

HCS SB 87 -- TAXATION

This bill modifies provisions relating to taxation.

TRANSIENT GUEST TAXES

This bill adds the cities of Higginsville, Lexington, and Odessa to the list of cities and counties authorized to impose a transient guest tax for the purpose of funding the promotion of tourism (Section 67.1360, RSMo).

PUBLIC SAFETY OFFICER SURVIVING SPOUSE TAX CREDIT

This bill reauthorizes the Public Safety Officer Surviving Spouse tax credit until December 31, 2027 (Section 135.090).

RESIDENTIAL RENOVATIONS FOR DISABILITY TAX CREDIT

This bill reauthorizes the Residential Renovations for Disability tax credit until December 31, 2025 (Section 135.562).

PROTESTED TAXES

Currently, taxpayers are allowed to receive interest on property taxes paid under protest and that have been distributed by the collector to appropriate taxing authorities at a rate equivalent to the rate of interest such taxes would have earned if held by the collector. This bill entitles such a taxpayer to receive interest at the same rate as provided under current law for various Department of Revenue purposes, including interest earned on income tax refunds.

Taxpayers may seek an order enforcing the provisions of this bill against a collector and any taxing jurisdictions which received the protested funds (Section 139.031).

MISSOURI ADJUSTED GROSS INCOME

This bill provides that for all tax years beginning on or after January 1, 2018, interest expenses paid or accrued in a previous taxable year, but allowed as a deduction in the current taxable year for federal tax purposes by reason of the carryforward of disallowed business interest provisions of federal law, will be added to a taxpayer's federal adjusted gross income for the purposes of the calculation of Missouri adjusted gross income.

This bill also provides that for all tax years beginning on or after January 1, 2018, interest expenses paid or accrued in the current taxable year, but not allowed as a deduction for federal

tax purposes, will be subtracted from a taxpayer's federal adjusted gross income for the purposes of the calculation of Missouri adjusted gross income (Section 143.121).

LATE INCOME TAX PAYMENTS

This bill provides that no taxpayer who timely files his or her individual income tax return for the 2018 tax year will be assessed any penalty for a delayed payment or underpayment on such tax liability prior to December 31, 2019, provided that such taxpayer participates in good faith in a payment plan authorized by the Department of Revenue. However, such taxpayer may be assessed interest on such liability provided that no interest will be assessed prior to May 15, 2019 (Section 143.732).

The provision sunsets on December 31, 2019.

This provision contains an emergency clause.

TAXPAYER PROTECTION ACT

This bill establishes the "Taxpayer Protection Act".

For all tax years beginning on or after January 1, 2020, this bill requires paid tax return preparers, as defined in the bill, to sign any income tax return or claim for refund prepared by such paid tax return preparer and to provide such preparer's Internal Revenue Service preparer tax identification number.

Each failure to sign any income tax return or claim for refund, or to provide a preparer tax identification number, will result in a fine of \$50, not to exceed \$25,000 per calendar year.

The Director of Revenue may file suit to enjoin a paid tax return preparer from engaging in certain actions, as described in the bill (Section 143.980).

SAHARA'S LAW

Currently, taxpayers are allowed to donate a portion of his or her income tax refund to the Pediatric Cancer Research Trust Fund. The tax income donation option sunsets on December 31, 2019. This bill reauthorizes the program until December 31, 2024.

Moneys generated by the tax refund donations in this bill will be considered state funds, but will not be included in the calculation of total state revenue (Section 143.1026).

KANSAS CITY REGIONAL LAW ENFORCEMENT MEMORIAL

For all tax years beginning on or after January 1, 2019, and ending on or before January 1, 2024, this bill allows taxpayers to donate a portion of his or her income tax refund to the Kansas City Regional Law Enforcement Memorial Foundation Fund (Section 143.1028).

SOLDIERS MEMORIAL MILITARY MUSEUM

For all tax years beginning on or after January 1, 2019, and ending on or before January 1, 2024, this bill allows taxpayers to donate a portion of his or her income tax refund to the Soldiers Memorial Military Museum in St. Louis Fund (Section 143.1029).

SALES TAX RECEIPTS

This bill requires any seller who provides a sales receipt or sales invoice to a purchaser to include on such sales receipt or sales invoice the total rate of all sales tax imposed on the sale. The total rate will include all applicable state and local sales taxes (Section 144.088).

REFUND FOR ERRONEOUSLY PAID TAXES

Currently, a taxpayer is allowed to receive a refund for any tax, penalty, or interest that has been paid more than once, or has been erroneously or illegally collected or computed, provided such claim for refund is filed within three years from the date of overpayment. This bill modifies such deadline to 10 years (Section 144.190).

FANTASY SPORTS CONTESTS

Several definitions related to fantasy sports are modified (Section 313.905).

This bill requires that a licensed operator maintain a reserve in the form of cash, cash equivalents, payment processor reserves, payment processor receivables, an irrevocable letter of credit, a bond, an escrow account, or a combination thereof, in an amount that will equal or exceed the total balances of the fantasy contest players' accounts.

The bill modifies the requirement that any prize won by a registered player from a contest be deposited into the player's account within 48 hours of winning to also allow a prize to be mailed within five business days. A licensed operator may delay such deposit for up to 15 days if the licensed operator believes in good faith that the registered player engaged in either fraudulent

conduct or other conduct that would put the licensed operator in violation of the law so long as the operator provides notice of the nature of the investigation to the player. The Gaming Commission will establish its own investigation process and issue determinations on a case-by-case basis as to whether the licensed operator is required to deposit the prize in the winner's account. This bill provides the right for any person or entity to appeal any such finding, decision, or determination of the Gaming Commission to the Administrative Hearing Commission (Sections 313.915, 313.917, and 621.047).

This bill limits a license applicant's liability for the cost of the Gaming Commission's investigation into the applicant's employees, officers, directors, trustees, and principal salaried executive staff officers to \$10,000 rather than \$50,000. The Commission may grant a waiver of all or a portion of the cost of an investigation.

The bill establishes a graduated annual license renewal fee structure. An operator that made \$2 million or more in the previous calendar year will pay a fee of \$5,000. An operator that made less than \$2 million but more than \$1 million will pay a fee of \$2,500. An operator that made less than \$1 million but more than \$250,000 will pay a fee of \$1,000. An operator that made \$250,000 or less will not be required to pay an annual license renewal fee.

This bill also reduces the annual operation fee from 11.5% of the operator's net revenue from the previous calendar year to 6%. The Commission may suspend an operator's license if such operator fails to apply for an annual license renewal or remit the operation fee (Section 313.935).

This bill reduces the administrative penalty for violations of fantasy gaming laws from not more than \$10,000 to not more than \$1,000 per violation, and from not more than \$100,000 to not more than \$10,000 for violations arising out of the same transaction or occurrence (Section 313.950).