

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 269
93RD GENERAL ASSEMBLY

Reported from the Special Committee on Urban Issues April 21, 2005, with recommendation that House Committee Substitute for Senate Substitute for Senate Committee Substitute for Senate Bill No. 269 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

STEPHEN S. DAVIS, Chief Clerk

0768L.10C

AN ACT

To repeal section 143.183, RSMo, and to enact in lieu thereof one new section relating to athletes and entertainer tax.

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

Section A. Section 143.183, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.183, to read as follows:

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

(1) "Nonresident entertainer", a person residing or registered as a corporation outside this state who, for compensation, performs any vocal, instrumental, musical, comedy, dramatic, dance or other performance in this state before a live audience and any other person traveling with and performing services on behalf of a nonresident entertainer, including a nonresident entertainer who is paid compensation for providing entertainment as an independent contractor, a partnership that is paid compensation for entertainment provided by nonresident entertainers, a corporation that is paid compensation for entertainment provided by nonresident entertainers, or any other entity that is paid compensation for entertainment provided by nonresident entertainers;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

11 (2) "Nonresident member of a professional athletic team", a professional athletic team
12 member who resides outside this state, including any active player, any player on the disabled
13 list if such player is in uniform on the day of the game at the site of the game, and any other
14 person traveling with and performing services on behalf of a professional athletic team;

15 (3) "Personal service income" includes exhibition and regular season salaries and wages,
16 guaranteed payments, strike benefits, deferred payments, severance pay, bonuses, and any other
17 type of compensation paid to the nonresident entertainer or nonresident member of a professional
18 athletic team, but does not include prizes, bonuses or incentive money received from competition
19 in a livestock, equine or rodeo performance, exhibition or show;

20 (4) "Professional athletic team" includes, but is not limited to, any professional baseball,
21 basketball, football, soccer and hockey team;

22 (5) **"Top tier fund", the obligation of the regional convention and sports complex**
23 **authority created under sections 67.650 to 67.658, RSMo, to ensure that the St. Louis**
24 **multipurpose convention and indoor sports facility presently known as the Edward Jones**
25 **Dome remains within the top twenty-five percent of all National Football League stadiums**
26 **or, depending on the context, any obligation to ensure that the sports facility presently**
27 **known as Arrowhead Stadium remains within the top twenty-five percent of all National**
28 **Football League stadiums.**

29 2. Any person, venue, or entity who pays compensation to a nonresident entertainer shall
30 deduct and withhold from such compensation as a prepayment of tax an amount equal to two
31 percent of the total compensation if the amount of compensation is in excess of three hundred
32 dollars paid to the nonresident entertainer.

33 3. Any person, venue, or entity required to deduct and withhold tax pursuant to
34 subsection 2 of this section shall, for each calendar quarter, on or before the last day of the month
35 following the close of such calendar quarter, remit the taxes withheld in such form or return as
36 prescribed by the director of revenue and pay over to the director of revenue or to a depository
37 designated by the director of revenue the taxes so required to be deducted and withheld.

38 4. Any person, venue, or entity subject to this section shall be considered an employer
39 for purposes of section 143.191, and shall be subject to all penalties, interest, and additions to
40 tax provided in this chapter for failure to comply with this section.

41 5. Notwithstanding other provisions of this chapter to the contrary, the [commissioner
42 of administration, for all taxable years beginning on or after January 1, 1999, but none after
43 December 31, 2015, shall annually estimate the amount of state income tax revenues collected
44 pursuant to this chapter which are received from nonresident members of professional athletic
45 teams and nonresident entertainers. For fiscal year 2000, and for each subsequent fiscal year for
46 a period of sixteen years, sixty percent] **department of revenue, for all taxable years**

47 **beginning on or after January 1, 1999, shall annually estimate the amount of state income**
48 **tax revenues collected pursuant to this chapter which are received from nonresident**
49 **members of professional athletic teams and nonresident entertainers. Once collected,**
50 **revenue derived from the tax imposed under this section, which shall correspond to the**
51 **estimate provided by the department of revenue, shall be placed into the nonresident**
52 **entertainer and athlete fund. For fiscal year 2007, and for each subsequent fiscal year,**
53 **eighteen percent of the available amount of the annual estimate of taxes generated from the**
54 **nonresident entertainer and professional athletic team income tax shall be allocated annually to**
55 **the Missouri arts council trust fund, and shall be transferred from the [general revenue]**
56 **nonresident entertainer and athlete fund to the Missouri arts council trust fund established in**
57 **section 185.100, RSMo, and any amount transferred shall be in addition to such agency's budget**
58 **base for each fiscal year. [Notwithstanding other provisions of this section, the Missouri arts**
59 **council shall not be appropriated more than ten million dollars in any fiscal year.] The director**
60 **shall by rule establish the method of determining the portion of personal service income of such**
61 **persons that is allocable to Missouri. For fiscal year 2007, and for each subsequent fiscal**
62 **year, six percent of the available amount of the annual estimate of taxes generated from**
63 **the nonresident entertainer and professional athletic team income tax shall be transferred**
64 **to the Missouri cultural and arts trust fund created under subsection 15 of this section.**
65 **Subject to appropriations, moneys in the Missouri cultural arts trust fund shall be**
66 **annually allocated in the following percentages to the following entities:**

67 (1) **Twelve and one-half percent to the St. Louis Black Repertory Theatre;**

68 (2) **Twelve and one-half percent to the Negro League Baseball Museum, Kansas**
69 **City, Missouri; and**

70 (3) **The remaining seventy-five percent in equal portions to the following entities:**

71 (a) **The Juneteenth Heritage and Jazz Festival Foundation;**

72 (b) **The Better Family Life Cultural Center and Museum;**

73 (c) **The Black World History Museum;**

74 (d) **The Harambee Institute;**

75 (e) **The Portfolio Gallery and Educational Center;**

76 (f) **The Bruce Watkins Cultural Heritage Center and Museum;**

77 (g) **The Museum of Black Inventors;**

78 (h) **The Black Archives of Mid-America;**

79 (i) **The American Jazz Museum;**

80 (j) **The Gem Cultural and Educational Center;**

81 (k) **The W.E.B. Dubois Learning Center;**

82 (l) **The Carr Square Tenant Corporation;**

83 (m) **The Reel Images Film and Video Group;**

84 (n) **The Mutual Musicians Foundation, Inc.;**

85 (o) **The Mid City Excellence Community Learn Center.**

86 6. Notwithstanding the provisions of sections 186.050 to 186.067, RSMo, to the
87 contrary, the [commissioner of administration] **department of revenue**, for all taxable years
88 beginning on or after January 1, 1999, [but for none after December 31, 2015,] shall estimate
89 annually the amount of state income tax revenues collected pursuant to this chapter which are
90 received from nonresident members of professional athletic teams and nonresident entertainers.
91 **Once collected, revenue derived from the tax imposed under this section, which shall**
92 **correspond to the estimate provided by the department of revenue, shall be placed into the**
93 **nonresident entertainer and athlete fund.** For fiscal year [2000] **2007**, and for each
94 subsequent fiscal year [for a period of sixteen years], [ten] **four** percent of the **available amount**
95 **of the** annual estimate of taxes generated from the nonresident entertainer and professional
96 athletic team income tax shall be allocated annually to the Missouri humanities council trust
97 fund, and shall be transferred from the [general revenue] **nonresident entertainer and athlete**
98 fund to the Missouri humanities council trust fund established in section 186.055, RSMo, and
99 any amount transferred shall be in addition to such agency's budget base for each fiscal year.

100 7. Notwithstanding other provisions of section 182.812, RSMo, to the contrary, the
101 [commissioner of administration] **department of revenue**, for all taxable years beginning on or
102 after January 1, 1999, [but for none after December 31, 2015,] shall estimate annually the amount
103 of state income tax revenues collected pursuant to this chapter which are received from
104 nonresident members of professional athletic teams and nonresident entertainers. **Once**
105 **collected, revenue derived from the tax imposed under this section, which shall correspond**
106 **to the estimate provided by the department of revenue, shall be placed into the nonresident**
107 **entertainer and athlete fund.** For fiscal year [2000] **2007**, and for each subsequent fiscal year
108 [for a period of sixteen years], [ten] **four** percent of the **available amount of the** annual estimate
109 of taxes generated from the nonresident entertainer and professional athletic team income tax
110 shall be allocated annually to the Missouri state library networking fund, and shall be transferred
111 from the [general revenue] **nonresident entertainer and athlete** fund to the secretary of state
112 for distribution to public libraries for acquisition of library materials as established in section
113 182.812, RSMo, and any amount transferred shall be in addition to such agency's budget base
114 for each fiscal year.

115 8. Notwithstanding other provisions of section 37.200, RSMo, to the contrary, the
116 [commissioner of administration] **department of revenue**, for all taxable years beginning on or
117 after January 1, 1999, [but for none after December 31, 2015,] shall estimate annually the amount
118 of state income tax revenues collected pursuant to this chapter which are received from

119 nonresident members of professional athletic teams and nonresident entertainers. **Once**
120 **collected, revenue derived from the tax imposed under this section, which shall correspond**
121 **to the estimate provided by the department of revenue, shall be placed into the nonresident**
122 **entertainer and athlete fund.** For fiscal year [2000] **2007**, and for each subsequent fiscal year
123 [for a period of sixteen years], [ten] **four** percent of the **available amount of the** annual estimate
124 of taxes generated from the nonresident entertainer and professional athletic team income tax
125 shall be allocated annually to the Missouri public television broadcasting corporation special
126 fund, and shall be transferred from the [general revenue] **nonresident entertainer and athlete**
127 fund to the Missouri public television broadcasting corporation special fund established in
128 section 37.200, RSMo, and any amount transferred shall be in addition to such agency's budget
129 base for each fiscal year; provided, however, that twenty-five percent of such allocation shall be
130 used for grants to public radio stations which were qualified by the corporation for public
131 broadcasting as of November 1, 1996. Such grants shall be distributed to each of such public
132 radio stations in this state after receipt of the station's certification of operating and programming
133 expenses for the prior fiscal year. Certification shall consist of the most recent fiscal year
134 financial statement submitted by a station to the corporation for public broadcasting. The grants
135 shall be divided into two categories, an annual basic service grant and an operating grant. The
136 basic service grant shall be equal to thirty-five percent of the total amount and shall be divided
137 equally among the public radio stations receiving grants. The remaining amount shall be
138 distributed as an operating grant to the stations on the basis of the proportion that the total
139 operating expenses of the individual station in the prior fiscal year bears to the aggregate total
140 of operating expenses for the same fiscal year for all Missouri public radio stations which are
141 receiving grants.

142 9. Notwithstanding other provisions of section 253.402, RSMo, to the contrary, the
143 [commissioner of administration] **department of revenue**, for all taxable years beginning on or
144 after January 1, 1999, [but for none after December 31, 2015,] shall estimate annually the amount
145 of state income tax revenues collected pursuant to this chapter which are received from
146 nonresident members of professional athletic teams and nonresident entertainers. **Once**
147 **collected, revenue derived from the tax imposed under this section, which shall correspond**
148 **to the estimate provided by the department of revenue, shall be placed into the nonresident**
149 **entertainer and athlete fund.** For fiscal year [2000] **2007**, and for each subsequent fiscal year
150 [for a period of sixteen years], [ten] **four** percent of the annual estimate of taxes generated from
151 the nonresident entertainer and professional athletic team income tax shall be allocated annually
152 to the [Missouri department of natural resources Missouri historic preservation revolving fund,
153 and shall be transferred from the general revenue fund to the Missouri department of natural
154 resources Missouri historic preservation revolving fund established in section 253.402, RSMo,

155 and any amount transferred shall be in addition to such agency's budget base for each fiscal year.
156 As authorized pursuant to subsection 2 of section 30.953, RSMo, it is the intention and desire
157 of the general assembly that the state treasurer convey, to the Missouri investment trust on
158 January 1, 1999, up to one hundred percent of the balances of the Missouri arts council trust fund
159 established pursuant to section 185.100, RSMo, and the Missouri humanities council trust fund
160 established pursuant to section 186.055, RSMo. The funds shall be reconveyed to the state
161 treasurer by the investment trust as follows: the Missouri arts council trust fund, no earlier than
162 January 2, 2009; and the Missouri humanities council trust fund, no earlier than January 2, 2009.]

163 **Missouri sports authority subaccount established under subsection 14 of this section. The**
164 **funds in the subaccount shall be allocated in the following manner:**

165 (1) **Twenty-two percent to the Springfield sports commission;**

166 (2) **Sixteen percent to the Joplin sports authority; and**

167 (3) **Eight percent to the Branson sports authority; and**

168 (4) **Twenty-three percent to the St. Charles County convention and sports facility**
169 **authority created in section 67.1150, RSMo , and the St. Charles County Family Arena**
170 **with an equal division of the twenty-three percent between the two;**

171 (5) **Two percent to the Lake St. Louis, Missouri Unlimited Play, Handicap**
172 **Accessible Playground Facility; and**

173 (6) **All remaining funds in the subaccount shall be allocated to convention and**
174 **visitor bureaus operating sports marketing programs in any home rule city with more than**
175 **eighty-four thousand five hundred but fewer than eighty-four thousand six hundred**
176 **inhabitants, any home rule city with more than thirty-five thousand three hundred forty**
177 **but fewer than thirty-five thousand seven hundred inhabitants, any home rule city with**
178 **more than seventy-three thousand but fewer than seventy-five thousand inhabitants, any**
179 **home rule city with more than thirty-nine thousand six hundred but fewer than thirty-nine**
180 **thousand seven hundred inhabitants and partially located in any county of the first**
181 **classification with more than seventy-one thousand three hundred but fewer than**
182 **seventy-one thousand four hundred inhabitants, and any home rule city with more than**
183 **sixty thousand three hundred but fewer than sixty thousand four hundred inhabitants.**

184

185 **In order for any entity to receive allocations of funds under this subsection, such entity**
186 **shall provide a local match equal to one hundred percent of the allocation. For fiscal year**
187 **2007, the percentage allocated to the Joplin sports authority shall be supplanted by a grant**
188 **from the subaccount in an amount equal to four hundred thousand dollars to the Joplin**
189 **sports authority with no requirement of a local match for the grant. In addition to the**
190 **above percentage, twenty percent of the funds authorized under subdivision 3 of subsection**

191 **10 of this section shall be allocated to a home rule city with more than one hundred**
192 **fifty-one thousand five hundred but fewer than one hundred fifty-one thousand six**
193 **hundred inhabitants, subject to the award of a grant and procedures established by the**
194 **office of administration for the acquisition of land, design construction or debt service of**
195 **new regional sports and recreational facilities, provided at least fifty percent of the cost of**
196 **each facility is paid for by the city.**

197 **10. Notwithstanding other provisions of this chapter to the contrary, the**
198 **department of revenue for all taxable years beginning on or after January 1, 1999, shall**
199 **annually estimate the amount of state income tax revenues collected pursuant to this**
200 **chapter which are received from nonresident members of professional athletic teams and**
201 **nonresident entertainers. Once collected, revenue derived from the tax imposed under this**
202 **section, which shall correspond to the estimate provided by the department of revenue,**
203 **shall be placed into the nonresident entertainer and athlete fund. For fiscal year 2007, and**
204 **for each subsequent fiscal year, the remaining sixty percent of the available amount of the**
205 **annual estimate of taxes generated from the nonresident entertainer and athletic team**
206 **income tax shall be allocated among the following:**

207 **(1) Four percent to the Negro League Baseball Museum, a not-for-profit entity;**

208 **(2) The Jackson County sports authority to be used only for the repair,**
209 **maintenance, renovation, and replacement of existing sports facilities;**

210 **(3) The regional convention and sports complex authority created pursuant to**
211 **sections 67.650 to 67.658, RSMo, for payment of the state's rental and other contractual**
212 **payment obligations for debt services and preservation payments with respect to the St.**
213 **Louis multipurpose convention and indoor sports facility presently known as the Edward**
214 **Jones Dome. One million five hundred thousand dollars of the revenues allocated under**
215 **this subdivision shall be allocated to the top tier fund. Any allocation above the one million**
216 **five hundred thousand dollar top tier fund allocation made under this subdivision shall**
217 **reduce any appropriations for payment of the state's rental and other contractual payment**
218 **obligations for debt services and preservation payments with respect to the St. Louis**
219 **multipurpose convention and indoor sports facility presently known as the Edward Jones**
220 **Dome made from general revenue in an amount equal to such allocation;**

221 **(4) In the case of revenue generated in a city not within a county by nonresident**
222 **members of professional athletic teams and nonresident entertainers within professional**
223 **sports facilities used primarily for the playing of professional baseball, the city not within**
224 **the county shall use such revenue to support investments within a redevelopment project**
225 **area created under sections 99.300 to 99.600, RSMo, which contains a privately owned**
226 **professional sports facility used primarily for the playing of professional baseball. Such**

227 investments shall include: the acquisition, construction, development, repair, or
228 redevelopment of transportation infrastructure, public infrastructure, parking garages,
229 publicly owned buildings, or other public facilities; any public safety or homeland security
230 related expenses; economic incentives to promote the construction, repair or
231 redevelopment of market-rate housing; or costs related to creating or retaining jobs in
232 Missouri or for downtown infrastructure. Under no circumstances shall such investments
233 be used for the repair, maintenance, renovation, or replacement of privately owned
234 professional sports facilities used primarily for playing professional baseball;

235 (5) In the case of revenue generated in a city not within a county by nonresident
236 members of professional athletic teams and nonresident entertainers, within a professional
237 sports facility used for the playing of professional hockey and that includes an adjacent
238 theatrical entertainment facility having seating for not more than five thousand guests, the
239 city not within a county shall use such revenue to support expenditures for the repair,
240 maintenance, and renovation of any existing theatrical entertainment facility or for
241 downtown infrastructure or for any other public purpose consistent with this section, but
242 under no circumstances shall such investments be used for the repair, maintenance,
243 renovation or replacement of the existing sports facility used for the playing of professional
244 hockey, which is owned or is on land that is owned, by a city not within a county or any
245 political subdivision, agency, or instrumentality thereof;

246 (6) Each county commission that contributes to the fund with revenue generated
247 by the nonresident entertainer and athlete tax, to be used for sports recreation and
248 entertainment purposes;

249 (7) Five percent to the state school moneys fund created under section 166.051,
250 RSMo.

251 11. For purposes of the allocations made under subsection 10 of this section, each
252 entity shall receive a pro rata share of the allocated percentage of the annual estimate of
253 taxes generated from the nonresident entertainer and athletic team income tax based upon
254 each entity's proportionate share of revenue generated by such tax.

255 12. For purposes of the allocations provided under this section, the amount
256 available for such allocations for fiscal year 2007 shall be limited to twenty percent of the
257 annual estimate of taxes generated from the nonresident entertainer and professional
258 athletic team income tax. For fiscal year 2008, the amount available for the allocations
259 provided under this section shall be limited to forty percent of the annual estimate of taxes
260 generated from the nonresident entertainer and professional athletic team income tax. For
261 fiscal year 2009, and each subsequent fiscal year, the allocations provided under this
262 section shall be based on one hundred percent of the annual estimate of taxes generated

263 from the nonresident entertainer and professional athletic team income tax. Any revenue
264 remaining in the nonresident entertainer and athlete fund after annual allocations have
265 been made shall revert to the credit of the general revenue fund. The provisions of this
266 subsection shall not apply to allocations made under subsection 9 of this section.

267 **13. There is hereby created in the state treasury the "Nonresident Entertainer and**
268 **Athlete Fund", which shall consist of money collected under this section. The state**
269 **treasurer shall be custodian of the fund and shall approve disbursements from the fund**
270 **in accordance with sections 30.170 and 30.180, RSMo. Upon appropriation, money in the**
271 **fund shall be used solely for the administration of this section. Notwithstanding the**
272 **provisions of section 33.080, RSMo, to the contrary, any moneys remaining in the fund at**
273 **the end of the biennium shall not revert to the credit of the general revenue fund. The state**
274 **treasurer shall invest moneys in the fund in the same manner as other funds are invested.**
275 **Any interest and moneys earned on such investments shall be credited to the fund.**

276 **14. There is hereby created within the nonresident entertainer and athlete fund a**
277 **subaccount known as the "Missouri Sports Authority Subaccount". All funds received**
278 **from the allocation provided in subsection 9 of this section shall be deposited to the credit**
279 **of the Missouri sports authority subaccount.**

280 **15. There is hereby created the "Missouri Cultural and Arts Trust Fund", which**
281 **shall consist of moneys allocated to it under subsection 5 of this section.**