

SECOND REGULAR SESSION

[RE-CORRECTED]

[CORRECTED]

[TRULY AGREED TO AND FINALLY PASSED]

SENATE SUBSTITUTE FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NOS. 1150, 1237 & 1327

## 91ST GENERAL ASSEMBLY

2610S.09T

2002

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### AN ACT

To repeal sections 137.073, 137.115, 138.060 and 138.100, RSMo, and to enact in lieu thereof seventeen new sections relating to assessment and collection procedures of the department of revenue, with effective dates for certain sections, an expiration date for a certain section and an emergency clause.

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

Section A. Sections 137.073, 137.115, 138.060 and 138.100, RSMo, are repealed and  
2 seventeen new sections enacted in lieu thereof, to be known as sections 32.375, 32.378, 32.380,  
3 32.381, 137.073, 137.115, 138.060, 138.100, 144.1000, 144.1003, 144.1006, 144.1009,  
4 144.1012, 144.1015, 620.012, 1 and 2, to read as follows:

**32.375. 1. Notwithstanding any provision of law to the contrary, in any dispute  
2 regarding the potential liability of a taxpayer for collection and remittance or payment of  
3 sales or use tax or related interest, additions to tax or penalties, the director of revenue  
4 may, at the request of the taxpayer, consider the reasons for the taxpayer's failure to pay  
5 the amounts in dispute.**

**6 2. The director may abate all or any portion of any amount assessed or decide to  
7 not assess any such amount pursuant to this section if the director determines:**

**8 (1) The taxpayer took reasonable steps to determine whether the amounts were**

**EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

9 owed;

10 (2) Based on information reasonably available to the taxpayer, the taxpayer  
11 reasonably believed that the transactions at issue were not subject to tax and that the  
12 amounts in dispute were not owed;

13 (3) At the time of the transactions at issue, the department of revenue had not  
14 issued either:

15 (a) A regulation that indicated that the transactions at issue were subject to tax; or

16 (b) Any other written or oral communication that the taxpayer knew of or should  
17 have known of stating that the transactions at issue were subject to tax; and

18 (4) In the discretion of the director, such abatement is in the best interest of the  
19 state and will not undermine compliance by taxpayers with the tax laws of this state.

20 3. If the director determines that any amounts may be abated pursuant to this  
21 section, as consideration for the abatement, the taxpayer shall agree that:

22 (1) The taxpayer shall bear his or her own costs, including any attorney fees;

23 (2) During the three year period beginning with the date of the agreement, the  
24 taxpayer shall comply with all sales and use tax obligations arising from the type of  
25 transactions that were the basis of the amounts that are the subject of the agreement and  
26 the taxpayer shall not challenge or protest any such sales or use tax obligations arising  
27 during the three year period; except that any final decision of a court of competent  
28 jurisdiction finding such transactions to be nontaxable and any statutory changes that  
29 become effective during the three year period shall apply to the taxpayer notwithstanding  
30 any provision of the agreement; and

31 (3) The taxpayer shall not contest in court or otherwise any amount of the liability  
32 sought to be abated.

33 4. If due to a disagreement concerning the amount to be abated the taxpayer does  
34 not agree to the terms provided by subsection 3 of this section or if the director determines  
35 the amounts in dispute should not be abated, the director shall issue a final decision setting  
36 forth the director's determination. Within sixty days after the date on which the director's  
37 decision is delivered in person or is mailed to the taxpayer, whichever is earlier, the  
38 taxpayer may file a petition for review of the final decision with the administrative hearing  
39 commission.

40 5. On petition for review before the administrative hearing commission, the  
41 commission shall consider whether the director's determination was reasonable based on  
42 the factors set forth in subsection 2 of this section. The commission may:

43 (1) Issue an order to the director stating an amount to be abated by the director,  
44 if the commission finds the director's decision unreasonable; or

45           **(2) Issue an order denying the relief sought by the taxpayer, if the commission finds**  
46 **the director's determination reasonable.**

47           **6. The provisions of subsection 3 of this section shall apply to any abatement**  
48 **ordered by the commission.**

49           **7. A decision of the administrative hearing commission pursuant to this section**  
50 **shall not be subject to appeal or petition for review by the taxpayer or the director.**

**32.378. 1. In addition to the authority granted to the director of revenue and the**  
2 **administrative hearing commission pursuant to section 32.375, the director of revenue may**  
3 **agree to compromise any tax, interest, penalties or additions to tax assessed or collected by**  
4 **the director of revenue on any of the following grounds:**

5           **(1) Doubt as to liability, which exists in any case where there is a genuine dispute**  
6 **as to the existence or amount of the correct tax liability under the law;**

7           **(2) Doubt as to collectibility, which exists in any case where the amount assessed**  
8 **including interest, additions to tax and penalties exceeds the taxpayer's ability to pay as**  
9 **defined by regulations promulgated by the director of revenue; or**

10           **(3) To promote effective tax administration which means that compromise of the**  
11 **liability will not undermine compliance by taxpayers with the tax laws and that:**

12           **(a) Collection of the full liability will result in severe economic hardship to the**  
13 **taxpayer; or**

14           **(b) Regardless of the taxpayer's financial circumstances, exceptional circumstances**  
15 **exist such that collection of the full liability will be detrimental to voluntary compliance by**  
16 **taxpayers. Such exceptional circumstances include, but are not limited to, instances where**  
17 **the taxpayer's failure to pay the taxes assessed is the result of circumstances beyond the**  
18 **reasonable control of the taxpayer and is not the result of negligence on the part of the**  
19 **taxpayer, or instances where a reasonable person would not have expected the assessment**  
20 **based on previous policy of the department of revenue or information provided to the**  
21 **taxpayer by the department of revenue.**

22           **2. As part of the consideration for any compromise of taxes that is based on**  
23 **subdivisions (2) or (3) of subsection 1 of this section, the taxpayer shall agree:**

24           **(1) That the state of Missouri shall keep all payments and other credits applied to**  
25 **the tax, interest, penalties or additions to tax for the periods covered by the offer;**

26           **(2) That the state of Missouri shall keep any and all amounts otherwise due the**  
27 **taxpayer as a result of overpayments of any tax or other liability, including interest,**  
28 **additions to tax and penalties, for periods ending before or as of the end of the calendar**  
29 **year in which the offer is accepted; except that the state shall not keep any amounts that,**  
30 **together with amounts already paid on the compromise exceed the liability compromised;**

31           **(3) That the taxpayer shall have no right to contest in court or otherwise the**  
32 **amount of the liability compromised;**

33           **(4) That the taxpayer shall bear his or her own costs, including any attorney fees;**

34           **(5) That during the three year period beginning with the date of the compromise,**  
35 **the taxpayer shall comply with all tax obligations arising from issues or transactions**  
36 **related to the issues or transactions that were the basis of the tax that is the subject of the**  
37 **compromise and that the taxpayer shall not challenge or protest any such tax obligations**  
38 **arising during the three year period; however, any statutory changes that become effective**  
39 **during the three year period shall apply to the taxpayer notwithstanding this provision of**  
40 **the compromise;**

41           **(6) That if there is a default in payment of any principal or interest due under**  
42 **terms of the agreement of compromise, or if the taxpayer fails to comply with the**  
43 **provisions of the agreement set forth in subdivision (5) of this subsection, the director of**  
44 **revenue may:**

45           **(a) Proceed immediately by suit to collect the entire unpaid balance of the amount**  
46 **agreed upon; or**

47           **(b) Proceed immediately by suit to collect as liquidated damages an amount equal**  
48 **to the liability compromised, minus any payments already received under the terms of the**  
49 **agreement, with interest on the unpaid balance from the date of default; or**

50           **(c) Disregard the amount of the compromise and apply all amounts previously paid**  
51 **under the agreement against the amount of the liability compromised and assess and collect**  
52 **by levy or suit the balance of the liability. If the director chooses this option, the taxpayer**  
53 **shall have the right to contest in court or otherwise the amount of the liability**  
54 **compromised.**

55           **3. The director's remedies under this section are cumulative and the director may**  
56 **pursue any combination of such remedies together or consecutively until the entire liability**  
57 **is paid. No action or inaction by the director shall constitute a waiver or election not to**  
58 **pursue any remedy granted by this section.**

59           **4. The taxpayer requesting to compromise payment of taxes, interest, additions to**  
60 **tax, or penalties shall provide any information reasonably requested by the director in**  
61 **order that the director may determine that the offer is made in good faith.**

62           **5. If compromise of taxes is agreed upon, any statute of limitations applicable to the**  
63 **assessment and collection of the liability compromised shall be tolled during the period**  
64 **beginning on the date of the compromise and ending one year after the last payment is due**  
65 **pursuant to the agreement.**

66           **6. The director's decision to reject or accept an offer of compromise under this**

67 section shall be based on consideration of all the facts and circumstances, including the  
68 taxpayer's record of overall compliance with the tax laws. Notwithstanding any provision  
69 of law to the contrary, the director's decision shall not be subject to review by the  
70 administrative hearing commission or any court.

71 7. The director shall prescribe guidelines for employees of the Missouri department  
72 of revenue to determine whether an offer-in-compromise is adequate and should be  
73 accepted to resolve a dispute.

74 8. The director shall establish procedures for an independent administrative review  
75 of any rejection of a proposed offer-in-compromise made by a taxpayer pursuant to this  
76 section before such rejection is communicated to the taxpayer.

77 9. The provisions of this section shall not apply to the resolution of any dispute of  
78 tax liability in accordance with section 32.375.

79 10. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,  
80 that is created under the authority delegated in this section shall become effective only if  
81 it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if  
82 applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable  
83 and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,  
84 to review, to delay the effective date or to disapprove and annul a rule are subsequently  
85 held unconstitutional, then the grant of rulemaking authority and any rule proposed or  
86 adopted after August 28, 2002, shall be invalid and void.

32.380. 1. Notwithstanding the provisions of any other law to the contrary, with  
2 respect to taxes administered by the department of revenue, an amnesty from the  
3 assessment or payment of all penalties, additions to tax, and interest shall apply with  
4 respect to unpaid taxes reported and paid in full from August 1, 2002, to October 31, 2002,  
5 regardless of whether previously assessed, except for penalties, additions to tax, and  
6 interest paid before August 1, 2002. The amnesty shall apply only to state tax liabilities due  
7 but unpaid on or before December 31, 2001, and shall not extend to any taxpayer who at  
8 the time of payment is a party to any criminal investigations or to any civil or criminal  
9 litigation that is pending in any court of the United States or this state for nonpayment,  
10 delinquency, or fraud in relation to any state tax imposed by the state of Missouri.

11 2. Upon written application by the taxpayer, on forms prescribed by the director  
12 of revenue, and upon compliance with the provisions of this section, the department of  
13 revenue shall not seek to collect any penalty, addition to tax, or interest which may be  
14 applicable. The department of revenue shall not seek civil or criminal prosecution for any  
15 taxpayer for the taxable period for which the amnesty has been granted.

16 3. Amnesty shall be granted only to those taxpayers who have applied for amnesty

17 **within the period stated in subsection 1 of this section, who have filed a tax return for each**  
18 **taxable period for which amnesty is requested, who have paid the entire balance due within**  
19 **sixty days of approval by the department of revenue, and who agree to comply with state**  
20 **tax laws for the next three years from the date of the agreement. No taxpayer shall be**  
21 **entitled to a waiver of any penalty, addition to tax, or interest pursuant to this section**  
22 **unless full payment of the tax due is made in accordance with rules and regulations**  
23 **established by the director of revenue.**

24 **4. If a taxpayer elects to participate in the amnesty program established pursuant**  
25 **to this section as evidenced by full payment of the tax due as established by the director of**  
26 **revenue, that election shall constitute an express and absolute relinquishment of all**  
27 **administrative and judicial rights of appeal. No tax payment received pursuant to this**  
28 **section shall be eligible for refund or credit.**

29 **5. Nothing in this section shall be interpreted to disallow the department of revenue**  
30 **to adjust a taxpayer's tax return as a result of any state or federal audit.**

31 **6. All tax payments received as a result of the amnesty program established**  
32 **pursuant to this section shall be deposited in the schools of the future fund created**  
33 **pursuant to section 313.820, RSMo, other than revenues earmarked by the Missouri**  
34 **Constitution.**

35 **7. The department may promulgate such rules or regulations or issue**  
36 **administrative guidelines as are necessary to administer the provisions of this section. No**  
37 **rule or portion of a rule promulgated pursuant to the authority of this section shall become**  
38 **effective unless it has been promulgated pursuant to chapter 536, RSMo.**

**32.381. In the event the department of revenue enters into an agreement with a**  
2 **taxpayer and said agreement exceeds the department's statutory authority and the**  
3 **taxpayer has relied to his detriment, the department shall be permitted to honor said**  
4 **contract. This section shall only apply to cases where the department has collected sales**  
5 **tax that was not owed by the taxpayer.**

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

2 (1) "General reassessment", changes in value, entered in the assessor's books, of a  
3 substantial portion of the parcels of real property within a county resulting wholly or partly from  
4 reappraisal of value or other actions of the assessor or county equalization body or ordered by  
5 the state tax commission or any court;

6 (2) "Tax rate", "rate", or "rate of levy", singular or plural, includes the tax rate for each  
7 purpose of taxation of property a taxing authority is authorized to levy without a vote and any  
8 tax rate authorized by election, including bond interest and sinking fund;

9 (3) "Tax rate ceiling", a tax rate as revised by the taxing authority to comply with the

10 provisions of this section or when a court has determined the tax rate; except that, other  
11 provisions of law to the contrary notwithstanding, a school district may levy the operating levy  
12 for school purposes required for the current year pursuant to subsection 2 of section 163.021,  
13 RSMo, less all adjustments required pursuant to article X, section 22 of the Missouri  
14 Constitution, if such tax rate does not exceed the highest tax rate in effect subsequent to the 1980  
15 tax year. This is the maximum tax rate that may be levied, unless a higher tax rate ceiling is  
16 approved by voters of the political subdivision as provided in this section;

17 (4) "Tax revenue", when referring to the previous year, means the actual receipts from  
18 ad valorem levies on all classes of property, including state-assessed property, in the immediately  
19 preceding fiscal year of the political subdivision, plus an allowance for taxes billed but not  
20 collected in the fiscal year and plus an additional allowance for the revenue which would have  
21 been collected from property which was annexed by such political subdivision but which was  
22 not previously used in determining tax revenue pursuant to this section. The term "tax revenue"  
23 shall not include any receipts from ad valorem levies on any property of a railroad corporation  
24 or a public utility, as these terms are defined in section 386.020, RSMo, which were assessed by  
25 the assessor of a county or city in the previous year but are assessed by the state tax commission  
26 in the current year. All school districts and those counties levying sales taxes pursuant to chapter  
27 67, RSMo, shall include in the calculation of tax revenue an amount equivalent to that by which  
28 they reduced property tax levies as a result of sales tax pursuant to section 67.505, RSMo, and  
29 section 164.013, RSMo, in the immediately preceding fiscal year but not including any amount  
30 calculated to adjust for prior years. For purposes of political subdivisions which were authorized  
31 to levy a tax in the prior year but which did not levy such tax or levied a reduced rate, the term  
32 "tax revenue", as used in relation to the revision of tax levies mandated by law, shall mean the  
33 revenues equal to the amount that would have been available if the voluntary rate reduction had  
34 not been made.

35 2. Whenever changes in assessed valuation are entered in the assessor's books **for any**  
36 **personal property, in the aggregate, or for any subclass of real property as such subclasses**  
37 **are established in section 4(b) of article X of the Missouri Constitution and defined in**  
38 **section 137.016**, the county clerk in all counties and the assessor of St. Louis City shall notify  
39 each political subdivision wholly or partially within the county or St. Louis City of the change  
40 in valuation **of each subclass of real property, individually, and personal property, in the**  
41 **aggregate**, exclusive of new construction and improvements. All political subdivisions shall  
42 immediately revise the **applicable** rates of levy for each purpose **for each subclass of real**  
43 **property, individually, and personal property, in the aggregate**, for which taxes are levied  
44 to the extent necessary to produce from all taxable property, exclusive of new construction and  
45 improvements, substantially the same amount of tax revenue as was produced in the previous

46 year for each subclass of real property, individually, and personal property, in the  
47 aggregate, except that the rate may not exceed the greater of the rate in effect in the 1984 tax  
48 year or the most recent voter-approved rate. Such tax revenue shall not include any receipts  
49 from ad valorem levies on any real property which was assessed by the assessor of a county  
50 or city in such previous year but is assessed by the assessor of a county or city in the  
51 current year in a different subclass of real property. Where the taxing authority is a school  
52 district for the purposes of revising the applicable rates of levy for each subclass of real  
53 property, the tax revenues from state-assessed railroad and utility property shall be  
54 apportioned and attributed to each subclass of real property based on the percentage of  
55 the total assessed valuation of the county that each subclass of real property represents in  
56 the current taxable year. As provided in section 22 of article X of the constitution, a political  
57 subdivision may also revise each levy to allow for inflationary assessment growth occurring  
58 within the political subdivision. The inflationary growth factor shall be limited to the actual  
59 assessment growth [within] in the aggregate for the political subdivision, exclusive of new  
60 construction and improvements, but not to exceed the consumer price index or five percent,  
61 whichever is lower. Should the tax revenue of a political subdivision from the various tax  
62 rates determined in this subsection be different than the tax revenue that would have been  
63 determined from a single tax rate as calculated pursuant to the method of calculation in  
64 this subsection prior to January 1, 2003, then the political subdivision shall revise the tax  
65 rates of those subclasses of real property, individually, and/or personal property, in the  
66 aggregate, in which there is a tax rate reduction, pursuant to the provisions of this  
67 subsection. Such revision shall yield an amount equal to such difference and shall be  
68 apportioned among such subclasses of real property, individually, and/or personal  
69 property, in the aggregate, as per the relative tax rate reduction of such subclasses of real  
70 property, individually, and/or personal property, in the aggregate.

71 3. (1) Where the taxing authority is a school district, it shall be required to revise the rates  
72 of levy to the extent necessary to produce from all taxable property, including state-assessed  
73 railroad and utility property, which shall be separately estimated in addition to other data  
74 required in complying with section 164.011, RSMo, substantially the amount of tax revenue  
75 permitted in this section. In the year following tax rate reduction, the tax rate ceiling may be  
76 adjusted to offset such district's reduction in the apportionment of state school moneys due to its  
77 reduced tax rate. However, in the event any school district, in calculating a tax rate ceiling  
78 pursuant to this section, requiring the estimating of effects of state-assessed railroad and utility  
79 valuation or loss of state aid, discovers that the estimates used result in receipt of excess  
80 revenues, which would have required a lower rate if the actual information had been known, the  
81 school district shall reduce the tax rate ceiling in the following year to compensate for the excess



82 receipts, and the recalculated rate shall become the tax rate ceiling for purposes of this section.

83 (2) For any political subdivision which experiences a reduction in the amount of assessed  
84 valuation relating to a prior year, due to decisions of the state tax commission or a court pursuant  
85 to sections 138.430 to 138.433, RSMo, or due to clerical errors or corrections in the calculation  
86 or recordation of any assessed valuation:

87 (a) Such political subdivision may revise the tax rate ceiling for each purpose it levies  
88 taxes to compensate for the reduction in assessed value occurring after the political subdivision  
89 calculated the tax rate ceiling **for the particular subclass of real property or for personal**  
90 **property, in the aggregate**, in the prior year. Such revision by the political subdivision shall be  
91 made at the time of the next calculation of the tax rate **for the particular subclass of real**  
92 **property or for personal property, in the aggregate**, after the reduction in assessed valuation  
93 has been determined and shall be calculated in a manner that results in the revised tax rate ceiling  
94 being the same as it would have been had the corrected or finalized assessment been available  
95 at the time of the prior calculation;

96 (b) In addition, for up to three years following the determination of the reduction in  
97 assessed valuation as a result of circumstances defined in this subdivision, such political  
98 subdivision may levy a tax rate for each purpose it levies taxes above the revised tax rate ceiling  
99 provided in paragraph (a) of this subdivision to recoup any revenues it was entitled to receive for  
100 the three-year period preceding such determination.

101 4. (1) In order to implement the provisions of this section and section 22 of article X of  
102 the Constitution of Missouri, the term “improvements” shall apply to both real and personal  
103 property. In order to determine the value of new construction and improvements, each county  
104 assessor shall maintain a record of real property valuations in such a manner as to identify each  
105 year the increase in valuation for each political subdivision in the county as a result of new  
106 construction and improvements. The value of new construction and improvements shall include  
107 the additional assessed value of all improvements or additions to real property which were begun  
108 after and were not part of the prior year's assessment, except that the additional assessed value  
109 of all improvements or additions to real property which had been totally or partially exempt from  
110 ad valorem taxes pursuant to sections 99.800 to 99.865, RSMo, sections 135.200 to 135.255,  
111 RSMo, and section 353.110, RSMo, shall be included in the value of new construction and  
112 improvements when the property becomes totally or partially subject to assessment and payment  
113 of all ad valorem taxes. The aggregate increase in valuation of personal property for the current  
114 year over that of the previous year is the equivalent of the new construction and improvements  
115 factor for personal property. The assessor shall certify the amount of new construction and  
116 improvements for each political subdivision to the county clerk in order that political  
117 subdivisions shall have this information for the purpose of calculating tax rates pursuant to this

118 section and section 22, article X, Constitution of Missouri. In addition, the state tax commission  
119 shall certify each year to each county clerk the increase in the general price level as measured by  
120 the Consumer Price Index for All Urban Consumers for the United States, or its successor  
121 publications, as defined and officially reported by the United States Department of Labor, or its  
122 successor agency. The state tax commission shall certify the increase in such index on the latest  
123 twelve-month basis available on June first of each year over the immediately preceding prior  
124 twelve-month period in order that political subdivisions shall have this information available in  
125 setting their tax rates according to law and section 22 of article X of the Constitution of Missouri.  
126 For purposes of implementing the provisions of this section and section 22 of article X of the  
127 Missouri Constitution, the term “property” means all taxable property, including state assessed  
128 property.

129 (2) Each political subdivision required to revise rates of levy pursuant to this section or  
130 section 22 of article X of the Constitution of Missouri shall calculate each tax rate it is authorized  
131 to levy and, in establishing each tax rate, shall consider each provision for tax rate revision  
132 provided in this section and section 22 of article X of the Constitution of Missouri, separately  
133 and without regard to annual tax rate reductions provided in section 67.505, RSMo, and section  
134 164.013, RSMo. Each political subdivision shall set each tax rate it is authorized to levy using  
135 the calculation that produces the lowest tax rate ceiling. It is further the intent of the general  
136 assembly, pursuant to the authority of section 10(c) of article X of the Constitution of Missouri,  
137 that the provisions of such section be applicable to tax rate revisions mandated pursuant to  
138 section 22 of article X of the Constitution of Missouri as to reestablishing tax rates as revised in  
139 subsequent years, enforcement provisions, and other provisions not in conflict with section 22  
140 of article X of the Constitution of Missouri. Annual tax rate reductions provided in section  
141 67.505, RSMo, and section 164.013, RSMo, shall be applied to the tax rate as established  
142 pursuant to this section and section 22 of article X of the Constitution of Missouri, unless  
143 otherwise provided by law.

144 5. (1) In all political subdivisions, the tax rate ceiling established pursuant to this section  
145 shall not be increased unless approved by a vote of the people. Approval of the higher tax rate  
146 shall be by at least a majority of votes cast. When a proposed higher tax rate requires approval  
147 by more than a simple majority pursuant to any provision of law or the constitution, the tax rate  
148 increase must receive approval by at least the majority required.

149 (2) When voters approve an increase in the tax rate, the amount of the increase shall be  
150 added to the tax rate ceiling as calculated pursuant to this section to the extent the total rate does  
151 not exceed any maximum rate prescribed by law. If a ballot question presents a stated tax rate  
152 for approval rather than describing the amount of increase in the question, the stated tax rate  
153 approved shall be the current tax rate ceiling. The increased tax rate ceiling as approved may be

154 applied to the total assessed valuation of the political subdivision at the setting of the next tax  
155 rate.

156 (3) The governing body of any political subdivision may levy a tax rate lower than its tax  
157 rate ceiling and may increase that lowered tax rate to a level not exceeding the tax rate ceiling  
158 without voter approval.

159 **(4) In a year of general reassessment, a governing body whose tax rate is lower than**  
160 **its tax rate ceiling shall revise its tax rate pursuant to the provisions of subsection 4 of this**  
161 **section as if its tax rate were at the tax rate ceiling. In a year following general**  
162 **reassessment, if such governing body intends to increase its tax rate, the governing body**  
163 **shall conduct a public hearing, and in a public meeting it shall adopt an ordinance,**  
164 **resolution or policy statement justifying its action prior to setting and certifying its tax**  
165 **rate. The provisions of this subdivision shall not apply to a taxing jurisdiction which**  
166 **receives some portion of its funding pursuant to chapter 163, RSMo.**

167 6. (1) For the purposes of calculating state aid for public schools pursuant to section  
168 163.031, RSMo, each taxing authority which is a school district shall determine its  
169 proposed tax rate as a blended rate of the classes or subclasses of property. Such blended  
170 rate shall be calculated by first determining the total tax revenue of the property within  
171 the jurisdiction of the taxing authority, which amount shall be equal to the sum of the  
172 products of multiplying the assessed valuation of each class and subclass of property by the  
173 corresponding tax rate for such class or subclass, then dividing the total tax revenue by the  
174 total assessed valuation of the same jurisdiction, and then multiplying the resulting  
175 quotient by a factor of one-hundred. Where the taxing authority is a school district, such  
176 blended rate shall also be used by such school district for calculating revenue from state-  
177 assessed railroad and utility property as defined in chapter 151, RSMo, and for  
178 apportioning the tax rate by purpose.

179 (2) Each taxing authority proposing to levy a tax rate in any year shall notify the clerk of  
180 the county commission in the county or counties where the tax rate applies of its tax rate ceiling  
181 and its proposed tax rate. Each taxing authority shall express its proposed tax rate in a fraction  
182 equal to the nearest [one/one hundredth] **one-tenth of a cent, unless its proposed tax rate is**  
183 **in excess of one dollar, then one/one-hundredth** of a cent. **If a taxing authority shall round to**  
184 **one/one-hundredth of a cent, it shall round up a fraction greater than or equal to [five/one**  
185 **thousandth] five/one-thousandth of one cent to the next higher [one/one hundredth] one/one-**  
186 **hundredth of a cent; if a taxing authority shall round to one-tenth of a cent, it shall round**  
187 **up a fraction greater than or equal to five/one-hundredths of a cent to the next higher one-**  
188 **tenth of a cent.** Any taxing authority levying a property tax rate shall provide data, in such form  
189 as shall be prescribed by the state auditor by rule, substantiating such tax rate complies with

190 Missouri law. In addition, each taxing authority proposing to levy a tax rate for debt service shall  
191 provide data, in such form as shall be prescribed by the state auditor by rule, substantiating the  
192 tax rate for debt service complies with Missouri law. A tax rate proposed for annual debt service  
193 requirements will be prima facie valid if, after making the payment for which the tax was levied,  
194 bonds remain outstanding and the debt fund reserves do not exceed the following year's  
195 payments. The county clerk shall keep on file and available for public inspection all such  
196 information for a period of three years. The clerk shall, within three days of receipt, forward a  
197 copy of the notice of a taxing authority's tax rate ceiling and proposed tax rate and any  
198 substantiating data to the state auditor. The state auditor shall, within fifteen days of the date of  
199 receipt, examine such information and return to the county clerk his or her findings as to  
200 compliance of the tax rate ceiling with this section and as to compliance of any proposed tax rate  
201 for debt service with Missouri law. If the state auditor believes that a taxing authority's proposed  
202 tax rate does not comply with Missouri law, then the state auditor's findings shall include a  
203 recalculated tax rate, and the state auditor may request a taxing authority to submit  
204 documentation supporting such taxing authority's proposed tax rate. The county clerk shall  
205 immediately forward a copy of the auditor's findings to the taxing authority and shall file a copy  
206 of the findings with the information received from the taxing authority. The taxing authority shall  
207 have fifteen days from the date of receipt from the county clerk of the state auditor's findings and  
208 any request for supporting documentation to accept or reject in writing the rate change certified  
209 by the state auditor and to submit all requested information to the state auditor. A copy of the  
210 taxing authority's acceptance or rejection and any information submitted to the state auditor shall  
211 also be mailed to the county clerk. If a taxing authority rejects a rate change certified by the state  
212 auditor and the state auditor does not receive supporting information which justifies the taxing  
213 authority's original or any subsequent proposed tax rate, then the state auditor shall refer the  
214 perceived violations of such taxing authority to the attorney general's office and the attorney  
215 general is authorized to obtain injunctive relief to prevent the taxing authority from levying a  
216 violative tax rate.

217 7. No tax rate shall be extended on the tax rolls by the county clerk unless the political  
218 subdivision has complied with the foregoing provisions of this section.

219 8. Whenever a taxpayer has cause to believe that a taxing authority has not complied with  
220 the provisions of this section, the taxpayer may make a formal complaint with the prosecuting  
221 attorney of the county. Where the prosecuting attorney fails to bring an action within ten days  
222 of the filing of the complaint, the taxpayer may bring a civil action pursuant to this section and  
223 institute an action as representative of a class of all taxpayers within a taxing authority if the  
224 class is so numerous that joinder of all members is impracticable, if there are questions of law  
225 or fact common to the class, if the claims or defenses of the representative parties are typical of

the claims or defenses of the class, and if the representative parties will fairly and adequately protect the interests of the class. In any class action maintained pursuant to this section, the court may direct to the members of the class a notice to be published at least once each week for four consecutive weeks in a newspaper of general circulation published in the county where the civil action is commenced and in other counties within the jurisdiction of a taxing authority. The notice shall advise each member that the court will exclude him or her from the class if he or she so requests by a specified date, that the judgment, whether favorable or not, will include all members who do not request exclusion, and that any member who does not request exclusion may, if he or she desires, enter an appearance. In any class action brought pursuant to this section, the court, in addition to the relief requested, shall assess against the taxing authority found to be in violation of this section the reasonable costs of bringing the action, including reasonable attorney's fees, provided no attorney's fees shall be awarded any attorney or association of attorneys who receive public funds from any source for their services. Any action brought pursuant to this section shall be set for hearing as soon as practicable after the cause is at issue.

9. If in any action, including a class action, the court issues an order requiring a taxing authority to revise the tax rates as provided in this section or enjoins a taxing authority from the collection of a tax because of its failure to revise the rate of levy as provided in this section, any taxpayer paying his or her taxes when an improper rate is applied has erroneously paid his or her taxes in part, whether or not the taxes are paid under protest as provided in section 139.031, RSMo. The part of the taxes paid erroneously is the difference in the amount produced by the original levy and the amount produced by the revised levy. The township or county collector of taxes or the collector of taxes in any city shall refund the amount of the tax erroneously paid. The taxing authority refusing to revise the rate of levy as provided in this section shall make available to the collector all funds necessary to make refunds pursuant to this subsection. No taxpayer shall receive any interest on any money erroneously paid by him or her pursuant to this subsection. Effective in the 1994 tax year, nothing in this section shall be construed to require a taxing authority to refund any tax erroneously paid prior to or during the third tax year preceding the current tax year.

10. A taxing authority, including but not limited to a township, county collector, or collector of taxes, responsible for determining and collecting the amount of residential real property tax levied in its jurisdiction, shall report such amount of tax collected by December thirty-first of each year such property is assessed, to the state tax commission. The state tax commission shall compile the tax data by county or taxing jurisdiction and submit a report to the general assembly no later than January thirty-first of the following year.

137.115. 1. All other laws to the contrary notwithstanding, the assessor or the assessor's

2 deputies in all counties of this state including the city of St. Louis shall annually make a list of  
3 all real and tangible personal property taxable in the assessor's city, county, town or district.  
4 Except as otherwise provided in subsection 3 of this section, the assessor shall annually assess  
5 all personal property at thirty-three and one-third percent of its true value in money as of January  
6 first of each calendar year. The assessor shall annually assess all real property, including any new  
7 construction and improvements to real property, and possessory interests in real property at the  
8 percent of its true value in money set in subsection 5 of this section. The assessor shall annually  
9 assess all real property in the following manner: new assessed values shall be determined as of  
10 January first of each odd-numbered year and shall be entered in the assessor's books; those same  
11 assessed values shall apply in the following even-numbered year, except for new construction  
12 and property improvements which shall be valued as though they had been completed as of  
13 January first of the preceding odd-numbered year. The assessor may call at the office, place of  
14 doing business, or residence of each person required by this chapter to list property, and require  
15 the person to make a correct statement of all taxable real property in the county owned by the  
16 person, or under his or her care, charge or management, and all taxable tangible personal  
17 property owned by the person or under his or her care, charge or management, taxable in the  
18 county. On or before January first of each even-numbered year, the assessor shall prepare and  
19 submit a two-year assessment maintenance plan to the county governing body and the state tax  
20 commission for their respective approval or modification. The county governing body shall  
21 approve and forward such plan or its alternative to the plan to the state tax commission by  
22 February first. If the county governing body fails to forward the plan or its alternative to the plan  
23 to the state tax commission by February first, the assessor's plan shall be considered approved  
24 by the county governing body. If the state tax commission fails to approve a plan and if the state  
25 tax commission and the assessor and the governing body of the county involved are unable to  
26 resolve the differences, in order to receive state cost-share funds outlined in section 137.750, the  
27 county or the assessor shall petition the administrative hearing commission, by May first, to  
28 decide all matters in dispute regarding the assessment maintenance plan. Upon agreement of the  
29 parties, the matter may be stayed while the parties proceed with mediation or arbitration upon  
30 terms agreed to by the parties. The final decision of the administrative hearing commission shall  
31 be subject to judicial review in the circuit court of the county involved. In the event a valuation  
32 of subclass (1) real property within any county of the first classification with a charter form of  
33 government, or within a city not within a county, is made by a computer, computer-assisted  
34 method or a computer program, the burden of proof, supported by clear, convincing and cogent  
35 evidence to sustain such valuation, shall be on the assessor at any hearing or appeal. In any such  
36 county, unless the assessor proves otherwise, there shall be a presumption that the assessment  
37 was made by a computer, computer-assisted method or a computer program. Such evidence shall

38 include, but shall not be limited to, the following:

39 (1) The findings of the assessor based on an appraisal of the property by generally  
40 accepted appraisal techniques; and

41 (2) The purchase prices from sales of at least three comparable properties and the address  
42 or location thereof. As used in this paragraph, the word “comparable” means that:

43 (a) Such sale was closed at a date relevant to the property valuation; and

44 (b) Such properties are not more than one mile from the site of the disputed property,  
45 except where no similar properties exist within one mile of the disputed property, the nearest  
46 comparable property shall be used. Such property shall be within five hundred square feet in size  
47 of the disputed property, and resemble the disputed property in age, floor plan, number of rooms,  
48 and other relevant characteristics.

49 2. Assessors in each county of this state and the city of St. Louis may send personal  
50 property assessment forms through the mail.

51 3. The following items of personal property shall each constitute separate subclasses of  
52 tangible personal property and shall be assessed and valued for the purposes of taxation at the  
53 following percents of their true value in money:

54 (1) Grain and other agricultural crops in an unmanufactured condition, one-half of one  
55 percent;

56 (2) Livestock, twelve percent;

57 (3) Farm machinery, twelve percent;

58 (4) Motor vehicles which are eligible for registration as and are registered as historic  
59 motor vehicles pursuant to section 301.131, RSMo, and aircraft which are at least twenty-five  
60 years old and which are used solely for noncommercial purposes and are operated less than fifty  
61 hours per year or aircraft that are home built from a kit, five percent;

62 (5) Poultry, twelve percent; and

63 (6) Tools and equipment used for pollution control and tools and equipment used in  
64 retooling for the purpose of introducing new product lines or used for making improvements to  
65 existing products by any company which is located in a state enterprise zone and which is  
66 identified by any standard industrial classification number cited in subdivision (6) of section  
67 135.200, RSMo, twenty-five percent.

68 4. The person listing the property shall enter a true and correct statement of the property,  
69 in a printed blank prepared for that purpose. The statement, after being filled out, shall be signed  
70 and either affirmed or sworn to as provided in section 137.155. The list shall then be delivered  
71 to the assessor.

72 5. All subclasses of real property, as such subclasses are established in section 4(b) of  
73 article X of the Missouri Constitution and defined in section 137.016, shall be assessed at the

74 following percentages of true value:

- 75 (1) For real property in subclass (1), nineteen percent;  
76 (2) For real property in subclass (2), twelve percent; and  
77 (3) For real property in subclass (3), thirty-two percent.

78 6. Manufactured homes, as defined in section 700.010, RSMo, which are actually used  
79 as dwelling units shall be assessed at the same percentage of true value as residential real  
80 property for the purpose of taxation. The percentage of assessment of true value for such  
81 manufactured homes shall be the same as for residential real property. If the county collector  
82 cannot identify or find the manufactured home when attempting to attach the manufactured home  
83 for payment of taxes owed by the manufactured home owner, the county collector may request  
84 the county commission to have the manufactured home removed from the tax books, and such  
85 request shall be granted within thirty days after the request is made; however, the removal from  
86 the tax books does not remove the tax lien on the manufactured home if it is later identified or  
87 found. A manufactured home located in a manufactured home rental park, rental community or  
88 on real estate not owned by the manufactured home owner shall be considered personal property.  
89 A manufactured home located on real estate owned by the manufactured home owner may be  
90 considered real property.

91 7. Each manufactured home assessed shall be considered a parcel for the purpose of  
92 reimbursement pursuant to section 137.750, unless the manufactured home has been converted  
93 to real property in compliance with section 700.111, RSMo, and assessed as a realty  
94 improvement to the existing real estate parcel.

95 8. Any amount of tax due and owing based on the assessment of a manufactured home  
96 shall be included on the personal property tax statement of the manufactured home owner unless  
97 the manufactured home has been converted to real property in compliance with section 700.111,  
98 RSMo, in which case the amount of tax due and owing on the assessment of the manufactured  
99 home as a realty improvement to the existing real estate parcel shall be included on the real  
100 property tax statement of the real estate owner.

101 9. The assessor of each county and each city not within a county shall use the trade-in  
102 value published in the October issue of the National Automobile Dealers' Association Official  
103 Used Car Guide, or its successor publication, as the recommended guide of information for  
104 determining the true value of motor vehicles described in such publication. In the absence of a  
105 listing for a particular motor vehicle in such publication, the assessor shall use such information  
106 or publications which in the assessor's judgment will fairly estimate the true value in money of  
107 the motor vehicle.

108 10. [If] **Before** the assessor [increases] **may increase** the assessed valuation of any parcel  
109 of subclass (1) real property by more than [seventeen] **fifteen** percent since the last assessment,



110 excluding increases due to new construction or improvements, [then] the assessor shall conduct  
111 a physical inspection of such property.

112 **11. If a physical inspection is required, pursuant to subsection 10 of this section, the**  
113 **assessor shall notify the property owner of that fact in writing and shall provide the owner**  
114 **clear written notice of the owner's rights relating to the physical inspection. If a physical**  
115 **inspection is required, the property owner may request that an interior inspection be**  
116 **performed during the physical inspection. The owner shall have no less than thirty days**  
117 **to notify the assessor of a request for an interior physical inspection.**

118 **12. A physical inspection, as required by subsection 10 of this section, shall include,**  
119 **but not be limited to, an on-site personal observation and review of all exterior portions of**  
120 **the land and any buildings and improvements to which the inspector has or may**  
121 **reasonably and lawfully gain external access, and shall include an observation and review**  
122 **of the interior of any buildings or improvements on the property upon the timely request**  
123 **of the owner pursuant to subsection 11 of this section. Mere observation of the property**  
124 **via a "drive-by inspection" or the like shall not be considered sufficient to constitute a**  
125 **physical inspection as required by this section.**

126 **13. A county or city collector may accept credit cards as proper form of payment**  
127 **of outstanding property tax due. No county or city collector may charge surcharge for**  
128 **payment by credit card which exceeds the fee or surcharge charged by the credit card bank**  
129 **for its service.**

130 **14. The provisions of sections 137.073, 137.115, 138.060 and 138.100 of this act shall**  
131 **become effective January 1, 2003 for any taxing jurisdiction which is partly or entirely**  
132 **within a county with a charter form of government with greater than one million**  
133 **inhabitants, and the provisions of sections 137.073, 137.115, 138.060 and 138.100 of this act**  
134 **shall become effective January 1, 2005 for all taxing jurisdictions in this state. Any county**  
135 **in this state may, by an affirmative vote of the governing body of such county, opt into the**  
136 **provisions of this act prior to January 1, 2005.**

138.060. 1. The county board of equalization shall, in a summary way, determine all  
2 appeals from the valuation of property made by the assessor, and shall correct and adjust the  
3 assessment accordingly. There shall be no presumption that the assessor's valuation is correct.  
4 **In any county with a charter form of government with a population greater than two**  
5 **hundred eighty thousand inhabitants but less than two hundred eighty-five thousand**  
6 **inhabitants, and in any county with a charter form of government with greater than one**  
7 **million inhabitants, and in any city not within a county, the assessor shall have the burden**  
8 **to prove that the assessor's valuation does not exceed the true market value of the subject**  
9 **property. In such county or city, in the event a physical inspection of the subject property**

10 **is required by subsection 10 of section 137.115, RSMo, the assessor shall have the burden**  
11 **to establish the manner in which the physical inspection was performed and shall have the**  
12 **burden to prove that the physical inspection was performed in accordance with section**  
13 **137.115, RSMo. In such county or city, in the event the assessor fails to provide sufficient**  
14 **evidence to establish that the physical inspection was performed in accordance with section**  
15 **137.115, RSMo, the property owner shall prevail on the appeal as a matter of law.** At any  
16 hearing before the state tax commission or a court of competent jurisdiction of an appeal of  
17 assessment from a first class charter county or a city not within a county, the assessor shall not  
18 advocate nor present evidence advocating a valuation higher than that value finally determined  
19 by the assessor or the value determined by the board of equalization, whichever is higher, for that  
20 assessment period.

21         2. The county clerk shall keep an accurate record of the proceedings and orders of the  
22 board, and the assessor shall correct all erroneous assessments, and the clerk shall adjust the tax  
23 book according to the orders of such board and the orders of the state tax commission, except  
24 that in adding or deducting such percent to each tract or parcel of real estate as required by such  
25 board or state tax commission, he shall add or deduct in each case any fractional sum of less than  
26 fifty cents, so that the value of any separate tract shall contain no fractions of a dollar.

138.100. 1. The following rules shall be observed by such county boards of equalization:

2         (1) They shall raise the valuation of all tracts or parcels of land and all tangible personal  
3 property as in their opinion have been returned below their real value; but, after the board has  
4 raised the valuation of such property, notice shall be given that said valuation of such property  
5 has been increased and a hearing shall be granted; such notice shall be in writing and shall be  
6 directed to the owner of the property or the person controlling the same, at his last address as  
7 shown by the records in the assessor's office, and shall describe the property and the value  
8 thereof as increased; such notice may be by personal service or by mail and if the address of such  
9 person or persons is unknown, notice may be given by publication in two newspapers published  
10 within the county; such notice shall be served, mailed or published at least five days prior to the  
11 date on which said hearing shall be held at which objections, if any, may be made against said  
12 increased assessment;

13         (2) They shall reduce the valuation of such tracts or parcels of land or of any tangible  
14 personal property which, in their opinion, has been returned above its true value as compared  
15 with the average valuation of all the real and tangible personal property of the county.

16         2. Such hearings shall end on the last Saturday of July of each year; provided, that the  
17 estimated true value of personal property as shown on any itemized personal property return shall  
18 not be conclusive on the assessor or prevent the assessor from increasing such valuation.  
19 Provided further that said board of equalization shall meet thereafter at least once a month for

20 the purpose of hearing allegations of erroneous assessments, double assessments and clerical  
21 errors, and upon satisfactory proof thereof shall correct such errors and certify the same to the  
22 county clerk and county collector.

23 **3. The board of equalization in all counties with a charter form of government shall**  
24 **provide the taxpayer with written findings of fact and a written basis for the board's**  
25 **decision regarding any parcel of real property which is the subject of a hearing before any**  
26 **board of equalization.**

**144.1000. Sections 144.1000 to 144.1015 shall be known as and referred to as the**  
2 **"Simplified Sales and Use Tax Administration Act".**

**144.1003. As used in sections 144.1000 to 144.1015, the following terms shall mean:**

2 **(1) "Agreement", the Streamlined Sales and Use Tax Agreement;**

3 **(2) "Certified automated system", software certified jointly by the states that are**  
4 **signatories to the agreement to calculate the tax imposed by each jurisdiction on a**  
5 **transaction, determine the amount of tax to remit to the appropriate state and maintain**  
6 **a record of the transaction;**

7 **(3) "Certified service provider", an agent certified jointly by the states that are**  
8 **signatories to the agreement to perform all of the seller's sales tax functions;**

9 **(4) "Person", an individual, trust, estate, fiduciary, partnership, limited liability**  
10 **company, limited liability partnership, corporation or any other legal entity;**

11 **(5) "Sales tax", any sales tax levied pursuant to this chapter, section 32.085, RSMo,**  
12 **or any other sales tax authorized by statute and levied by this state or its political**  
13 **subdivisions;**

14 **(6) "Seller", any person making sales, leases or rentals of personal property or**  
15 **services;**

16 **(7) "State", any state of the United States and the District of Columbia;**

17 **(8) "Use tax", the use tax levied pursuant to this chapter.**

**144.1006. For the purposes of reviewing and, if necessary, amending the agreement**  
2 **embodying the simplification recommendations contained in section 144.1015, the state**  
3 **may enter into multistate discussions. For purposes of such discussions, the state shall be**  
4 **represented by seven delegates, one of whom shall be appointed by the governor, two**  
5 **members appointed by the speaker of the house of representatives, one member appointed**  
6 **by the minority leader of the house of representatives, two members appointed by the**  
7 **president pro tempore of the senate and one member appointed by the minority leader of**  
8 **the senate. The delegates need not be members of the general assembly and at least one of**  
9 **the delegates appointed by the speaker of the house of representatives and one member**  
10 **appointed by the president pro tempore of the senate shall be from the private sector and**

11 represent the interests of Missouri businesses. The delegates shall recommend to the  
12 committees responsible for reviewing tax issues in the senate and the house of  
13 representatives each year any amendment of state statutes required to be substantially in  
14 compliance with the agreement. Such delegates shall make a written report by the fifteenth  
15 day of January each year regarding the status of the multistate discussions and upon final  
16 adoption of the terms of the sales and use tax agreement by the multistate body.

144.1009. No provision of the agreement authorized by sections 144.1000 to  
2 144.1015 in whole or in part invalidates or amends any provision of the law of this state.  
3 Implementation of any condition of this agreement in this state, whether adopted before,  
4 at, or after membership of this state in the agreement, must be by action of the general  
5 assembly. Such report shall be delivered to the governor, the secretary of state, the  
6 president pro tempore of the senate and the speaker of the house of representatives and  
7 shall simultaneously be made publicly available by the secretary of state to any person  
8 requesting a copy.

144.1012. Unless five of the seven delegates agree, the delegates shall not enter into  
2 or vote for any streamlined sales and use tax agreement that:

3 (1) Requires adoption of a definition of any term that would cause any item or  
4 transaction that is now excluded or exempted from sales or use tax to become subject to  
5 sales or use tax;

6 (2) Requires the state of Missouri to fully exempt or fully apply sales taxes to the  
7 sale of food or any other item;

8 (3) Restricts the ability of local governments under statutes in effect on August 28,  
9 2002, to enact one or more local taxes on one or more items without application of the tax  
10 to all sales within the taxing jurisdiction, however, restriction of any such taxes allowed by  
11 statutes effective after August 28, 2002, may be supported;

12 (4) Provides for adoption of any uniform rate structure that would result in a tax  
13 increase for any Missouri taxpayer;

14 (5) Affects the sourcing of sales tax transactions; or

15 (6) Prohibits limitations or thresholds on the application of sales and use tax rates  
16 or prohibits any current sales or use tax exemption in the state of Missouri, including  
17 exemptions that are based on the value of the transaction or item.

144.1015. In addition to the requirements of section 144.1012, the delegates should  
2 consider the following features when deciding whether or not to enter into any streamlined  
3 sales and use tax agreement:

4 (1) The agreement should address the limitation of the number of state rates over  
5 time;

6           **(2) The agreement should establish uniform standards for administration of exempt**  
7 **sales and the form used for filing sales and use tax returns and remittances;**

8           **(3) The agreement should require the state to provide a central, electronic**  
9 **registration system that allows a seller to register to collect and remit sales and use taxes**  
10 **for all signatory states;**

11           **(4) The agreement should provide that registration with the central registration**  
12 **system and the collection of sales and use taxes in the signatory states will not be used as**  
13 **a factor in determining whether the seller has nexus with a state for any tax;**

14           **(5) The agreement should provide for reduction of the burdens of complying with**  
15 **local sales and use taxes through the following so long as they do not conflict with the**  
16 **provisions of section 144.1012:**

17           **(a) Restricting variances between the state and local tax bases;**

18           **(b) Requiring states to administer any sales and use taxes levied by local**  
19 **jurisdictions within the state so that sellers collecting and remitting these taxes will not**  
20 **have to register or file returns with, remit funds to, or be subject to independent audits**  
21 **from local taxing jurisdictions;**

22           **(c) Restricting the frequency of changes in the local sales and use tax rates and**  
23 **setting effective dates for the application of local jurisdictional boundary changes to local**  
24 **sales and use taxes; and**

25           **(d) Providing notice of changes in local sales and use tax rates and of changes in the**  
26 **boundaries of local taxing jurisdictions;**

27           **(6) The agreement should outline any monetary allowances that are to be provided**  
28 **by the states to sellers or certified service providers. The agreement must allow for a joint**  
29 **public and private sector study of the compliance cost on sellers and certified service**  
30 **providers to collect sales and use taxes for state and local governments under various levels**  
31 **of complexity to be completed by July 1, 2003;**

32           **(7) The agreement should require each state to certify compliance with the terms**  
33 **of the agreement prior to joining and to maintain compliance, under the laws of the**  
34 **member state, with all provisions of the agreement while a member, only if the agreement**  
35 **and any amendment thereto complies with the provisions of section 144.1012;**

36           **(8) The agreement should require each state to adopt a uniform policy for certified**  
37 **service providers that protects the privacy of consumers and maintains the confidentiality**  
38 **of tax information; and**

39           **(9) The agreement should provide for the appointment of an advisory council of**  
40 **private sector representatives and an advisory council of nonmember state representatives**  
41 **to consult with in the administration of the agreement.**

2       **620.012. 1. Notwithstanding any other provision of law, before the director of**  
3 **revenue enters into any agreement to abate all or part of a taxpayer's liability to the state,**  
4 **including interest and additions to tax, the director shall forward a copy of the agreement**  
5 **to the attorney general before entering into such agreement.**

6       **2. Upon receiving the proposed agreement, the attorney general shall, within ten**  
7 **days, review and approve such agreement for its legal form and content as may be**  
8 **necessary to protect the legal interest of the state. If the attorney general does not approve,**  
9 **then the attorney general shall return the agreement with additional proposed provisions**  
10 **as may be necessary to the proper enforcement of the agreement as required to protect the**  
11 **state's legal interest. If the attorney general does not respond within ten days, or in the case**  
12 **of any agreement that involves an abatement of the taxpayer's tax liability, including**  
13 **interest and additions to tax, to the state of one million dollars or more, within thirty days,**  
14 **the agreement shall be deemed approved.**

15       **3. Communications related to the attorney general's review are attorney-client**  
16 **communications. The attorney general's written disposition shall be subject to chapter 610,**  
17 **RSMo.**

18       **4. The provisions of this section shall terminate January 1, 2005.**

19       **Section 1. The provisions of subsections 11 and 12 of section 137.115, RSMo, shall**  
20 **only apply in any county with a charter form of government with more than one million**  
21 **inhabitants.**

22       **Section 2. The provisions of subsection 3 of section 138.100, RSMo, shall only apply**  
23 **in any county with a charter form of government with more than one million inhabitants.**

24       **Section B. Because of the immediate need to secure adequate state revenue, this act is**  
25 **deemed necessary for the immediate preservation of the public health, welfare, peace and safety,**  
26 **and is hereby declared to be an emergency act within the meaning of the constitution, and this**  
27 **act shall be in full force and effect upon its passage and approval, but not before July 1, 2002.**