

HB 1435 -- SALES TAX REFUND CLAIMS

SPONSOR: Koenig

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Ways and Means by a vote of 10 to 1. Voted "Do Pass" by the Select Committee on Financial Institutions and Taxation by a vote of 9 to 0.

This bill clarifies that the limitations on sales tax refund claims are for the final assessment of sales and use tax which are no longer subject to appeal and removes the seller's approval requirement for a refund claim.

Any vendor or seller who fails or refuses to provide an assignment of rights statement has 30 days to provide the Director of Revenue a notarized statement confirming that he or she made every effort to obtain an assignment of rights statement. Currently, the vendor or seller has 60 days.

This bill is similar to HB 759 (2015).

PROPOSERS: Supporters say that although this bill reduces revenue, it is important that taxpayers are treated fairly. Taxpayers should always be able to get their overpaid sales tax money back from the government. Unfortunately, the Department of Revenue is interpreting existing statute to deny taxpayers with valid refund claims their refunds. This bill would ensure valid disputes may continue to be resolved and allow a taxpayer to get the money back he or she has mistakenly paid to the state.

Testifying for the bill were Representative Koenig; Associated Industries Of Missouri; Taxpayers Research Institute Of Missouri; Missouri Retailers Association; Missouri Grocers` Association; National Federation Of Independent Business; and the Missouri Society Of Certified Public Accountants.

OPPOSERS: There was no opposition voiced to the committee.