

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 3308
103RD GENERAL ASSEMBLY

7221H.03C

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal section 144.054, RSMo, and to enact in lieu thereof one new section relating to a sales tax exemption.

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

Section A. Section 144.054, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.054, to read as follows:

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

(1) "Nuclear security enterprise", the same meaning as defined in 50 U.S.C. Section 2501, inclusive of buildings, structures, and infrastructure constructed for use as a defense nuclear facility as defined in 50 U.S.C. Section 2501;

(2) "Processing", any mode of treatment, act, or series of acts performed upon materials to transform or reduce them to a different state or thing, including treatment necessary to maintain or preserve such processing by the producer at the production facility;

(3) "Producing" includes, but is not limited to, the production of, including the production and transmission of, telecommunication services;

(4) "Product" includes, but is not limited to, telecommunications services;

(5) "Recovered materials", those materials which have been diverted or removed from the solid waste stream for sale, use, reuse, or recycling, whether or not they require subsequent separation and processing.

2. In addition to all other exemptions granted under this chapter, there is hereby specifically exempted from the provisions of this chapter and the local sales tax law as defined in section 32.085 and from the computation of the tax levied, assessed, or payable under this chapter and the local sales tax law as defined in section 32.085, electrical energy and gas, whether natural, artificial, or propane, water, coal, and energy sources, chemicals,

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.

19 machinery, equipment, and materials used or consumed in the manufacturing, processing,
20 compounding, mining, or producing of any product, or used or consumed in the processing of
21 recovered materials, or used in research and development related to manufacturing,
22 processing, compounding, mining, or producing any product. The construction and
23 application of this subsection as expressed by the Missouri supreme court in *DST Systems,*
24 *Inc. v. Director of Revenue*, 43 S.W.3d 799 (Mo. banc 2001); *Southwestern Bell Tel. Co. v.*
25 *Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and *Southwestern Bell Tel. Co. v.*
26 *Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), is hereby affirmed.

27 3. In addition to all other exemptions granted under this chapter, there is hereby
28 specifically exempted from the provisions of this chapter and the local sales tax law as
29 defined in section 32.085, and from the computation of the tax levied, assessed, or payable
30 under this chapter and the local sales tax law as defined in section 32.085, all utilities,
31 machinery, and equipment used or consumed directly in television or radio broadcasting and
32 all sales and purchases of tangible personal property, utilities, services, or any other
33 transaction that would otherwise be subject to the state or local sales or use tax when such
34 sales are made to or purchases are made by a contractor for use in fulfillment of any
35 obligation under a defense contract with the United States government, and all sales and
36 leases of tangible personal property by any county, city, incorporated town, or village,
37 provided such sale or lease is authorized under chapter 100, and such transaction is certified
38 for sales tax exemption by the department of economic development, and tangible personal
39 property used for railroad infrastructure brought into this state for processing, fabrication, or
40 other modification for use outside the state in the regular course of business.

41 4. In addition to all other exemptions granted under this chapter, there is hereby
42 specifically exempted from the provisions of this chapter and the local sales tax law as
43 defined in section 32.085, and from the computation of the tax levied, assessed, or payable
44 under this chapter and the local sales tax law as defined in section 32.085, all sales and
45 purchases of tangible personal property, utilities, services, or any other transaction that would
46 otherwise be subject to the state or local sales or use tax when such sales are made to or
47 purchases are made by a private partner for use in completing a project under sections
48 227.600 to 227.669.

49 5. In addition to all other exemptions granted under this chapter, there is hereby
50 specifically exempted from the provisions of this chapter and the local sales tax law as
51 defined in section 32.085, and from the computation of the tax levied, assessed, or payable
52 under this chapter and the local sales tax law as defined in section 32.085, all materials,
53 manufactured goods, machinery and parts, electrical energy and gas, whether natural,
54 artificial or propane, water, coal and other energy sources, chemicals, soaps, detergents,
55 cleaning and sanitizing agents, and other ingredients and materials inserted by commercial or

56 industrial laundries to treat, clean, and sanitize textiles in facilities which process at least five
57 hundred pounds of textiles per hour and at least sixty thousand pounds per week.

58 6. In addition to all other exemptions granted pursuant to this chapter, there is hereby
59 exempted from the provisions of and the computation of the tax levied, assessed, or payable
60 pursuant to this chapter and the local sales tax law as defined in section 32.085, all sales and
61 purchases of tangible personal property, building materials, equipment, fixtures,
62 manufactured goods, machinery, and parts for the purposes of constructing all or any
63 portion of a nuclear security enterprise located in any city with more than four hundred
64 thousand inhabitants and located in more than one county. This subsection shall expire on
65 August 28, 2034.

66 **7. In addition to all other exemptions granted under this chapter, there is hereby**
67 **exempted from the provisions of and the computation of the tax levied, assessed, or**
68 **payable under this chapter and the local sales tax law as defined under section 32.085 all**
69 **sales and purchases of equipment and materials purchased by a contractor or**
70 **subcontractor to be used for the purposes of the development and construction of public**
71 **improvements to real property and public facilities that, under the provision of**
72 **approved development plans, shall be owned by the United States government, the state,**
73 **or any county, municipality, or other political subdivision of this state.**

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