

HCS SB 662 -- NOTIFICATION OF SALES TAX LAW CHANGES

SPONSOR: Kraus (Koenig)

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Ways and Means by a vote of 12 to 0.

This bill requires the Department of Revenue to notify sellers if there has been a change in the interpretation of sales tax laws that modifies which items of personal property or services are taxable. If the Department fails to notify a seller of the change, the seller will not be liable for the additional taxes to be collected until the seller is notified.

PROPONENTS: Supporters say that this is a matter of fairness. The Department of Revenue should notify affected taxpayers of changes in tax policy before it assesses additional taxes. This bill relates to the amusement sales tax collection laws where the department, through audits, is assessing back taxes to fitness clubs because fitness clubs were ruled to be places of amusement by the Supreme Court. Demanding payment of back taxes is an unfair practice and many of these businesses didn't even know they were required to collect the taxes.

Testifying for the bill were Senator Kraus; Associated Industries of Missouri; Missouri Chamber of Commerce; and Missouri Society of Certified Public Accountants.

OPPONENTS: There was no opposition voiced to the committee.