

SECOND REGULAR SESSION

**HOUSE BILL NO. 1475**

**94TH GENERAL ASSEMBLY**

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INTRODUCED BY REPRESENTATIVES CUNNINGHAM (86) (Sponsor), NIEVES, DAVIS,  
SCHARNHORST AND STEVENSON (Co-sponsors).

Pre-filed December 18, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

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**AN ACT**

To repeal section 144.020, RSMo, and to enact in lieu thereof one new section relating to sales taxes on health and fitness centers.

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

Section A. Section 144.020, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.020, to read as follows:

144.020. 1. A tax is hereby levied and imposed upon all sellers for the privilege of engaging in the business of selling tangible personal property or rendering taxable service at retail in this state. The rate of tax shall be as follows:

(1) Upon every retail sale in this state of tangible personal property, including but not limited to motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats and outboard motors, a tax equivalent to four percent of the purchase price paid or charged, or in case such sale involves the exchange of property, a tax equivalent to four percent of the consideration paid or charged, including the fair market value of the property exchanged at the time and place of the exchange, except as otherwise provided in section 144.025;

(2) A tax equivalent to four percent of the amount paid for admission and seating accommodations, or fees paid to, or in any place of amusement, entertainment [or recreation], games and athletic events;

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.

13           (3) A tax equivalent to four percent of the basic rate paid or charged on all sales of  
14 electricity or electrical current, water and gas, natural or artificial, to domestic, commercial or  
15 industrial consumers;

16           (4) A tax equivalent to four percent on the basic rate paid or charged on all sales of local  
17 and long distance telecommunications service to telecommunications subscribers and to others  
18 through equipment of telecommunications subscribers for the transmission of messages and  
19 conversations and upon the sale, rental or leasing of all equipment or services pertaining or  
20 incidental thereto; except that, the payment made by telecommunications subscribers or others,  
21 pursuant to section 144.060, and any amounts paid for access to the Internet or interactive  
22 computer services shall not be considered as amounts paid for telecommunications services;

23           (5) A tax equivalent to four percent of the basic rate paid or charged for all sales of  
24 services for transmission of messages of telegraph companies;

25           (6) A tax equivalent to four percent on the amount of sales or charges for all rooms,  
26 meals and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore,  
27 dining car, tourist cabin, tourist camp or other place in which rooms, meals or drinks are  
28 regularly served to the public;

29           (7) A tax equivalent to four percent of the amount paid or charged for intrastate tickets  
30 by every person operating a railroad, sleeping car, dining car, express car, boat, airplane and such  
31 buses and trucks as are licensed by the division of motor carrier and railroad safety of the  
32 department of economic development of Missouri, engaged in the transportation of persons for  
33 hire;

34           (8) A tax equivalent to four percent of the amount paid or charged for rental or lease of  
35 tangible personal property, provided that if the lessor or renter of any tangible personal property  
36 had previously purchased the property under the conditions of "sale at retail" [as defined in  
37 subdivision (8) of section 144.010] or leased or rented the property and the tax was paid at the  
38 time of purchase, lease or rental, the lessor, sublessor, renter or subrenter shall not apply or  
39 collect the tax on the subsequent lease, sublease, rental or subrental receipts from that property.  
40 The purchase, rental or lease of motor vehicles, trailers, motorcycles, mopeds, motortricycles,  
41 boats, and outboard motors shall be taxed and the tax paid as provided in this section and section  
42 144.070. In no event shall the rental or lease of boats and outboard motors be considered a sale,  
43 charge, or fee to, for or in places of amusement, entertainment or recreation nor shall any such  
44 rental or lease be subject to any tax imposed to, for, or in such places of amusement,  
45 entertainment or recreation. Rental and leased boats or outboard motors shall be taxed under the  
46 provisions of the sales tax laws as provided under such laws for motor vehicles and trailers.  
47 Tangible personal property which is exempt from the sales or use tax under section 144.030 upon  
48 a sale thereof is likewise exempt from the sales or use tax upon the lease or rental thereof;

49           **(9) A tax equivalent to four percent of the amount paid for admission and seating**  
50 **accommodations, or fees paid to or in any place of recreation, with the exception of dues**  
51 **or fees paid to health and fitness centers solely for health-benefit activities if such dues or**  
52 **fees are separately stated and do not include dues or fees for any other activities or**  
53 **services. For purposes of this subdivision, the term "health-benefit activities" means**  
54 **activities the primary purpose of which is to improve a person's health and fitness,**  
55 **including but not limited to strength programs, running and weight training;**  
56 **cardiovascular programs, exercises, and training; lap swimming and aerobic programs,**  
57 **exercises, and training; nutrition-related programs; weight control programs, exercises,**  
58 **and training; multiple-step health programs; and any programs, activities, exercise,**  
59 **training, or therapy which is referred by a physician or which is paid for by health**  
60 **insurance. Health-benefit activities do not include recreational activities that are part of**  
61 **a contest or competition.**

62           2. All tickets sold which are sold under the provisions of sections 144.010 to 144.525  
63 which are subject to the sales tax shall have printed, stamped or otherwise endorsed thereon, the  
64 words "This ticket is subject to a sales tax."

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