

HB 2545 -- Sales Tax on Motor Vehicles

Sponsor: Parson

Currently, sales tax is collected by the Department of Revenue on all motor vehicles, trailers, boats, or outboard motors leased or sold in Missouri based on the state and local rates in effect at the purchaser's address; and any local sales tax revenue collected is distributed to the purchaser's local subdivision. This bill changes the distribution of the local sales tax revenue to 50% to the political subdivision where the purchaser lives and 50% to the political subdivision where the dealership is located. New and used motor vehicle dealers must collect the sales tax at the time of lease or sale for all motor vehicles, trailers, boats, or outboard motors sold by the licensed dealership, unless the leased vehicle, trailer, boat, or motor had been registered and sales taxes already paid. The dealership must remit the sales tax collected to the department, less a compensation deduction. Late penalties, as specified in the bill, apply if the dealership does not timely remit the sales tax to the department; and upon the fourth late or insufficiency penalty within a year, a dealership's state license can be suspended or revoked until all taxes, fees, and penalties have been remitted or fully satisfied.