

CCS HS HCS SB 1394 -- TAXATION

This bill changes the laws regarding taxation. The bill:

(1) Relieves the Department of Revenue from notifying each local taxing entity of a delinquency before turning the case over to the Attorney General for collection and mandates the department to include local taxes in its suit against a taxpayer;

(2) States that if a county commission has not submitted a panel of names to the Governor within 30 days of the expiration of a county sports complex authority commissioner's term, the Governor will immediately make an appointment with the advice and consent of the Senate. If the Governor does not appoint a replacement, no commissioner will serve beyond the continuation of his or her term;

(3) Prohibits the City of Edmundson from collecting a license fee on hotels and motels for more than \$27 per room, per year and prohibits the City of Woodson Terrace from collecting a license fee on hotels and motels for more than \$13.50 per room, per year. If a license fee is more, it will automatically be reduced;

(4) Allows the City of Salem to charge a transient guest tax, upon voter approval, to promote tourism. The tax cannot exceed 5% per occupied room, per night;

(5) Allows the City of Gladstone to impose a local sales tax up to one-half of 1% for public safety, upon voter approval. The department will collect and remit any sales tax collected less a 1% collection fee to the city's public safety sales tax trust fund;

(6) Expands the definition of "eligible industry" as it relates to the Business Use Incentives for Large-Scale Development (BUILD) Program to include a tax preparation company headquartered in Kansas City as long as the company creates 100 new jobs for eligible employees and invests at least \$15 million in an economic development project. The cap for the tax credit is increased from \$11 million to \$11,950,000 for the benefit of the tax preparation company headquartered in Kansas City;

(7) Changes the cap on the tax credit for an accredited film or video production produced in Missouri from \$500,000 to \$1 million per taxpayer, per year, and total credits will not exceed \$1,500,000 per year;

(8) Establishes depreciation tables for digital and analog television broadcasting equipment based upon the cost of the item for purposes of personal property taxation. This section becomes

effective January 1, 2005;

(9) Allows certain local governing bodies to require all charges for parking and other vehicle-related fees and fines to be paid before a county will issue a paid personal property tax receipt;

(10) Reduces the penalty from 25% to 10% of the assessed value for failure to deliver an accurate personal property assessment list in a timely manner in the City of St. Louis;

(11) Increases the credit for taxes paid to another state by basing the amount of the credit on the tax liability in the foreign state prior to the subtraction of any tax credits taken in the state. This section becomes effective January 1, 2005;

(12) Allows an additional subtraction when assets that are subject to bonus depreciation are disposed of before the end of the assets' depreciable life;

(13) Removes "employee" from the description of the responsible party for a corporation. The department assesses taxes against the officers of the corporation as the responsible parties if the corporation fails to file and pay its taxes. The Missouri Supreme Court ruled that the use of the word "and" permits the department to assess responsible parties only if it fails to have actually filed a return. The bill changes the word "and" to "or" so that an officer, director, or statutory trustee cannot avoid being held responsible for taxes by having filed the return;

(14) Allows a negative federal income to be reported on the Missouri income tax return in certain circumstances for tax years ending on or after July 1, 2002;

(15) Allows the department to offset any property tax credit refund against an income tax delinquency or a delinquency created by a property tax credit claim;

(16) Removes the restriction requiring a person trading in an article to be the owner or holder of a properly assigned certificate of ownership for trade-in credit or partial payment on a motor vehicle, trailer, boat, or outboard motor;

(17) Allows for the revocation of a retail sales tax license when an employer fails to pay withholding taxes; and

(18) Allows certain tax-exempt organizations to submit a form verifying their tax-exempt status when registering motor vehicles they own.