

FIRST REGULAR SESSION

# HOUSE BILL NO. 897

102ND GENERAL ASSEMBLY

---

---

INTRODUCED BY REPRESENTATIVE GRAY.

1947H.011

DANA RADEMAN MILLER, Chief Clerk

---

---

## AN ACT

To repeal section 144.025, RSMo, and to enact in lieu thereof one new section relating to sales tax on trade-in purchases.

---

---

*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 144.025, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.025, to read as follows:

144.025. 1. Notwithstanding any other provisions of law to the contrary, in any retail sale other than retail sales governed by subsections 4 and 5 of this section, where any article on which sales or use tax has been paid, credited, or otherwise satisfied or which was exempted or excluded from sales or use tax is taken in trade as a credit or part payment on the purchase price of the article being sold, the tax imposed by sections 144.020 and 144.440 shall be computed only on that portion of the purchase price which exceeds the actual allowance made for the article or articles traded in or exchanged, if there is a bill of sale or other record showing the actual allowance made for the article or articles traded in or exchanged. Where the purchaser of a motor vehicle, trailer, boat or outboard motor receives a rebate from the seller or manufacturer, the tax imposed by sections 144.020 and 144.440 shall be computed only on that portion of the purchase price which exceeds the amount of the rebate, if there is a bill of sale or other record showing the actual rebate given by the seller or manufacturer. Where the trade-in or exchange allowance plus any applicable rebate exceeds the purchase price of the purchased article there shall be no sales or use tax owed. This section shall also apply to motor vehicles, trailers, boats, and outboard motors sold by the owner or holder of the properly assigned certificate of ownership if the seller purchases or contracts to purchase a subsequent motor vehicle, trailer, boat, or outboard motor within one

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 hundred eighty days [~~before or after~~] **preceding or following** the date of the sale of one or  
19 more previously-owned motor vehicles, trailers, boats, or outboard motors, or any  
20 combination thereof[;]; **or if the person receiving the allowance under this section is**  
21 **sixty-five years of age or older, if the seller purchases or contracts to purchase a**  
22 **subsequent motor vehicle, trailer, boat, or outboard motor within one year preceding or**  
23 **following the date of the sale of one or more previously-owned motor vehicles, trailers,**  
24 **boats, or outboard motors, or any combination thereof;** and all related bills of sale  
25 showing the paid sale price are presented to the department of revenue at the time of  
26 licensing. A copy of all such bills of sale shall be left with the licensing office. Where the  
27 subsequent motor vehicle, trailer, boat, or outboard motor is titled more than one hundred  
28 eighty days [~~after~~] **following** the sale of one or more motor vehicles, trailers, boats, or  
29 outboard motors, or any combination thereof[;]; **or if the person receiving the allowance**  
30 **under this section is sixty-five years of age or older, more than one year following the**  
31 **sale of one or more motor vehicles, trailers, boats, or outboard motors, or any**  
32 **combination thereof;** the allowance pursuant to this section shall be made if the person  
33 titling such article establishes that the purchase or contract to purchase was finalized prior to  
34 the expiration of the one hundred eighty-day **or one-year** period and presents to the  
35 department of revenue a copy of all such bills of sale.

36         2. As used in this section, the term "boat" includes all motorboats and vessels, as the  
37 terms "motorboat" and "vessel" are defined in section 306.010.

38         3. As used in this section, the term "motor vehicle" includes motor vehicles as defined  
39 in section 301.010, recreational vehicles as defined in section 700.010, or a combination of a  
40 truck as defined in section 301.010, and a trailer as defined in section 301.010.

41         4. The provisions of subsection 1 of this section shall not apply to retail sales of  
42 manufactured homes in which the purchaser receives a document known as the  
43 "Manufacturer's Statement of Origin" for purposes of obtaining a title to the manufactured  
44 home from the department of revenue of this state or from the appropriate agency or officer of  
45 any other state.

46         5. Any purchaser of a motor vehicle or trailer used for agricultural use by the  
47 purchaser shall be allowed to use as an allowance to offset the sales and use tax liability  
48 towards the purchase of the motor vehicle or trailer any grain or livestock produced or raised  
49 by the purchaser. The director of revenue may prescribe forms for compliance with this  
50 subsection.

✓