

FIRST REGULAR SESSION

# HOUSE BILL NO. 321

103RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE WOLFIN.

0912H.011

DANA RADEMAN MILLER, Chief Clerk

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## AN ACT

To repeal section 144.054, RSMo, and to enact in lieu thereof one new section relating to local sales tax exemptions.

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

Section A. Section 144.054, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.054, to read as follows:

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

(1) "Nuclear security enterprise", the same meaning as defined in 50 U.S.C. Section 2501, inclusive of buildings, structures, and infrastructure constructed for use as a defense nuclear facility as defined in 50 U.S.C. Section 2501;

(2) "Processing", any mode of treatment, act, or series of acts performed upon materials to transform or reduce them to a different state or thing, including treatment necessary to maintain or preserve such processing by the producer at the production facility;

(3) "Producing" includes, but is not limited to, the production of, including the production and transmission of, telecommunication services;

(4) "Product" includes, but is not limited to, telecommunications services;

(5) "Recovered materials", those materials which have been diverted or removed from the solid waste stream for sale, use, reuse, or recycling, whether or not they require subsequent separation and processing.

2. In addition to all other exemptions granted under this chapter, there is hereby specifically exempted from the provisions of this chapter ~~and the local sales tax law as defined in section 32.085~~, and from the computation of the tax levied, assessed, or payable under this chapter ~~and the local sales tax law as defined in section 32.085~~, electrical energy

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 and gas, whether natural, artificial, or propane, water, coal, and energy sources, chemicals,  
19 machinery, equipment, and materials used or consumed in the manufacturing, processing,  
20 compounding, mining, or producing of any product, or used or consumed in the processing of  
21 recovered materials, or used in research and development related to manufacturing,  
22 processing, compounding, mining, or producing any product. **The exemptions granted in  
23 this subsection shall not apply to local sales taxes as defined under section 32.085 and  
24 the provisions of this subsection shall be in addition to any state and local sales tax  
25 exemption provided under section 144.030.** The construction and application of this  
26 subsection as expressed by the Missouri supreme court in DST Systems, Inc. v. Director of  
27 Revenue, 43 S.W.3d 799 (Mo. banc 2001); Southwestern Bell Tel. Co. v. Director of  
28 Revenue, 78 S.W.3d 763 (Mo. banc 2002); and Southwestern Bell Tel. Co. v. Director of  
29 Revenue, 182 S.W.3d 226 (Mo. banc 2005), is hereby affirmed.

30         3. In addition to all other exemptions granted under this chapter, there is hereby  
31 specifically exempted from the provisions of this chapter and the local sales tax law as  
32 defined in section 32.085, and from the computation of the tax levied, assessed, or payable  
33 under this chapter and the local sales tax law as defined in section 32.085, all utilities,  
34 machinery, and equipment used or consumed directly in television or radio broadcasting and  
35 all sales and purchases of tangible personal property, utilities, services, or any other  
36 transaction that would otherwise be subject to the state or local sales or use tax when such  
37 sales are made to or purchases are made by a contractor for use in fulfillment of any  
38 obligation under a defense contract with the United States government, and all sales and  
39 leases of tangible personal property by any county, city, incorporated town, or village,  
40 provided such sale or lease is authorized under chapter 100, and such transaction is certified  
41 for sales tax exemption by the department of economic development, and tangible personal  
42 property used for railroad infrastructure brought into this state for processing, fabrication, or  
43 other modification for use outside the state in the regular course of business.

44         4. In addition to all other exemptions granted under this chapter, there is hereby  
45 specifically exempted from the provisions of this chapter and the local sales tax law as  
46 defined in section 32.085, and from the computation of the tax levied, assessed, or payable  
47 under this chapter and the local sales tax law as defined in section 32.085, all sales and  
48 purchases of tangible personal property, utilities, services, or any other transaction that would  
49 otherwise be subject to the state or local sales or use tax when such sales are made to or  
50 purchases are made by a private partner for use in completing a project under sections  
51 227.600 to 227.669.

52         5. In addition to all other exemptions granted under this chapter, there is hereby  
53 specifically exempted from the provisions of this chapter and the local sales tax law as  
54 defined in section 32.085, and from the computation of the tax levied, assessed, or payable

55 under this chapter and the local sales tax law as defined in section 32.085, all materials,  
56 manufactured goods, machinery and parts, electrical energy and gas, whether natural,  
57 artificial or propane, water, coal and other energy sources, chemicals, soaps, detergents,  
58 cleaning and sanitizing agents, and other ingredients and materials inserted by commercial or  
59 industrial laundries to treat, clean, and sanitize textiles in facilities which process at least five  
60 hundred pounds of textiles per hour and at least sixty thousand pounds per week.

61         6. In addition to all other exemptions granted pursuant to this chapter, there is hereby  
62 exempted from the provisions of and the computation of the tax levied, assessed, or payable  
63 pursuant to this chapter and the local sales tax law as defined in section 32.085, all sales and  
64 purchases of tangible personal property, building materials, equipment, fixtures,  
65 manufactured goods, machinery, and parts for the purposes of constructing all or any  
66 portion of a nuclear security enterprise located in any city with more than four hundred  
67 thousand inhabitants and located in more than one county. This subsection shall expire on  
68 August 28, 2034.

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