

FIRST REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 104**  
**94TH GENERAL ASSEMBLY**

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Reported from the Committee on Ways and Means March 5, 2007 with recommendation that House Committee Substitute for House Bill No. 104 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(21)(f).

D. ADAM CRUMBLISS, Chief Clerk

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**AN ACT**

To repeal sections 144.070 and 144.440, RSMo, and to enact in lieu thereof three new sections relating to sales and use tax on purchased or leased motor vehicles.

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

Section A. Sections 144.070 and 144.440, RSMo, are repealed and three new sections  
2 enacted in lieu thereof, to be known as sections 144.070, 144.440, and 1, to read as follows:

144.070. 1. At the time the owner of any new or used motor vehicle, trailer, boat, or  
2 outboard motor which was acquired in a transaction subject to sales tax under the Missouri sales  
3 tax law makes application to the director of revenue for an official certificate of title and the  
4 registration of the automobile, trailer, boat, or outboard motor as otherwise provided by law, he  
5 shall present to the director of revenue evidence satisfactory to the director of revenue showing  
6 the purchase price exclusive of any charge incident to the extension of credit paid by or charged  
7 to the applicant in the acquisition of the motor vehicle, trailer, boat, or outboard motor, or that  
8 no sales tax was incurred in its acquisition, and if sales tax was incurred in its acquisition, the  
9 applicant shall pay or cause to be paid to the director of revenue the sales tax provided by the  
10 Missouri sales tax law in addition to the registration fees now or hereafter required according to  
11 law, and the director of revenue shall not issue a certificate of title for any new or used motor  
12 vehicle, trailer, boat, or outboard motor subject to sales tax as provided in the Missouri sales tax  
13 law until the tax levied for the sale of the same under sections 144.010 to 144.510 has been paid  
14 as herein provided or is registered under the provisions of subsection 5 of this section.

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.

15           2. As used above, the term "purchase price" shall mean the total amount of the contract  
16 price agreed upon between the seller and the applicant in the acquisition of the motor vehicle,  
17 trailer, boat, or outboard motor, regardless of the medium of payment therefor. **The purchase**  
18 **price of a motor vehicle shall be reduced by the cost of modifying the motor vehicle to**  
19 **permit the use of such motor vehicle by individuals with disabilities. If the cost is not set**  
20 **forth in the contract, the cost may be determined by calculating the difference between the**  
21 **Kelly Blue Book retail value of the motor vehicle without modification and the purchase**  
22 **price of the motor vehicle.**

23           3. In the event that the purchase price is unknown or undisclosed, or that the evidence  
24 thereof is not satisfactory to the director of revenue, the same shall be fixed by appraisement by  
25 the director.

26           4. The director of the department of revenue shall endorse upon the official certificate  
27 of title issued by him upon such application an entry showing that such sales tax has been paid  
28 or that the vehicle, trailer, boat, or outboard motor represented by such certificate is exempt from  
29 sales tax and state the ground for such exemption.

30           5. Any person, company, or corporation engaged in the business of renting or leasing  
31 motor vehicles, trailers, boats, or outboard motors, which are to be used exclusively for rental  
32 or lease purposes, and not for resale, may apply to the director of revenue for authority to operate  
33 as a leasing company. Any company approved by the director of revenue may pay the tax due  
34 on any motor vehicle, trailer, boat, or outboard motor as required in section 144.020 at the time  
35 of registration thereof or in lieu thereof may pay a sales tax as provided in sections 144.010,  
36 144.020, 144.070 and 144.440. A sales tax shall be charged to and paid by a leasing company  
37 which does not exercise the option of paying in accordance with section 144.020, on the amount  
38 charged for each rental or lease agreement while the motor vehicle, trailer, boat, or outboard  
39 motor is domiciled in this state. Any motor vehicle, boat, or outboard motor which is leased as  
40 the result of a contract executed in this state shall be presumed to be domiciled in this state.

41           6. Any corporation may have one or more of its divisions separately apply to the director  
42 of revenue for authorization to operate as a leasing company, provided that the corporation:

43           (1) Has filed a written consent with the director authorizing any of its divisions to apply  
44 for such authority;

45           (2) Is authorized to do business in Missouri;

46           (3) Has agreed to treat any sale of a motor vehicle, trailer, boat, or outboard motor from  
47 one of its divisions to another of its divisions as a sale at retail within the meaning of subdivision  
48 (9) of subsection 1 of section 144.010;

49           (4) Has registered under the fictitious name provisions of sections 417.200 to 417.230,  
50 RSMo, each of its divisions doing business in Missouri as a leasing company; and

51 (5) Operates each of its divisions on a basis separate from each of its other divisions.

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53 However, when the transfer of a motor vehicle, trailer, boat or outboard motor occurs within a  
54 corporation which holds a license to operate as a motor vehicle or boat dealer pursuant to  
55 sections 301.550 to [301.575] **301.573**, RSMo, the provisions in subdivision (3) of this  
56 subsection shall not apply.

57 7. If the owner of any motor vehicle, trailer, boat, or outboard motor desires to charge  
58 and collect sales tax as provided hereinabove, he shall make application to the director of  
59 revenue for a permit to operate as a motor vehicle, trailer, boat, or outboard motor leasing  
60 company. The director of revenue shall promulgate rules and regulations determining the  
61 qualifications of such a company, and the method of collection and reporting of sales tax charged  
62 and collected. Such regulations shall apply only to owners of motor vehicles, trailers, boats, or  
63 outboard motors, electing to qualify as motor vehicle, trailer, boat, or outboard motor leasing  
64 companies under the provisions of subsection 5 of this section, and no motor vehicle renting or  
65 leasing, trailer renting or leasing, or boat or outboard motor renting or leasing company can come  
66 under sections 144.010, 144.020, 144.070 and 144.440 unless all vehicles, trailers, boats, and  
67 outboard motors held for renting and leasing are included.

144.440. 1. In addition to all other taxes now or hereafter levied and imposed upon  
2 every person for the privilege of using the highways or waterways of this state, there is hereby  
3 levied and imposed a tax equivalent to four percent of the purchase price, as defined in section  
4 144.070, which is paid or charged on new and used motor vehicles, trailers, boats, and outboard  
5 motors purchased or acquired for use on the highways or waters of this state which are required  
6 to be registered under the laws of the state of Missouri.

7 2. At the time the owner of any such motor vehicle, trailer, boat, or outboard motor  
8 makes application to the director of revenue for an official certificate of title and the registration  
9 of the same as otherwise provided by law, he shall present to the director of revenue evidence  
10 satisfactory to the director showing the purchase price paid by or charged to the applicant in the  
11 acquisition of the motor vehicle, trailer, boat, or outboard motor, or that the motor vehicle,  
12 trailer, boat, or outboard motor is not subject to the tax herein provided and, if the motor vehicle,  
13 trailer, boat, or outboard motor is subject to the tax herein provided, the applicant shall pay or  
14 cause to be paid to the director of revenue the tax provided herein. **The purchase price of a**  
15 **motor vehicle shall be reduced by the cost of modifying the motor vehicle to permit the use**  
16 **of such motor vehicle by individuals with disabilities. If the cost is not set forth in the**  
17 **contract, the cost may be determined by calculating the difference between the Kelly Blue**  
18 **Book retail value of the motor vehicle without modification and the purchase price of the**  
19 **motor vehicle.**

20           3. In the event that the purchase price is unknown or undisclosed, or that the evidence  
21 thereof is not satisfactory to the director of revenue, the same shall be fixed by appraisalment by  
22 the director.

23           4. No certificate of title shall be issued for such motor vehicle, trailer, boat, or outboard  
24 motor unless the tax for the privilege of using the highways or waters of this state has been paid  
25 or the vehicle, trailer, boat, or outboard motor is registered under the provisions of subsection  
26 5 of this section.

27           5. The owner of any motor vehicle, trailer, boat, or outboard motor which is to be used  
28 exclusively for rental or lease purposes may pay the tax due thereon required in section 144.020  
29 at the time of registration or in lieu thereof may pay a use tax as provided in sections 144.010,  
30 144.020, 144.070 and 144.440. A use tax shall be charged and paid on the amount charged for  
31 each rental or lease agreement while the motor vehicle, trailer, boat, or outboard motor is  
32 domiciled in the state. If the owner elects to pay upon each rental or lease, he shall make an  
33 affidavit to that effect in such form as the director of revenue shall require and shall remit the tax  
34 due at such times as the director of revenue shall require.

35           6. In the event that any leasing company which rents or leases motor vehicles, trailers,  
36 boats, or outboard motors elects to collect a use tax, all of its lease receipt would be subject to  
37 the use tax, regardless of whether or not the leasing company previously paid a sales tax when  
38 the vehicle, trailer, boat, or outboard motor was originally purchased.

39           7. The provisions of this section, and the tax imposed by this section, shall not apply to  
40 manufactured homes.

**Section 1. Notwithstanding any law or rule to the contrary, sales tax shall only  
2 apply to the sale price paid by the final purchaser and not to any off-invoice discounts or  
3 other pricing discounts or mechanisms negotiated between manufacturers, wholesalers,  
4 and retailers.**

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