

HCS HB 756-- MUNICIPAL TELECOMMUNICATIONS BUSINESS LICENSE TAX  
MODERNIZATION ACT

SPONSOR: Hicks

COMMITTEE ACTIONS: Voted "Do Pass with Amendments" by the Standing Committee on Telecommunications by a vote of 10 to 0. Voted "Do Pass with a HCS" by the Select Committee on Utilities by a vote of 9 to 0.

This bill repeals the Municipal Telecommunications Business Licenses Tax Simplification Act, which was previously held unconstitutional by the Missouri Supreme Court. The bill creates in its place the Prepaid Wireless Telecommunications Business License Tax Sourcing Act and clarifies several definitions.

The bill requires that local ordinances imposing a business license tax on providers of wireless telecommunication services must comply with definitions provided in the bill. Business license taxes on providers of wireless telecommunication services may only be imposed on the gross receipts of retail sales of those services to a purchaser and are subject to the guidelines provided to determine where retail sales of prepaid wireless telecommunication services should be deemed to occur for purposes of applying the business license tax.

The bill also requires the telecommunications company to be responsible for obtaining and maintaining information to determine the taxing municipality and for remitting the business license tax to the municipality and provides that if the telecommunications company relies on information provided to it in good faith, the municipality cannot hold the telecommunications company liable for any additional taxes, charges, or fees based on a different determination.

PROPOSERS: Supporters say that the bill will clarify the current law and make prepaid and postpaid phone services equal.

Testifying for the bill were Representative Hicks and Tracfone Wireless.

OPPOSERS: Those who oppose the bill say that it will drastically reduce municipal revenue.

Testifying against the bill was John F. Mulligan, Jr., Missouri Municipal League.

OTHERS: Others testifying on the bill say municipalities will lose significant revenue if the bill passes.

Testifying on the bill were Missouri Municipal League and St. Louis County Municipal League.