

HOUSE BILL NO. 3312

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE HARBISON.

4750H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To amend chapter 67, RSMo, by adding thereto one new section relating to a sales tax pilot program.

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

Section A. Chapter 67, RSMo, is amended by adding thereto one new section, to be
2 known as section 67.2070, to read as follows:

67.2070. 1. As used in this section, the following terms mean:

2 (1) "Department", the state department of revenue;

3 (2) "Purchaser", a resident of a purchaser's county who purchases from a seller
4 in a seller's county a good that is subject to a local sales tax imposed in such seller's
5 county;

6 (3) "Purchaser's county", any of the following:

7 (a) A county with more than nine thousand nine hundred but fewer than eleven
8 thousand inhabitants and with a county seat with more than one thousand but fewer
9 than one thousand five hundred inhabitants;

10 (b) A county with more than eight thousand nine hundred but fewer than nine
11 thousand nine hundred inhabitants and with a county seat with more than one thousand
12 but fewer than two thousand inhabitants;

13 (c) A county with more than twelve thousand five hundred but fewer than
14 fourteen thousand inhabitants and with a county seat with more than four thousand but
15 fewer than five thousand inhabitants;

16 (d) A county with more than six thousand but fewer than seven thousand
17 inhabitants and with a county seat with fewer than three hundred inhabitants;

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 (e) A county with more than seven thousand but fewer than eight thousand
19 inhabitants and with a county seat with more than four hundred eighty but fewer than
20 one thousand inhabitants;

21 (f) A county with more than twenty-two thousand but fewer than twenty-five
22 thousand inhabitants and with a county seat with more than two thousand three
23 hundred but fewer than four thousand inhabitants; and

24 (g) A county with more than nine thousand nine hundred but fewer than eleven
25 thousand inhabitants and with a county seat with more than three hundred but fewer
26 than six hundred inhabitants;

27 (4) "Seller", an individual or entity with annual gross receipts of twelve million
28 dollars or more resulting from the sale of goods within this state;

29 (5) "Seller's county", any of the following:

30 (a) A county with more than eighty thousand but fewer than one hundred
31 thousand inhabitants and with a county seat with more than thirteen thousand but
32 fewer than seventeen thousand inhabitants;

33 (b) A county with more than two hundred thousand but fewer than two hundred
34 thirty thousand inhabitants; and

35 (c) A county with more than sixty thousand but fewer than seventy thousand
36 inhabitants;

37 (6) "Senior citizen", an individual who is:

38 (a) A resident of a purchaser's county;

39 (b) Sixty-five years of age or older; and

40 (c) A member of a household with a total annual income that does not exceed
41 ninety thousand dollars;

42 (7) "Unique transaction code" or "UTC", a number created by the department
43 that represents each purchaser's county or any county that is not a purchaser's county;

44 (8) "Veteran", an individual who:

45 (a) Is a resident of this state; and

46 (b) Has been separated under honorable conditions from active service in:

47 a. Any branch of the Armed Forces of the United States;

48 b. Any reserve component of the Armed Forces of the United States;

49 c. The National Guard of this state as defined in 32 U.S.C. Section 101, as
50 amended; or

51 d. Any defense force of this state as described in 32 U.S.C. Section 109, as
52 amended.

53 **2. (1) There is hereby established a pilot program to transfer sales tax revenues**
54 **from retail sale transactions in a seller's county by a purchaser to the appropriate**
55 **purchaser's county for residential real property tax replacement purposes.**

56 **(2) Such program shall apply only to purchases made:**

57 **(a) By a resident of a purchaser's county; and**

58 **(b) From a seller located in a seller's county.**

59 **(3) The revenues transferred under such program shall be used as provided in**
60 **this section solely to eliminate the residential real property tax liability incurred by**
61 **veterans. Any remaining funds shall be used to reduce up to thirty percent of the**
62 **residential real property tax liability incurred by senior citizens, with any further**
63 **remaining funds credited to the general revenue of the county.**

64 **(4) Such program shall expire six years after the effective date of this section.**

65 **3. (1) The department shall establish, by rule, a unique transaction code for**
66 **each purchaser's county, a separate unique transaction code for all other counties, and**
67 **procedures for using such unique transaction codes.**

68 **(2) The department shall provide such UTCs and procedures to each seller in**
69 **each seller's county for use at retail sale transactions between a purchaser and a seller.**

70 **(3) Such procedures shall include, but not be limited to:**

71 **(a) A process for a seller to determine the appropriate UTC associated with a**
72 **customer each time a customer completes a purchase from a seller in a seller's county;**
73 **and**

74 **(b) A method for a purchaser to provide the appropriate UTC at each self-**
75 **service checkout system provided by a seller in a seller's county.**

76 **4. (1) All sales tax revenues derived from retail sale transactions in a seller's**
77 **county by a purchaser that are subject to a sales tax levied by the governing body of a**
78 **seller's county shall be collected by the director of the department under this section on**
79 **behalf of the seller's county. Such revenues, less one percent for cost of collection, which**
80 **shall be deposited in the state's general revenue fund after payment of premiums for**
81 **surety bonds as provided in section 32.087, shall be deposited in a special trust fund,**
82 **which is hereby created, to be known as the "Local County Destination Sales Tax Pilot**
83 **Program Trust Fund".**

84 **(2) The moneys in the trust fund shall not be deemed to be state moneys and**
85 **shall not be commingled with any moneys of the state. The director of the department**
86 **shall keep accurate records of the amount of moneys in the trust fund, the amount**
87 **collected in each seller's county, and the amount to be distributed to each purchaser's**
88 **county. The records shall be open to the inspection of officers of the county and the**
89 **public.**

90 **(3) The director of the department may authorize the state treasurer to make**
91 **refunds from the amounts in the trust fund and credited to a county for erroneous**
92 **payments and overpayments made and may redeem dishonored checks and drafts**
93 **deposited to the credit of such counties and municipalities.**

94 **(4) Not later than the tenth day of each month the director of the department**
95 **shall distribute all moneys deposited in the trust fund during the preceding month to the**
96 **appropriate purchaser's county. Such moneys shall be deposited with the county**
97 **treasurer of each such county.**

98 **5. (1) Upon receipt of moneys from the department under this section, a**
99 **purchaser's county shall deposit such moneys in a special trust fund to be used solely for**
100 **the designated purposes. Any moneys in the special trust fund that are not needed for**
101 **current expenditures may be invested in the same manner as other moneys are invested.**
102 **Any interest and moneys earned on such investments shall be credited to the special**
103 **trust fund.**

104 **(2) Beginning on July first of the calendar year immediately following the**
105 **effective date of this section and in July of each subsequent calendar year, a purchaser's**
106 **county that receives moneys under this section shall amend the county budget, as**
107 **provided in chapter 50, to provide for an appropriation of the moneys in the special**
108 **trust fund for the designated purposes and in the percentages described in subdivision**
109 **(3) of this subsection.**

110 **(3) The moneys in the special trust fund shall be used solely for replacing moneys**
111 **lost because of a reduction or elimination of veterans' residential real property tax**
112 **liability. Any remaining funds shall be used to reduce up to thirty percent of the**
113 **residential real property tax liability incurred by senior citizens, with any further**
114 **remaining funds credited to the general revenue of the county.**

115 **6. The department may promulgate all necessary rules and regulations for the**
116 **administration of this section. Any rule or portion of a rule, as that term is defined in**
117 **section 536.010, that is created under the authority delegated in this section shall**
118 **become effective only if it complies with and is subject to all of the provisions of chapter**
119 **536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable**
120 **and if any of the powers vested with the general assembly pursuant to chapter 536 to**
121 **review, to delay the effective date, or to disapprove and annul a rule are subsequently**
122 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**
123 **adopted after the effective date of this act shall be invalid and void.**