

FIRST REGULAR SESSION

HOUSE BILL NO. 1029

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FOUNTAIN HENDERSON.

1553H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal sections 67.782, 67.783, 67.785, 67.1009, 67.1360, 94.838, 144.014, 144.030, and 144.615, RSMo, and to enact in lieu thereof ten new sections relating to sales taxes.

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

Section A. Sections 67.782, 67.783, 67.785, 67.1009, 67.1360, 94.838, 144.014, 144.030, and 144.615, RSMo, are repealed and ten new sections enacted in lieu thereof, to be known as sections 67.782, 67.783, 67.785, 67.1009, 67.1013, 67.1360, 94.838, 144.014, 144.030, and 144.615, to read as follows:

67.782. 1. **The governing body of the following counties may impose a tax as provided in this section:**

(1) Any county ~~[of the third class having a population of]~~ **with more than ten thousand and less than fifteen thousand and] nine thousand nine hundred but fewer than eleven thousand inhabitants and with a county seat with more than one thousand but fewer than one thousand five hundred inhabitants; or**

(2) Any county ~~[of the second class having a population of]~~ **with more than fifty-eight thousand and less than seventy thousand adjacent to such third class county, both counties making up the same judicial circuit,] eighty thousand but fewer than one hundred thousand inhabitants and with a county seat with more than thirteen thousand but fewer than seventeen thousand inhabitants.**

2. **The governing body of any county listed in subsection 1 of this section may [jointly] impose a sales tax [throughout each of their respective counties] for public recreational purposes including the financing, acquisition, construction, operation, and maintenance of recreational projects and programs, but the sales taxes authorized by this**

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.

16 section shall not become effective unless the governing body of ~~[each]~~ such county submits to
 17 the voters ~~[of their respective counties]~~ a proposal to authorize ~~[the counties to impose]~~ the
 18 sales tax.

19 ~~[2-]~~ 3. The ballot of submission shall be in substantially the following form:

20 Shall the County of _____ impose a sales tax of _____ percent ~~[in~~
 21 ~~conjunction with the county of _____]~~ for the purpose of funding the
 22 financing, acquisition, construction, operation, and maintenance of
 23 recreational projects and programs, including the acquisition of land
 24 for such purposes?

25 Yes No

26
 27 If a ~~[separate]~~ majority of the votes cast on the proposal by the qualified voters voting thereon
 28 ~~[in each county]~~ are in favor of the proposal, ~~[then]~~ the tax shall be in effect ~~[in both~~
 29 ~~counties]~~. If a majority of the votes cast by the qualified voters voting thereon ~~[in either~~
 30 ~~county]~~ are opposed to the proposal, ~~[then]~~ the governing body of ~~[neither]~~ the county shall
 31 **not** have power to impose the sales tax ~~[authorized by this section]~~ unless or until the
 32 ~~[governing body of the county that has not approved the tax shall]~~ **proposal is** again ~~[have]~~
 33 submitted ~~[another proposal to authorize the governing body to impose the tax,]~~ and the
 34 proposal is approved by a majority of the qualified voters voting thereon in that county.

35 ~~[3-]~~ 4. The sales tax may be imposed at a rate of one percent on the receipts from the
 36 sale at retail of all tangible personal property or taxable service at retail within the county
 37 adopting such tax, if such property and services are subject to taxation by the state of
 38 Missouri under the provisions of sections 144.010 to 144.525.

39 ~~[4-]~~ 5. All sales taxes collected by the director of revenue under this section on behalf
 40 of any county, less one percent for the cost of collection, which shall be deposited in the
 41 state's general revenue fund after payment of premiums for surety bonds as provided in
 42 section 32.087, shall be deposited with the state treasurer in a special trust fund, which is
 43 hereby created, to be known as the "County Recreation Sales Tax Trust Fund". The moneys
 44 in the county recreation sales tax trust fund shall not be deemed to be state funds and shall not
 45 be commingled with any funds of the state. The director of revenue shall keep accurate
 46 records of the amount of money in the trust fund which was collected in each county
 47 imposing a sales tax under this section, and the records shall be open to the inspection of
 48 officers of each county and the general public. Not later than the tenth day of each month, the
 49 director of revenue shall distribute all moneys deposited in the trust fund during the preceding
 50 month by distributing to the county treasurer, or such other officer as may be designated by
 51 the county ordinance or order, of each county imposing the tax authorized by this section, the
 52 sum, as certified by the director of revenue, due the county.

53 ~~[5-]~~ **6.** The director of revenue may authorize the state treasurer to make refunds from
54 the amounts in the trust fund and credited to any county for erroneous payments and
55 overpayments made, and may redeem dishonored checks and drafts deposited to the credit of
56 such counties. Each county shall notify the director of revenue at least ninety days prior to
57 the effective date of the expiration of the sales tax authorized by this section and the director
58 of revenue may order retention in the trust fund, for a period of one year, of two percent of the
59 amount collected after receipt of such notice to cover possible refunds or overpayment of
60 such tax and to redeem dishonored checks and drafts deposited to the credit of such accounts.
61 After one year has elapsed after the date of expiration of the tax authorized by this section in
62 such county, the director of revenue shall remit the balance in the account to the county and
63 close the account of that county. The director of revenue shall notify each county of each
64 instance of any amount refunded or any check redeemed from receipts due the county.

65 ~~[6-]~~ **7.** The tax authorized by this section may be imposed, in accordance with this
66 section, by a county in addition to or in lieu of the tax authorized by sections 67.750 to
67 67.780.

68 ~~[7-]~~ **8.** Any county imposing a sales tax pursuant to the provisions of this section may
69 contract with the authority of any other county or with any city or political subdivision for the
70 financing, acquisition, operation, construction, maintenance, or utilization of any recreation
71 facility or project or program funded in whole or in part from revenues derived from the tax
72 levied pursuant to the provisions of this section.

73 ~~[8-]~~ **9.** The sales tax imposed pursuant to the provisions of this section shall expire
74 twenty-five years from the effective date thereof unless an extension of the tax is submitted to
75 and approved by the voters in each county in the manner provided in this section. Each
76 extension of the sales tax shall be for a period of ten years.

77 ~~[9-]~~ **10.** The governing body of each of the counties imposing a sales tax under the
78 provisions of this section may cooperate with the governing body of any county or other
79 political subdivision of this state in carrying out the provisions of this section, and may
80 establish and conduct jointly a system of public recreation. The respective governing bodies
81 administering programs jointly may provide by agreement among themselves for all matters
82 connected with the programs and determine what items of cost and expense shall be paid by
83 each.

84 ~~[10-]~~ **11.** The provisions of this section shall not in any way repeal, affect, or limit the
85 powers granted to any county to establish, maintain, and conduct parks and other recreational
86 grounds for public recreation.

87 ~~[11-]~~ **12.** Except as modified in this section, all provisions of sections 32.085 and
88 32.087 shall apply to the tax imposed under this section.

67.783. 1. There is hereby created within ~~[any county of the third class having a population of more than ten thousand and less than fifteen thousand and any county of the second class having a population of more than fifty-eight thousand and less than seventy thousand adjacent to such third class county, both counties making up the same judicial circuit,]~~ **the counties described under subsection 1 of section 67.782** a joint county recreational lake authority, which shall be a body corporate and politic and a political subdivision of this state.

2. Subject to the limitations in section 67.788, the authority may exercise its powers over the reservoir area encompassing any recreational lake and within five thousand feet of the conservation storage level of any recreational lake constructed or to be constructed by the authority pursuant to sections 67.781 to 67.790.

3. It shall be the purpose of each authority to promote the general welfare, to promote recreation and to encourage private capital investment through the construction, operation, and maintenance of a recreational lake and related improvements to be located ~~[jointly in the second class county and the third class county]~~ **in the counties described under subsection 1 of section 67.782.**

4. The income of the authority and all property at any time owned by the authority shall be exempt from all taxation or any assessments whatsoever to the state or of any political subdivision, municipality, or other governmental agency thereof.

5. No county in which an authority is organized shall be held liable in connection with the construction, operation, or maintenance of any project or program undertaken pursuant to sections 67.781 to 67.790, including any actions taken by the authority in connection with any project or program undertaken pursuant to sections 67.781 to 67.790.

67.785. 1. The authority shall consist of nine members, appointed or elected as follows:

(1) Within thirty days after approval by the voters of the sales tax authorized in section 67.782, the county commission of ~~[the second class]~~ **a county described under subdivision (2) of subsection 1 of section 67.782** shall initially appoint six members to the authority, with the terms of **members staggered such that the terms of** two members ~~[each expiring on December 31, 1992, December 31, 1994, and December 31, 1996]~~ **expire on December thirty-first of each even-numbered year.** The county commission of ~~[the third class]~~ **a county described under subdivision (1) of subsection 1 of section 67.782** shall initially appoint three members to the authority, with the terms of **members staggered such that the term of** one member ~~[each expiring on December 31, 1992, December 31, 1994, and December 31, 1996]~~ **expires on December thirty-first of each even-numbered year;**

13 (2) As the term of each initial member expires, new members shall be elected from
14 each county. Each elected member shall serve a six-year term and until ~~his~~ **the member's**
15 successor is duly elected and qualified.

16 2. A person, to be qualified to serve as a member, shall be a voter of the state for more
17 than five years prior to ~~his~~ **the member's** election or appointment, shall be a resident in the
18 county which ~~he~~ **the member** will represent for more than five years and shall be over the
19 age of twenty-five years. If any member moves outside the county from which ~~he~~ **the**
20 **member** was appointed or elected, ~~his~~ **the member's** seat shall be deemed vacant and a
21 new member shall be appointed by the county commission of such county to complete ~~his~~
22 **the** unexpired term.

23 3. A person desiring to become a candidate for the authority shall pay the sum of five
24 dollars as a filing fee to the treasurer of the county in which ~~he~~ **the person** resides, and shall
25 file with the election authority a statement under oath that ~~he~~ **the person** possesses all of the
26 qualifications set out in sections 67.781 to 67.790 for a member of the authority. Thereafter,
27 ~~he~~ **such person** shall have ~~his~~ **such person's** name placed on the ballot as a candidate.

28 4. If six or more persons from ~~the second class~~ **a county described under**
29 **subdivision (2) of subsection 1 of section 67.782** file as candidates, a primary election shall
30 be held in August, and the four candidates who receive the most votes shall be candidates at
31 the general election. If two or more candidates receive an equal number of votes, and if that
32 number of votes would otherwise qualify each tied candidate for a position on the general
33 election ballot, all such tied candidates shall be included on the general election ballot. The
34 two candidates ~~from the second class county~~ receiving the most votes in the general election
35 shall be declared the winners.

36 5. If four or more persons from ~~the third class~~ **a county described under**
37 **subdivision (1) of subsection 1 of section 67.782** file as candidates, a primary election shall
38 be held in August, and the two candidates who receive the most votes shall be candidates at
39 the general election. If two or more candidates receive an equal number of votes, and if that
40 number of votes would otherwise qualify each tied candidate for a position on the general
41 election ballot, all such tied candidates shall be included on the general election ballot. The
42 candidate ~~from the second class county~~ receiving the most votes in the general election shall
43 be declared the winner.

67.1009. 1. The governing body of the following cities may impose a tax as provided
2 in this section:

3 (1) Any city of the fourth classification with more than eight hundred thirty but fewer
4 than nine hundred inhabitants and located in any county with a charter form of government
5 and with more than nine hundred fifty thousand inhabitants;

6 (2) Any city of the fourth classification with more than four thousand fifty but fewer
 7 than four thousand two hundred inhabitants and located in any county with a charter form of
 8 government and with more than nine hundred fifty thousand inhabitants;

9 (3) Any city with more than two thousand seven hundred but fewer than three
 10 thousand inhabitants and located in a county with more than fifty thousand but fewer
 11 than sixty thousand inhabitants and with a county seat with more than seventeen
 12 thousand but fewer than twenty-one thousand inhabitants; or

13 (4) Any city with more than forty thousand but fewer than forty-six thousand
 14 inhabitants and located in a county with more than four hundred thousand but fewer
 15 than five hundred thousand inhabitants.

16 2. The governing body of any city listed in subsection 1 of this section may impose a
 17 tax on the charges for all sleeping rooms paid by the transient guests of hotels or motels
 18 situated in the city, which shall be not more than six-tenths of one percent per occupied room
 19 per night~~[, except that]~~ **for cities described under subdivision (1) or (2) of subsection 1 of**
 20 **this section and not more than six percent per occupied room per night for cities**
 21 **described under subdivision (3) of subsection 1 of this section.** Such tax shall not become
 22 effective unless the governing body of the city or county submits to the voters of the city or
 23 county at a state general or primary election a proposal to authorize the governing body of the
 24 city to impose a tax pursuant to this section. The tax authorized by this section shall be in
 25 addition to the charge for the sleeping room and shall be in addition to any and all taxes
 26 imposed by law. Such tax shall be stated separately from all other charges and taxes. **For**
 27 **cities described under subdivision (3) of subsection 1 of this section, the revenue of the**
 28 **tax shall be used only for the purposes of promoting tourism, promoting economic**
 29 **development, and promoting the retention and growth of any military base near the city.**

30 3. The ballot of submission for any tax authorized in this section shall be in
 31 substantially the following form:

32 Shall (insert the name of the city) impose a tax on the charges for all
 33 sleeping rooms paid by the transient guests of hotels and motels
 34 situated in (name of city) at a rate of (insert **proposed** rate ~~[of percent~~
 35 ~~up to six tenths of one percent]~~) **for the purpose of promoting**
 36 **tourism, promoting economic development, and promoting**
 37 **retention and growth of (insert name of military base)?**

38 Yes No

39

40 If a majority of the votes cast on the question by the qualified voters voting thereon are in
 41 favor of the question, then the tax shall become effective on the first day of the second
 42 calendar quarter following the calendar quarter in which the election was held. If a majority

43 of the votes cast on the question by the qualified voters voting thereon are opposed to the
44 question, then the tax shall not become effective unless and until the question is resubmitted
45 under this section to the qualified voters and such question is approved by a majority of the
46 qualified voters voting on the question.

47 4. As used in this section, "transient guests" means a person or persons who occupy a
48 room or rooms in a hotel or motel for thirty-one days or less during any calendar quarter.

**67.1013. 1. The governing body of any city with more than ten thousand but
2 fewer than eleven thousand inhabitants and that is the county seat of a county with more
3 than one hundred thousand but fewer than one hundred twenty thousand inhabitants
4 may impose a tax as provided in this section.**

5 **2. The governing body of any city described in subsection 1 of this section may
6 impose a tax on the charges for all sleeping rooms paid by the transient guests of hotels
7 or motels situated in the city or a portion thereof, which shall be not more than six
8 percent per occupied room per night. Such tax shall not become effective unless the
9 governing body of the city submits to the voters of the city at a state, municipal, general,
10 or primary election a proposal to authorize the governing body of the city to impose the
11 tax under this section. The tax authorized by this section shall be in addition to the
12 charge for the sleeping room and shall be in addition to any and all other taxes. Such
13 tax shall be stated separately from all other charges and taxes.**

14 **3. (1) The question submitted for the tax authorized in this section shall be in
15 substantially the following form: "Shall _____ (insert city name) impose a tax on the
16 charges for all sleeping rooms paid by the transient guests of hotels and motels situated
17 in _____ (insert city name) at a rate of _____ (insert percentage) percent?"**

18 **(2) If a majority of the votes cast on the question by the qualified voters voting
19 thereon are in favor of the question, the tax shall become effective on the first day of the
20 second calendar quarter following the calendar quarter in which the election was held.
21 If a majority of the votes cast on the question by the qualified voters voting thereon are
22 opposed to the question, the tax shall not become effective unless and until the question
23 is resubmitted under this section to the qualified voters of the city and such question is
24 approved by a majority of the qualified voters of the city voting on the question.**

25 **4. As used in this section, "transient guests" means a person or persons who
26 occupy a room or rooms in a hotel or motel for thirty-one days or less during any
27 calendar quarter.**

**67.1360. 1. The governing body of the following cities and counties may impose a
2 tax as provided in this section:**

3 **(1) A city with a population of more than seven thousand and less than seven
4 thousand five hundred;**

5 (2) A county with a population of over nine thousand six hundred and less than
6 twelve thousand which has a total assessed valuation of at least sixty-three million dollars, if
7 the county submits the issue to the voters of such county prior to January 1, 2003;

8 (3) A third class city which is the county seat of a county of the third classification
9 without a township form of government with a population of at least twenty-five thousand but
10 not more than thirty thousand inhabitants;

11 (4) Any fourth class city having, according to the last federal decennial census, a
12 population of more than one thousand eight hundred fifty inhabitants but less than one
13 thousand nine hundred fifty inhabitants in a county of the first classification with a charter
14 form of government and having a population of greater than six hundred thousand but less
15 than nine hundred thousand inhabitants;

16 (5) Any city having a population of more than three thousand but less than eight
17 thousand inhabitants in a county of the fourth classification having a population of greater
18 than forty-eight thousand inhabitants;

19 (6) Any city having a population of less than two hundred fifty inhabitants in a county
20 of the fourth classification having a population of greater than forty-eight thousand
21 inhabitants;

22 (7) Any fourth class city having a population of more than two thousand five hundred
23 but less than three thousand inhabitants in a county of the third classification having a
24 population of more than twenty-five thousand but less than twenty-seven thousand
25 inhabitants;

26 (8) Any third class city with a population of more than three thousand two hundred
27 but less than three thousand three hundred located in a county of the third classification
28 having a population of more than thirty-five thousand but less than thirty-six thousand;

29 (9) Any county of the second classification without a township form of government
30 and a population of less than thirty thousand;

31 (10) Any city of the fourth class in a county of the second classification without a
32 township form of government and a population of less than thirty thousand;

33 (11) Any county of the third classification with a township form of government and a
34 population of at least twenty-eight thousand but not more than thirty thousand;

35 (12) Any city of the fourth class with a population of more than one thousand eight
36 hundred but less than two thousand in a county of the third classification with a township
37 form of government and a population of at least twenty-eight thousand but not more than
38 thirty thousand;

39 (13) Any city of the third class with a population of more than seven thousand two
40 hundred but less than seven thousand five hundred within a county of the third classification
41 with a population of more than twenty-one thousand but less than twenty-three thousand;

42 (14) Any fourth class city having a population of more than two thousand eight
43 hundred but less than three thousand one hundred inhabitants in a county of the third
44 classification with a township form of government having a population of more than eight
45 thousand four hundred but less than nine thousand inhabitants;

46 (15) Any fourth class city with a population of more than four hundred seventy but
47 less than five hundred twenty inhabitants located in a county of the third classification with a
48 population of more than fifteen thousand nine hundred but less than sixteen thousand
49 inhabitants;

50 (16) Any third class city with a population of more than three thousand eight hundred
51 but less than four thousand inhabitants located in a county of the third classification with a
52 population of more than fifteen thousand nine hundred but less than sixteen thousand
53 inhabitants;

54 (17) Any fourth class city with a population of more than four thousand three hundred
55 but less than four thousand five hundred inhabitants located in a county of the third
56 classification without a township form of government with a population greater than sixteen
57 thousand but less than sixteen thousand two hundred inhabitants;

58 (18) Any fourth class city with a population of more than two thousand four hundred
59 but less than two thousand six hundred inhabitants located in a county of the first
60 classification without a charter form of government with a population of more than fifty-five
61 thousand but less than sixty thousand inhabitants;

62 (19) Any fourth class city with a population of more than two thousand five hundred
63 but less than two thousand six hundred inhabitants located in a county of the third
64 classification with a population of more than nineteen thousand one hundred but less than
65 nineteen thousand two hundred inhabitants;

66 (20) Any county of the third classification without a township form of government
67 with a population greater than sixteen thousand but less than sixteen thousand two hundred
68 inhabitants;

69 (21) Any county of the second classification with a population of more than forty-
70 four thousand but less than fifty thousand inhabitants;

71 (22) Any third class city with a population of more than nine thousand five hundred
72 but less than nine thousand seven hundred inhabitants located in a county of the first
73 classification without a charter form of government and with a population of more than one
74 hundred ninety-eight thousand but less than one hundred ninety-eight thousand two hundred
75 inhabitants;

76 (23) Any city of the fourth classification with more than five thousand two hundred
77 but less than five thousand three hundred inhabitants located in a county of the third

78 classification without a township form of government and with more than twenty-four
79 thousand five hundred but less than twenty-four thousand six hundred inhabitants;

80 (24) Any third class city with a population of more than nineteen thousand nine
81 hundred but less than twenty thousand in a county of the first classification without a charter
82 form of government and with a population of more than one hundred ninety-eight thousand
83 but less than one hundred ninety-eight thousand two hundred inhabitants;

84 (25) Any city of the fourth classification with more than two thousand six hundred
85 but less than two thousand seven hundred inhabitants located in any county of the third
86 classification without a township form of government and with more than fifteen thousand
87 three hundred but less than fifteen thousand four hundred inhabitants;

88 (26) Any county of the third classification without a township form of government
89 and with more than fourteen thousand nine hundred but less than fifteen thousand inhabitants;

90 (27) Any city of the fourth classification with more than five thousand four hundred
91 but fewer than five thousand five hundred inhabitants and located in more than one county;

92 (28) Any city of the fourth classification with more than six thousand three hundred
93 but fewer than six thousand five hundred inhabitants and located in more than one county
94 through the creation of a tourism district which may include, in addition to the geographic
95 area of such city, the area encompassed by the portion of the school district, located within a
96 county of the first classification with more than ninety-three thousand eight hundred but
97 fewer than ninety-three thousand nine hundred inhabitants, having an average daily
98 attendance for school year 2005-06 between one thousand eight hundred and one thousand
99 nine hundred;

100 (29) Any city of the fourth classification with more than seven thousand seven
101 hundred but less than seven thousand eight hundred inhabitants located in a county of the first
102 classification with more than ninety-three thousand eight hundred but less than ninety-three
103 thousand nine hundred inhabitants;

104 (30) Any city of the fourth classification with more than two thousand nine hundred
105 but less than three thousand inhabitants located in a county of the first classification with
106 more than seventy-three thousand seven hundred but less than seventy-three thousand eight
107 hundred inhabitants;

108 (31) Any city of the third classification with more than nine thousand three hundred
109 but less than nine thousand four hundred inhabitants;

110 (32) Any city of the fourth classification with more than three thousand eight hundred
111 but fewer than three thousand nine hundred inhabitants and located in any county of the first
112 classification with more than thirty-nine thousand seven hundred but fewer than thirty-nine
113 thousand eight hundred inhabitants;

114 (33) Any city of the fourth classification with more than one thousand eight hundred
115 but fewer than one thousand nine hundred inhabitants and located in any county of the first
116 classification with more than one hundred thirty-five thousand four hundred but fewer than
117 one hundred thirty-five thousand five hundred inhabitants;

118 (34) Any county of the third classification without a township form of government
119 and with more than twelve thousand one hundred but fewer than twelve thousand two
120 hundred inhabitants;

121 (35) Any city of the fourth classification with more than three thousand eight hundred
122 but fewer than four thousand inhabitants and located in more than one county; provided,
123 however, that motels owned by not-for-profit organizations are exempt;

124 (36) Any city of the fourth classification with more than five thousand but fewer than
125 five thousand five hundred inhabitants and located in any county with a charter form of
126 government and with more than two hundred thousand but fewer than three hundred fifty
127 thousand inhabitants; ~~[or]~~

128 (37) Any city with more than four thousand but fewer than five thousand five hundred
129 inhabitants and located in any county of the fourth classification with more than thirty
130 thousand but fewer than forty-two thousand inhabitants; **or**

131 **(38) Any city with more than eight thousand but fewer than nine thousand**
132 **inhabitants and partially located in a county with more than nineteen thousand but**
133 **fewer than twenty-two thousand inhabitants.**

134 2. The governing body of any city or county listed in subsection 1 of this section may
135 impose a tax on the charges for all sleeping rooms paid by the transient guests of hotels,
136 motels, bed and breakfast inns, and campgrounds and any docking facility that rents slips to
137 recreational boats that are used by transients for sleeping, which shall be at least two percent
138 but not more than five percent per occupied room per night, except that such tax shall not
139 become effective unless the governing body of the city or county submits to the voters of the
140 city or county at a state general, primary, or special election, a proposal to authorize the
141 governing body of the city or county to impose a tax pursuant to the provisions of this section
142 and section 67.1362. The tax authorized by this section and section 67.1362 shall be in
143 addition to any charge paid to the owner or operator and shall be in addition to any and all
144 taxes imposed by law and the proceeds of such tax shall be used by the city or county solely
145 for funding the promotion of tourism. Such tax shall be stated separately from all other
146 charges and taxes.

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

2 (1) "Food", all articles commonly used for food or drink, including alcoholic
3 beverages, the provisions of chapter 311 notwithstanding;

4 (2) "Food establishment", any cafe, cafeteria, lunchroom, or restaurant which sells
5 food at retail;

6 (3) "Municipality", any ~~[village or fourth class city with more than two hundred but~~
7 ~~less than three hundred inhabitants and located in any county of the third classification with a~~
8 ~~township form of government and with more than twelve thousand five hundred but less than~~
9 ~~twelve thousand six hundred inhabitants]~~ **city with more than one hundred sixty-five but**
10 **fewer than one hundred eighty-five inhabitants and located in a county with more than**
11 **eleven thousand but fewer than twelve thousand five hundred inhabitants and with a**
12 **county seat with more than four thousand but fewer than five thousand inhabitants;**

13 (4) "Transient guest", a person or persons who occupy a room or rooms in a hotel or
14 motel for thirty-one days or less during any calendar quarter.

15 2. (1) The governing body of any municipality may impose, by order or ordinance:
16 ~~[(1)]~~ (a) A tax, not to exceed six percent per room per night, on the charges for all
17 sleeping rooms paid by the transient guests of hotels or motels situated in the municipality or
18 a portion thereof; and

19 ~~[(2)]~~ (b) A tax, not to exceed ~~[two]~~ six percent, on the gross receipts derived from the
20 retail sales of food by every person operating a food establishment in the municipality.

21 (2) The taxes shall be imposed ~~[solely]~~ for ~~[the purpose of funding the construction,~~
22 ~~maintenance, and operation of capital improvements]~~ **general revenue purposes**. The order
23 or ordinance shall not become effective unless the governing body of the municipality
24 submits to the voters of the municipality at a state general or primary election a proposal to
25 authorize the governing body of the municipality to impose taxes under this section. The
26 taxes authorized in this section shall be in addition to the charge for the sleeping room, the
27 retail sales of food at a food establishment, and all other taxes imposed by law, and shall be
28 stated separately from all other charges and taxes.

29 3. The ballot of submission for the taxes authorized in this section shall be in
30 substantially the following form:

31 Shall _____ (insert the name of the municipality) impose a tax on the
32 charges for all retail sales of food at a food establishment situated in ____
33 _____ (name of municipality) at a rate of _____ (insert rate of percent)
34 percent, and for all sleeping rooms paid by the transient guests of
35 hotels and motels situated in _____ (name of municipality) at a rate of
36 _____ (insert rate of percent) percent, solely for the purpose of
37 ~~[funding the construction, maintenance, and operation of capital~~
38 ~~improvements]~~ **increasing general revenue funds?**

39 Yes No

41 If a majority of the votes cast on the question by the qualified voters voting thereon are in
 42 favor of the question, then the taxes shall become effective on the first day of the second
 43 calendar quarter after the director of revenue receives notice of the adoption of the taxes. If a
 44 majority of the votes cast on the question by the qualified voters voting thereon are opposed
 45 to the question, then the taxes shall not become effective unless and until the question is
 46 resubmitted under this section to the qualified voters and such question is approved by a
 47 majority of the qualified voters voting on the question.

48 4. Any tax on the retail sales of food imposed under this section shall be administered,
 49 collected, enforced, and operated as required in section 32.087, and any transient guest tax
 50 imposed under this section shall be administered, collected, enforced, and operated by the
 51 municipality imposing the tax. All revenue generated by the tax shall be deposited in a
 52 special trust fund and shall be used solely for the designated purposes. If the tax is repealed,
 53 all funds remaining in the special trust fund shall continue to be used solely for the designated
 54 purposes. Any funds in the special trust fund which are not needed for current expenditures
 55 may be invested in the same manner as other funds are invested. Any interest and moneys
 56 earned on such investments shall be credited to the fund.

57 5. Once the initial bonds, if any, have been satisfied, then the governing body of any
 58 municipality that has adopted the taxes authorized in this section may submit the question of
 59 repeal of the taxes to the voters on any date available for elections for the municipality. The
 60 ballot of submission shall be in substantially the following form:

61 Shall _____ (insert the name of the municipality) repeal the taxes
 62 imposed at the rates of _____ (insert rate of percent) and _____
 63 (insert rate of percent) percent for the purpose of ~~[funding the~~
 64 ~~construction, maintenance, and operation of capital improvements]~~
 65 **increasing general revenue funds?**

66 Yes No

67

68 If a majority of the votes cast on the proposal are in favor of repeal, that repeal shall become
 69 effective on December thirty-first of the calendar year in which such repeal was approved. If
 70 a majority of the votes cast on the question by the qualified voters voting thereon are opposed
 71 to the repeal, then the tax authorized in this section shall remain effective until the question is
 72 resubmitted under this section to the qualified voters, and the repeal is approved by a majority
 73 of the qualified voters voting on the question.

74 6. Once the initial bonds, if any, have been satisfied, then, whenever the governing
 75 body of any municipality that has adopted the taxes authorized in this section receives a
 76 petition, signed by ten percent of the registered voters of the municipality voting in the last
 77 gubernatorial election, calling for an election to repeal the taxes imposed under this section,

78 the governing body shall submit to the voters of the municipality a proposal to repeal the
79 taxes. If a majority of the votes cast on the question by the qualified voters voting thereon are
80 in favor of the repeal, that repeal shall become effective on December thirty-first of the
81 calendar year in which such repeal was approved. If a majority of the votes cast on the
82 question by the qualified voters voting thereon are opposed to the repeal, then the tax shall
83 remain effective until the question is resubmitted under this section to the qualified voters and
84 the repeal is approved by a majority of the qualified voters voting on the question.

144.014. 1. Notwithstanding other provisions of law to the contrary, beginning
2 October 1, 1997, **and ending on December 31, 2025**, the tax levied and imposed under this
3 chapter on all retail sales of food shall be at the rate of one percent. The revenue derived from
4 the one percent rate pursuant to this section shall be deposited by the state treasurer in the
5 school district trust fund and shall be distributed as provided in section 144.701.

6 **2. Notwithstanding any other provision of law to the contrary, beginning**
7 **January 1, 2026, no state sales or use tax, local sales tax as defined under section 32.085,**
8 **or local use tax shall be levied or imposed on any retail sale of food in this state.**

9 **3.** For the purposes of this section, the term "food" shall include only those products
10 and types of food for which ~~[food stamps]~~ **benefits** may be redeemed pursuant to the
11 provisions of the ~~[Federal Food Stamp]~~ **Supplemental Nutrition Assistance** Program as
12 ~~[contained]~~ **described** in 7 U.S.C. Section 2012, as that section now reads or as it may be
13 amended hereafter, and shall include food dispensed by or through vending machines. For
14 the purpose of this section, except for vending machine sales, the term "food" shall not
15 include food or drink sold by any establishment where the gross receipts derived from the sale
16 of food prepared by such establishment for immediate consumption on or off the premises of
17 the establishment constitutes more than eighty percent of the total gross receipts of that
18 establishment, regardless of whether such prepared food is consumed on the premises of that
19 establishment, including, but not limited to, sales of food by any restaurant, fast food
20 restaurant, delicatessen, eating house, or café.

144.030. 1. There is hereby specifically exempted from the provisions of sections
2 144.010 to 144.525 and from the computation of the tax levied, assessed or payable pursuant
3 to sections 144.010 to 144.525 such retail sales as may be made in commerce between this
4 state and any other state of the United States, or between this state and any foreign country,
5 and any retail sale which the state of Missouri is prohibited from taxing pursuant to the
6 Constitution or laws of the United States of America, and such retail sales of tangible
7 personal property which the general assembly of the state of Missouri is prohibited from
8 taxing or further taxing by the constitution of this state.

9 **2.** There are also specifically exempted from the provisions of the local sales tax law
10 as defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to

11 144.761 and from the computation of the tax levied, assessed or payable pursuant to the local
12 sales tax law as defined in section 32.085, section 238.235, and sections 144.010 to 144.525
13 and 144.600 to 144.745:

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

26 (2) Materials, manufactured goods, machinery and parts which when used in
27 manufacturing, processing, compounding, mining, producing or fabricating become a
28 component part or ingredient of the new personal property resulting from such
29 manufacturing, processing, compounding, mining, producing or fabricating and which new
30 personal property is intended to be sold ultimately for final use or consumption; and
31 materials, including without limitation, gases and manufactured goods, including without
32 limitation slagging materials and firebrick, which are ultimately consumed in the
33 manufacturing process by blending, reacting or interacting with or by becoming, in whole
34 or in part, component parts or ingredients of steel products intended to be sold ultimately for
35 final use or consumption;

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

39 (4) Replacement machinery, equipment, and parts and the materials and supplies
40 solely required for the installation or construction of such replacement machinery, equipment,
41 and parts, used directly in manufacturing, mining, fabricating or producing a product which is
42 intended to be sold ultimately for final use or consumption; and machinery and equipment,
43 and the materials and supplies required solely for the operation, installation or construction of
44 such machinery and equipment, purchased and used to establish new, or to replace or expand
45 existing, material recovery processing plants in this state. For the purposes of this
46 subdivision, a "material recovery processing plant" means a facility that has as its primary
47 purpose the recovery of materials into a usable product or a different form which is used in

48 producing a new product and shall include a facility or equipment which are used exclusively
49 for the collection of recovered materials for delivery to a material recovery processing plant
50 but shall not include motor vehicles used on highways. For purposes of this section, the terms
51 motor vehicle and highway shall have the same meaning pursuant to section 301.010. For the
52 purposes of this subdivision, subdivision (5) of this subsection, and section 144.054, as well
53 as the definition in subdivision (9) of subsection 1 of section 144.010, the term "product"
54 includes telecommunications services and the term "manufacturing" shall include the
55 production, or production and transmission, of telecommunications services. The preceding
56 sentence does not make a substantive change in the law and is intended to clarify that the term
57 "manufacturing" has included and continues to include the production and transmission of
58 "telecommunications services", as enacted in this subdivision and subdivision (5) of this
59 subsection, as well as the definition in subdivision (9) of subsection 1 of section 144.010.
60 The preceding two sentences reaffirm legislative intent consistent with the interpretation of
61 this subdivision and subdivision (5) of this subsection in *Southwestern Bell Tel. Co. v.*
62 *Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002) and *Southwestern Bell Tel. Co. v.*
63 *Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), and accordingly abrogates the
64 Missouri supreme court's interpretation of those exemptions in *IBM Corporation v. Director*
65 *of Revenue*, 491 S.W.3d 535 (Mo. banc 2016) to the extent inconsistent with this section and
66 *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002) and
67 *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005). The
68 construction and application of this subdivision as expressed by the Missouri supreme court
69 in *DST Systems, Inc. v. Director of Revenue*, 43 S.W.3d 799 (Mo. banc 2001); *Southwestern*
70 *Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and *Southwestern Bell*
71 *Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), is hereby affirmed.
72 Material recovery is not the reuse of materials within a manufacturing process or the use of a
73 product previously recovered. The material recovery processing plant shall qualify under the
74 provisions of this section regardless of ownership of the material being recovered;

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

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

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

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

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

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

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

100 (12) Electrical energy used in the actual primary manufacture, processing,
101 compounding, mining or producing of a product, or electrical energy used in the actual
102 secondary processing or fabricating of the product, or a material recovery processing plant as
103 defined in subdivision (4) of this subsection, in facilities owned or leased by the taxpayer, if
104 the total cost of electrical energy so used exceeds ten percent of the total cost of production,
105 either primary or secondary, exclusive of the cost of electrical energy so used or if the raw
106 materials used in such processing contain at least twenty-five percent recovered materials as
107 defined in section 260.200. There shall be a rebuttable presumption that the raw materials
108 used in the primary manufacture of automobiles contain at least twenty-five percent
109 recovered materials. For purposes of this subdivision, "processing" means any mode of
110 treatment, act or series of acts performed upon materials to transform and reduce them to a
111 different state or thing, including treatment necessary to maintain or preserve such processing
112 by the producer at the production facility;

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

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

120 (15) Machinery, equipment, appliances and devices purchased or leased and used
121 solely for the purpose of preventing, abating or monitoring water pollution, and materials and

122 supplies solely required for the installation, construction or reconstruction of such machinery,
123 equipment, appliances and devices;

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

125 (17) All amounts paid or charged for admission or participation or other fees paid by
126 or other charges to individuals in or for any place of amusement, entertainment or recreation,
127 games or athletic events, including museums, fairs, zoos and planetariums, owned or operated
128 by a municipality or other political subdivision where all the proceeds derived therefrom
129 benefit the municipality or other political subdivision and do not inure to any private person,
130 firm, or corporation, provided, however, that a municipality or other political subdivision may
131 enter into revenue-sharing agreements with private persons, firms, or corporations providing
132 goods or services, including management services, in or for the place of amusement,
133 entertainment or recreation, games or athletic events, and provided further that nothing in this
134 subdivision shall exempt from tax any amounts retained by any private person, firm, or
135 corporation under such revenue-sharing agreement;

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

156 (19) All sales made by or to religious and charitable organizations and institutions in
157 their religious, charitable or educational functions and activities and all sales made by or to all

158 elementary and secondary schools operated at public expense in their educational functions
159 and activities;

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

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

177 (22) All sales made to any private not-for-profit elementary or secondary school, all
178 sales of feed additives, medications or vaccines administered to livestock or poultry in the
179 production of food or fiber, all sales of pesticides used in the production of crops, livestock or
180 poultry for food or fiber, all sales of bedding used in the production of livestock or poultry for
181 food or fiber, all sales of propane or natural gas, electricity or diesel fuel used exclusively for
182 drying agricultural crops, natural gas used in the primary manufacture or processing of fuel
183 ethanol as defined in section 142.028, natural gas, propane, and electricity used by an eligible
184 new generation cooperative or an eligible new generation processing entity as defined in
185 section 348.432, and all sales of farm machinery and equipment, other than airplanes, motor
186 vehicles and trailers, and any freight charges on any exempt item. As used in this
187 subdivision, the term "feed additives" means tangible personal property which, when mixed
188 with feed for livestock or poultry, is to be used in the feeding of livestock or poultry. As used
189 in this subdivision, the term "pesticides" includes adjuvants such as crop oils, surfactants,
190 wetting agents and other assorted pesticide carriers used to improve or enhance the effect of a
191 pesticide and the foam used to mark the application of pesticides and herbicides for the
192 production of crops, livestock or poultry. As used in this subdivision, the term "farm
193 machinery and equipment" shall mean:

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

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

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

206 a. Used exclusively for agricultural purposes;

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

208 c. Used directly in producing farm products to be sold ultimately in processed form or
209 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold
210 ultimately in processed form at retail;

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

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

223 (b) Regulated utility sellers shall determine whether individual purchases are exempt
224 or nonexempt based upon the seller's utility service rate classifications as contained in tariffs
225 on file with and approved by the Missouri public service commission. Sales and purchases
226 made pursuant to the rate classification "residential" and sales to and purchases made by or on
227 behalf of the occupants of residential apartments or condominiums through a single or master
228 meter, including service for common areas and facilities and vacant units, shall be considered
229 as sales made for domestic use and such sales shall be exempt from sales tax. Sellers shall
230 charge sales tax upon the entire amount of purchases classified as nondomestic use. The

231 seller's utility service rate classification and the provision of service thereunder shall be
232 conclusive as to whether or not the utility must charge sales tax;

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

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

250 (25) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4071, 4081,
251 ~~[4091,]~~ 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of
252 revenue shall promulgate rules pursuant to chapter 536 to eliminate all state and local sales
253 taxes on such excise taxes;

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

259 (27) All sales made to an interstate compact agency created pursuant to sections
260 70.370 to 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities
261 of such agency as provided pursuant to the compact;

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

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

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

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

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

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

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

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

284 (36) All purchases by a contractor on behalf of an entity located in another state,
285 provided that the entity is authorized to issue a certificate of exemption for purchases to a
286 contractor under the provisions of that state's laws. For purposes of this subdivision, the term
287 "certificate of exemption" shall mean any document evidencing that the entity is exempt from
288 sales and use taxes on purchases pursuant to the laws of the state in which the entity is
289 located. Any contractor making purchases on behalf of such entity shall maintain a copy of
290 the entity's exemption certificate as evidence of the exemption. If the exemption certificate
291 issued by the exempt entity to the contractor is later determined by the director of revenue to
292 be invalid for any reason and the contractor has accepted the certificate in good faith, neither
293 the contractor or the exempt entity shall be liable for the payment of any taxes, interest and
294 penalty due as the result of use of the invalid exemption certificate. Materials shall be exempt
295 from all state and local sales and use taxes when purchased by a contractor for the purpose of
296 fabricating tangible personal property which is used in fulfilling a contract for the purpose of
297 constructing, repairing or remodeling facilities for the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

355 (c) "Internet access", a service that enables users to connect to the internet to access
356 content, information, or other services without regard to whether the service is referred to as
357 telecommunications, communications, transmission, or similar services, and without regard to
358 whether a provider of the service is subject to regulation by the Federal Communications
359 Commission as a common carrier under 47 U.S.C. Section 201, et seq. For purposes of this
360 subdivision, internet access also includes: the purchase, use, or sale of communications
361 services, including telecommunications services as defined in section 144.010, to the extent
362 the communications services are purchased, used, or sold to provide the service described in
363 this subdivision or to otherwise enable users to access content, information, or other services
364 offered over the internet; services that are incidental to the provision of a service described in
365 this subdivision, when furnished to users as part of such service, including a home page,
366 electronic mail, and instant messaging, including voice-capable and video-capable electronic
367 mail and instant messaging, video clips, and personal electronic storage capacity; a home
368 page electronic mail and instant messaging, including voice-capable and video-capable
369 electronic mail and instant messaging, video clips, and personal electronic storage capacity
370 that are provided independently or that are not packed with internet access. As used in this
371 subdivision, internet access does not include voice, audio, and video programming or other
372 products and services, except services described in this paragraph or this subdivision, that use
373 internet protocol or any successor protocol and for which there is a charge, regardless of
374 whether the charge is separately stated or aggregated with the charge for services described in
375 this paragraph or this subdivision;

376 (d) "Tax", any charge imposed by the state or a political subdivision of the state for
377 the purpose of generating revenues for governmental purposes and that is not a fee imposed
378 for a specific privilege, service, or benefit conferred, except as described as otherwise under
379 this subdivision, or any obligation imposed on a seller to collect and to remit to the state or a
380 political subdivision of the state any gross retail tax, sales tax, or use tax imposed on a buyer
381 by such a governmental entity. The term tax shall not include any franchise fee or similar fee
382 imposed or authorized under sections 67.1830 to 67.1846 or section 67.2689; Section 622 or
383 653 of the Communications Act of 1934, 47 U.S.C. Section 542 and 47 U.S.C. Section 573;
384 or any other fee related to obligations of telecommunications carriers under the
385 Communications Act of 1934, 47 U.S.C. Section 151, et seq., except to the extent that:

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

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

393

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

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

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

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

402 **(47) All sales of used tangible personal property purchased by a consumer for**
403 **use or consumption, and not for resale, for valuable consideration directly from a seller**
404 **at an auction of used tangible property. The term "used tangible personal property"**
405 **shall not include motor vehicles, trailers, boats, or outboard motors purchased or**
406 **acquired for use on the highways or waters of this state that are required to be titled**
407 **under the laws of the state of Missouri;**

408 **(48) (a) All sales of necessary personal hygiene products and toiletries.**

409 **(b) As used in this subdivision, "necessary personal hygiene products and**
410 **toiletries" means goods, merchandise, or products necessary for personal hygiene,**
411 **health, safety, or cleanliness of an individual including, but not limited to, feminine**
412 **hygiene products, diapers, incontinence products, toilet paper, toothbrushes, toothpaste,**

413 **soap, shampoo, deodorant, antiperspirant, and other similar products necessary for**
414 **reasonable hygiene.**

415 **(c) The term "necessary personal hygiene products and toiletries" shall not**
416 **include luxury or cosmetic personal care items.**

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

144.615. There are specifically exempted from the taxes levied in sections 144.600 to
2 144.745:

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

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

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

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

12 (5) Tangible personal property which has been subjected to a tax by any other state in
13 this respect to its sales or use; provided, if such tax is less than the tax imposed by sections
14 144.600 to 144.745, such property, if otherwise taxable, shall be subject to a tax equal to the
15 difference between such tax and the tax imposed by sections 144.600 to 144.745;

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

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

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

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