



MISSOURI HOUSE OF REPRESENTATIVES
WITNESS APPEARANCE FORM

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|--|---------------------------------|---|------|
| BILL NUMBER: HB 2686 | | DATE: 1/21/2026 | |
| COMMITTEE: Special Committee on Rural Issues | | | |
| TESTIFYING: <input checked="" type="checkbox"/> IN SUPPORT OF <input type="checkbox"/> IN OPPOSITION TO <input type="checkbox"/> FOR INFORMATIONAL PURPOSES | | | |
| WITNESS NAME | | | |
| INDIVIDUAL: | | | |
| WITNESS NAME: ARNIE C. AC "HONEST-ABE" DIENOFF-STATE PUBLIC ADVO | | PHONE NUMBER: | |
| BUSINESS/ORGANIZATION NAME: | | TITLE: | |
| ADDRESS: | | | |
| CITY: | | STATE: | ZIP: |
| EMAIL: | ATTENDANCE: In-Person | SUBMIT DATE: 1/21/2026 11:57 PM | |
| THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo. | | | |

This Sale-Tax Exemption is a MUST!



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| WITNESS NAME | | | |
| REGISTERED LOBBYIST: | | | |
| WITNESS NAME: LAURA HOLLOWAY | | PHONE NUMBER: 573-635-9134 | |
| REPRESENTING: MISSOURI MUNICIPAL LEAGUE | | TITLE: | |
| ADDRESS: 1727 SOUTHRIDGE DR. | | | |
| CITY: JEFFERSON CITY | | STATE: MO | ZIP: 65109 |
| EMAIL: | ATTENDANCE: | SUBMIT DATE: 1/21/2026 12:00 AM | |
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| WITNESS NAME | | | |
| INDIVIDUAL: | | | |
| WITNESS NAME: SARAH BERRY | | PHONE NUMBER: | |
| BUSINESS/ORGANIZATION NAME: | | TITLE: | |
| ADDRESS: | | | |
| CITY: | | STATE: | ZIP: |
| EMAIL: | ATTENDANCE: Written | SUBMIT DATE: 1/21/2026 7:24 AM | |

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HB 2686 creates a new exemption in both the sales tax and use tax statutes (Sections 144.030 and 144.615) for “used tangible personal property” purchased by a consumer for use or consumption, either at an auction of used tangible personal property or directly from another consumer.

While this is framed as a fairness measure, it is a broad and structurally vulnerable exemption that will erode state and local revenues and invite abuse.

First, this bill reduces the sales and use tax base that funds essential services—many of them local. When the state creates broad exemptions, it is not just a “tax cut.” It is a shift of burden onto everyone else or a reduction in revenue for schools, counties, municipalities, public safety, and basic infrastructure.

If the goal is consumer relief, that relief should be targeted and transparent rather than achieved through sweeping exemptions that weaken the revenue system.

Second, HB 2686 is written in a way that is difficult to administer and easy to game.

The exemption applies to used tangible personal property sold “a second time at an auction” (and thereafter) after an “initial point of sale at an auction” upon which sales tax was levied, and it also applies to sales “from another consumer.”

That structure creates predictable problems:

It encourages “auction laundering” and creative structuring of transactions through auction formats to avoid tax.

It creates verification and recordkeeping issues for the Department of Revenue and invites disputes over whether the initial auction sale was taxed.

It provides cover for bad actors in informal marketplaces, because consumer-to-consumer transactions are inherently hard to audit and enforce.

The bill excludes titled motor vehicles, trailers, boats, and outboard motors, but the exemption remains extremely broad for everything else and risks becoming a tax-avoidance pathway rather than a principled reform.

If the legislature intends to address true double-taxation concerns, it should do so narrowly—with clear documentation standards, thresholds, and guardrails that protect local revenue and minimize evasion. HB 2686 does not meet that standard.

For these reasons, I respectfully urge the committee to oppose HB 2686.



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| WITNESS NAME | | | |
| BUSINESS/ORGANIZATION: | | | |
| WITNESS NAME: ZACHARY WYATT | | PHONE NUMBER: 573-751-0191 | |
| BUSINESS/ORGANIZATION NAME: DEPARTMENT OF REVENUE | | TITLE: LEGISLATIVE DIRECTOR | |
| ADDRESS: 301 W. HIGH STREET | | | |
| CITY: JEFFERSON CITY | | STATE: MO | ZIP: 65101 |
| EMAIL: | ATTENDANCE: | SUBMIT DATE: 1/21/2026 12:00 AM | |
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