

FIRST REGULAR SESSION

HOUSE BILL NO. 992

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE KORMAN.

1657H.02I

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 142.803, 144.030, and 144.054, RSMo, and to enact in lieu thereof three new sections relating to taxation.

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

Section A. Sections 142.803, 144.030, and 144.054, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 142.803, 144.030, and 144.054, to read as follows:

142.803. 1. A tax is levied and imposed on all motor fuel used or consumed in this state as follows:

(1) Motor fuel, ~~seventeen~~ **thirty-four** cents per gallon;

(2) Alternative fuels, not subject to the decal fees as provided in section 142.869, with a power potential equivalent of motor fuel. In the event alternative fuel, which is not commonly sold or measured by the gallon, is used in motor vehicles on the highways of this state, the director is authorized to assess and collect a tax upon such alternative fuel measured by the nearest power potential equivalent to that of one gallon of regular grade gasoline. The determination by the director of the power potential equivalent of such alternative fuel shall be prima facie correct;

(3) Aviation fuel used in propelling aircraft with reciprocating engines, nine cents per gallon as levied and imposed by section 155.080 to be collected as required under this chapter;

(4) Compressed natural gas fuel, five cents per gasoline gallon equivalent until December 31, 2019, eleven cents per gasoline gallon equivalent from January 1, 2020, until December 31, ~~2024~~ **2023**, and then ~~seventeen~~ **thirty-four** cents per gasoline gallon equivalent thereafter. The gasoline gallon equivalent and method of sale for compressed natural gas shall

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 be as published by the National Institute of Standards and Technology in Handbooks 44 and 130,
18 and supplements thereto or revisions thereof. In the absence of such standard or agreement, the
19 gasoline gallon equivalent and method of sale for compressed natural gas shall be equal to five
20 and sixty-six-hundredths pounds of compressed natural gas. All applicable provisions contained
21 in this chapter governing administration, collections, and enforcement of the state motor fuel tax
22 shall apply to the tax imposed on compressed natural gas, including but not limited to licensing,
23 reporting, penalties, and interest;

24 (5) Liquefied natural gas fuel, five cents per diesel gallon equivalent until December 31,
25 2019, eleven cents per diesel gallon equivalent from January 1, 2020, until December 31, [2024]
26 **2023**, and then [~~seventeen~~] **thirty-four** cents per diesel gallon equivalent thereafter. The diesel
27 gallon equivalent and method of sale for liquefied natural gas shall be as published by the
28 National Institute of Standards and Technology in Handbooks 44 and 130, and supplements
29 thereto or revisions thereof.

30

31 In the absence of such standard or agreement, the diesel gallon equivalent and method of sale for
32 liquefied natural gas shall be equal to six and six-hundredths pounds of liquefied natural gas.
33 All applicable provisions contained in this chapter governing administration, collections, and
34 enforcement of the state motor fuel tax shall apply to the tax imposed on liquefied natural gas,
35 including but not limited to licensing, reporting, penalties, and interest;

36 (6) If a natural gas, compressed natural gas, or liquefied natural gas connection is used
37 for fueling motor vehicles and for another use, such as heating, the tax imposed by this section
38 shall apply to the entire amount of natural gas, compressed natural gas, or liquefied natural gas
39 used unless an approved separate metering and accounting system is in place.

40 2. All taxes, surcharges and fees are imposed upon the ultimate consumer, but are to be
41 precollected as described in this chapter, for the facility and convenience of the consumer. The
42 levy and assessment on other persons as specified in this chapter shall be as agents of this state
43 for the precollection of the tax.

44 **3. Notwithstanding any provision of law or rule to the contrary, effective January**
45 **1, 2024, all fuel and energy used to propel vehicles on the roads, bridges, highways, and**
46 **interstates of this state shall be considered motor fuel and shall be taxed equally and by the**
47 **per gasoline gallon energy equivalent or by the diesel gallon energy equivalent, whichever**
48 **is the more appropriate comparison.**

144.030. 1. There is hereby specifically exempted from the provisions of sections
2 144.010 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to
3 sections 144.010 to 144.525 such retail sales as may be made in commerce between this state and
4 any other state of the United States, or between this state and any foreign country, and any retail

5 sale which the state of Missouri is prohibited from taxing pursuant to the Constitution or laws
6 of the United States of America, and such retail sales of tangible personal property which the
7 general assembly of the state of Missouri is prohibited from taxing or further taxing by the
8 constitution of this state.

9 2. There are also specifically exempted from the provisions of the local sales tax law as
10 defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to
11 144.761 and from the computation of the tax levied, assessed or payable pursuant to the local
12 sales tax law as defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and
13 144.600 to 144.745:

14 (1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of
15 such excise tax is refunded pursuant to section 142.824; or upon the sale at retail of fuel to be
16 consumed in manufacturing or creating gas, power, steam, electrical current or in furnishing
17 water to be sold ultimately at retail; or feed for livestock or poultry; or grain to be converted into
18 foodstuffs which are to be sold ultimately in processed form at retail; or seed, limestone or
19 fertilizer which is to be used for seeding, liming or fertilizing crops which when harvested will
20 be sold at retail or will be fed to livestock or poultry to be sold ultimately in processed form at
21 retail; economic poisons registered pursuant to **sections 281.220 to 281.310**, ~~[the provisions of]~~
22 the Missouri pesticide registration ~~[law (sections 281.220 to 281.310)]~~ **act**, which are to be used
23 in connection with the growth or production of crops, fruit trees or orchards applied before,
24 during, or after planting, the crop of which when harvested will be sold at retail or will be
25 converted into foodstuffs which are to be sold ultimately in processed form at retail;

26 (2) Materials, manufactured goods, machinery and parts which when used in
27 manufacturing, processing, compounding, mining, producing or fabricating become a component
28 part or ingredient of the new personal property resulting from such manufacturing, processing,
29 compounding, mining, producing or fabricating and which new personal property is intended to
30 be sold ultimately for final use or consumption; and materials, including without limitation,
31 gases and manufactured goods, including without limitation slagging materials and firebrick,
32 which are ultimately consumed in the manufacturing process by blending, reacting or interacting
33 with or by becoming, in whole or in part, component parts or ingredients of steel products
34 intended to be sold ultimately for final use or consumption;

35 (3) Materials, replacement parts and equipment purchased for use directly upon, and for
36 the repair and maintenance or manufacture of, motor vehicles, watercraft, railroad rolling stock
37 or aircraft engaged as common carriers of persons or property;

38 (4) Motor vehicles registered in excess of fifty-four thousand pounds, and the trailers
39 pulled by such motor vehicles, that are actually used in the normal course of business to haul
40 property on the public highways of the state, and that are capable of hauling loads commensurate

41 with the motor vehicle's registered weight; and the materials, replacement parts, and equipment
42 purchased for use directly upon, and for the repair and maintenance or manufacture of such
43 vehicles. For purposes of this subdivision, motor vehicle and public highway shall have the
44 meaning as ascribed in section 390.020;

45 (5) Replacement machinery, equipment, and parts and the materials and supplies solely
46 required for the installation or construction of such replacement machinery, equipment, and
47 parts, used directly in manufacturing, mining, fabricating or producing a product which is
48 intended to be sold ultimately for final use or consumption; and machinery and equipment, and
49 the materials and supplies required solely for the operation, installation or construction of such
50 machinery and equipment, purchased and used to establish new, or to replace or expand existing,
51 material recovery processing plants in this state. For the purposes of this subdivision, a "material
52 recovery processing plant" means a facility that has as its primary purpose the recovery of
53 materials into a usable product or a different form which is used in producing a new product and
54 shall include a facility or equipment which are used exclusively for the collection of recovered
55 materials for delivery to a material recovery processing plant but shall not include motor vehicles
56 used on highways. For purposes of this section, the terms motor vehicle and highway shall have
57 the same meaning pursuant to section 301.010. **For the purposes of this subdivision and**
58 **subdivision (6) of this subsection, the term "product" shall include telecommunications**
59 **services and the term "manufacturing" shall include the electronic transfer of voices.**
60 Material recovery is not the reuse of materials within a manufacturing process or the use of a
61 product previously recovered. The material recovery processing plant shall qualify under the
62 provisions of this section regardless of ownership of the material being recovered;

63 (6) Machinery and equipment, and parts and the materials and supplies solely required
64 for the installation or construction of such machinery and equipment, purchased and used to
65 establish new or to expand existing manufacturing, mining or fabricating plants in the state if
66 such machinery and equipment is used directly in manufacturing, mining or fabricating a product
67 which is intended to be sold ultimately for final use or consumption;

68 (7) Tangible personal property which is used exclusively in the manufacturing,
69 processing, modification or assembling of products sold to the United States government or to
70 any agency of the United States government;

71 (8) Animals or poultry used for breeding or feeding purposes, or captive wildlife;

72 (9) Newsprint, ink, computers, photosensitive paper and film, toner, printing plates and
73 other machinery, equipment, replacement parts and supplies used in producing newspapers
74 published for dissemination of news to the general public;

75 (10) The rentals of films, records or any type of sound or picture transcriptions for public
76 commercial display;

77 (11) Pumping machinery and equipment used to propel products delivered by pipelines
78 engaged as common carriers;

79 (12) Railroad rolling stock for use in transporting persons or property in interstate
80 commerce and motor vehicles licensed for a gross weight of twenty-four thousand pounds or
81 more or trailers used by common carriers, as defined in section 390.020, in the transportation of
82 persons or property;

83 (13) Electrical energy used in the actual primary manufacture, processing, compounding,
84 mining or producing of a product, or electrical energy used in the actual secondary processing
85 or fabricating of the product, or a material recovery processing plant as defined in subdivision
86 (5) of this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical
87 energy so used exceeds ten percent of the total cost of production, either primary or secondary,
88 exclusive of the cost of electrical energy so used or if the raw materials used in such processing
89 contain at least twenty-five percent recovered materials as defined in section 260.200. There
90 shall be a rebuttable presumption that the raw materials used in the primary manufacture of
91 automobiles contain at least twenty-five percent recovered materials. For purposes of this
92 subdivision, "processing" means any mode of treatment, act or series of acts performed upon
93 materials to transform and reduce them to a different state or thing, including treatment necessary
94 to maintain or preserve such processing by the producer at the production facility;

95 (14) Anodes which are used or consumed in manufacturing, processing, compounding,
96 mining, producing or fabricating and which have a useful life of less than one year;

97 (15) Machinery, equipment, appliances and devices purchased or leased and used solely
98 for the purpose of preventing, abating or monitoring air pollution, and materials and supplies
99 solely required for the installation, construction or reconstruction of such machinery, equipment,
100 appliances and devices;

101 (16) Machinery, equipment, appliances and devices purchased or leased and used solely
102 for the purpose of preventing, abating or monitoring water pollution, and materials and supplies
103 solely required for the installation, construction or reconstruction of such machinery, equipment,
104 appliances and devices;

105 (17) Tangible personal property purchased by a rural water district;

106 (18) All amounts paid or charged for admission or participation or other fees paid by or
107 other charges to individuals in or for any place of amusement, entertainment or recreation, games
108 or athletic events, including museums, fairs, zoos and planetariums, owned or operated by a
109 municipality or other political subdivision where all the proceeds derived therefrom benefit the
110 municipality or other political subdivision and do not inure to any private person, firm, or
111 corporation, provided, however, that a municipality or other political subdivision may enter into
112 revenue-sharing agreements with private persons, firms, or corporations providing goods or

113 services, including management services, in or for the place of amusement, entertainment or
114 recreation, games or athletic events, and provided further that nothing in this subdivision shall
115 exempt from tax any amounts retained by any private person, firm, or corporation under such
116 revenue-sharing agreement;

117 (19) All sales of insulin, and all sales, rentals, repairs, and parts of durable medical
118 equipment, prosthetic devices, and orthopedic devices as defined on January 1, 1980, by the
119 federal Medicare program pursuant to Title XVIII of the Social Security Act of 1965, including
120 the items specified in Section 1862(a)(12) of that act (**42 U.S.C. Section 1395y, as amended**),
121 and also specifically including hearing aids and hearing aid supplies and all sales of drugs which
122 may be legally dispensed by a licensed pharmacist only upon a lawful prescription of a
123 practitioner licensed to administer those items, including samples and materials used to
124 manufacture samples which may be dispensed by a practitioner authorized to dispense such
125 samples and all sales or rental of medical oxygen, home respiratory equipment and accessories
126 including parts, and hospital beds and accessories and ambulatory aids including parts, and all
127 sales or rental of manual and powered wheelchairs including parts, and stairway lifts, Braille
128 writers, electronic Braille equipment and, if purchased or rented by or on behalf of a person with
129 one or more physical or mental disabilities to enable them to function more independently, all
130 sales or rental of scooters including parts, and reading machines, electronic print enlargers and
131 magnifiers, electronic alternative and augmentative communication devices, and items used
132 solely to modify motor vehicles to permit the use of such motor vehicles by individuals with
133 disabilities or sales of over-the-counter or nonprescription drugs to individuals with disabilities,
134 and drugs required by the Food and Drug Administration to meet the over-the-counter drug
135 product labeling requirements in 21 CFR 201.66, or its successor, as prescribed by a health care
136 practitioner licensed to prescribe;

137 (20) All sales made by or to religious and charitable organizations and institutions in
138 their religious, charitable or educational functions and activities and all sales made by or to all
139 elementary and secondary schools operated at public expense in their educational functions and
140 activities;

141 (21) All sales of aircraft to common carriers for storage or for use in interstate commerce
142 and all sales made by or to not-for-profit civic, social, service or fraternal organizations,
143 including fraternal organizations which have been declared tax-exempt organizations pursuant
144 to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or
145 charitable functions and activities and all sales made to eleemosynary and penal institutions and
146 industries of the state, and all sales made to any private not-for-profit institution of higher
147 education not otherwise excluded pursuant to subdivision (20) of this subsection or any

148 institution of higher education supported by public funds, and all sales made to a state relief
149 agency in the exercise of relief functions and activities;

150 (22) All ticket sales made by benevolent, scientific and educational associations which
151 are formed to foster, encourage, and promote progress and improvement in the science of
152 agriculture and in the raising and breeding of animals, and by nonprofit summer theater
153 organizations if such organizations are exempt from federal tax pursuant to the provisions of the
154 Internal Revenue Code and all admission charges and entry fees to the Missouri state fair or any
155 fair conducted by a county agricultural and mechanical society organized and operated pursuant
156 to sections 262.290 to 262.530;

157 (23) All sales made to any private not-for-profit elementary or secondary school, all sales
158 of feed additives, medications or vaccines administered to livestock or poultry in the production
159 of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for
160 food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber,
161 all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying
162 agricultural crops, natural gas used in the primary manufacture or processing of fuel ethanol as
163 defined in section 142.028, natural gas, propane, and electricity used by an eligible new
164 generation cooperative or an eligible new generation processing entity as defined in section
165 348.432, and all sales of farm machinery and equipment, other than airplanes, motor vehicles and
166 trailers, and any freight charges on any exempt item. As used in this subdivision, the term "feed
167 additives" means tangible personal property which, when mixed with feed for livestock or
168 poultry, is to be used in the feeding of livestock or poultry. As used in this subdivision, the term
169 "pesticides" includes adjuvants such as crop oils, surfactants, wetting agents and other assorted
170 pesticide carriers used to improve or enhance the effect of a pesticide and the foam used to mark
171 the application of pesticides and herbicides for the production of crops, livestock or poultry. As
172 used in this subdivision, the term "farm machinery and equipment" means new or used farm
173 tractors and such other new or used farm machinery and equipment and repair or replacement
174 parts thereon and any accessories for and upgrades to such farm machinery and equipment, rotary
175 mowers used exclusively for agricultural purposes, and supplies and lubricants used exclusively,
176 solely, and directly for producing crops, raising and feeding livestock, fish, poultry, pheasants,
177 chukar, quail, or for producing milk for ultimate sale at retail, including field drain tile, and
178 one-half of each purchaser's purchase of diesel fuel therefor which is:

179 (a) Used exclusively for agricultural purposes;

180 (b) Used on land owned or leased for the purpose of producing farm products; and

181 (c) Used directly in producing farm products to be sold ultimately in processed form or
182 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold
183 ultimately in processed form at retail;

184 (24) Except as otherwise provided in section 144.032, all sales of metered water service,
185 electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil
186 for domestic use and in any city not within a county, all sales of metered or unmetered water
187 service for domestic use:

188 (a) "Domestic use" means that portion of metered water service, electricity, electrical
189 current, natural, artificial or propane gas, wood, coal or home heating oil, and in any city not
190 within a county, metered or unmetered water service, which an individual occupant of a
191 residential premises uses for nonbusiness, noncommercial or nonindustrial purposes. Utility
192 service through a single or master meter for residential apartments or condominiums, including
193 service for common areas and facilities and vacant units, shall be deemed to be for domestic use.
194 Each seller shall establish and maintain a system whereby individual purchases are determined
195 as exempt or nonexempt;

196 (b) Regulated utility sellers shall determine whether individual purchases are exempt or
197 nonexempt based upon the seller's utility service rate classifications as contained in tariffs on file
198 with and approved by the Missouri public service commission. Sales and purchases made
199 pursuant to the rate classification "residential" and sales to and purchases made by or on behalf
200 of the occupants of residential apartments or condominiums through a single or master meter,
201 including service for common areas and facilities and vacant units, shall be considered as sales
202 made for domestic use and such sales shall be exempt from sales tax. Sellers shall charge sales
203 tax upon the entire amount of purchases classified as nondomestic use. The seller's utility
204 service rate classification and the provision of service thereunder shall be conclusive as to
205 whether or not the utility must charge sales tax;

206 (c) Each person making domestic use purchases of services or property and who uses any
207 portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day
208 of the fourth month following the year of purchase, and without assessment, notice or demand,
209 file a return and pay sales tax on that portion of nondomestic purchases. Each person making
210 nondomestic purchases of services or property and who uses any portion of the services or
211 property so purchased for domestic use, and each person making domestic purchases on behalf
212 of occupants of residential apartments or condominiums through a single or master meter,
213 including service for common areas and facilities and vacant units, under a nonresidential utility
214 service rate classification may, between the first day of the first month and the fifteenth day of
215 the fourth month following the year of purchase, apply for credit or refund to the director of
216 revenue and the director shall give credit or make refund for taxes paid on the domestic use
217 portion of the purchase. The person making such purchases on behalf of occupants of residential
218 apartments or condominiums shall have standing to apply to the director of revenue for such
219 credit or refund;

220 (25) All sales of handicraft items made by the seller or the seller's spouse if the seller or
221 the seller's spouse is at least sixty-five years of age, and if the total gross proceeds from such
222 sales do not constitute a majority of the annual gross income of the seller;

223 (26) Excise taxes, collected on sales at retail, imposed by Sections 4041, ~~4061,~~ 4071,
224 4081, ~~4091,~~ 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director
225 of revenue shall promulgate rules pursuant to chapter 536 to eliminate all state and local sales
226 taxes on such excise taxes;

227 (27) Sales of fuel consumed or used in the operation of ships, barges, or waterborne
228 vessels which are used primarily in or for the transportation of property or cargo, or the
229 conveyance of persons for hire, on navigable rivers bordering on or located in part in this state,
230 if such fuel is delivered by the seller to the purchaser's barge, ship, or waterborne vessel while
231 it is afloat upon such river;

232 (28) All sales made to an interstate compact agency created pursuant to sections 70.370
233 to 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities of such
234 agency as provided pursuant to the compact;

235 (29) Computers, computer software and computer security systems purchased for use
236 by architectural or engineering firms headquartered in this state. For the purposes of this
237 subdivision, "headquartered in this state" means the office for the administrative management
238 of at least four integrated facilities operated by the taxpayer is located in the state of Missouri;

239 (30) All livestock sales when either the seller is engaged in the growing, producing or
240 feeding of such livestock, or the seller is engaged in the business of buying and selling, bartering
241 or leasing of such livestock;

242 (31) All sales of barges which are to be used primarily in the transportation of property
243 or cargo on interstate waterways;

244 (32) Electrical energy or gas, whether natural, artificial or propane, water, or other
245 utilities which are ultimately consumed in connection with the manufacturing of cellular glass
246 products or in any material recovery processing plant as defined in subdivision (5) of this
247 subsection;

248 (33) Notwithstanding other provisions of law to the contrary, all sales of pesticides or
249 herbicides used in the production of crops, aquaculture, livestock or poultry;

250 (34) Tangible personal property and utilities purchased for use or consumption directly
251 or exclusively in the research and development of agricultural/biotechnology and plant genomics
252 products and prescription pharmaceuticals consumed by humans or animals;

253 (35) All sales of grain bins for storage of grain for resale;

254 (36) All sales of feed which are developed for and used in the feeding of pets owned by
255 a commercial breeder when such sales are made to a commercial breeder, as defined in section
256 273.325, and licensed pursuant to sections 273.325 to 273.357;

257 (37) All purchases by a contractor on behalf of an entity located in another state,
258 provided that the entity is authorized to issue a certificate of exemption for purchases to a
259 contractor under the provisions of that state's laws. For purposes of this subdivision, the term
260 "certificate of exemption" shall mean any document evidencing that the entity is exempt from
261 sales and use taxes on purchases pursuant to the laws of the state in which the entity is located.
262 Any contractor making purchases on behalf of such entity shall maintain a copy of the entity's
263 exemption certificate as evidence of the exemption. If the exemption certificate issued by the
264 exempt entity to the contractor is later determined by the director of revenue to be invalid for any
265 reason and the contractor has accepted the certificate in good faith, neither the contractor or the
266 exempt entity shall be liable for the payment of any taxes, interest and penalty due as the result
267 of use of the invalid exemption certificate. Materials shall be exempt from all state and local
268 sales and use taxes when purchased by a contractor for the purpose of fabricating tangible
269 personal property which is used in fulfilling a contract for the purpose of constructing, repairing
270 or remodeling facilities for the following:

271 (a) An exempt entity located in this state, if the entity is one of those entities able to issue
272 project exemption certificates in accordance with the provisions of section 144.062; or

273 (b) An exempt entity located outside the state if the exempt entity is authorized to issue
274 an exemption certificate to contractors in accordance with the provisions of that state's law and
275 the applicable provisions of this section;

276 (38) All sales or other transfers of tangible personal property to a lessor who leases the
277 property under a lease of one year or longer executed or in effect at the time of the sale or other
278 transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections
279 238.010 to 238.100;

280 (39) Sales of tickets to any collegiate athletic championship event that is held in a facility
281 owned or operated by a governmental authority or commission, a quasi-governmental agency,
282 a state university or college or by the state or any political subdivision thereof, including a
283 municipality, and that is played on a neutral site and may reasonably be played at a site located
284 outside the state of Missouri. For purposes of this subdivision, "neutral site" means any site that
285 is not located on the campus of a conference member institution participating in the event;

286 (40) All purchases by a sports complex authority created under section 64.920, and all
287 sales of utilities by such authority at the authority's cost that are consumed in connection with
288 the operation of a sports complex leased to a professional sports team;

289 (41) All materials, replacement parts, and equipment purchased for use directly upon,
290 and for the modification, replacement, repair, and maintenance of aircraft, aircraft power plants,
291 and aircraft accessories;

292 (42) Sales of sporting clays, wobble, skeet, and trap targets to any shooting range or
293 similar places of business for use in the normal course of business and money received by a
294 shooting range or similar places of business from patrons and held by a shooting range or similar
295 place of business for redistribution to patrons at the conclusion of a shooting event;

296 (43) All sales of motor fuel, as defined in section 142.800, used in any watercraft, as
297 defined in section 306.010;

298 (44) Any new or used aircraft sold or delivered in this state to a person who is not a
299 resident of this state or a corporation that is not incorporated in this state, and such aircraft is not
300 to be based in this state and shall not remain in this state more than ten business days subsequent
301 to the last to occur of:

302 (a) The transfer of title to the aircraft to a person who is not a resident of this state or a
303 corporation that is not incorporated in this state; or

304 (b) The date of the return to service of the aircraft in accordance with 14 CFR 91.407 for
305 any maintenance, preventive maintenance, rebuilding, alterations, repairs, or installations that
306 are completed contemporaneously with the transfer of title to the aircraft to a person who is not
307 a resident of this state or a corporation that is not incorporated in this state;

308 (45) All internet access or the use of internet access regardless of whether the tax is
309 imposed on a provider of internet access or a buyer of internet access. For purposes of this
310 subdivision, the following terms shall mean:

311 (a) "Direct costs", costs incurred by a governmental authority solely because of an
312 internet service provider's use of the public right-of-way. The term shall not include costs that
313 the governmental authority would have incurred if the internet service provider did not make
314 such use of the public right-of-way. Direct costs shall be determined in a manner consistent with
315 generally accepted accounting principles;

316 (b) "Internet", computer and telecommunications facilities, including equipment and
317 operating software, that comprises the interconnected worldwide network that employ the
318 transmission control protocol or internet protocol, or any predecessor or successor protocols to
319 that protocol, to communicate information of all kinds by wire or radio;

320 (c) "Internet access", a service that enables users to connect to the internet to access
321 content, information, or other services without regard to whether the service is referred to as
322 telecommunications, communications, transmission, or similar services, and without regard to
323 whether a provider of the service is subject to regulation by the Federal Communications
324 Commission as a common carrier under 47 U.S.C. Section 201, et seq. For purposes of this

325 subdivision, internet access also includes: the purchase, use, or sale of communications services,
326 including telecommunications services as defined in section 144.010, to the extent the
327 communications services are purchased, used, or sold to provide the service described in this
328 subdivision or to otherwise enable users to access content, information, or other services offered
329 over the internet; services that are incidental to the provision of a service described in this
330 subdivision, when furnished to users as part of such service, including a home page, electronic
331 mail, and instant messaging, including voice-capable and video-capable electronic mail and
332 instant messaging, video clips, and personal electronic storage capacity; a home page electronic
333 mail and instant messaging, including voice-capable and video-capable electronic mail and
334 instant messaging, video clips, and personal electronic storage capacity that are provided
335 independently or that are not packed with internet access. As used in this subdivision, internet
336 access does not include voice, audio, and video programming or other products and services,
337 except services described in this paragraph or this subdivision, that use internet protocol or any
338 successor protocol and for which there is a charge, regardless of whether the charge is separately
339 stated or aggregated with the charge for services described in this paragraph or this subdivision;

340 (d) "Tax", any charge imposed by the state or a political subdivision of the state for the
341 purpose of generating revenues for governmental purposes and that is not a fee imposed for a
342 specific privilege, service, or benefit conferred, except as described as otherwise under this
343 subdivision, or any obligation imposed on a seller to collect and to remit to the state or a political
344 subdivision of the state any gross retail tax, sales tax, or use tax imposed on a buyer by such a
345 governmental entity. The term tax shall not include any franchise fee or similar fee imposed or
346 authorized under ~~section~~ **sections 67.1830 to 67.1846** or 67.2689; Section 622 or 653 of the
347 Communications Act of 1934, 47 U.S.C. Section 542 and 47 U.S.C. Section 573; or any other
348 fee related to obligations of telecommunications carriers under the Communications Act of 1934,
349 47 U.S.C. Section 151, et seq., except to the extent that:

350 a. The fee is not imposed for the purpose of recovering direct costs incurred by the
351 franchising or other governmental authority from providing the specific privilege, service, or
352 benefit conferred to the payer of the fee; or

353 b. The fee is imposed for the use of a public right-of-way based on a percentage of the
354 service revenue, and the fee exceeds the incremental direct costs incurred by the governmental
355 authority associated with the provision of that right-of-way to the provider of internet access
356 service.

357 Nothing in this subdivision shall be interpreted as an exemption from taxes due on goods or
358 services that were subject to tax on January 1, 2016.

359 3. Any ruling, agreement, or contract, whether written or oral, express or implied,
360 between a person and this state's executive branch, or any other state agency or department,

361 stating, agreeing, or ruling that such person is not required to collect sales and use tax in this
362 state despite the presence of a warehouse, distribution center, or fulfillment center in this state
363 that is owned or operated by the person or an affiliated person shall be null and void unless it is
364 specifically approved by a majority vote of each of the houses of the general assembly. For
365 purposes of this subsection, an "affiliated person" means any person that is a member of the same
366 controlled group of corporations as defined in Section 1563(a) of the Internal Revenue Code of
367 1986, as amended, as the vendor or any other entity that, notwithstanding its form of
368 organization, bears the same ownership relationship to the vendor as a corporation that is a
369 member of the same controlled group of corporations as defined in Section 1563(a) of the
370 Internal Revenue Code, as amended.

144.054. 1. As used in this section, the following terms mean:

2 (1) "Processing", any mode of treatment, act, or series of acts performed upon materials
3 to transform or reduce them to a different state or thing, including treatment necessary to
4 maintain or preserve such processing by the producer at the production facility;

5 (2) "Recovered materials", those materials which have been diverted or removed from
6 the solid waste stream for sale, use, reuse, or recycling, whether or not they require subsequent
7 separation and processing.

8 2. In addition to all other exemptions granted under this chapter, there is hereby
9 specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to
10 144.761, and from the computation of the tax levied, assessed, or payable under sections 144.010
11 to 144.525 and 144.600 to 144.761, electrical energy and gas, whether natural, artificial, or
12 propane, water, coal, and energy sources, chemicals, machinery, equipment, and materials used
13 or consumed in the manufacturing, processing, compounding, mining, or producing of any
14 product, or used or consumed in the processing of recovered materials, or used in research and
15 development related to manufacturing, processing, compounding, mining, or producing any
16 product. The exemptions granted in this subsection shall not apply to local sales taxes as defined
17 in section 32.085 and the provisions of this subsection shall be in addition to any state and local
18 sales tax exemption provided in section 144.030. **For the purposes of this section, the term**
19 **"product" shall include telecommunications services, and the term "manufacturing" shall**
20 **include the electronic transfer of voices.**

21 3. In addition to all other exemptions granted under this chapter, there is hereby
22 specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to
23 144.761, and section 238.235, and the local sales tax law as defined in section 32.085, and from
24 the computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and
25 144.600 to 144.761, and section 238.235, and the local sales tax law as defined in section 32.085,
26 all utilities, machinery, and equipment used or consumed directly in television or radio

27 broadcasting and all sales and purchases of tangible personal property, utilities, services, or any
28 other transaction that would otherwise be subject to the state or local sales or use tax when such
29 sales are made to or purchases are made by a contractor for use in fulfillment of any obligation
30 under a defense contract with the United States government, and all sales and leases of tangible
31 personal property by any county, city, incorporated town, or village, provided such sale or lease
32 is authorized under chapter 100, and such transaction is certified for sales tax exemption by the
33 department of economic development, and tangible personal property used for railroad
34 infrastructure brought into this state for processing, fabrication, or other modification for use
35 outside the state in the regular course of business.

36 4. In addition to all other exemptions granted under this chapter, there is hereby
37 specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to
38 144.761, and section 238.235, and the local sales tax law as defined in section 32.085, and from
39 the computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and
40 144.600 to 144.761, and section 238.235, and the local sales tax law as defined in section 32.085,
41 all sales and purchases of tangible personal property, utilities, services, or any other transaction
42 that would otherwise be subject to the state or local sales or use tax when such sales are made
43 to or purchases are made by a private partner for use in completing a project under sections
44 227.600 to 227.669.

45 5. In addition to all other exemptions granted under this chapter, there is hereby
46 specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to
47 144.761, and section 238.235, and the local sales tax law as defined in section 32.085, and from
48 the computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and
49 144.600 to 144.761, and section 238.235, and the local sales tax law as defined in section 32.085,
50 all materials, manufactured goods, machinery and parts, electrical energy and gas, whether
51 natural, artificial or propane, water, coal and other energy sources, chemicals, soaps, detergents,
52 cleaning and sanitizing agents, and other ingredients and materials inserted by commercial or
53 industrial laundries to treat, clean, and sanitize textiles in facilities which process at least five
54 hundred pounds of textiles per hour and at least sixty thousand pounds per week.

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