

SB 1025 -- SALES TAX ON INSTRUCTIONAL CLASSES

SPONSOR: Kraus (Koenig)

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Ways and Means by a vote of 7 to 0. Voted "Do Pass" by the Select Committee on Financial Institutions and Taxation by a vote of 7 to 0.

Currently, there is a state and local sales and use tax on the sales of admission tickets, and fees to or in places of amusement, entertainment, recreation, games, and athletic events. This bill authorizes an exemption from the tax for the amount paid for instructional classes and defines instructional class to include any class, lesson, or instruction intended or used for teaching.

This bill is similar to SB 706 (2016).

PROPONENTS: Supporters say that this bill clarifies the application of the law regarding education, entertainment, and recreation sales tax. Education should not be taxed. Audits and court interpretations have added to the confusion of what is taxable. The bill tightens the definition of instruction to reduce the confusion with existing law.

Testifying for the bill were Senator Kraus; T.J. Rehak, Xtreme Gymnastics; Missouri Society of CPAs; and the Missouri Citizens for the Arts.

OPPONENTS: There was no opposition voiced to the committee.