

FIRST REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NOS. 517 & 754
98TH GENERAL ASSEMBLY

1366S.06T

2015

AN ACT

To repeal sections 32.069, 65.620, 94.579, 136.110, 143.161, 143.191, 143.801, 143.811, 144.020, 144.030, 144.049, and 144.080, RSMo, and to enact in lieu thereof twelve new sections relating to taxation, with an existing penalty provision.

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

Section A. Sections 32.069, 65.620, 94.579, 136.110, 143.161, 143.191, 143.801, 2 143.811, 144.020, 144.030, 144.049, and 144.080, RSMo, are repealed and twelve new sections 3 enacted in lieu thereof, to be known as sections 32.069, 65.620, 94.579, 136.110, 143.161, 4 143.191, 143.801, 143.811, 144.020, 144.030, 144.049, and 144.080, to read as follows:

32.069. **1.** Notwithstanding any other provision of law to the contrary, interest shall be 2 allowed and paid on any refund or overpayment at the rate determined by section 32.068 only 3 if the overpayment is not refunded within one hundred twenty days[, or within ninety days in the 4 case of taxes imposed by sections 143.011 and 143.041,] from the latest of the following dates:

5 (1) The last day prescribed for filing a tax return or refund claim, without regard to any 6 extension of time granted;

7 (2) The date the return, payment, or claim is filed; or

8 (3) The date the taxpayer files for a credit or refund and provides accurate and complete 9 documentation to support such claim.

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.

10 **2. Notwithstanding any other provision of law to the contrary, interest shall be**
11 **allowed and paid on any refund or overpayment at the rate determined by section 32.068**
12 **only if the overpayment in the case of taxes imposed by sections 143.011 and 143.041 is not**
13 **refunded within forty-five days from the date the return or claim is filed.**

 65.620. 1. Whenever any county abolishes township organization the county treasurer
2 and ex officio collector shall immediately settle his accounts as treasurer with the county
3 commission and shall thereafter perform all duties, exercise all powers, have all rights and be
4 subject to all liabilities imposed and conferred upon the county collector of revenue under
5 chapter 52 until the first Monday in March after the general election next following the
6 abolishment of township organization and until a collector of revenue for the county is elected
7 and qualified. The person elected collector at the general election as aforesaid, if that election
8 is not one for collector of revenue under chapter 52, shall serve until the first Monday in March
9 following the election and qualification of a collector of revenue under chapter 52. Upon
10 abolition of township organization a county treasurer shall be appointed to serve until the
11 expiration of the term of such officer pursuant to chapter 54.

12 2. Upon abolition of township organization, title to all property of all kinds theretofore
13 owned by the several townships of the county shall vest in the county and the county shall be
14 liable for all outstanding obligations and liabilities of the several townships.

15 3. The terms of office of all township officers shall expire on the abolition of township
16 organization and the township trustee of each township shall immediately settle his accounts with
17 the county clerk and all township officers shall promptly deliver to the appropriate county
18 officers, as directed by the county commission, all books, papers, records and property pertaining
19 to their offices.

20 **4. For a period of one calendar year following the abolition of the townships or**
21 **until the voters of the county have approved a tax levy for road and bridge purposes,**
22 **whichever occurs first, the county collector shall continue to collect a property tax on a**
23 **countywide basis in an amount equal to the tax levied by the township that had the lowest**
24 **total tax rate in the county immediately prior to the abolishment of the townships. The**
25 **continued collection of the tax shall be considered a continuation of an existing tax and**
26 **shall not be considered a new tax levy.**

 94.579. 1. The governing body of any home rule city with more than one hundred
2 fifty-one thousand five hundred but fewer than one hundred fifty-one thousand six hundred
3 inhabitants is hereby authorized to impose, by order or ordinance, a sales tax on all retail sales
4 made within the city which are subject to sales tax under chapter 144. The tax authorized in this
5 section shall not exceed one percent, and shall be imposed solely for the purpose of providing
6 revenues for the operation of public safety departments, including police and fire departments,

7 and for pension programs, and health care for employees and pensioners of the public safety
 8 departments. The tax authorized in this section shall be in addition to all other sales taxes
 9 imposed by law, and shall be stated separately from all other charges and taxes. The order or
 10 ordinance shall not become effective unless the governing body of the city submits to the voters
 11 residing within the city at a state general, primary, or special election a proposal to authorize the
 12 governing body of the city to impose a tax under this section. If the tax authorized in this section
 13 is not approved by the voters, then the city shall have an additional year during which to meet
 14 its required contribution payment beyond the time period described in section 105.683. If the
 15 city meets its required contribution payment in this time, then, notwithstanding the provisions
 16 of section 105.683 to the contrary, the delinquency shall not constitute a lien on the funds of the
 17 political subdivision, the board of such plan shall not be authorized to compel payment by
 18 application for writ of mandamus, and the state treasurer and the director of the department of
 19 revenue shall not withhold twenty-five percent of the certified contribution deficiency from the
 20 total moneys due the political subdivision from the state. The one-year extension shall only be
 21 available to the city on a one-time basis.

22 2. The ballot of submission for the tax authorized in this section shall be in substantially
 23 the following form:

24
 25 Shall (insert the name of the city) impose a sales tax at a rate of (up
 26 to one) percent, solely for the purpose of providing revenues for the operation of public safety
 27 departments of the city?

28 YES NO

29 If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed
 30 to the question, place an "X" in the box opposite "NO".

31
 32 If a majority of the votes cast on the question by the qualified voters voting thereon are in favor
 33 of the question, then the tax shall become effective on the first day of the second calendar quarter
 34 immediately following notification to the department of revenue. If a majority of the votes cast
 35 on the question by the qualified voters voting thereon are opposed to the question, then the tax
 36 shall not become effective unless and until the question is resubmitted under this section to the
 37 qualified voters and such question is approved by a majority of the qualified voters voting on the
 38 question.

39 3. All revenue collected under this section by the director of the department of revenue
 40 on behalf of any city, except for one percent for the cost of collection which shall be deposited
 41 in the state's general revenue fund, shall be deposited in a special trust fund, which is hereby
 42 created and shall be known as the "Public Safety Protection Sales Tax Fund", and shall be used

43 solely for the designated purposes. Moneys in the fund shall not be deemed to be state funds,
44 and shall not be commingled with any funds of the state. The director may make refunds from
45 the amounts in the trust fund and credited to the city for erroneous payments and overpayments
46 made, and may redeem dishonored checks and drafts deposited to the credit of such city. Any
47 funds in the special trust fund which are not needed for current expenditures shall be invested
48 in the same manner as other funds are invested. Any interest and moneys earned on such
49 investments shall be credited to the fund. The director shall keep accurate records of the
50 amounts in the fund, and such records shall be open to the inspection of the officers of such city
51 and to the public. Not later than the tenth day of each month, the director shall distribute all
52 moneys deposited in the fund during the preceding month to the city. Such funds shall be
53 deposited with the treasurer of the city, and all expenditures of moneys from the fund shall be
54 by an appropriation ordinance enacted by the governing body of the city.

55 4. On or after the effective date of the tax, the director of revenue shall be responsible
56 for the administration, collection, enforcement, and operation of the tax, and sections 32.085 and
57 32.087 shall apply. In order to permit sellers required to collect and report the sales tax to collect
58 the amount required to be reported and remitted, but not to change the requirements of reporting
59 or remitting the tax, or to serve as a levy of the tax, and in order to avoid fractions of pennies,
60 the governing body of the city may authorize the use of a bracket system similar to that
61 authorized in section 144.285, and notwithstanding the provisions of that section, this new
62 bracket system shall be used where this tax is imposed and shall apply to all taxable transactions.
63 Beginning with the effective date of the tax, every retailer in the city shall add the sales tax to
64 the sale price, and this tax shall be a debt of the purchaser to the retailer until paid, and shall be
65 recoverable at law in the same manner as the purchase price. For purposes of this section, all
66 retail sales shall be deemed to be consummated at the place of business of the retailer.

67 5. All applicable provisions in sections 144.010 to 144.525 governing the state sales tax,
68 and section 32.057, the uniform confidentiality provision, shall apply to the collection of the tax,
69 and all exemptions granted to agencies of government, organizations, and persons under sections
70 144.010 to 144.525 are hereby made applicable to the imposition and collection of the tax. The
71 same sales tax permit, exemption certificate, and retail certificate required by sections 144.010
72 to 144.525 for the administration and collection of the state sales tax shall satisfy the
73 requirements of this section, and no additional permit or exemption certificate or retail certificate
74 shall be required; except that, the director of revenue may prescribe a form of exemption
75 certificate for an exemption from the tax. All discounts allowed the retailer under the state sales
76 tax for the collection of and for payment of taxes are hereby allowed and made applicable to the
77 tax. The penalties for violations provided in section 32.057 and sections 144.010 to 144.525 are
78 hereby made applicable to violations of this section. If any person is delinquent in the payment

79 of the amount required to be paid under this section, or in the event a determination has been
80 made against the person for the tax and penalties under this section, the limitation for bringing
81 suit for the collection of the delinquent tax and penalties shall be the same as that provided in
82 sections 144.010 to 144.525.

83 6. The governing body of any city that has adopted the sales tax authorized in this section
84 may submit the question of repeal of the tax to the voters on any date available for elections for
85 the city. The ballot of submission shall be in substantially the following form:

86

87 Shall (insert the name of the city) repeal the sales tax imposed
88 at a rate of (up to one) percent for the purpose of providing revenues for the operation of
89 public safety departments of the city?

90

91 YES NO

92 If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed
93 to the question, place an "X" in the box opposite "NO".

94

95 If a majority of the votes cast on the question by the qualified voters voting thereon are in favor
96 of repeal, that repeal shall become effective on December thirty-first of the calendar year in
97 which such repeal was approved.

98

99 If a majority of the votes cast on the question by the qualified voters voting thereon are opposed
100 to the repeal, then the sales tax authorized in this section shall remain effective until the question
101 is resubmitted under this section to the qualified voters and the repeal is approved by a majority
102 of the qualified voters voting on the question.

103 7. The governing body of any city that has adopted the sales tax authorized in this section
104 shall submit the question of [repeal] **continuation** of the tax to the voters every five years from
105 the date of its inception on a date available for elections for the city. The ballot of submission
106 shall be in substantially the following form:

107

108 Shall (insert the name of the city) [repeal the] **continue**
109 **collecting a** sales tax imposed at a rate of (up to one) percent for the purpose of
110 providing revenues for the operation of public safety departments of the city?

111

112 YES NO

113 If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed
114 to the question, place an "X" in the box opposite "NO".

115 If a majority of the votes cast on the question by the qualified voters voting thereon are [in favor
116 of repeal, that] **opposed to continuation**, repeal shall become effective on December thirty-first
117 of the calendar year in which such [repeal was] **continuation was failed to be** approved. If a
118 majority of the votes cast on the question by the qualified voters voting thereon are [opposed to
119 the repeal] **in favor of continuation**, then the sales tax authorized in this section shall remain
120 effective until the question is resubmitted under this section to the qualified voters and [the
121 repeal is] **continuation fails to be** approved by a majority of the qualified voters voting on the
122 question.

123 8. Whenever the governing body of any city that has adopted the sales tax authorized in
124 this section receives a petition, signed by a number of registered voters of the city equal to at
125 least two percent of the number of registered voters of the city voting in the last gubernatorial
126 election, calling for an election to repeal the sales tax imposed under this section, the governing
127 body shall submit to the voters of the city a proposal to repeal the tax. If a majority of the votes
128 cast on the question by the qualified voters voting thereon are in favor of the repeal, the repeal
129 shall become effective on December thirty-first of the calendar year in which such repeal was
130 approved. If a majority of the votes cast on the question by the qualified voters voting thereon
131 are opposed to the repeal, then the sales tax authorized in this section shall remain effective until
132 the question is resubmitted under this section to the qualified voters and the repeal is approved
133 by a majority of the qualified voters voting on the question.

134 9. If the tax is repealed or terminated by any means, all funds remaining in the special
135 trust fund shall continue to be used solely for the designated purposes, and the city shall notify
136 the director of the department of revenue of the action at least ninety days before the effective
137 date of the repeal and the director may order retention in the trust fund, for a period of one year,
138 of two percent of the amount collected after receipt of such notice to cover possible refunds or
139 overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of
140 such accounts. After one year has elapsed after the effective date of abolition of the tax in such
141 city, the director shall remit the balance in the account to the city and close the account of that
142 city. The director shall notify each city of each instance of any amount refunded or any check
143 redeemed from receipts due the city.

136.110. 1. The director of revenue shall promptly record all sums of money collected
2 or received by the director and shall immediately thereafter deposit the same with the state
3 treasurer, excluding all funds received and disbursed by the state on behalf of counties and cities,
4 towns and villages. The state treasurer, upon receipt of any moneys from the director of revenue,
5 shall give his or her receipt therefor, executing the same in triplicate, and shall deliver one copy
6 of such receipt to the director of revenue, one copy to the commissioner of administration, and
7 shall retain the third copy thereof in the files of the state treasurer. The books of the director of

8 revenue shall be audited by the state auditor at such times as may be required by law, and at such
9 other times as may be directed by the governor.

10 **2. For the purposes of this section, the term "promptly" shall mean within two**
11 **business days.**

143.161. 1. For all taxable years beginning after December 31, 1997, a resident may
2 deduct one thousand two hundred dollars for each dependent for whom such resident is entitled
3 to a dependency exemption deduction for federal income tax purposes. In the case of a
4 dependent who has attained sixty-five years of age on or before the last day of the taxable year,
5 if such dependent resides in the taxpayer's home or the dependent's own home or if such
6 dependent does not receive Medicaid or state funding while residing in a facility licensed
7 pursuant to chapter 198, the taxpayer may deduct an additional one thousand dollars.

8 2. [For all taxable years beginning before January 1, 1999, a resident who qualifies as
9 an unmarried head of household or as a surviving spouse for federal income tax purposes may
10 deduct an additional eight hundred dollars.] For all taxable years beginning on or after January
11 1, 1999, a resident who qualifies as an unmarried head of household or as a surviving spouse for
12 federal income tax purposes may deduct an additional one thousand four hundred dollars.

13 **3. For all taxable years beginning on or after January 1, 2015, for each birth for**
14 **which a certificate of birth resulting in stillbirth has been issued under section 193.165, a**
15 **taxpayer may claim the exemption under subsection 1 of this section only in the taxable**
16 **year in which the stillbirth occurred, if the child otherwise would have been a member of**
17 **the taxpayer's household.**

143.191. 1. Every employer maintaining an office or transacting any business within this
2 state and making payment of any wages taxable under [sections 143.011 to 143.998] **this**
3 **chapter** to a resident or nonresident individual shall deduct and withhold from such wages for
4 each payroll period the amount provided in subsection 3 of this section.

5 2. The term "wages" referred to in subsection 1 of this section means wages as defined
6 by section 3401(a) of the Internal Revenue Code of 1986, as amended. The term "employer"
7 means any person, firm, corporation, association, fiduciary of any kind, or other type of
8 organization for whom an individual performs service as an employee, except that if the person
9 or organization for whom the individual performs service does not have control of the payment
10 of compensation for such service, the term "employer" means the person having control of the
11 payment of the compensation. The term includes the United States, this state, other states, and
12 all agencies, instrumentalities, and subdivisions of any of them.

13 3. **(1)** The method of determining the amount to be withheld shall be prescribed by
14 regulations of the director of revenue. The prescribed table, percentages, or other method shall
15 result, so far as practicable, in withholding from the employee's wages during each calendar year

16 an amount substantially equivalent to the tax reasonably estimated to be due from the employee
17 under [sections 143.011 to 143.998] **this chapter** with respect to the amount of such wages
18 included in his Missouri adjusted gross income during the calendar year.

19 **(2) The amount to be withheld by an employer with respect to tips received by an**
20 **employee in the course of the employee's employment shall be calculated based solely upon**
21 **the amount of tips reported by the employee in a written statement furnished to the**
22 **employer as required by subsection (a) of section 6053 of the Internal Revenue Code of**
23 **1986, as amended, or if greater, the amount of tips received by the employer and remitted**
24 **to the employee. If an employee shares tips, the employer shall withhold only from the**
25 **employee who actually receives the shared tips. The employer's Missouri income tax**
26 **withholding obligation with respect to an employee's tip income shall be limited to the**
27 **portion of the employee's wages under the control of the employer against which the**
28 **employer is required, pursuant to federal law, to withhold federal income taxes on the**
29 **employee's tips. Such withholding obligation shall be calculated after making reductions**
30 **for all required federal tax withholding, Missouri income tax withholding on non-tip**
31 **income, and other amounts which have higher legal priority.**

32 4. For purposes of this section an employee shall be entitled to the same number of
33 personal and dependency withholding exemptions as the number of exemptions to which he is
34 entitled for federal income tax withholding purposes. An employer may rely upon the number
35 of federal withholding exemptions claimed by the employee, except where the employee
36 provides the employer with a form claiming a different number of withholding exemptions in
37 this state.

38 5. The director of revenue may enter into agreements with the tax departments of other
39 states (which require income tax to be withheld from the payment of wages) so as to govern the
40 amounts to be withheld from the wages of residents of such states under this section. Such
41 agreements may provide for recognition of anticipated tax credits in determining the amounts
42 to be withheld and, under regulations prescribed by the director of revenue, may relieve
43 employers in this state from withholding income tax on wages paid to nonresident employees.
44 The agreements authorized by this subsection are subject to the condition that the tax department
45 of such other states grant similar treatment to residents of this state.

46 6. The director of revenue shall enter into agreements with the Secretary of the Treasury
47 of the United States or with the appropriate secretaries of the respective branches of the Armed
48 Forces of the United States for the withholding, as required by subsections 1 and 2 of this
49 section, of income taxes due the state of Missouri on wages or other payments for service in the
50 armed services of the United States or on payments received as retirement or retainer pay of any
51 member or former member of the Armed Forces entitled to such pay.

52 7. Subject to appropriations for the purpose of implementing this section, the director
53 of revenue shall comply with provisions of the laws of the United States as amended and the
54 regulations promulgated thereto in order that all residents of this state receiving monthly
55 retirement income as a civil service annuitant from the federal government taxable by this state
56 may have withheld monthly from any such moneys, whether pension, annuities or otherwise, an
57 amount for payment of state income taxes as required by state law, but such withholding shall
58 not be less than twenty-five dollars per quarter.

59 8. The provisions of this section shall not apply to out-of-state businesses operating
60 under sections 190.270 to 190.285.

143.801. 1. A claim for credit or refund of an overpayment of any tax imposed by
2 sections 143.011 to 143.996 shall be filed by the taxpayer within three years from the time the
3 return was filed or two years from the time the tax was paid, whichever of such periods expires
4 the later; or if no return was filed by the taxpayer, within two years from the time the tax was
5 paid. No credit or refund shall be allowed or made after the expiration of the period of limitation
6 prescribed in this subsection for the filing of a claim for credit or refund, unless a claim for credit
7 or refund is filed by the taxpayer within such period.

8 2. If the claim is filed by the taxpayer during the three-year period prescribed in
9 subsection 1 **of this section**, the amount of the credit or refund shall not exceed the portion of
10 the tax paid within the three years immediately preceding the filing of the claim plus the period
11 of any extension of time for filing the return. If the claim is not filed within such three-year
12 period, but is filed within the two-year period, the amount of the credit or refund shall not exceed
13 the portion of the tax paid during the two years immediately preceding the filing of the claim.
14 If no claim is filed, the credit or refund shall not exceed the amount which would be allowable
15 under either of the preceding sentences, as the case may be, if a claim was filed on the date the
16 credit or refund is allowed.

17 3. If pursuant to subsection 6 of section 143.711 an agreement for an extension of the
18 period for assessment of income taxes is made within the period prescribed in subsection 1 of
19 this section for the filing of a claim for credit or refund, the period for filing a claim for credit
20 or for making a credit or refund if no claim is filed, shall not expire prior to six months after the
21 expiration of the period within which an assessment may be made pursuant to the agreement or
22 any extension thereof. The amount of such credit or refund shall not exceed the portion of the
23 tax paid after the execution of the agreement and before the filing of the claim or the making of
24 the credit or refund, as the case may be, plus the portion of the tax paid within the period which
25 would be applicable under subsection 1 of this section if a claim had been filed on the date the
26 agreement was executed.

27 4. If a taxpayer is required by section 143.601 to report a change or correction in federal
28 taxable income reported on his federal income tax return, or to report a change or correction
29 which is treated in the same manner as if it were an overpayment for federal income tax
30 purposes, an amended return or a claim for credit or refund of any resulting overpayment of tax
31 shall be filed by the taxpayer within one year from the time the notice of such change or
32 correction or such amended return was required to be filed with the director of revenue. If the
33 report or amended return required by section 143.601 is not filed within the ninety-day period
34 therein specified, interest on any resulting refund or credit shall cease to accrue after such
35 ninetieth day. The amount of such credit or refund shall not exceed the amount of the reduction
36 in tax attributable to:

37 (1) The issues on which such federal change or correction or the items amended on the
38 taxpayer's amended federal income tax return are based, and

39 (2) Any change in the amount of [his] **the taxpayer's** federal income tax deduction
40 under the provisions of subsection 1 of section 143.171. No effect shall be given in the
41 preceding sentence to any federal change or correction or to any item on an amended return
42 unless it is timely under the applicable federal period of limitations. The time and amount
43 provisions of this subsection shall be in lieu of any other provisions of this section. This
44 subsection shall not affect the time within which or the amount for which a claim for credit or
45 refund may be filed apart from this subsection.

46 5. If the claim for credit or refund relates to an overpayment of tax on account of the
47 deductibility by the taxpayer of a debt as a debt which became worthless or a loss from
48 worthlessness of a security or the effect that the deductibility of a debt or of a loss has on the
49 application to the taxpayer of a carryover, the claim may be made, under regulations prescribed
50 by the director of revenue within seven years from the date prescribed by law for filing the return
51 for the year with respect to which the claim is made.

52 6. If the claim for credit or refund relates to an overpayment attributable to a net
53 operating loss carryback or a capital loss carryback, in lieu of the three-year period of limitations
54 prescribed in subsection 1 of this section, the period shall be that period which ends with the
55 expiration of the fifteenth day of the fortieth month (or the thirty-ninth month, in the case of a
56 corporation) following the end of the taxable year of the net operating loss or net capital loss
57 which results in such carryback, or the period prescribed in subsection 3 of this section in respect
58 of such taxable year, whichever expires later. In the case of such a claim, the amount of the
59 credit or refund may exceed the portion of the tax paid within the period provided in subsections
60 2, 3 and 4 of this section, whichever is applicable, to the extent of the amount of the overpayment
61 attributable to such carryback.

62 **7. (1) No period of limitations provided in subsections 1 to 6 of this section shall**
63 **apply if a taxpayer amends, or the federal Internal Revenue Service or its successor agency**
64 **changes, the taxpayer's federal income tax return for the same tax period and:**

65 **(a) Such amendment or change occurs after any period of limitations provided in**
66 **subsections 1 to 6 of this section has expired;**

67 **(b) Such amendment or change reveals that the taxpayer is eligible to claim a credit**
68 **or refund of an overpayment of any tax imposed under this chapter; and**

69 **(c) A period of limitations provided in subsections 1 to 6 of this section prohibits**
70 **the taxpayer from claiming such credit or refund.**

71 **(2) If the taxpayer files a claim for such credit or refund, the claim shall be filed in**
72 **the manner provided in this chapter and shall be filed within one year from the time the**
73 **taxpayer amends or the federal Internal Revenue Service changes the taxpayer's federal**
74 **income tax return.**

143.811. 1. Under regulations prescribed by the director of revenue, interest shall be
2 allowed and paid at the rate determined by section 32.065 on any overpayment in respect of the
3 tax imposed by sections 143.011 to 143.996; except that, where the overpayment resulted from
4 the filing of an amendment of the tax by the taxpayer after the last day prescribed for the filing
5 of the return, interest shall be allowed and paid at the rate of six percent per annum. With respect
6 to the part of an overpayment attributable to a deposit made pursuant to subsection 2 of section
7 143.631, interest shall be paid thereon at the rate in section 32.065 from the date of the deposit
8 to the date of refund. No interest shall be allowed or paid if the amount thereof is less than one
9 dollar.

10 2. For purposes of this section:

11 (1) Any return filed before the last day prescribed for the filing thereof shall be
12 considered as filed on such last day determined without regard to any extension of time granted
13 the taxpayer;

14 (2) Any tax paid by the taxpayer before the last day prescribed for its payment, any
15 income tax withheld from the taxpayer during any calendar year, and any amount paid by the
16 taxpayer as estimated income tax for a taxable year shall be deemed to have been paid by him
17 on the fifteenth day of the fourth month following the close of his taxable year to which such
18 amount constitutes a credit or payment.

19 3. For purposes of this section with respect to any withholding tax:

20 (1) If a return for any period ending with or within a calendar year is filed before April
21 fifteenth of the succeeding calendar year, such return shall be considered filed April fifteenth of
22 such succeeding calendar year; and

23 (2) If a tax with respect to remuneration paid during any period ending with or within
24 a calendar year is paid before April fifteenth of the succeeding calendar year, such tax shall be
25 considered paid on April fifteenth of such succeeding calendar year.

26 4. If any overpayment of tax imposed by sections 143.061 and 143.071 is refunded
27 within four months after the last date prescribed (or permitted by extension of time) for filing the
28 return of such tax or within four months after the return was filed, whichever is later, no interest
29 shall be allowed under this section on overpayment.

30 5. If any overpayment of tax imposed by sections 143.011 and 143.041 is refunded
31 within [ninety] **forty-five** days after the [last date prescribed or permitted by extension of time
32 for filing the return of such tax] **date the return or claim is filed**, no interest shall be allowed
33 under this section on overpayment.

34 6. Any overpayment resulting from a carryback, including a net operating loss and a
35 corporate capital loss, shall be deemed not to have been made prior to the close of the taxable
36 year in which the loss arises.

37 7. Any overpayment resulting from a carryback of a tax credit, including but not limited
38 to the tax credits provided in sections 253.557 and 348.432, shall be deemed not to have been
39 made prior to the close of the taxable year in which the tax credit was authorized.

144.020. 1. A tax is hereby levied and imposed for the privilege of titling new and used
2 motor vehicles, trailers, boats, and outboard motors purchased or acquired for use on the
3 highways or waters of this state which are required to be titled under the laws of the state of
4 Missouri and, except as provided in subdivision (9) of this subsection, upon all sellers for the
5 privilege of engaging in the business of selling tangible personal property or rendering taxable
6 service at retail in this state. The rate of tax shall be as follows:

7 (1) Upon every retail sale in this state of tangible personal property, excluding motor
8 vehicles, trailers, motorcycles, mopeds, motortricycles, boats and outboard motors required to
9 be titled under the laws of the state of Missouri and subject to tax under subdivision (9) of this
10 subsection, a tax equivalent to four percent of the purchase price paid or charged, or in case such
11 sale involves the exchange of property, a tax equivalent to four percent of the consideration paid
12 or charged, including the fair market value of the property exchanged at the time and place of
13 the exchange, except as otherwise provided in section 144.025;

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

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

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

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

29 (6) A tax equivalent to four percent on the amount of sales or charges for all rooms,
30 meals and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore,
31 dining car, tourist cabin, tourist camp or other place in which rooms, meals or drinks are
32 regularly served to the public. **The tax imposed under this subdivision shall not apply to any**
33 **automatic mandatory gratuity for a large group imposed by a restaurant when such**
34 **gratuity is reported as employee tip income and the restaurant withholds income tax under**
35 **section 143.191 on such gratuity;**

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

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

56 (9) A tax equivalent to four percent of the purchase price, as defined in section 144.070,
57 of new and used motor vehicles, trailers, boats, and outboard motors purchased or acquired for
58 use on the highways or waters of this state which are required to be registered under the laws of
59 the state of Missouri. This tax is imposed on the person titling such property, and shall be paid
60 according to the procedures in section 144.440.

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

144.030. 1. There is hereby specifically exempted from the provisions of sections
2 144.010 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to
3 sections 144.010 to 144.525 such retail sales as may be made in commerce between this state and
4 any other state of the United States, or between this state and any foreign country, and any retail
5 sale which the state of Missouri is prohibited from taxing pursuant to the Constitution or laws
6 of the United States of America, and such retail sales of tangible personal property which the
7 general assembly of the state of Missouri is prohibited from taxing or further taxing by the
8 constitution of this state.

9 2. There are also specifically exempted from the provisions of the local sales tax law as
10 defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to
11 144.761 and from the computation of the tax levied, assessed or payable pursuant to the local
12 sales tax law as defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and
13 144.600 to 144.745:

14 (1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of
15 such excise tax is refunded pursuant to section 142.824; or upon the sale at retail of fuel to be
16 consumed in manufacturing or creating gas, power, steam, electrical current or in furnishing
17 water to be sold ultimately at retail; or feed for livestock or poultry; or grain to be converted into
18 foodstuffs which are to be sold ultimately in processed form at retail; or seed, limestone or
19 fertilizer which is to be used for seeding, liming or fertilizing crops which when harvested will
20 be sold at retail or will be fed to livestock or poultry to be sold ultimately in processed form at
21 retail; economic poisons registered pursuant to the provisions of the Missouri pesticide
22 registration law (sections 281.220 to 281.310) which are to be used in connection with the
23 growth or production of crops, fruit trees or orchards applied before, during, or after planting,
24 the crop of which when harvested will be sold at retail or will be converted into foodstuffs which
25 are to be sold ultimately in processed form at retail;

26 (2) Materials, manufactured goods, machinery and parts which when used in
27 manufacturing, processing, compounding, mining, producing or fabricating become a component
28 part or ingredient of the new personal property resulting from such manufacturing, processing,

29 compounding, mining, producing or fabricating and which new personal property is intended to
30 be sold ultimately for final use or consumption; and materials, including without limitation,
31 gases and manufactured goods, including without limitation slagging materials and firebrick,
32 which are ultimately consumed in the manufacturing process by blending, reacting or interacting
33 with or by becoming, in whole or in part, component parts or ingredients of steel products
34 intended to be sold ultimately for final use or consumption;

35 (3) Materials, replacement parts and equipment purchased for use directly upon, and for
36 the repair and maintenance or manufacture of, motor vehicles, watercraft, railroad rolling stock
37 or aircraft engaged as common carriers of persons or property;

38 (4) Motor vehicles registered in excess of fifty-four thousand pounds, and the trailers
39 pulled by such motor vehicles, that are actually used in the normal course of business to haul
40 property on the public highways of the state, and that are capable of hauling loads commensurate
41 with the motor vehicle's registered weight; and the materials, replacement parts, and equipment
42 purchased for use directly upon, and for the repair and maintenance or manufacture of such
43 vehicles. For purposes of this subdivision, "motor vehicle" and "public highway" shall have the
44 meaning as ascribed in section 390.020;

45 (5) Replacement machinery, equipment, and parts and the materials and supplies solely
46 required for the installation or construction of such replacement machinery, equipment, and
47 parts, used directly in manufacturing, mining, fabricating or producing a product which is
48 intended to be sold ultimately for final use or consumption; and machinery and equipment, and
49 the materials and supplies required solely for the operation, installation or construction of such
50 machinery and equipment, purchased and used to establish new, or to replace or expand existing,
51 material recovery processing plants in this state. For the purposes of this subdivision, a "material
52 recovery processing plant" means a facility that has as its primary purpose the recovery of
53 materials into a usable product or a different form which is used in producing a new product and
54 shall include a facility or equipment which are used exclusively for the collection of recovered
55 materials for delivery to a material recovery processing plant but shall not include motor vehicles
56 used on highways. For purposes of this section, the terms motor vehicle and highway shall have
57 the same meaning pursuant to section 301.010. Material recovery is not the reuse of materials
58 within a manufacturing process or the use of a product previously recovered. The material
59 recovery processing plant shall qualify under the provisions of this section regardless of
60 ownership of the material being recovered;

61 (6) Machinery and equipment, and parts and the materials and supplies solely required
62 for the installation or construction of such machinery and equipment, purchased and used to
63 establish new or to expand existing manufacturing, mining or fabricating plants in the state if

64 such machinery and equipment is used directly in manufacturing, mining or fabricating a product
65 which is intended to be sold ultimately for final use or consumption;

66 (7) Tangible personal property which is used exclusively in the manufacturing,
67 processing, modification or assembling of products sold to the United States government or to
68 any agency of the United States government;

69 (8) Animals or poultry used for breeding or feeding purposes, or captive wildlife;

70 (9) Newsprint, ink, computers, photosensitive paper and film, toner, printing plates and
71 other machinery, equipment, replacement parts and supplies used in producing newspapers
72 published for dissemination of news to the general public;

73 (10) The rentals of films, records or any type of sound or picture transcriptions for public
74 commercial display;

75 (11) Pumping machinery and equipment used to propel products delivered by pipelines
76 engaged as common carriers;

77 (12) Railroad rolling stock for use in transporting persons or property in interstate
78 commerce and motor vehicles licensed for a gross weight of twenty-four thousand pounds or
79 more or trailers used by common carriers, as defined in section 390.020, in the transportation of
80 persons or property;

81 (13) Electrical energy used in the actual primary manufacture, processing, compounding,
82 mining or producing of a product, or electrical energy used in the actual secondary processing
83 or fabricating of the product, or a material recovery processing plant as defined in subdivision
84 (5) of this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical
85 energy so used exceeds ten percent of the total cost of production, either primary or secondary,
86 exclusive of the cost of electrical energy so used or if the raw materials used in such processing
87 contain at least twenty-five percent recovered materials as defined in section 260.200. There
88 shall be a rebuttable presumption that the raw materials used in the primary manufacture of
89 automobiles contain at least twenty-five percent recovered materials. For purposes of this
90 subdivision, "processing" means any mode of treatment, act or series of acts performed upon
91 materials to transform and reduce them to a different state or thing, including treatment necessary
92 to maintain or preserve such processing by the producer at the production facility;

93 (14) Anodes which are used or consumed in manufacturing, processing, compounding,
94 mining, producing or fabricating and which have a useful life of less than one year;

95 (15) Machinery, equipment, appliances and devices purchased or leased and used solely
96 for the purpose of preventing, abating or monitoring air pollution, and materials and supplies
97 solely required for the installation, construction or reconstruction of such machinery, equipment,
98 appliances and devices;

99 (16) Machinery, equipment, appliances and devices purchased or leased and used solely
100 for the purpose of preventing, abating or monitoring water pollution, and materials and supplies
101 solely required for the installation, construction or reconstruction of such machinery, equipment,
102 appliances and devices;

103 (17) Tangible personal property purchased by a rural water district;

104 (18) All amounts paid or charged for admission or participation or other fees paid by or
105 other charges to individuals in or for any place of amusement, entertainment or recreation, games
106 or athletic events, including museums, fairs, zoos and planetariums, owned or operated by a
107 municipality or other political subdivision where all the proceeds derived therefrom benefit the
108 municipality or other political subdivision and do not inure to any private person, firm, or
109 corporation, provided, however, that a municipality or other political subdivision may enter into
110 revenue-sharing agreements with private persons, firms, or corporations providing goods or
111 services, including management services, in or for the place of amusement, entertainment or
112 recreation, games or athletic events, and provided further that nothing in this subdivision shall
113 exempt from tax any amounts retained by any private person, firm, or corporation under such
114 revenue-sharing agreement;

115 (19) All sales of insulin and prosthetic or orthopedic devices as defined on January 1,
116 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of
117 1965, including the items specified in Section 1862(a)(12) of that act, and also specifically
118 including hearing aids and hearing aid supplies and all sales of drugs which may be legally
119 dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to
120 administer those items, including samples and materials used to manufacture samples which may
121 be dispensed by a practitioner authorized to dispense such samples and all sales or rental of
122 medical oxygen, home respiratory equipment and accessories, hospital beds and accessories and
123 ambulatory aids, all sales or rental of manual and powered wheelchairs, stairway lifts, Braille
124 writers, electronic Braille equipment and, if purchased or rented by or on behalf of a person with
125 one or more physical or mental disabilities to enable them to function more independently, all
126 sales or rental of scooters, reading machines, electronic print enlargers and magnifiers, electronic
127 alternative and augmentative communication devices, and items used solely to modify motor
128 vehicles to permit the use of such motor vehicles by individuals with disabilities or sales of
129 over-the-counter or nonprescription drugs to individuals with disabilities, and drugs required by
130 the Food and Drug Administration to meet the over-the-counter drug product labeling
131 requirements in 21 CFR 201.66, or its successor, as prescribed by a health care practitioner
132 licensed to prescribe;

133 (20) All sales made by or to religious and charitable organizations and institutions in
134 their religious, charitable or educational functions and activities and all sales made by or to all

135 elementary and secondary schools operated at public expense in their educational functions and
136 activities;

137 (21) All sales of aircraft to common carriers for storage or for use in interstate commerce
138 and all sales made by or to not-for-profit civic, social, service or fraternal organizations,
139 including fraternal organizations which have been declared tax-exempt organizations pursuant
140 to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or
141 charitable functions and activities and all sales made to eleemosynary and penal institutions and
142 industries of the state, and all sales made to any private not-for-profit institution of higher
143 education not otherwise excluded pursuant to subdivision (20) of this subsection or any
144 institution of higher education supported by public funds, and all sales made to a state relief
145 agency in the exercise of relief functions and activities;

146 (22) All ticket sales made by benevolent, scientific and educational associations which
147 are formed to foster, encourage, and promote progress and improvement in the science of
148 agriculture and in the raising and breeding of animals, and by nonprofit summer theater
149 organizations if such organizations are exempt from federal tax pursuant to the provisions of the
150 Internal Revenue Code and all admission charges and entry fees to the Missouri state fair or any
151 fair conducted by a county agricultural and mechanical society organized and operated pursuant
152 to sections 262.290 to 262.530;

153 (23) All sales made to any private not-for-profit elementary or secondary school, all sales
154 of feed additives, medications or vaccines administered to livestock or poultry in the production
155 of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for
156 food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber,
157 all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying
158 agricultural crops, natural gas used in the primary manufacture or processing of fuel ethanol as
159 defined in section 142.028, natural gas, propane, and electricity used by an eligible new
160 generation cooperative or an eligible new generation processing entity as defined in section
161 348.432, and all sales of farm machinery and equipment, other than airplanes, motor vehicles and
162 trailers, and any freight charges on any exempt item. As used in this subdivision, the term "feed
163 additives" means tangible personal property which, when mixed with feed for livestock or
164 poultry, is to be used in the feeding of livestock or poultry. As used in this subdivision, the term
165 "pesticides" includes adjuvants such as crop oils, surfactants, wetting agents and other assorted
166 pesticide carriers used to improve or enhance the effect of a pesticide and the foam used to mark
167 the application of pesticides and herbicides for the production of crops, livestock or poultry. As
168 used in this subdivision, the term "farm machinery and equipment" means new or used farm
169 tractors and such other new or used farm machinery and equipment and repair or replacement
170 parts thereon and any accessories for and upgrades to such farm machinery and equipment, rotary

171 mowers used exclusively for agricultural purposes, and supplies and lubricants used exclusively,
172 solely, and directly for producing crops, raising and feeding livestock, fish, poultry, pheasants,
173 chukar, quail, or for producing milk for ultimate sale at retail, including field drain tile, and
174 one-half of each purchaser's purchase of diesel fuel therefor which is:

175 (a) Used exclusively for agricultural purposes;

176 (b) Used on land owned or leased for the purpose of producing farm products; and

177 (c) Used directly in producing farm products to be sold ultimately in processed form or
178 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold
179 ultimately in processed form at retail;

180 (24) Except as otherwise provided in section 144.032, all sales of metered water service,
181 electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil
182 for domestic use and in any city not within a county, all sales of metered or unmetered water
183 service for domestic use:

184 (a) "Domestic use" means that portion of metered water service, electricity, electrical
185 current, natural, artificial or propane gas, wood, coal or home heating oil, and in any city not
186 within a county, metered or unmetered water service, which an individual occupant of a
187 residential premises uses for nonbusiness, noncommercial or nonindustrial purposes. Utility
188 service through a single or master meter for residential apartments or condominiums, including
189 service for common areas and facilities and vacant units, shall be deemed to be for domestic use.
190 Each seller shall establish and maintain a system whereby individual purchases are determined
191 as exempt or nonexempt;

192 (b) Regulated utility sellers shall determine whether individual purchases are exempt or
193 nonexempt based upon the seller's utility service rate classifications as contained in tariffs on file
194 with and approved by the Missouri public service commission. Sales and purchases made
195 pursuant to the rate classification "residential" and sales to and purchases made by or on behalf
196 of the occupants of residential apartments or condominiums through a single or master meter,
197 including service for common areas and facilities and vacant units, shall be considered as sales
198 made for domestic use and such sales shall be exempt from sales tax. Sellers shall charge sales
199 tax upon the entire amount of purchases classified as nondomestic use. The seller's utility
200 service rate classification and the provision of service thereunder shall be conclusive as to
201 whether or not the utility must charge sales tax;

202 (c) Each person making domestic use purchases of services or property and who uses any
203 portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day
204 of the fourth month following the year of purchase, and without assessment, notice or demand,
205 file a return and pay sales tax on that portion of nondomestic purchases. Each person making
206 nondomestic purchases of services or property and who uses any portion of the services or

207 property so purchased for domestic use, and each person making domestic purchases on behalf
208 of occupants of residential apartments or condominiums through a single or master meter,
209 including service for common areas and facilities and vacant units, under a nonresidential utility
210 service rate classification may, between the first day of the first month and the fifteenth day of
211 the fourth month following the year of purchase, apply for credit or refund to the director of
212 revenue and the director shall give credit or make refund for taxes paid on the domestic use
213 portion of the purchase. The person making such purchases on behalf of occupants of residential
214 apartments or condominiums shall have standing to apply to the director of revenue for such
215 credit or refund;

216 (25) All sales of handicraft items made by the seller or the seller's spouse if the seller or
217 the seller's spouse is at least sixty-five years of age, and if the total gross proceeds from such
218 sales do not constitute a majority of the annual gross income of the seller;

219 (26) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071,
220 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of
221 revenue shall promulgate rules pursuant to chapter 536 to eliminate all state and local sales taxes
222 on such excise taxes;

223 (27) Sales of fuel consumed or used in the operation of ships, barges, or waterborne
224 vessels which are used primarily in or for the transportation of property or cargo, or the
225 conveyance of persons for hire, on navigable rivers bordering on or located in part in this state,
226 if such fuel is delivered by the seller to the purchaser's barge, ship, or waterborne vessel while
227 it is afloat upon such river;

228 (28) All sales made to an interstate compact agency created pursuant to sections 70.370
229 to 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities of such
230 agency as provided pursuant to the compact;

231 (29) Computers, computer software and computer security systems purchased for use
232 by architectural or engineering firms headquartered in this state. For the purposes of this
233 subdivision, "headquartered in this state" means the office for the administrative management
234 of at least four integrated facilities operated by the taxpayer is located in the state of Missouri;

235 (30) All livestock sales when either the seller is engaged in the growing, producing or
236 feeding of such livestock, or the seller is engaged in the business of buying and selling, bartering
237 or leasing of such livestock;

238 (31) All sales of barges which are to be used primarily in the transportation of property
239 or cargo on interstate waterways;

240 (32) Electrical energy or gas, whether natural, artificial or propane, water, or other
241 utilities which are ultimately consumed in connection with the manufacturing of cellular glass

242 products or in any material recovery processing plant as defined in subdivision (5) of this
243 subsection;

244 (33) Notwithstanding other provisions of law to the contrary, all sales of pesticides or
245 herbicides used in the production of crops, aquaculture, livestock or poultry;

246 (34) Tangible personal property and utilities purchased for use or consumption directly
247 or exclusively in the research and development of agricultural/biotechnology and plant genomics
248 products and prescription pharmaceuticals consumed by humans or animals;

249 (35) All sales of grain bins for storage of grain for resale;

250 (36) All sales of feed which are developed for and used in the feeding of pets owned by
251 a commercial breeder when such sales are made to a commercial breeder, as defined in section
252 273.325, and licensed pursuant to sections 273.325 to 273.357;

253 (37) All purchases by a contractor on behalf of an entity located in another state,
254 provided that the entity is authorized to issue a certificate of exemption for purchases to a
255 contractor under the provisions of that state's laws. For purposes of this subdivision, the term
256 "certificate of exemption" shall mean any document evidencing that the entity is exempt from
257 sales and use taxes on purchases pursuant to the laws of the state in which the entity is located.
258 Any contractor making purchases on behalf of such entity shall maintain a copy of the entity's
259 exemption certificate as evidence of the exemption. If the exemption certificate issued by the
260 exempt entity to the contractor is later determined by the director of revenue to be invalid for any
261 reason and the contractor has accepted the certificate in good faith, neither the contractor or the
262 exempt entity shall be liable for the payment of any taxes, interest and penalty due as the result
263 of use of the invalid exemption certificate. Materials shall be exempt from all state and local
264 sales and use taxes when purchased by a contractor for the purpose of fabricating tangible
265 personal property which is used in fulfilling a contract for the purpose of constructing, repairing
266 or remodeling facilities for the following:

267 (a) An exempt entity located in this state, if the entity is one of those entities able to issue
268 project exemption certificates in accordance with the provisions of section 144.062; or

269 (b) An exempt entity located outside the state if the exempt entity is authorized to issue
270 an exemption certificate to contractors in accordance with the provisions of that state's law and
271 the applicable provisions of this section;

272 (38) All sales or other transfers of tangible personal property to a lessor who leases the
273 property under a lease of one year or longer executed or in effect at the time of the sale or other
274 transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections
275 238.010 to 238.100;

276 (39) Sales of tickets to any collegiate athletic championship event that is held in a facility
277 owned or operated by a governmental authority or commission, a quasi-governmental agency,

278 a state university or college or by the state or any political subdivision thereof, including a
279 municipality, and that is played on a neutral site and may reasonably be played at a site located
280 outside the state of Missouri. For purposes of this subdivision, "neutral site" means any site that
281 is not located on the campus of a conference member institution participating in the event;

282 (40) All purchases by a sports complex authority created under section 64.920, and all
283 sales of utilities by such authority at the authority's cost that are consumed in connection with
284 the operation of a sports complex leased to a professional sports team;

285 (41) All materials, replacement parts, and equipment purchased for use directly upon,
286 and for the modification, replacement, repair, and maintenance of aircraft, aircraft power plants,
287 and aircraft accessories;

288 (42) Sales of sporting clays, wobble, skeet, and trap targets to any shooting range or
289 similar places of business for use in the normal course of business and money received by a
290 shooting range or similar places of business from patrons and held by a shooting range or similar
291 place of business for redistribution to patrons at the conclusion of a shooting event;

292 (43) **Any new or used aircraft sold or delivered in this state to a person who is not**
293 **a resident of this state or a corporation that is not incorporated in this state, and such**
294 **aircraft is not to be based in this state and shall not remain in this state more than ten**
295 **business days subsequent to the last to occur of:**

296 (a) **The transfer of title to the aircraft to a person who is not a resident of this state**
297 **or a corporation that is not incorporated in this state; or**

298 (b) **The date of the return to service of the aircraft in accordance with 14 CFR**
299 **91.407 for any maintenance, preventive maintenance, rebuilding, alterations, repairs, or**
300 **installations that are completed contemporaneously with the transfer of title to the aircraft**
301 **to a person who is not a resident of this state or a corporation that is not incorporated in**
302 **this state.**

303 3. Any ruling, agreement, or contract, whether written or oral, express or implied,
304 between a person and this state's executive branch, or any other state agency or department,
305 stating, agreeing, or ruling that such person is not required to collect sales and use tax in this
306 state despite the presence of a warehouse, distribution center, or fulfillment center in this state
307 that is owned or operated by the person or an affiliated person shall be null and void unless it is
308 specifically approved by a majority vote of each of the houses of the general assembly. For
309 purposes of this subsection, an "affiliated person" means any person that is a member of the same
310 controlled group of corporations as defined in Section 1563(a) of the Internal Revenue Code of
311 1986, as amended, as the vendor or any other entity that, notwithstanding its form of
312 organization, bears the same ownership relationship to the vendor as a corporation that is a

313 member of the same controlled group of corporations as defined in Section 1563(a) of the
314 Internal Revenue Code, as amended.

144.049. 1. For purposes of this section, the following terms mean:

2 (1) "Clothing", any article of wearing apparel, including footwear, intended to be worn
3 on or about the human body. The term shall include but not be limited to cloth and other
4 material used to make school uniforms or other school clothing. Items normally sold in pairs
5 shall not be separated to qualify for the exemption. The term shall not include watches,
6 watchbands, jewelry, handbags, handkerchiefs, umbrellas, scarves, ties, headbands, or belt
7 buckles; and

8 (2) "Personal computers", a laptop, desktop, or tower computer system which consists
9 of a central processing unit, random access memory, a storage drive, a display monitor, and a
10 keyboard and devices designed for use in conjunction with a personal computer, such as a disk
11 drive, memory module, compact disk drive, daughterboard, [digitalizer] **digitizer**, microphone,
12 modem, motherboard, mouse, multimedia speaker, printer, scanner, single-user hardware,
13 single-user operating system, soundcard, or video card;

14 (3) "School supplies", any item normally used by students in a standard classroom for
15 educational purposes, including but not limited to textbooks, notebooks, paper, writing
16 instruments, crayons, art supplies, rulers, book bags, backpacks, handheld calculators, chalk,
17 maps, and globes. The term shall not include watches, radios, CD players, headphones, sporting
18 equipment, portable or desktop telephones, copiers or other office equipment, furniture, or
19 fixtures. School supplies shall also include computer software having a taxable value of three
20 hundred fifty dollars or less **and any graphing calculator having a taxable value of one**
21 **hundred fifty dollars or less.**

22 2. In each year beginning on or after January 1, 2005, there is hereby specifically
23 exempted from state sales tax law all retail sales of any article of clothing having a taxable value
24 of one hundred dollars or less, all retail sales of school supplies not to exceed fifty dollars per
25 purchase, all computer software with a taxable value of three hundred fifty dollars or less, **all**
26 **graphing calculators having a taxable value of one hundred fifty dollars or less**, and all
27 retail sales of personal computers or computer peripheral devices not to exceed [three] **one**
28 thousand five hundred dollars, during a three-day period beginning at 12:01 a.m. on the first
29 Friday in August and ending at midnight on the Sunday following.

30 3. If the governing body of any political subdivision adopted an ordinance that applied
31 to the 2004 sales tax holiday to prohibit the provisions of this section from allowing the sales tax
32 holiday to apply to such political subdivision's local sales tax, then, notwithstanding any
33 provision of a local ordinance to the contrary, the 2005 sales tax holiday shall not apply to such
34 political subdivision's local sales tax. However, any such political subdivision may enact an

35 ordinance to allow the 2005 sales tax holiday to apply to its local sales taxes. A political
36 subdivision must notify the department of revenue not less than forty-five calendar days prior
37 to the beginning date of the sales tax holiday occurring in that year of any ordinance or order
38 rescinding an ordinance or order to opt out.

39 4. This section shall not apply to any sales which take place within the Missouri state
40 fairgrounds.

41 5. This section applies to sales of items bought for personal use only.

42 6. After the 2005 sales tax holiday, any political subdivision may, by adopting an
43 ordinance or order, choose to prohibit future annual sales tax holidays from applying to its local
44 sales tax. After opting out, the political subdivision may rescind the ordinance or order. The
45 political subdivision must notify the department of revenue not less than forty-five calendar days
46 prior to the beginning date of the sales tax holiday occurring in that year of any ordinance or
47 order rescinding an ordinance or order to opt out.

48 7. This section may not apply to any retailer when less than two percent of the retailer's
49 merchandise offered for sale qualifies for the sales tax holiday. The retailer shall offer a sales
50 tax refund in lieu of the sales tax holiday.

144.080. 1. Every person receiving any payment or consideration upon the sale of
2 property or rendering of service, subject to the tax imposed by the provisions of sections 144.010
3 to 144.525, is exercising the taxable privilege of selling the property or rendering the service at
4 retail and is subject to the tax levied in section 144.020. The person shall be responsible not only
5 for the collection of the amount of the tax imposed on the sale or service to the extent possible
6 under the provisions of section 144.285, but shall, on or before the last day of the month
7 following each calendar quarterly period of three months, file a return with the director of
8 revenue showing the person's gross receipts and the amount of tax levied in section 144.020 for
9 the preceding quarter, and shall remit to the director of revenue, with the return, the taxes levied
10 in section 144.020, except as provided in subsections 2 and 3 of this section. The director of
11 revenue may promulgate rules or regulations changing the filing and payment requirements of
12 sellers, but shall not require any seller to file and pay more frequently than required in this
13 section.

14 2. Where the aggregate amount levied and imposed upon a seller by section 144.020 is
15 in excess of two hundred and fifty dollars for either the first or second month of a calendar
16 quarter, the seller shall file a return and pay such aggregate amount for such months to the
17 director of revenue by the twentieth day of the succeeding month.

18 3. Where the aggregate amount levied and imposed upon a seller by section 144.020 is
19 less than forty-five dollars in a calendar quarter, the director of revenue shall by regulation permit

20 the seller to file a return for a calendar year. The return shall be filed and the taxes paid on or
21 before January thirty-first of the succeeding year.

22 4. The seller of any property or person rendering any service, subject to the tax imposed
23 by sections 144.010 to 144.525, shall collect the tax from the purchaser of such property or the
24 recipient of the service to the extent possible under the provisions of section 144.285, but the
25 seller's inability to collect any part or all of the tax does not relieve the seller of the obligation
26 to pay to the state the tax imposed by section 144.020; except that the collection of the tax
27 imposed by sections 144.010 to 144.525 on motor vehicles and trailers shall be made as provided
28 in sections 144.070 and 144.440.

29 5. [It shall be unlawful for] Any person [to] **may** advertise or hold out or state to the
30 public or to any customer directly [or indirectly] that the tax or any part thereof imposed by
31 sections 144.010 to 144.525, and required to be collected by the person, will be assumed or
32 absorbed by the person, [or that it will not be separately stated and added to the selling price of
33 the] **provided that the amount of tax assumed or absorbed shall be stated on any invoice**
34 **or receipt for the** property sold or service rendered [, or if added, that it or any part thereof will
35 be refunded]. Any person violating any of the provisions of this section shall be guilty of a
36 misdemeanor. **This subsection shall not apply to any retailer prohibited from collecting and**
37 **remitting sales tax under section 66.630.**

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