

HCS HB 1883 -- SALES TAX EXEMPTION

SPONSOR: Van Schoiack

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Ways and Means by a vote of 5 to 4. Voted "Do Pass" by the Standing Committee on Rules-Administrative by a vote of 9 to 3.

The following is a summary of the House Committee Substitute for HB 1883.

Current law provides a sales tax exemption for certain durable medical equipment as defined on January 1, 1980, by the Federal Medicare program. This bill removes the reference to January 1, 1980.

Additionally, current law provides a sales tax exemption for the sales or rental of manual and powered wheelchairs, including parts. The bill also applies the exemption to accessories for such wheelchairs.

This bill exempts from sales tax all sales of used tangible personal property, including any tangible personal property that is sold a second time or any number of additional subsequent times after the initial point of sale, at an auction.

The provisions of this bill do not apply to motor vehicles, trailers, boats, or outboard motors purchased or acquired for use on the highways or waters of this state which are required to be titled.

This bill is similar to HB 493 (2025) and HCS HB 1606 (2024).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that the current Department of Revenue rules and regulations related to sales taxation for auction sales are ambiguous and contradictory with Missouri statute. This bill will address the gray area for auctioneers regarding the way auction sales are handled by the Department of Revenue.

Testifying in person for the bill was Representative Van Schoiack.

OPPONENTS: Those who oppose the bill say that the bill will further hinder counties, cities, and towns in their efforts to collect revenue for necessary public services. Supporters say this bill is a continued erosion of the local sales tax base.

Testifying in person against the bill were Missouri Municipal League; and Municipal League of Metro St. Louis.

OTHERS: Others testifying on the bill say that the fiscal note for the bill is based on data that is accessible. Those who testified for informational purposes also stated that the rules and regulations for auction sales from Department of Revenue are from the early 2000s.

Testifying in person on the bill was Zachary Wyatt, Missouri Department of Revenue.

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.