

HOUSE BILL NO. 548

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE EGGLESTON.

1235H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 143.011, RSMo, and to enact in lieu thereof seven new sections relating to taxation, with a penalty provision.

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

Section A. Section 143.011, RSMo, is repealed and seven new sections enacted in lieu thereof, to be known as sections 143.011, 144.530, 144.535, 144.540, 144.545, 144.565, and 144.575, to read as follows:

143.011. 1. A tax is hereby imposed for every taxable year on the Missouri taxable income of every resident. The tax shall be determined by applying the tax table or the rate provided in section 143.021, which is based upon the following rates:

If the Missouri taxable income is:	The tax is:
Not over \$1,000.00	1 1/2% of the Missouri taxable income
Over \$1,000 but not over \$2,000	\$15 plus 2% of excess over \$1,000
Over \$2,000 but not over \$3,000	\$35 plus 2 1/2% of excess over \$2,000
Over \$3,000 but not over \$4,000	\$60 plus 3% of excess over \$3,000
Over \$4,000 but not over \$5,000	\$90 plus 3 1/2% of excess over \$4,000
Over \$5,000 but not over \$6,000	\$125 plus 4% of excess over \$5,000
Over \$6,000 but not over \$7,000	\$165 plus 4 1/2% of excess over \$6,000
Over \$7,000 but not over \$8,000	\$210 plus 5% of excess over \$7,000
Over \$8,000 but not over \$9,000	\$260 plus 5 1/2% of excess over \$8,000
Over \$9,000	\$315 plus 6% of excess over \$9,000

2. (1) Beginning with the 2017 calendar year, the top rate of tax under subsection 1 of this section may be reduced over a period of years. Each reduction in the top rate of tax shall be

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 by one-tenth of a percent and no more than one reduction shall occur in a calendar year. No
18 more than five reductions shall be made under this subsection. Reductions in the rate of tax shall
19 take effect on January first of a calendar year and such reduced rates shall continue in effect until
20 the next reduction occurs.

21 (2) A reduction in the rate of tax shall only occur if the amount of net general revenue
22 collected in the previous fiscal year exceeds the highest amount of net general revenue collected
23 in any of the three fiscal years prior to such fiscal year by at least one hundred fifty million
24 dollars.

25 (3) Any modification of tax rates under this subsection shall only apply to tax years that
26 begin on or after a modification takes effect.

27 (4) The director of the department of revenue shall, by rule, adjust the tax tables under
28 subsection 1 of this section to effectuate the provisions of this subsection. The bracket for
29 income subject to the top rate of tax shall be eliminated once the top rate of tax has been reduced
30 to five and one-half percent, and the top remaining rate of tax shall apply to all income in excess
31 of the income in the second highest remaining income bracket.

32 3. (1) In addition to the rate reductions under subsection 2 of this section, beginning
33 with the 2019 calendar year, the top rate of tax under subsection 1 of this section shall be reduced
34 by four-tenths of one percent. Such reduction in the rate of tax shall take effect on January first
35 of the 2019 calendar year.

36 (2) The modification of tax rates under this subsection shall only apply to tax years that
37 begin on or after the date the modification takes effect.

38 (3) The director of the department of revenue shall, by rule, adjust the tax tables under
39 subsection 1 of this section to effectuate the provisions of this subsection.

40 4. (1) **In addition to the rate reductions under subsections 2 and 3 of this section,**
41 **beginning with the 2020 calendar year, the top rate of tax under subsection 1 of this section**
42 **shall be reduced by fourteen-hundredths of one percent. Such reduction in the rate of tax**
43 **shall take effect on January first of the 2020 calendar year.**

44 (2) **In addition to the rate reductions under subsections 2 and 3 of this section, and**
45 **the rate reduction under subdivision (1) of this subsection, beginning with the 2021**
46 **calendar year, the top rate of tax under subsection 1 of this section may be adjusted**
47 **annually over a period of two years. For every additional forty million dollars in sales tax**
48 **revenue received in a tax year over a four percent increase in sales tax revenue received in**
49 **the previous tax year, the top rate of tax under subsection 1 of this section shall be reduced**
50 **by five-hundredths of one percent. For every forty million dollars by which the sales tax**
51 **revenue received in a tax year fails to equal a four percent increase in the amount of sales**

52 **tax revenue collected in the previous tax year, the top rate of tax under subsection 1 of this**
53 **section shall be increased by five-hundredths of one percent.**

54 **(3) Any adjustment of tax rates under subdivision (2) of this subsection shall take**
55 **effect on January first of the calendar year following the year in which a change in sales**
56 **tax revenue triggered an adjustment.**

57 **(4) The director of the department of revenue shall, by rule, adjust the tax tables**
58 **under subsection 1 of this section to effectuate the provisions of this subsection.**

59 **5.** Beginning with the 2017 calendar year, the brackets of Missouri taxable income
60 identified in subsection 1 of this section shall be adjusted annually by the percent increase in
61 inflation. The director shall publish such brackets annually beginning on or after October 1,
62 2016. Modifications to the brackets shall take effect on January first of each calendar year and
63 shall apply to tax years beginning on or after the effective date of the new brackets.

64 ~~[5-]~~ **6.** As used in this section, the following terms mean:

65 (1) "CPI", the Consumer Price Index for All Urban Consumers for the United States as
66 reported by the Bureau of Labor Statistics, or its successor index;

67 (2) "CPI for the preceding calendar year", the average of the CPI as of the close of the
68 twelve month period ending on August thirty-first of such calendar year;

69 (3) "Net general revenue collected", all revenue deposited into the general revenue fund,
70 less refunds and revenues originally deposited into the general revenue fund but designated by
71 law for a specific distribution or transfer to another state fund;

72 (4) "Percent increase in inflation", the percentage, if any, by which the CPI for the
73 preceding calendar year exceeds the CPI for the year beginning September 1, 2014, and ending
74 August 31, 2015.

144.530. For the purposes of sections 144.530 to 144.565, the following terms shall
2 **mean:**

3 **(1) "Department", the department of revenue;**

4 **(2) "Eligible seller", a person or business selling tangible personal property or**
5 **services designated and defined as taxable under the provisions of sections 144.010 to**
6 **144.565 for delivery into Missouri who does not have a physical presence in the state but**
7 **who meets either of the following criteria in the previous or current calendar year:**

8 **(a) The seller's gross revenue from delivery of tangible personal property into this**
9 **state in the previous or current calendar year exceeds one hundred thousand dollars; or**

10 **(b) The seller sold tangible personal property into this state in two hundred or more**
11 **separate transactions in the previous or current calendar year.**

12 **(3) "Locality", a county, municipality, or other political subdivision authorized to**
13 **impose a local sales or use tax;**

14 (4) "Simplified remote sales tax", the tax to be collected, reported, and remitted by
15 eligible sellers who are participating in the simplified remote sales tax remittance program
16 under sections 144.530 to 144.565;

17 (5) "Simplified remote sales tax remittance program" or "program", the program
18 established under sections 144.530 to 144.565 to provide a mechanism for eligible sellers
19 to collect, report, and remit the simplified remote sales tax.

144.535. 1. Notwithstanding any provision of law to the contrary, all eligible sellers
2 **in this state shall participate in the "Simplified Remote Sales Tax Remittance Program"**
3 **authorized under subsection 2 of this section, and shall collect, report, and remit the state**
4 **sales tax authorized under section 144.540 according to any rules of the program as may**
5 **be promulgated by the department of revenue. No obligation to collect and remit the sales**
6 **tax required by this subsection shall be applied prior to January 1, 2020.**

7 **2. There is hereby established the "Simplified Remote Sales Tax Remittance**
8 **Program" designed to allow an eligible seller who participates in the program to collect,**
9 **report, and remit the simplified remote sales tax authorized under the provisions of**
10 **sections 144.530 to 144.565.**

11 **3. The program shall be administered by the department, which shall develop and**
12 **make available to eligible sellers an easily accessible online system in which to collect,**
13 **report, and remit the simplified remote sales tax.**

14 **4. Sellers participating in the program shall:**

15 **(1) Submit a statement, annually, certifying that such seller meets the requirements**
16 **under subdivision (2) of section 144.530 to be considered an "eligible seller";**

17 **(2) Collect, report, and remit the simplified remote sales tax for all sales delivered**
18 **into the state;**

19 **(3) Provide the director of revenue with information related to sales into the state**
20 **as required by this section or requested by the department; and**

21 **(4) Comply with all program reporting requirements.**

144.540. 1. The simplified remote sales tax due shall be equal to four and two-
2 **hundred-twenty-five-thousandths of one percent of the sales price on any tangible personal**
3 **property, excluding motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats,**
4 **and outboard motors required to be titled under the laws of the state of Missouri and**
5 **subject to tax under subdivision (9) of subsection 1 of section 144.020, sold or delivered into**
6 **the state by an eligible seller.**

7 **2. The simplified remote sales tax collected by the eligible seller shall be reported**
8 **in the same manner as provided under sections 144.090 to 144.115. The required reporting**
9 **from the eligible seller shall include only statewide totals of the simplified remote sales**

10 taxes collected and remitted, and shall not require information related to the location of
11 purchasers or amount of sales into a specific locality.

12 **3. (1) The simplified remote sales tax shall be imposed in lieu of any state sales or**
13 **use tax that may otherwise be applicable, and no sales for which the simplified remote sales**
14 **tax is collected shall be subject to any additional sales or use tax from any locality levying**
15 **a sales or use tax with respect to the purchase or use of the property, regardless of the**
16 **actual tax rate that might have otherwise been applicable.**

17 **(2) No eligible seller shall be required to collect the sales tax at a rate greater than**
18 **the rate provided under subsection 1 of this section, regardless of the combined actual tax**
19 **rates that may otherwise be applicable.**

20 **4. The eligible seller shall collect the tax on all purchases delivered into the state**
21 **unless the purchaser furnishes the eligible seller with a valid exemption certificate or direct**
22 **pay agreement authorized by the department. The eligible seller shall retain all exemption**
23 **certificates or direct pay agreements in its files or in such other manner as directed by the**
24 **department.**

25 **5. The eligible seller shall provide the purchaser with a statement or invoice**
26 **showing that the simplified remote sales tax was collected and is to be remitted on the**
27 **purchaser's behalf.**

28 **6. The provisions of sections 144.071 to 144.510 are incorporated by reference to**
29 **the collection and remittance of the simplified remote sales tax.**

144.545. 1. Any purchaser who pays a simplified remote sales tax higher than the
2 **actual combined state and local sales tax levied in the locality where the sale was delivered**
3 **may file for a refund of the excess amount paid to the eligible seller, pursuant to**
4 **procedures established by the director. All other taxpayers may claim a refund in the**
5 **manner prescribed under section 144.190.**

6 **2. Any purchaser seeking a refund or credit of excess taxes paid to an eligible seller**
7 **shall maintain records documenting the amount of simplified remote sales tax paid.**
8 **Refund requests shall require proper documentation of amounts paid by the purchaser and**
9 **shall be submitted to the director with the claim for refund.**

144.565. For the purpose of more efficiently securing the payment and accounting
2 **for the simplified remote sales tax, the director of revenue shall make, promulgate, and**
3 **enforce reasonable rules and regulations for the administration and enforcement of the**
4 **provisions of sections 144.530 to 144.565. Any rule or portion of a rule, as that term is**
5 **defined in section 536.010, that is created under the authority delegated in this section shall**
6 **become effective only if it complies with and is subject to all of the provisions of chapter**
7 **536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and**

8 if any of the powers vested with the general assembly pursuant to chapter 536 to review,
9 to delay the effective date, or to disapprove and annul a rule are subsequently held
10 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted
11 after August 28, 2019, shall be invalid and void.

144.575. 1. For the purposes of this section, the following terms shall mean:

2 (1) "Marketplace facilitator", a person that contracts with sellers to facilitate, for
3 consideration, regardless of whether deducted as fees from the transaction, the sale of the
4 seller's products through an electronic marketplace operated by a person and engages:

5 (a) Either directly or indirectly, through one or more affiliated persons, in any of
6 the following:

7 a. Transmitting or otherwise communicating the offer or acceptance between the
8 purchaser and marketplace seller;

9 b. Owning or operating the infrastructure, electronic or physical, or technology
10 that brings purchasers and marketplace sellers together;

11 c. Providing a virtual currency that purchasers are allowed or required to use to
12 purchase products from the marketplace seller; or

13 d. Software development or research and development activities related to any of
14 the activities described under paragraph (b) of this subdivision if such activities are
15 directly related to an electronic marketplace operated by a person or an affiliated person;
16 and

17 (b) In any of the following activities with respect to the marketplace seller's
18 products:

19 a. Payment processing services;

20 b. Fulfillment or storage services;

21 c. Listing products for sale;

22 d. Setting prices;

23 e. Branding sales as those of the marketplace facilitator;

24 f. Order taking;

25 g. Advertising or promotion; or

26 h. Providing customer service or accepting or assisting with returns or exchanges.

27

28 A marketplace facilitator is a seller and shall comply with the provisions of this chapter;

29 (2) "Marketplace seller", a seller that makes sales through any electronic
30 marketplace operated by a marketplace facilitator;

31 (3) "Person", any individual, firm, copartnership, joint venture, association,
32 corporation, municipal or private, whether organized for profit or not, state, county,

33 political subdivision, state department, commission, board, bureau or agency except the
34 department of transportation, estate, trust, business trust, receiver or trustee appointed by
35 the state or federal court, syndicate, or any other group or combination acting as a unit;

36 (4) "Purchaser", any person who is the recipient, for a valuable consideration, of
37 any sale of tangible personal property acquired for use, storage, or consumption in this
38 state;

39 (5) "Retail sale", the same meaning as defined under section 144.011, excluding
40 motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats, and outboard motors
41 required to be titled under the laws of the state and subject to tax under subdivision (9) of
42 subsection 1 of section 144.020;

43 (6) "Seller", a person selling or furnishing tangible personal property or rendering
44 services on the receipts from which a tax is imposed under section 144.020 or section
45 144.540.

46 2. By no later than January 1, 2020, marketplace facilitators that reach the
47 threshold provided under subdivision (2) of section 144.530 shall register with the
48 department to collect and remit sales tax on sales made through the marketplace
49 facilitator's marketplace by or on behalf of a marketplace seller that are delivered in the
50 state, whether by the marketplace facilitator or another person. Such retail sales shall
51 include those made directly by the marketplace facilitator and shall also include those
52 retail sales made by marketplace sellers through the marketplace facilitator's marketplace.
53 The collection and reporting requirements of this subsection shall not apply to retail sales
54 other than those made through a marketplace facilitator's marketplace.

55 3. Marketplace facilitators that collect sales tax under this section shall report and
56 remit the tax in accordance with the provisions of sections 144.530 to 144.565, and shall
57 maintain records of all sales delivered to a location in the state, including copies of invoices
58 showing the purchaser, address, purchase amount, and sales tax collected. Such records
59 shall be made available for review and inspection upon request by the department.

60 4. Marketplace facilitators who properly collect and remit to the department, in a
61 timely manner, sales tax on sales in accordance with the provisions of this section, by or on
62 behalf of marketplace sellers, shall be eligible for any discount provided under this
63 chapter.

64 5. The marketplace facilitator shall provide the purchaser with a statement or
65 invoice showing that the sales tax was collected and shall be remitted on the purchaser's
66 behalf.

67 **6. Any taxpayer who remits sales tax under this section shall be entitled to refunds**
68 **or credits to the same extent and in the same manner provided under section 144.190 for**
69 **taxes collected and remitted under this section.**

70 **7. Marketplace facilitators shall be subject to the penalty provisions, procedures,**
71 **and reporting requirements of this chapter.**

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