

SECOND REGULAR SESSION

HOUSE BILL NO. 1475

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE DUGGER.

4905H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 32.087, RSMo, and to enact in lieu thereof one new section relating to local sales tax.

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

Section A. Section 32.087, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 32.087, to read as follows:

32.087. 1. Within ten days after the adoption of any ordinance or order in favor of adoption of any local sales tax authorized under the local sales tax law by the voters of a taxing entity, the governing body or official of such taxing entity shall forward to the director of revenue by United States registered mail or certified mail a certified copy of the ordinance or order. The ordinance or order shall reflect the effective date thereof.

2. Any local sales tax so adopted shall become effective on the first day of the second calendar quarter after the director of revenue receives notice of adoption of the local sales tax, except as provided in subsection 18 of this section, and shall be imposed on all transactions on which the Missouri state sales tax is imposed.

3. Every retailer within the jurisdiction of one or more taxing entities which has imposed one or more local sales taxes under the local sales tax law shall add all taxes so imposed along with the tax imposed by the sales tax law of the state of Missouri to the sale price and, when added, the combined tax shall constitute a part of the price, and shall be a debt of the purchaser to the retailer until paid, and shall be recoverable at law in the same manner as the purchase price. The combined rate of the state sales tax and all local sales taxes shall be the sum of the rates, multiplying the combined rate times the amount of the sale.

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.

17 4. The brackets required to be established by the director of revenue under the provisions
18 of section 144.285 shall be based upon the sum of the combined rate of the state sales tax and
19 all local sales taxes imposed under the provisions of the local sales tax law.

20 5. (1) The ordinance or order imposing a local sales tax under the local sales tax law
21 shall impose a tax upon all transactions upon which the Missouri state sales tax is imposed to
22 the extent and in the manner provided in sections 144.010 to 144.525, and the rules and
23 regulations of the director of revenue issued pursuant thereto; except that the rate of the tax shall
24 be the sum of the combined rate of the state sales tax or state highway use tax and all local sales
25 taxes imposed under the provisions of the local sales tax law.

26 (2) Notwithstanding any other provision of law to the contrary, local taxing jurisdictions,
27 except those in which voters have previously approved a local use tax under section 144.757,
28 shall have placed on the ballot on or after the general election in November 2014, but no later
29 than the general election in November 2016, whether to repeal application of the local sales tax
30 to the titling of motor vehicles, trailers, boats, and outboard motors that are subject to state sales
31 tax under section 144.020 and purchased from a source other than a licensed Missouri dealer.
32 The ballot question presented to the local voters shall contain substantially the following
33 language:

34 Shall the (local jurisdiction's name) discontinue applying and collecting the
35 local sales tax on the titling of motor vehicles, trailers, boats, and outboard motors that were
36 purchased from a source other than a licensed Missouri dealer?

37
38 Approval of this measure will result in a reduction of local revenue to provide for vital services
39 for (local jurisdiction's name) and it will place Missouri dealers of motor vehicles,
40 outboard motors, boats, and trailers at a competitive disadvantage to non-Missouri dealers of
41 motor vehicles, outboard motors, boats, and trailers.

42 YES NO

43
44 If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed
45 to the question, place an "X" in the box opposite "NO".

46 (3) If the ballot question set forth in subdivision (2) of this subsection receives a majority
47 of the votes cast in favor of the proposal, or if the local taxing jurisdiction fails to place the ballot
48 question before the voters on or before the general election in November 2016, the local taxing
49 jurisdiction shall cease applying the local sales tax to the titling of motor vehicles, trailers, boats,
50 and outboard motors that were purchased from a source other than a licensed Missouri dealer.

51 (4) In addition to the requirement that the ballot question set forth in subdivision (2) of
52 this subsection be placed before the voters, the governing body of any local taxing jurisdiction

53 that had previously imposed a local use tax on the use of motor vehicles, trailers, boats, and
54 outboard motors may, at any time, place a proposal on the ballot at any election to repeal
55 application of the local sales tax to the titling of motor vehicles, trailers, boats, and outboard
56 motors purchased from a source other than a licensed Missouri dealer. If a majority of the votes
57 cast by the registered voters voting thereon are in favor of the proposal to repeal application of
58 the local sales tax to such titling, then the local sales tax shall no longer be applied to the titling
59 of motor vehicles, trailers, boats, and outboard motors purchased from a source other than a
60 licensed Missouri dealer. If a majority of the votes cast by the registered voters voting thereon
61 are opposed to the proposal to repeal application of the local sales tax to such titling, such
62 application shall remain in effect.

63 (5) In addition to the requirement that the ballot question set forth in subdivision (2) of
64 this subsection be placed before the voters on or after the general election in November 2014,
65 and on or before the general election in November 2016, whenever the governing body of any
66 local taxing jurisdiction imposing a local sales tax on the sale of motor vehicles, trailers, boats,
67 and outboard motors receives a petition, signed by fifteen percent of the registered voters of such
68 jurisdiction voting in the last gubernatorial election, and calling for a proposal to be placed on
69 the ballot at any election to repeal application of the local sales tax to the titling of motor
70 vehicles, trailers, boats, and outboard motors purchased from a source other than a licensed
71 Missouri dealer, the governing body shall submit to the voters of such jurisdiction a proposal to
72 repeal application of the local sales tax to such titling. If a majority of the votes cast by the
73 registered voters voting thereon are in favor of the proposal to repeal application of the local
74 sales tax to such titling, then the local sales tax shall no longer be applied to the titling of motor
75 vehicles, trailers, boats, and outboard motors purchased from a source other than a licensed
76 Missouri dealer. If a majority of the votes cast by the registered voters voting thereon are
77 opposed to the proposal to repeal application of the local sales tax to such titling, such
78 application shall remain in effect.

79 (6) **If a local taxing jurisdiction does not repeal the local sales tax to the titling of**
80 **motor vehicles, trailers, boats, and outboard motors that are subject to state sales tax under**
81 **section 144.020 and purchased from a source other than a licensed Missouri dealer, the**
82 **governing body of such local taxing jurisdiction may pass a proposal by majority vote of**
83 **whether to repeal such local sales tax to the titling of motor vehicles, trailers, boats, and**
84 **outboard motors. The passed proposal shall be placed on the ballot of the next general**
85 **election in November of an even-numbered year. The ballot question presented to the local**
86 **voters shall contain substantially the following language:**

87 **Shall the (local jurisdiction's name) discontinue applying and collecting**
88 **the local sales tax on the titling of motor vehicles, trailers, boats, and outboard motors that**
89 **were purchased from a source other than a licensed Missouri dealer?**

90

91 **Approval of this measure will result in a reduction of local revenue to provide for vital**
92 **services for (local jurisdiction's name) and it will place Missouri dealers of**
93 **motor vehicles, outboard motors, boats, and trailers at a competitive disadvantage to**
94 **non-Missouri dealers of motor vehicles, outboard motors, boats, and trailers.**

95 **YES** **NO**

96

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

99 (7) Nothing in this subsection shall be construed to authorize the voters of any
100 jurisdiction to repeal application of any state sales or use tax.

101 [(7)] (8) If any local sales tax on the titling of motor vehicles, trailers, boats, and
102 outboard motors purchased from a source other than a licensed Missouri dealer is repealed, such
103 repeal shall take effect on the first day of the second calendar quarter after the election. If any
104 local sales tax on the titling of motor vehicles, trailers, boats, and outboard motors purchased
105 from a source other than a licensed Missouri dealer is required to cease to be applied or collected
106 due to failure of a local taxing jurisdiction to hold an election pursuant to subdivision (2) of this
107 subsection, such cessation shall take effect on March 1, 2017.

108 6. On and after the effective date of any local sales tax imposed under the provisions of
109 the local sales tax law, the director of revenue shall perform all functions incident to the
110 administration, collection, enforcement, and operation of the tax, and the director of revenue
111 shall collect in addition to the sales tax for the state of Missouri all additional local sales taxes
112 authorized under the authority of the local sales tax law. All local sales taxes imposed under the
113 local sales tax law together with all taxes imposed under the sales tax law of the state of Missouri
114 shall be collected together and reported upon such forms and under such administrative rules and
115 regulations as may be prescribed by the director of revenue.

116 7. All applicable provisions contained in sections 144.010 to 144.525 governing the state
117 sales tax and section 32.057, the uniform confidentiality provision, shall apply to the collection
118 of any local sales tax imposed under the local sales tax law except as modified by the local sales
119 tax law.

120 8. All exemptions granted to agencies of government, organizations, persons and to the
121 sale of certain articles and items of tangible personal property and taxable services under the
122 provisions of sections 144.010 to 144.525, as these sections now read and as they may hereafter

123 be amended, it being the intent of this general assembly to ensure that the same sales tax
124 exemptions granted from the state sales tax law also be granted under the local sales tax law, are
125 hereby made applicable to the imposition and collection of all local sales taxes imposed under
126 the local sales tax law.

127 9. The same sales tax permit, exemption certificate and retail certificate required by
128 sections 144.010 to 144.525 for the administration and collection of the state sales tax shall
129 satisfy the requirements of the local sales tax law, and no additional permit or exemption
130 certificate or retail certificate shall be required; except that the director of revenue may prescribe
131 a form of exemption certificate for an exemption from any local sales tax imposed by the local
132 sales tax law.

133 10. All discounts allowed the retailer under the provisions of the state sales tax law for
134 the collection of and for payment of taxes under the provisions of the state sales tax law are
135 hereby allowed and made applicable to any local sales tax collected under the provisions of the
136 local sales tax law.

137 11. The penalties provided in section 32.057 and sections 144.010 to 144.525 for a
138 violation of the provisions of those sections are hereby made applicable to violations of the
139 provisions of the local sales tax law.

140 12. (1) For the purposes of any local sales tax imposed by an ordinance or order under
141 the local sales tax law, all sales, except the sale of motor vehicles, trailers, boats, and outboard
142 motors required to be titled under the laws of the state of Missouri, shall be deemed to be
143 consummated at the place of business of the retailer unless the tangible personal property sold
144 is delivered by the retailer or his agent to an out-of-state destination. In the event a retailer has
145 more than one place of business in this state which participates in the sale, the sale shall be
146 deemed to be consummated at the place of business of the retailer where the initial order for the
147 tangible personal property is taken, even though the order must be forwarded elsewhere for
148 acceptance, approval of credit, shipment or billing. A sale by a retailer's agent or employee shall
149 be deemed to be consummated at the place of business from which he works.

150 (2) For the purposes of any local sales tax imposed by an ordinance or order under the
151 local sales tax law, the sales tax upon the titling of all motor vehicles, trailers, boats, and
152 outboard motors shall be imposed at the rate in effect at the location of the residence of the
153 purchaser, and remitted to that local taxing entity, and not at the place of business of the retailer,
154 or the place of business from which the retailer's agent or employee works.

155 (3) For the purposes of any local tax imposed by an ordinance or under the local sales
156 tax law on charges for mobile telecommunications services, all taxes of mobile
157 telecommunications service shall be imposed as provided in the Mobile Telecommunications
158 Sourcing Act, 4 U.S.C. Sections 116 through 124, as amended.

159 13. Local sales taxes shall not be imposed on the seller of motor vehicles, trailers, boats,
160 and outboard motors required to be titled under the laws of the state of Missouri, but shall be
161 collected from the purchaser by the director of revenue at the time application is made for a
162 certificate of title, if the address of the applicant is within a taxing entity imposing a local sales
163 tax under the local sales tax law.

164 14. The director of revenue and any of his deputies, assistants and employees who have
165 any duties or responsibilities in connection with the collection, deposit, transfer, transmittal,
166 disbursement, safekeeping, accounting, or recording of funds which come into the hands of the
167 director of revenue under the provisions of the local sales tax law shall enter a surety bond or
168 bonds payable to any and all taxing entities in whose behalf such funds have been collected
169 under the local sales tax law in the amount of one hundred thousand dollars for each such tax;
170 but the director of revenue may enter into a blanket bond covering himself and all such deputies,
171 assistants and employees. The cost of any premium for such bonds shall be paid by the director
172 of revenue from the share of the collections under the sales tax law retained by the director of
173 revenue for the benefit of the state.

174 15. The director of revenue shall annually report on his management of each trust fund
175 which is created under the local sales tax law and administration of each local sales tax imposed
176 under the local sales tax law. He shall provide each taxing entity imposing one or more local
177 sales taxes authorized by the local sales tax law with a detailed accounting of the source of all
178 funds received by him for the taxing entity. Notwithstanding any other provisions of law, the
179 state auditor shall annually audit each trust fund. A copy of the director's report and annual audit
180 shall be forwarded to each taxing entity imposing one or more local sales taxes.

181 16. Within the boundaries of any taxing entity where one or more local sales taxes have
182 been imposed, if any person is delinquent in the payment of the amount required to be paid by
183 him under the local sales tax law or in the event a determination has been made against him for
184 taxes and penalty under the local sales tax law, the limitation for bringing suit for the collection
185 of the delinquent tax and penalty shall be the same as that provided in sections 144.010 to
186 144.525. Where the director of revenue has determined that suit must be filed against any person
187 for the collection of delinquent taxes due the state under the state sales tax law, and where such
188 person is also delinquent in payment of taxes under the local sales tax law, the director of
189 revenue shall notify the taxing entity in the event any person fails or refuses to pay the amount
190 of any local sales tax due so that appropriate action may be taken by the taxing entity.

191 17. Where property is seized by the director of revenue under the provisions of any law
192 authorizing seizure of the property of a taxpayer who is delinquent in payment of the tax imposed
193 by the state sales tax law, and where such taxpayer is also delinquent in payment of any tax
194 imposed by the local sales tax law, the director of revenue shall permit the taxing entity to join

195 in any sale of property to pay the delinquent taxes and penalties due the state and to the taxing
196 entity under the local sales tax law. The proceeds from such sale shall first be applied to all sums
197 due the state, and the remainder, if any, shall be applied to all sums due such taxing entity.

198 18. If a local sales tax has been in effect for at least one year under the provisions of the
199 local sales tax law and voters approve reimposition of the same local sales tax at the same rate
200 at an election as provided for in the local sales tax law prior to the date such tax is due to expire,
201 the tax so reimposed shall become effective the first day of the first calendar quarter after the
202 director receives a certified copy of the ordinance, order or resolution accompanied by a map
203 clearly showing the boundaries thereof and the results of such election, provided that such
204 ordinance, order or resolution and all necessary accompanying materials are received by the
205 director at least thirty days prior to the expiration of such tax. Any administrative cost or
206 expense incurred by the state as a result of the provisions of this subsection shall be paid by the
207 city or county reimposing such tax.

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