

FIRST EXTRAORDINARY SESSION OF THE
FIRST REGULAR SESSION

HOUSE BILL NO. 12

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MCDANIEL.

2569H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 144.020 and 144.025, RSMo, and to enact in lieu thereof two new sections relating to sales and use tax.

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

Section A. Sections 144.020 and 144.025, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 144.020 and 144.025, to read as follows:

144.020. 1. A tax is hereby levied and imposed for the privilege of titling new and used
2 motor vehicles, trailers, boats, and outboard motors purchased or acquired for use on the
3 highways or waters of this state which are required to be titled under the laws of the state of
4 Missouri and, except as provided in subdivision (9) of this subsection, upon all sellers for the
5 privilege of engaging in the business of selling tangible personal property or rendering taxable
6 service at retail in this state. The rate of tax shall be as follows:

7 (1) Upon every retail sale in this state of tangible personal property, excluding motor
8 vehicles, trailers, motorcycles, mopeds, motortricycles, boats and outboard motors required to
9 be titled under the laws of the state of Missouri and subject to tax under subdivision (9) of this
10 subsection, a tax equivalent to four percent of the purchase price paid or charged, or in case such
11 sale involves the exchange of property, a tax equivalent to four percent of the consideration paid
12 or charged, including the fair market value of the property exchanged at the time and place of
13 the exchange, except as otherwise provided in section 144.025;

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.

14 (2) A tax equivalent to four percent of the amount paid for admission and seating
15 accommodations, or fees paid to, or in any place of amusement, entertainment or recreation,
16 games and athletic events, except amounts paid for any instructional class;

17 (3) A tax equivalent to four percent of the basic rate paid or charged on all sales of
18 electricity or electrical current, water and gas, natural or artificial, to domestic, commercial or
19 industrial consumers;

20 (4) (a) A tax equivalent to four percent on the basic rate paid or charged on all sales of
21 local and long distance telecommunications service to telecommunications subscribers and to
22 others through equipment of telecommunications subscribers for the transmission of messages
23 and conversations and upon the sale, rental or leasing of all equipment or services pertaining or
24 incidental thereto; except that, the payment made by telecommunications subscribers or others,
25 pursuant to section 144.060, and any amounts paid for access to the internet or interactive
26 computer services shall not be considered as amounts paid for telecommunications services;

27 (b) If local and long distance telecommunications services subject to tax under this
28 subdivision are aggregated with and not separately stated from charges for telecommunications
29 service or other services not subject to tax under this subdivision, including, but not limited to,
30 interstate or international telecommunications services, then the charges for nontaxable services
31 may be subject to taxation unless the telecommunications provider can identify by reasonable
32 and verifiable standards such portion of the charges not subject to such tax from its books and
33 records that are kept in the regular course of business, including, but not limited to, financial
34 statement, general ledgers, invoice and billing systems and reports, and reports for regulatory
35 tariffs and other regulatory matters;

36 (c) A telecommunications provider shall notify the director of revenue of its intention
37 to utilize the standards described in paragraph (b) of this subdivision to determine the charges
38 that are subject to sales tax under this subdivision. Such notification shall be in writing and shall
39 meet standardized criteria established by the department regarding the form and format of such
40 notice;

41 (d) The director of revenue may promulgate and enforce reasonable rules and regulations
42 for the administration and enforcement of the provisions of this subdivision. Any rule or portion
43 of a rule, as that term is defined in section 536.010, that is created under the authority delegated
44 in this section shall become effective only if it complies with and is subject to all of the
45 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
46 nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536
47 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held
48 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
49 August 28, 2019, shall be invalid and void;

50 (5) A tax equivalent to four percent of the basic rate paid or charged for all sales of
51 services for transmission of messages of telegraph companies;

52 (6) A tax equivalent to four percent on the amount of sales or charges for all rooms,
53 meals and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore,
54 dining car, tourist cabin, tourist camp or other place in which rooms, meals or drinks are
55 regularly served to the public. The tax imposed under this subdivision shall not apply to any
56 automatic mandatory gratuity for a large group imposed by a restaurant when such gratuity is
57 reported as employee tip income and the restaurant withholds income tax under section 143.191
58 on such gratuity;

59 (7) A tax equivalent to four percent of the amount paid or charged for intrastate tickets
60 by every person operating a railroad, sleeping car, dining car, express car, boat, airplane and such
61 buses and trucks as are licensed by the division of motor carrier and railroad safety of the
62 department of economic development of Missouri, engaged in the transportation of persons for
63 hire;

64 (8) A tax equivalent to four percent of the amount paid or charged for rental or lease of
65 tangible personal property, provided that if the lessor or renter of any tangible personal property
66 had previously purchased the property under the conditions of sale at retail or leased or rented
67 the property and the tax was paid at the time of purchase, lease or rental, the lessor, sublessor,
68 renter or subrenter shall not apply or collect the tax on the subsequent lease, sublease, rental or
69 subrental receipts from that property. The purchase, rental or lease of motor vehicles, trailers,
70 motorcycles, mopeds, motortricycles, boats, and outboard motors shall be taxed and the tax paid
71 as provided in this section and section 144.070. In no event shall the rental or lease of boats and
72 outboard motors be considered a sale, charge, or fee to, for or in places of amusement,
73 entertainment or recreation nor shall any such rental or lease be subject to any tax imposed to,
74 for, or in such places of amusement, entertainment or recreation. Rental and leased boats or
75 outboard motors shall be taxed under the provisions of the sales tax laws as provided under such
76 laws for motor vehicles and trailers. Tangible personal property which is exempt from the sales
77 or use tax under section 144.030 upon a sale thereof is likewise exempt from the sales or use tax
78 upon the lease or rental thereof;

79 (9) A tax equivalent to four percent of the purchase price, as defined in section 144.070,
80 of new and used motor vehicles, trailers, boats, and outboard motors purchased or acquired for
81 use on the highways or waters of this state which are required to be registered under the laws of
82 the state of Missouri. This tax is imposed on the person titling such property, and shall be paid
83 according to the procedures in section 144.440.

84 2. All tickets sold which are sold under the provisions of sections 144.010 to 144.525
85 which are subject to the sales tax shall have printed, stamped or otherwise endorsed thereon, the
86 words "This ticket is subject to a sales tax."

87 **3. Notwithstanding any provisions of law to the contrary, the tax levied and**
88 **imposed under subdivision (9) of subsection 1 of this section shall not apply to a purchase**
89 **of a new or used motor vehicle, trailer, boat, or outboard motor, provided that, the**
90 **purchase price of that motor vehicle, trailer, boat, or outboard motor is less than ten**
91 **thousand dollars, the purchase takes place in Missouri, and the purchaser is a resident of**
92 **Missouri.**

144.025. 1. Notwithstanding any other provisions of law to the contrary, in any retail
2 sale other than retail sales governed by subsections 4 and 5 of this section, where any article on
3 which sales or use tax has been paid, credited, or otherwise satisfied or which was exempted or
4 excluded from sales or use tax is taken in trade as a credit or part payment on the purchase price
5 of the article being sold, the tax imposed by sections 144.020 and 144.440 shall be computed
6 only on that portion of the purchase price which exceeds the actual allowance made for the
7 article **or articles** traded in or exchanged, if there is a bill of sale or other record showing the
8 actual allowance made for the article **or articles** traded in or exchanged. Where the purchaser
9 of a motor vehicle, trailer, boat or outboard motor receives a rebate from the seller or
10 manufacturer, the tax imposed by sections 144.020 and 144.440 shall be computed only on that
11 portion of the purchase price which exceeds the amount of the rebate, if there is a bill of sale or
12 other record showing the actual rebate given by the seller or manufacturer. Where the trade-in
13 or exchange allowance plus any applicable rebate exceeds the purchase price of the purchased
14 article there shall be no sales or use tax owed. This section shall also apply to motor vehicles,
15 trailers, boats, and outboard motors sold by the owner or holder of the properly assigned
16 certificate of ownership if the seller purchases or contracts to purchase a subsequent motor
17 vehicle, trailer, boat, or outboard motor within one hundred eighty days before or after the date
18 of the sale of ~~the original article and a bill~~ **one or more previously owned motor vehicles,**
19 **trailers, boats, or outboard motors, or any combination thereof, and all related bills** of sale
20 showing the paid sale price ~~is~~ **are** presented to the department of revenue at the time of
21 licensing. A copy of ~~the bill~~ **all such bills** of sale shall be left with the licensing office. Where
22 the subsequent motor vehicle, trailer, boat, or outboard motor is titled more than one hundred
23 eighty days after the sale of ~~the original motor vehicle, trailer, boat, or outboard motor~~ **one or**
24 **more motor vehicles, trailers, boats, or outboard motors, or any combination thereof,** the
25 allowance pursuant to this section shall be made if the person titling such article establishes that
26 the purchase or contract to purchase was finalized prior to the expiration of the one hundred
27 eighty-day period **and presents to the department of revenue a copy of all such bills of sale.**

28 2. As used in this section, the term "boat" includes all motorboats and vessels, as the
29 terms "motorboat" and "vessel" are defined in section 306.010.

30 3. As used in this section, the term "motor vehicle" includes motor vehicles as defined
31 in section 301.010, recreational vehicles as defined in section 700.010, or a combination of a
32 truck as defined in section 301.010, and a trailer as defined in section 301.010.

33 4. The provisions of subsection 1 of this section shall not apply to retail sales of
34 manufactured homes in which the purchaser receives a document known as the "Manufacturer's
35 Statement of Origin" for purposes of obtaining a title to the manufactured home from the
36 department of revenue of this state or from the appropriate agency or officer of any other state.

37 5. Any purchaser of a motor vehicle or trailer used for agricultural use by the purchaser
38 shall be allowed to use as an allowance to offset the sales and use tax liability towards the
39 purchase of the motor vehicle or trailer any grain or livestock produced or raised by the
40 purchaser. The director of revenue may prescribe forms for compliance with this subsection.

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