

SCS SB 18 -- NOTIFICATION OF SALES TAX LAW MODIFICATIONS

SPONSOR: Kraus (Hoskins)

COMMITTEE ACTION: Voted "Do Pass with Amendments" by the Standing Committee on Ways and Means by a vote of 8 to 2. Voted "Do Pass" by the Select Committee on Financial Institutions and Taxation by a vote of 8 to 1.

This bill requires the Department of Revenue to notify affected sellers when a change in the amount of sales tax due is modified by a decision of the director, Administrative Hearing Commission, or a court that revises which items or services are taxable before the modification can take effect for the sellers. If the department fails to notify a seller of the change, the seller will not be liable for the additional taxes due under the modification until the seller is notified.

PROPOSERS: Supporters say that taxpayers should be adequately notified of changes in Department of Revenue policies or interpretations of tax law. This notification can be accomplished in many alternative ways. It is important to have a predictable revenue policy and that taxpayers have confidence in the tax system. This bill is good for small businesses.

Testifying for the bill were Senator Kraus; Associated Industries of Missouri; Missouri Society of CPAs; Missouri Retailers Association; Missouri Grocers Association; Missouri Budget Project; National Federation of Independent Business; and Missouri Restaurant Association.

OPPOSERS: There was no opposition voiced to the committee.