

SECOND REGULAR SESSION

HOUSE BILL NO. 3518

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE REUTER.

7139H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal section 143.183, RSMo, and to enact in lieu thereof one new section relating to certain nonresident income tax revenues, with a delayed effective date.

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

Section A. Section 143.183, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.183, to read as follows:

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

(1) "Nonresident entertainer", a person residing or registered as a corporation outside this state who, for compensation, performs any vocal, instrumental, musical, comedy, dramatic, dance or other performance in this state before a live audience and any other person traveling with and performing services on behalf of a nonresident entertainer, including a nonresident entertainer who is paid compensation for providing entertainment as an independent contractor, a partnership that is paid compensation for entertainment provided by nonresident entertainers, a corporation that is paid compensation for entertainment provided by nonresident entertainers, or any other entity that is paid compensation for entertainment provided by nonresident entertainers;

(2) "Nonresident member of a professional athletic team", a professional athletic team member who resides outside this state, including any active player, any player on the disabled list if such player is in uniform on the day of the game at the site of the game, and any other person traveling with and performing services on behalf of a professional athletic team;

(3) "Personal service income", includes exhibition and regular season salaries and wages, guaranteed payments, strike benefits, deferred payments, severance pay, bonuses, and any other type of compensation paid to the nonresident entertainer or nonresident member of

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 a professional athletic team, but does not include prizes, bonuses or incentive money received
19 from competition in a livestock, equine or rodeo performance, exhibition or show;

20 (4) "Professional athletic team", includes, but is not limited to, any professional
21 baseball, basketball, football, soccer and hockey team.

22 2. Any person, venue, or entity who pays compensation to a nonresident entertainer
23 shall deduct and withhold from such compensation as a prepayment of tax an amount equal to
24 two percent of the total compensation if the amount of compensation is in excess of three
25 hundred dollars paid to the nonresident entertainer. For purposes of this section, the term
26 "person, venue, or entity who pays compensation" shall not be construed to include any
27 person, venue, or entity that is exempt from taxation under 26 U.S.C. Section 501(c)(3), as
28 amended, and that pays an amount to the nonresident entertainer for the entertainer's
29 appearance but receives no benefit from the entertainer's appearance other than the
30 entertainer's performance.

31 3. Any person, venue, or entity required to deduct and withhold tax pursuant to
32 subsection 2 of this section shall, for each calendar quarter, on or before the last day of the
33 month following the close of such calendar quarter, remit the taxes withheld in such form or
34 return as prescribed by the director of revenue and pay over to the director of revenue or to a
35 depository designated by the director of revenue the taxes so required to be deducted and
36 withheld.

37 4. Any person, venue, or entity subject to this section shall be considered an employer
38 for purposes of section 143.191, and shall be subject to all penalties, interest, and additions to
39 tax provided in this chapter for failure to comply with this section.

40 5. ~~[Notwithstanding other provisions of this chapter to the contrary, the commissioner
41 of administration, for all taxable years beginning on or after January 1, 1999, but none after
42 December 31, 2030, shall annually estimate the amount of state income tax revenues
43 collected pursuant to this chapter which are received from nonresident members of
44 professional athletic teams and nonresident entertainers. For fiscal year 2000, and for each
45 subsequent fiscal year for a period of thirty one years, sixty percent of the annual estimate of
46 taxes generated from the nonresident entertainer and professional athletic team income tax
47 shall be allocated annually to the Missouri arts council trust fund, and shall be transferred,
48 subject to appropriations, from the general revenue fund to the Missouri arts council trust
49 fund established in section 185.100 and any amount transferred shall be in addition to such
50 agency's budget base for each fiscal year. The director shall by rule establish the method of
51 determining the portion of personal service income of such persons that is allocable to
52 Missouri.~~

53 6. ~~Notwithstanding the provisions of sections 186.050 to 186.067 to the contrary, the
54 commissioner of administration, for all taxable years beginning on or after January 1, 1999,~~

55 ~~but for none after December 31, 2030, shall estimate annually the amount of state income tax~~
56 ~~revenues collected pursuant to this chapter which are received from nonresident members of~~
57 ~~professional athletic teams and nonresident entertainers. For fiscal year 2000, and for each~~
58 ~~subsequent fiscal year for a period of thirty one years, ten percent of the annual estimate of~~
59 ~~taxes generated from the nonresident entertainer and professional athletic team income tax~~
60 ~~shall be allocated annually to the Missouri humanities council trust fund, and shall be~~
61 ~~transferred, subject to appropriations, from the general revenue fund to the Missouri~~
62 ~~humanities council trust fund established in section 186.055 and any amount transferred shall~~
63 ~~be in addition to such agency's budget base for each fiscal year.~~

64 ~~7. Notwithstanding other provisions of section 182.812 to the contrary, the~~
65 ~~commissioner of administration, for all taxable years beginning on or after January 1, 1999,~~
66 ~~but for none after December 31, 2030, shall estimate annually the amount of state income tax~~
67 ~~revenues collected pursuant to this chapter which are received from nonresident members of~~
68 ~~professional athletic teams and nonresident entertainers. For fiscal year 2000, and for each~~
69 ~~subsequent fiscal year for a period of thirty one years, ten percent of the annual estimate of~~
70 ~~taxes generated from the nonresident entertainer and professional athletic team income tax~~
71 ~~shall be allocated annually to the Missouri state library networking fund, and shall be~~
72 ~~transferred, subject to appropriations, from the general revenue fund to the secretary of state~~
73 ~~for distribution to public libraries for acquisition of library materials as established in section~~
74 ~~182.812 and any amount transferred shall be in addition to such agency's budget base for each~~
75 ~~fiscal year.~~

76 ~~8. Notwithstanding other provisions of section 185.200 to the contrary, the~~
77 ~~commissioner of administration, for all taxable years beginning on or after January 1, 1999,~~
78 ~~but for none after December 31, 2030, shall estimate annually the amount of state income tax~~
79 ~~revenues collected pursuant to this chapter which are received from nonresident members of~~
80 ~~professional athletic teams and nonresident entertainers. For fiscal year 2000, and for each~~
81 ~~subsequent fiscal year for a period of thirty one years, ten percent of the annual estimate of~~
82 ~~taxes generated from the nonresident entertainer and professional athletic team income tax~~
83 ~~shall be allocated annually to the Missouri public television broadcasting corporation special~~
84 ~~fund, and shall be transferred, subject to appropriations, from the general revenue fund.] (1)~~
85 **Notwithstanding other provisions of this chapter, section 182.812, section 185.200,**
86 **sections 186.050 to 186.067, or section 253.402 to the contrary, for all tax years**
87 **beginning on or after January 1, 2027, and ending on or before December 31, 2060, one**
88 **hundred percent of the amount of state income tax revenues collected under this chapter**
89 **received from nonresident members of professional athletic teams and nonresident**
90 **entertainers shall not be remitted to the general revenue fund of the state of Missouri.**
91 **Such moneys shall be deposited into the nonresident entertainer and professional**

92 athletic team income tax fund established under this subsection for the purposes
93 provided under the provisions of this section.

94 (2) There is hereby created in the state treasury the "Nonresident Entertainer
95 and Professional Athletic Team Income Tax Fund", which shall consist of moneys
96 collected under this section. The state treasurer shall be custodian of the fund. In
97 accordance with sections 30.170 and 30.180, the state treasurer may approve
98 disbursements. The fund shall be a dedicated fund and, upon appropriation, moneys
99 in this fund shall be used solely as provided in this section. Notwithstanding the
100 provisions of section 33.080 to the contrary, any moneys remaining in the fund at the
101 end of the biennium shall not revert to the credit of the general revenue fund. The state
102 treasurer shall invest moneys in the fund in the same manner as other funds are
103 invested. Any interest and moneys earned on such investments shall be credited to the
104 fund.

105 (3) For the fiscal year beginning on or after July 1, 2027, and for each
106 subsequent fiscal year beginning on or before December 31, 2060, the moneys collected
107 under this section in the nonresident entertainer and professional athletic team income
108 tax fund shall be allocated annually in the following percentages:

109 (a) To the Missouri arts council trust fund established under section 185.100,
110 sixty percent;

111 (b) To the Missouri humanities council trust fund established in section 186.055,
112 ten percent;

113 (c) To the Missouri state library networking fund for the secretary of state to
114 distribute to public libraries for acquisition of library materials as established in section
115 182.812, ten percent;

116 (d) To the Missouri public broadcasting corporation special fund, ten percent;
117 and

118 (e) To the Missouri department of natural resources Missouri historic
119 preservation revolving fund established in section 253.402, ten percent.

120 (4) The percentages listed in subdivision (3) of this subsection shall be
121 transferred from the nonresident entertainer and professional athletic team income tax
122 fund to each fund listed in subdivision (3) of this subsection, and any amount
123 transferred shall be in addition to each agency's budget base for each fiscal year.

124 (5) For the amounts allocated to the Missouri public television broadcasting
125 corporation special fund~~], and any amount transferred shall be in addition to such agency's~~
126 ~~budget base for each fiscal year; provided, however, that~~ twenty-five percent of such
127 allocation shall be used for grants to public radio stations which were qualified by the
128 corporation for public broadcasting as of November 1, 1996. Such grants shall be distributed

129 to each of such public radio stations in this state after receipt of the station's certification of
130 operating and programming expenses for the prior fiscal year. Certification shall consist of
131 the most recent fiscal year financial statement submitted by a station to the corporation for
132 public broadcasting. The grants shall be divided into two categories, an annual basic service
133 grant and an operating grant. The basic service grant shall be equal to thirty-five percent of
134 the total amount and shall be divided equally among the public radio stations receiving grants.
135 The remaining amount shall be distributed as an operating grant to the stations on the basis of
136 the proportion that the total operating expenses of the individual station in the prior fiscal year
137 bears to the aggregate total of operating expenses for the same fiscal year for all Missouri
138 public radio stations which are receiving grants.

139 ~~[9. Notwithstanding other provisions of section 253.402 to the contrary, the~~
140 ~~commissioner of administration, for all taxable years beginning on or after January 1, 1999,~~
141 ~~but for none after December 31, 2030, shall estimate annually the amount of state income tax~~
142 ~~revenues collected pursuant to this chapter which are received from nonresident members of~~
143 ~~professional athletic teams and nonresident entertainers. For fiscal year 2000, and for each~~
144 ~~subsequent fiscal year for a period of thirty one years, ten percent of the annual estimate of~~
145 ~~taxes generated from the nonresident entertainer and professional athletic team income tax~~
146 ~~shall be allocated annually to the Missouri department of natural resources Missouri historic~~
147 ~~preservation revolving fund, and shall be transferred, subject to appropriations, from the~~
148 ~~general revenue fund to the Missouri department of natural resources Missouri historic~~
149 ~~preservation revolving fund established in section 253.402 and any amount transferred shall~~
150 ~~be in addition to such agency's budget base for each fiscal year.~~

151 ~~10.]~~ **6. The director shall by rule establish the method of determining the portion**
152 **of personal service income of such persons that is allocable to Missouri.**

153 **7.** This section shall not be construed to apply to any person who makes a
154 presentation for professional or technical education purposes or to apply to any presentation
155 that is part of a seminar, conference, convention, school, or similar program format designed
156 to provide professional or technical education.

Section B. The repeal and reenactment of section 143.183 of this act shall become
2 effective on January 1, 2027.

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