

SECOND REGULAR SESSION

HOUSE BILL NO. 1725

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FREDERICK.

5751L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 144.087, RSMo, and to enact in lieu thereof one new section relating to bond requirements for retail sales licensees.

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

Section A. Section 144.087, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.087, to read as follows:

144.087. 1. **(1) Except as provided in subdivision (2) of this subsection,** the director of revenue shall require all applicants for retail sales licenses and all licensees in default in filing a return and paying their taxes when due to file a bond in an amount to be determined by the director, which may be a corporate surety bond or a cash bond, but such bond shall not be more than three times the average monthly tax liability of the taxpayer, estimated in the case of a new applicant, otherwise based on the previous twelve months' experience. At such time as the director of revenue shall deem the amount of a bond required by this section to be insufficient to cover the average monthly tax liability of a given taxpayer, [he] **the director** may require such taxpayer to adjust the amount of the bond to the level satisfactory to the director which will cover the amount of such liability. The director shall, after a reasonable period of satisfactory tax compliance for two years from the initial date of bonding, release such taxpayer from the bonding requirement as set forth in this section. All itinerant or temporary businesses shall be required to procure the license and post the bond required under the provisions of sections 144.083 and 144.087 prior to the selling of goods at retail, and in the event that such business is to be conducted for less than one month, the amount of the bond shall be determined by the director.

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.

17 **(2) For all years beginning on or after January 1, 2015, no new business that**
18 **applies for a retail sales license under this section shall be required to file any bond under**
19 **this section.**

20 2. All cash bonds shall be deposited by the director of revenue into the state general
21 revenue fund, and shall be released to the taxpayer pursuant to subsection 1 of this section from
22 funds appropriated by the general assembly for such purpose. If appropriated funds are available,
23 the commissioner of administration and the state treasurer shall cause such refunds to be paid
24 within thirty days of the receipt of a warrant request for such payment from the director of the
25 department of revenue.

26 3. An applicant or licensee in default may, in lieu of filing any bond required under this
27 section, provide the director of revenue with an irrevocable letter of credit, as defined in section
28 400.5-103, issued by any state or federally chartered financial institution, in an amount to be
29 determined by the director or may obtain a certificate of deposit issued by any state or federally
30 chartered financial institution, in an amount to be determined by the director, where such
31 certificate of deposit is pledged to the department of revenue until released by the director in the
32 same manner as bonds are released pursuant to subsection 1 of this section. As used in this
33 subsection, the term "certificate of deposit" means a certificate representing any deposit of funds
34 in a state or federally chartered financial institution for a specified period of time which earns
35 interest at a fixed or variable rate, where such funds cannot be withdrawn prior to a specified
36 time without forfeiture of some or all of the earned interest.

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