

HOUSE BILL NO. 1456

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BUTLER.

4431H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 137.016 and 144.020, RSMo, and to enact in lieu thereof two new sections relating to bed and breakfast inns.

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

Section A. Sections 137.016 and 144.020, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 137.016 and 144.020, to read as follows:

137.016. 1. As used in section 4(b) of article X of the Missouri Constitution, the following terms mean:

(1) "Residential property", all real property improved by a structure which is used or intended to be used for residential living by human occupants, vacant land in connection with an airport, land used as a golf course, manufactured home parks, **bed and breakfast inns in which the owner resides and uses as a primary residence with four or fewer rooms for rent,** and time-share units as defined in section 407.600, except to the extent such units are actually rented and subject to sales tax under subdivision (6) of subsection 1 of section 144.020, but residential property shall not include other similar facilities used primarily for transient housing. For the purposes of this section, "transient housing" means all rooms available for rent or lease for which the receipts from the rent or lease of such rooms are subject to state sales tax pursuant to subdivision (6) of subsection 1 of section 144.020;

(2) "Agricultural and horticultural property", all real property used for agricultural purposes and devoted primarily to the raising and harvesting of crops; to the feeding, breeding and management of livestock which shall include breeding, showing, and boarding of horses; to dairying, or to any other combination thereof; and buildings and structures customarily associated with farming, agricultural, and horticultural uses. Agricultural and horticultural

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.

18 property shall also include land devoted to and qualifying for payments or other compensation
19 under a soil conservation or agricultural assistance program under an agreement with an agency
20 of the federal government. Agricultural and horticultural property shall further include land and
21 improvements, exclusive of structures, on privately owned airports that qualify as reliever
22 airports under the National Plan of Integrated Airports System, to receive federal airport
23 improvement project funds through the Federal Aviation Administration. Real property
24 classified as forest croplands shall not be agricultural or horticultural property so long as it is
25 classified as forest croplands and shall be taxed in accordance with the laws enacted to
26 implement section 7 of article X of the Missouri Constitution. Agricultural and horticultural
27 property shall also include any sawmill or planing mill defined in the U.S. Department of Labor's
28 Standard Industrial Classification (SIC) Manual under Industry Group 242 with the SIC number
29 2421;

30 (3) "Utility, industrial, commercial, railroad and other real property", all real property
31 used directly or indirectly for any commercial, mining, industrial, manufacturing, trade,
32 professional, business, or similar purpose, including all property centrally assessed by the state
33 tax commission but shall not include floating docks, portions of which are separately owned and
34 the remainder of which is designated for common ownership and in which no one person or
35 business entity owns more than five individual units. All other real property not included in the
36 property listed in subclasses (1) and (2) of section 4(b) of article X of the Missouri Constitution,
37 as such property is defined in this section, shall be deemed to be included in the term "utility,
38 industrial, commercial, railroad and other real property".

39 2. Pursuant to article X of the state constitution, any taxing district may adjust its
40 operating levy to recoup any loss of property tax revenue, except revenues from the surtax
41 imposed pursuant to article X, subsection 2 of section 6 of the constitution, as the result of
42 changing the classification of structures intended to be used for residential living by human
43 occupants which contain five or more dwelling units if such adjustment of the levy does not
44 exceed the highest tax rate in effect subsequent to the 1980 tax year. For purposes of this
45 section, loss in revenue shall include the difference between the revenue that would have been
46 collected on such property under its classification prior to enactment of this section and the
47 amount to be collected under its classification under this section. The county assessor of each
48 county or city not within a county shall provide information to each taxing district within its
49 boundaries regarding the difference in assessed valuation of such property as the result of such
50 change in classification.

51 3. All reclassification of property as the result of changing the classification of structures
52 intended to be used for residential living by human occupants which contain five or more
53 dwelling units shall apply to assessments made after December 31, 1994.

54 4. Where real property is used or held for use for more than one purpose and such uses
55 result in different classifications, the county assessor shall allocate to each classification the
56 percentage of the true value in money of the property devoted to each use; except that, where
57 agricultural and horticultural property, as defined in this section, also contains a dwelling unit
58 or units, the farm dwelling, appurtenant residential-related structures and up to five acres
59 immediately surrounding such farm dwelling shall be residential property, as defined in this
60 section.

61 5. All real property which is vacant, unused, or held for future use; which is used for a
62 private club, a not-for-profit or other nonexempt lodge, club, business, trade, service
63 organization, or similar entity; or for which a determination as to its classification cannot be
64 made under the definitions set out in subsection 1 of this section, shall be classified according
65 to its immediate most suitable economic use, which use shall be determined after consideration
66 of:

- 67 (1) Immediate prior use, if any, of such property;
- 68 (2) Location of such property;
- 69 (3) Zoning classification of such property; except that, such zoning classification shall
70 not be considered conclusive if, upon consideration of all factors, it is determined that such
71 zoning classification does not reflect the immediate most suitable economic use of the property;
- 72 (4) Other legal restrictions on the use of such property;
- 73 (5) Availability of water, electricity, gas, sewers, street lighting, and other public services
74 for such property;
- 75 (6) Size of such property;
- 76 (7) Access of such property to public thoroughfares; and
- 77 (8) Any other factors relevant to a determination of the immediate most suitable
78 economic use of such property.

79 6. All lands classified as forest croplands shall not, for taxation purposes, be classified
80 as subclass (1), subclass (2), or subclass (3) real property, as such classes are prescribed in
81 section 4(b) of article X of the Missouri Constitution and defined in this section, but shall be
82 taxed in accordance with the laws enacted to implement section 7 of article X of the Missouri
83 Constitution.

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 gratuity is
34 reported as employee tip income and the restaurant withholds income tax under section 143.191
35 on such gratuity. **The provisions of this subdivision shall not apply to bed and breakfast
36 inns in which the owner resides and uses as a primary residence with four or fewer rooms
37 for rent;**

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

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

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

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

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