

SECOND REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 2819

103RD GENERAL ASSEMBLY

6240H.02P

JOSEPH ENGLER, Chief Clerk

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## AN ACT

To repeal section 144.285, RSMo, and to enact in lieu thereof one new section relating to sales transaction rounding.

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

Section A. Section 144.285, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.285, to read as follows:

144.285. 1. In order to permit sellers required to collect and report the sales tax to collect the amount required to be reported and remitted, but not to change the requirements of reporting or remitting tax or to serve as a levy of the tax, and in order to avoid fractions of pennies, the director of revenue shall establish brackets, showing the amounts of tax to be collected on sales of specified amounts, which shall be applicable to all taxable transactions.

2. In all instances where statements covering taxable purchases are rendered to the taxpayer on a monthly or other periodic basis, the amount of tax shall be determined by applying the applicable tax rate to the taxable purchases represented on the statement, rounded to the nearest whole cent, or by application of the brackets established by the director of revenue, at the option of the retail vendor.

3. No vendor or seller shall knowingly charge or receive from a purchaser as a sales tax any sum in excess of the sums provided for in this section.

4. A vendor may, at his option, determine the amount charged to and received from each purchaser by use of a formula which applies the applicable tax rate to each taxable purchase, rounded to the nearest whole cent. The formula shall be uniformly and consistently applied to all purchases similarly situated.

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           **5. (1) For cash transactions only, a vendor may round the total amount of sale**  
18 **due on a transaction to the nearest five cents. Totals ending in \$0.01, \$0.02, \$0.06, or**  
19 **\$0.07 may be rounded down to the nearest amount divisible by \$0.05. Totals ending in**  
20 **\$0.03, \$0.04, \$0.08, or \$0.09 may be rounded up to the nearest amount divisible by \$0.05.**  
21 **Rounding shall be applied only to the final total of the transaction after all items,**  
22 **discounts, and taxes have been calculated.**

23           **(2) This rounding shall not apply to transactions paid by credit, debit, or other**  
24 **noncash methods. The applicable amount of tax due in accordance with the tax**  
25 **brackets shall be remitted to the department of revenue regardless of the method of**  
26 **payment from the taxpayer's customer.**

27           **(3) A vendor selling goods or services shall not be in violation of any**  
28 **requirements, laws, regulations, or standards of a state or political subdivision of this**  
29 **state based on any action taken in good faith and in compliance with this subsection.**

30           **6.** Amounts which a vendor charges to and receives from the purchaser in accordance  
31 with this section shall not be includable in his gross receipts if the amounts are separately  
32 charged or stated.

33           ~~6.~~ **7.** If sales tax for one or more local political subdivisions is owed by a taxpayer  
34 pursuant to chapter 66, 67, 92, or 94 and that taxpayer remits less than all sales tax due for a  
35 filing period specified in section 144.080, the director of revenue shall deposit the tax  
36 remitted proportionately to each taxing jurisdiction in accordance with the percentage that  
37 each such jurisdiction's share of the tax due for the filing period bears to the total tax due from  
38 such taxpayer for such period. The unpaid balance due along with penalties and interest shall  
39 be similarly prorated among the state and all local jurisdictions for which tax was due during  
40 the filing period for which an underpayment occurs. The provisions of this subsection shall  
41 apply to all returns or remittances relating to sales made on or after January 1, 1984.

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