

HB 2686 -- SALES TAX EXEMPTION

SPONSOR: Knight

COMMITTEE ACTION: Voted "Do Pass" by the Special Committee on Rural Issues by a vote of 10 to 0. Voted "Do Pass" by the Standing Committee on Rules-Administrative by a vote of 10 to 1.

This bill exempts from sales and use 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 will not apply to motor vehicles, trailers, boats, or outboard motors purchased or acquired for use on the highways or waters of this state that are required to be titled.

This bill is similar to HB 635 (2025).

PROPONENTS: Supporters say this bill ensures that items that have been sold several times at auctions after their initial sale are not taxed. Sales tax has already been paid on the items at the original time of sale.

Testifying in person for the bill were Representative Knight and Arnie C. Dienoff.

OPPONENTS: Those who oppose the bill say that this bill would reduce revenue to local jurisdictions. There are currently more than 200 local sales tax exemptions. These revenues go to pay for voter approved services in the taxing jurisdictions.

Testifying in person against the bill was Missouri Municipal League.

OTHERS: Others testifying on the bill say the wording in the bill could be reworded to clarify which items are included in the exemption. Also, these sales are hard to quantify, so the fiscal impact is unknown.

Testifying in person on the bill was Zachary Wyatt, 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.