

FIRST REGULAR SESSION

HOUSE BILL NO. 743

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BAKER.

1727H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 144, RSMo, by adding thereto one new section relating to a sales and use tax exemption for certain broadband equipment.

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

Section A. Chapter 144, RSMo, is amended by adding thereto one new section, to be
2 known as section 144.812, to read as follows:

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

2 **(1) "Machinery and equipment used to provide broadband communications**
3 **service", includes, but is not limited to, wires, cables, fiber, conduits, antennas, poles,**
4 **switches, routers, amplifiers, rectifiers, repeaters, receivers, multiplexers, duplexers,**
5 **transmitters, circuit cards, insulating and protective materials and cases, power**
6 **equipment, backup power equipment, diagnostic equipment, storage devices, customer**
7 **premise equipment, modems, software, cable modem termination system components**
8 **and Wi-Fi equipment, and other general central office or headend and hub equipment,**
9 **such as channel cards, frames, and cabinets, or equipment used in successor**
10 **technologies, including items used to monitor, test, maintain, enable, or facilitate**
11 **qualifying equipment, machinery, ancillary components, appurtenances, accessories, or**
12 **other infrastructure that is used in whole or in part to provide broadband**
13 **communications service;**

14 **(2) "Broadband communications service", internet access as defined in 47 U.S.C.**
15 **Section 151, note, telecommunications service, video programming service, or any**
16 **combination thereof;**

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.

17 **(3) "Broadband communications service provider", a person engaged in the**
18 **provision of broadband communications service or an affiliate of such person;**

19 **(4) "Person", the same meaning as such term is defined under section 144.010.**

20 **2. For all tax years beginning on or after January 1, 2026, in addition to the**
21 **exemptions granted under the provisions of section 144.030, there shall also be**
22 **specifically exempted from the provisions of sections 144.010 to 144.525, sections**
23 **144.600 to 144.746, and section 238.235; the provisions of any local sales tax law, as**
24 **defined in section 32.085; the computation of the tax levied, assessed, or payable under**
25 **sections 144.010 to 144.525, sections 144.600 to 144.746, and section 238.235; and the**
26 **provisions of any local sales tax law, as defined in section 32.085, all sales, purchases, or**
27 **use of machinery and equipment used to provide broadband communications service by**
28 **a broadband communications service provider.**

29 **3. To qualify for the exemption provided under this section, the broadband**
30 **communications service provider shall furnish to the seller a certificate in writing to the**
31 **effect that an exemption under this section is applicable to the machinery and**
32 **equipment used to provide broadband communications service so purchased or used.**
33 **The director of revenue shall permit any such broadband communications service**
34 **provider to enter into a direct pay agreement with the department of revenue, pursuant**
35 **to which such provider may pay directly to the department of revenue any applicable**
36 **sales and use taxes on such equipment.**

37 **4. No inference, implication, or presumption of legislative construction shall be**
38 **drawn or made by reason of the adoption of this section with respect to subdivisions (4)**
39 **to (6) of subsection 2 of 144.030 or the qualification for the exemptions provided therein.**
40 **This subsection, therefore, expresses the legislative intent that adoption of this section**
41 **shall have no impact on subdivisions (4) to (6) of subsection 2 of 144.030 or, as clarified**
42 **in those subdivisions, the application of *Southwestern Bell Tel. Co. v. Director of***
43 ***Revenue*, 78 S.W.3d 763 (Mo. banc 2002) and *Southwestern Bell Tel. Co. v. Director of***
44 ***Revenue*, 182 S.W.3d 226 (Mo. banc 2005).**

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