

HB 644 -- USE TAXES

SPONSOR: Falkner

SALES AND USE TAX MAP (Section 32.310, RSMo)

Currently, the Department of Revenue must maintain a mapping feature on its website that displays various sales tax information. This bill requires the mapping feature to include use tax information.

MARKETPLACE FACILITATORS (Section 144.575)

Beginning January 1, 2022, marketplace facilitators, as defined in the bill, that engage in business activities within the state must register with the Department of Revenue to collect and remit use tax on sales delivered into the state through the marketplace facilitator's marketplace by or on behalf of a marketplace seller, as defined in the bill. Such retail sales include those made directly by the marketplace facilitator as well as those made by marketplace sellers through the marketplace facilitator's marketplace.

Marketplace facilitators that collect sales tax must report and remit the tax in accordance with current law and must maintain records of all sales delivered to a location in the state, including copies of invoices showing the purchaser, address, purchase amount, and sales tax collected. These records will be made available for review and inspection upon request by the Department of Revenue.

Marketplace facilitators who properly collect and remit to the Department, in a timely manner, sales tax on sales in accordance with this bill, by or on behalf of marketplace sellers, will be eligible for any discount provided under current law.

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

Any taxpayer who remits sales tax under this section will be entitled to refunds or credits to the same extent and in the same manner provided under current law.

Marketplace facilitators will be subject to the penalty provisions, procedures, and reporting requirements of this chapter.

No class action will be brought against a marketplace facilitator in any court of this state on behalf of customers arising from or

in any way related to an overpayment of sales or use tax collected on sales facilitated by the marketplace facilitator, regardless of whether that claim is characterized as a tax refund claim. Nothing in this bill will affect a customer's right to seek a refund.

A marketplace facilitator will be relieved of liability under this bill for failure to collect and remit the correct amount of tax to the extent that the error was due to incorrect or insufficient information given to the marketplace facilitator by the marketplace seller; provided, however, this will not apply if the marketplace facilitator and the marketplace seller are the same entity or related entities.

VENDORS ENGAGED IN BUSINESS ACTIVITIES WITHIN THE STATE (Section 144.605)

Beginning October 1, 2021, this bill provides that a vendor will be considered to be engaging in business activities in this state if cumulative gross receipts from the vendor's sales in this state are \$100,000 or more during any 12 month period, or the vendor enters into 200 or more separate transactions in this state during any 12 month period. Vendors meeting such criteria will be required to collect and remit the use tax as provided under current law.

TAXING JURISDICTION DATABASE (Section 144.637)

This bill requires the Department of Revenue to provide and maintain a downloadable electronic database at no cost to the user of the database for taxing jurisdiction boundary changes and tax rates. Vendors will not be liable for reliance upon inaccurate data provided by the department on tax rates, boundaries, or taxing jurisdiction assignments.

LOCAL USE TAX (Section 144.757)

This bill modifies ballot language required for the submission of a local use tax to voters by including that the approval of the local use tax will eliminate the difference in tax rates collected by local and out-of-state sellers by imposing the same rate on all sellers.

This bill is similar to HB 1895 (2020).