

HCS SCS SB 1209 -- TAXES AND FEES

SPONSOR: Callahan (Sutherland)

COMMITTEE ACTION: Voted "do pass" by the Committee on Ways and Means by a vote of 8 to 0.

This substitute changes the laws regarding taxes and fees. In its main provisions, the substitute:

- (1) Requires the Director of the Department of Revenue to justify any fee increases before the Joint Committee on Tax Policy before the increase can go into effect (Sections 21.810 and 32.400, RSMo);
- (2) Authorizes all counties to impose, upon voter approval, a sales tax of up to 0.5% for the purpose of funding the operation of public safety departments, including police and fire departments, and the communications of the public safety departments (Section 67.175);
- (3) Authorizes the City of Sugar Creek, upon voter approval, to impose a transient guest tax of at least 2% but not more than 5% on all occupied hotel, motel, and bed and breakfast inn rooms and campgrounds for the purpose of promoting tourism. The tax will not apply to charges for sleeping rooms paid by guests of not-for-profit hotels and motels (Section 67.1360);
- (4) Authorizes the City of Grandview, upon voter approval, to impose a transient guest tax of up to 5% on all occupied hotel and motel rooms for the purpose of promoting tourism and funding the construction, maintenance, and operation of capital improvements (Section 94.271);
- (5) Authorizes the cities of Harrisonville and Raytown to impose, upon voter approval, a sales tax of up to 0.5% for the operation of public safety departments including compensation, pension programs, health care, employment of additional police officers, and additional equipment and facilities (Sections 94.900 and 94.902);
- (6) Authorizes the City of Waynesville to impose, upon voter approval, a transient guest tax of up to 3% on all occupied hotel and motel rooms to fund the construction, maintenance, and repair of a multipurpose conference and convention center (Section 94.1011);
- (7) Terminates eligibility for the income tax credit for the surviving spouse of a public safety official's property taxes paid on a homestead, upon a surviving spouse's remarriage

(Section 135.090);

(8) Authorizes a \$180 income tax credit, beginning January 1, 2008, for volunteer firefighters who complete at least 12 hours of any firefighter training program approved by the Office of the State Fire Marshal within the Department of Public Safety. If the firefighter completes at least 36 additional hours of training after the initial 12 hours of training, the firefighter may claim a \$360 credit. The tax credit is not refundable but can be carried forward for four years (Section 135.610);

(9) Authorizes an exemption from the alternative fuel decal and tax requirement for historical vehicles powered by liquid petroleum or natural gas (Section 142.869);

(10) Removes the required certification by the Director of the Department of Natural Resources before a sales and use tax exemption applies when purchasing or leasing machinery, equipment, appliances, and devices used solely to prevent, abate, or monitor water or air pollution and any materials and supplies used in the installation, construction, or reconstruction of the machinery, equipment, appliances, and devices (Section 144.030.2(14 and 15));

(11) Authorizes a state and local sales and use tax exemption for over-the-counter or nonprescription drugs when prescribed by a practitioner (Section 144.030.2(18));

(12) Establishes the Show-Me Green Tax Holiday Act which, beginning January 1, 2008, authorizes a state sales and use tax exemption on the first \$1,500 paid per new product for energy efficient products purchased for personal use during a seven-day period. For 2008, the holiday will be in November; and beginning in 2009, the holiday will be held in April each year (Section 144.052);

(13) Authorizes a state sales and use tax exemption on the purchase of any product costing \$600 or less, purchased for a three-day period beginning on June 27, 2008 (Section 144.067);

(14) Requires the Director of the Department of Revenue to establish and enforce reasonable sales and use tax rules and regulations to efficiently secure payment of and accounting for the state sales and use tax as imposed in Chapter 144 (Section 144.270);

(15) Revises the definition of "commercial aircraft" as it relates to the taxation of aircraft by lowering the maximum certified gross take-off weight from 7,000 to 3,000 pounds (Section 155.010);

(16) Authorizes charter and first classification counties, upon voter approval, to impose a fee of up to 75 cents per month on every wireless telephone number to fund wireless enhanced 911 services (Sections 190.450 and 190.451);

(17) Clarifies that property owners or the board of supervisors in levee or drainage districts can petition a court for re-adjustment of the assessment of benefits for some or all of the property in the district as identified in the petition. Drainage districts in St. Louis County are authorized to adopt an alternative procedure with respect to the voting rights of the landowners of the district. All drainage districts are authorized to adopt an alternative procedure for the apportionment of installment taxes after a re-adjustment of the assessment of benefits (Sections 242.230, 242.500, 245.020, 245.105, 245.197, and 246.305);

(18) Authorizes the counties of St. Charles and St. Louis to impose, upon voter approval, a sales tax of up to 1% on all retail sales for the purpose of funding services provided by the fire protection district with a corresponding reduction in the district's property tax rate (Section 321.227); and

(19) Requires the Jackson County drug court commissioner to be paid from the same judicial fund where all other drug court commissioners in the state are paid (Section 478.466).

The provisions regarding the income tax credit for volunteer firefighters will expire six years from the effective date.

The substitute contains an emergency clause for the provisions regarding the sales tax holiday in June 2008.

FISCAL NOTE: Estimated Effect on General Revenue Fund of an income of Unknown to more than a cost of \$2,606,317 in FY 2009, an income of Unknown to more than a cost of \$5,052,535 in FY 2010, and an income of Unknown to more than a cost of \$5,060,712 in FY 2011. Estimated Cost on Other State Funds of More than \$100,000 to Unknown in FY 2009, FY 2010, and FY 2011.

PROPONENTS: Supporters say that the bill authorizes a transient guest tax for Sugar Creek.

Testifying for the bill was Senator Callahan.

OPPONENTS: There was no opposition voiced to the committee.