

HB 743 -- SALES AND USE TAX EXEMPTION FOR CERTAIN BROADBAND EQUIPMENT

SPONSOR: Baker

COMMITTEE ACTION: Voted "Do Pass" by the Special Committee on Tax Reform by a vote of 9 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative by a vote of 9 to 0.

Beginning January 1, 2026, this bill exempts from state and local sales and use tax all sales, purchases, or use of machinery and equipment used to provide broadband communications services by a broadband communications service provider. To qualify for the exemption, a provider must provide to the seller a certificate in writing of the exemption. The Director of the Department of Revenue must allow a provider to enter into a direct pay agreement with the Department to pay any applicable sales and use taxes on the equipment.

This bill is the same as SB 185 (2025) and similar to HB 2168 (2024).

PROPONENTS: Supporters say that the bill clarifies the law and aligns guidance from broadband. Supporters say the bill also allows broadband companies to expand and invest in Missouri and to serve underserved areas.

Testifying in person for the bill were Representative Baker; Associated Industries of Missouri; Missouri Chamber of Commerce and Industry; Association of Missouri Electric Cooperatives; At&T Missouri, LLC; Missouri Broadband Providers; The Missouri Internet & Television Association).

OPPONENTS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.