required to maintain defective parts for more than thirty days after submission of a
7 claim.

8 5. A franchisor shall compensate the franchisee for franchisor-sponsored sales or service
9 promotion events, including but not limited to, rebates, programs, or activities in accordance with
10 established written guidelines for such events, programs, or activities, which guidelines shall be
11 provided to each franchisee.

12 6. No franchisor shall require a franchisee to submit a claim authorized under subsection 5
13 of this section sooner than thirty days after the franchisee becomes eligible to submit the claim. All
14 claims made by a franchisee pursuant to subsection 5 of this section for promotion events, including
15 but not limited to rebates, programs, or activities shall be paid within ten days after their approval.
16 All claims shall be either approved or disapproved by the franchisor within thirty days after their
17 receipt on a proper form generally used by the franchisor and containing the usually required
18 information therein. Any claim not specifically disapproved in writing within thirty days after the
19 receipt of this form shall be considered to be approved and payment shall be made within ~~ten~~
20 fifteen days.

21 7. In calculating the retail rate customarily charged by the franchisee for parts, service, and
22 labor, the following work shall not be included in the calculation:

23 (1) Repairs for franchisor, manufacturer, or distributor special events, specials, or
24 promotional discounts for retail customer repairs;

25 (2) Parts sold at wholesale;

26 (3) Engine assemblies and transmission assemblies;

27 (4) Routine maintenance not covered under any retail customer warranty, such as fluids,
28 filters, and belts not provided in the course of repairs;

29 (5) Nuts, bolts, fasteners, and similar items that do not have an individual part number;

30 (6) Tires; and

31 (7) Vehicle reconditioning.

32 8. If a franchisor, manufacturer, importer, or distributor furnishes a part or component to a
33 franchisee, at no cost, to use in performing repairs under a recall, campaign service action, or
34 warranty repair, the franchisor shall compensate the franchisee for the part or component in the
35 same manner as warranty parts compensation under this section by compensating the franchisee at
36 the average markup on the cost for the part or component as listed in the price schedule of the
37 franchisor, manufacturer, importer, or distributor, less the cost for the part or component. This
38 subsection shall not apply to entire engine assemblies, propulsion engine assemblies, including
39 electric vehicle batteries, or entire transmission assemblies.

1 9. A franchisor shall not require a franchisee to establish the retail rate customarily charged
2 by the franchisee for parts, service, or labor by an unduly burdensome or time-consuming method or
3 by requiring information that is unduly burdensome or time consuming to provide, including, but
4 not limited to, part-by-part or transaction-by-transaction calculations. A franchisee shall not request
5 a franchisor to approve a different labor rate or parts rate more than twice in one calendar year.

6 10. If a franchisee submits any claim under this section to a franchisor that is incomplete,
7 inaccurate, or lacking any information usually required by the franchisor, then the franchisor shall
8 promptly notify the franchisee, and the time limit to submit the claim shall be extended for a
9 reasonable length of time, not less than five business days following notice by the franchisor to the
10 franchisee, for the franchisee to provide the complete, accurate, or lacking information to the
11 franchisor.

12 11. (1) A franchisor may only audit warranty, sales, or incentive claims and charge-back to
13 the franchisee unsubstantiated claims for a period of twelve months following payment, subject to
14 all of the provisions of this section. Furthermore, if the franchisor has good cause to believe that a
15 franchisee has submitted fraudulent claims, then the franchisor may only audit suspected fraudulent
16 warranty, sales, or incentive claims and charge-back to the franchisee fraudulent claims for a period
17 of two years following payment, subject to all provisions of this section.

18 (2) A franchisor shall not require documentation for warranty, sales, or incentive claims
19 more than twelve months after the claim was paid.

20 (3) Prior to requiring any charge-back, reimbursement, or credit against a future transaction
21 arising out of an audit, the franchisor shall submit written notice to the franchisee along with a copy
22 of its audit and the detailed reason for each intended charge-back, reimbursement, or credit.

23 12. A franchisee may file a complaint with the administrative hearing commission pursuant
24 to section 407.822 within ~~[thirty]~~ sixty days after receipt of any ~~[such]~~ written notice ~~[challenging~~
25 ~~such action]~~ by a franchisor of any adverse decision on any claim for reimbursement submitted
26 pursuant to this section, including, but not limited to, specific claims for reimbursement in
27 individual warranty repair transactions, and requests for an increase in labor or parts rate. If a
28 complaint is filed within the ~~[thirty]~~ sixty days, then the ~~[charge-back, reimbursement, or credit]~~
29 denial or reduction of reimbursement, denial of a request for an increase in labor or parts rate,
30 charge-back, or other determination by a franchisor which is adverse to a franchisee shall be stayed
31 pending a hearing and determination of the matter under section 407.822. The franchisor shall file
32 an answer to the complaint within thirty days after service of the complaint. If, following a hearing
33 which shall be held within sixty days following service of the franchisor's answer, the administrative
34 hearing commission determines that [any portion of the charge-back, reimbursement, or credit is
35 improper, then that portion of the charge-back, reimbursement, or credit shall be void and not
36 allowed] a franchisor has violated any requirements of this section, then the denial or reduction of
37 reimbursement, denial of a request for an increase in labor or parts rate, or charge-back shall be void
38 and the franchisor shall, within fifteen days of the commission's order, fairly compensate the

1 franchisee as required by the provisions of this section. Section 407.835 shall apply to proceedings
2 pursuant to this section.

3 415.415. 1. The operator of a self-service storage facility has a lien on all personal property
4 stored within each leased space for rent, labor, or other charges, and for expenses reasonably
5 incurred in sale of such personal property, as provided in sections 415.400 to 415.425. The lien
6 established by this subsection shall have priority over all other liens except those liens that have
7 been perfected and recorded on personal property. The rental agreement shall contain a statement,
8 in bold type, advising the occupant of the existence of such lien and that property stored in the
9 leased space may be sold to satisfy such lien if the occupant is in default, and that any proceeds
10 from the sale of the property which remain after satisfaction of the lien will be paid to the state
11 treasurer if unclaimed by the occupant within one year after the sale of the property.

12 2. If the occupant is in default for a period of more than forty-five days, the operator may
13 enforce the lien granted in subsection 1 of this section and sell the property stored in the leased
14 space for cash. Sale of the property stored on the premises may be done at a public or private sale,
15 may be done as a unit or in parcels, or may be by way of one or more contracts, and may be at any
16 time or place and on any terms as long as the sale is done in a commercially reasonable manner in
17 accordance with the provisions of section 400.9-627. The operator may otherwise dispose of any
18 property which has no commercial value.

19 3. The proceeds of any sale made under this subsection shall be applied to satisfy the lien,
20 with any surplus being held for delivery on demand to the occupant or any other lienholders which
21 the operator knows of or which are contained in the statement filed by the occupant pursuant to
22 subsection 3 of section 415.410 for a period of one year after receipt of proceeds of the sale and
23 satisfaction of the lien. No proceeds shall be paid to an occupant until such occupant files a sworn
24 affidavit with the operator stating that there are no other valid liens outstanding against the property
25 sold and that he or she, the occupant, shall indemnify the operator for any damages incurred or
26 moneys paid by the operator due to claims arising from other lienholders of the property sold. After
27 the one-year period set in this subsection, any proceeds remaining after satisfaction of the lien shall
28 be considered abandoned property to be reported and paid to the state treasurer in accordance with
29 laws pertaining to the disposition of unclaimed property.

30 4. Before conducting a sale under subsection 2 of this section, the operator shall:

31 (1) At least forty-five days before any disposition of property under this section, which shall
32 run concurrently with subsection 2 of this section, notify the occupant and each lienholder which is
33 contained in any statement filed by the occupant pursuant to subsection 3 of section 415.410 of the
34 default by first-class mail or electronic mail at the occupant's or lienholder's last known address, and
35 shall notify any third-party owner identified by the occupant pursuant to subsection 3 of section
36 415.410;

37 (2) No sooner than ten days after mailing the notice required in subdivision (1) of this
38 subsection, mail a second notice of default, by verified mail or electronic mail, to the occupant at the
39 occupant's or lienholder's last known address, which notice shall include:

1 (a) A statement that the contents of the occupant's leased space are subject to the operator's
2 lien;

3 (b) A statement of the operator's claim, indicating the charges due on the date of the notice,
4 the amount of any additional charges which shall become due before the date of release for sale and
5 the date those additional charges shall become due;

6 (c) A demand for payment of the charges due within a specified time, not less than ten days
7 after the date on which the second notice was mailed;

8 (d) A statement that unless the claim is paid within the time stated, the contents of the
9 occupant's space will be sold after a specified time; and

10 (e) The name, street address and telephone number of the operator, or a designated agent
11 whom the occupant may contact, to respond to the notice;

12 (3) At least seven days before the sale, advertise the time, place, and terms of the sale in the
13 classified section of a newspaper of general circulation in the jurisdiction where the sale is to be
14 held or in any other commercially reasonable manner. [~~Sueh~~] The manner of advertisement shall be
15 [in the classified section of the newspaper and shall state that the items will be released for sale]
16 deemed commercially reasonable if at least three independent bidders attend or view the sale at the
17 time and place advertised.

18 5. If the property is a vehicle, watercraft, or trailer and rent and other charges remain unpaid
19 for sixty days, the owner may treat the vehicle, watercraft, or trailer as an abandoned vehicle and
20 have the vehicle, watercraft, or trailer towed from the self-service storage facility. When the
21 vehicle, watercraft, or trailer is towed from the self-service storage facility, the owner shall not be
22 liable for the vehicle, watercraft, or trailer for any damages to the motor vehicle, watercraft, or
23 trailer once the tower takes possession of the property.

24 6. At any time before a sale under this section, the occupant may pay the amount necessary
25 to satisfy the lien and redeem the occupant's personal property."; and

26
27 Further amend said bill by amending the title, enacting clause, and intersectional references
28 accordingly.