

FIRST REGULAR SESSION

HOUSE BILL NO. 531

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE GRAY.

1212H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 144.025, RSMo, and to enact in lieu thereof one new section relating to sales tax on trade-in purchases.

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

Section A. Section 144.025, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.025, to read as follows:

144.025. 1. Notwithstanding any other provisions of law to the contrary, in any retail sale other than retail sales governed by subsections **[4] 6** and **[5] 7** of this section, **[where] if** any article on which sales or use tax has been paid, credited, or otherwise satisfied or which was exempted or excluded from sales or use tax is taken in trade as a credit or part payment on the purchase price of the article being sold, the tax imposed by sections 144.020 and 144.440 shall be computed only on that portion of the purchase price **[which] that** exceeds the actual allowance made for the article traded in or exchanged, if there is a bill of sale or other record showing the actual allowance made for the article traded in or exchanged. **[Where]**

2. **If** the purchaser of a motor vehicle, trailer, boat, or outboard motor receives a rebate from the seller or manufacturer, the tax imposed by sections 144.020 and 144.440 shall be computed only on that portion of the purchase price **[which] that** exceeds the amount of the rebate, if there is a bill of sale or other record showing the actual rebate given by the seller or manufacturer. **[Where] If** the trade-in or exchange allowance plus any applicable rebate exceeds the purchase price of the purchased article, there shall be no sales or use tax owed.

3. This section shall also apply to motor vehicles, trailers, boats, and outboard motors sold by the owner or holder of the properly assigned certificate of ownership if the seller purchases or contracts to purchase a subsequent motor vehicle, trailer, boat, or outboard motor

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.

18 within one ~~[hundred eighty days before or after]~~ **year preceding or following** the date of the sale
19 of the original article and **if** a bill of sale showing the paid sale price is presented to the
20 department of revenue at the time of licensing. A copy of the bill of sale shall be left with the
21 licensing office. ~~[Where]~~ **If** the subsequent motor vehicle, trailer, boat, or outboard motor is
22 titled more than one ~~[hundred eighty days after]~~ **year following** the sale of the original motor
23 vehicle, trailer, boat, or outboard motor, the allowance pursuant to this section shall be made if
24 the person titling such article establishes that the purchase or contract to purchase was finalized
25 prior to the expiration of the ~~[one hundred eighty-day]~~ **one-year** period.

26 [2] 4. As used in this section, the term "boat" includes all motorboats and vessels, as the
27 terms "motorboat" and "vessel" are defined in section 306.010.

28 [3] 5. As used in this section, the term "motor vehicle" includes motor vehicles as
29 defined in section 301.010, recreational vehicles as defined in section 700.010, ~~[or]~~ **and** a
30 combination of a truck as defined in section 301.010~~;~~ and a trailer as defined in section
31 301.010.

32 [4] 6. The provisions of subsection 1 of this section shall not apply to retail sales of
33 manufactured homes in which the purchaser receives a document known as the "Manufacturer's
34 Statement of Origin" for purposes of obtaining a title to the manufactured home from the
35 department of revenue of this state or from the appropriate agency or officer of any other state.

36 [5] 7. Any purchaser of a motor vehicle or trailer used for agricultural use by the
37 purchaser shall be allowed to use as an allowance to offset the sales and use tax liability towards
38 the purchase of the motor vehicle or trailer any grain or livestock produced or raised by the
39 purchaser. The director of revenue may prescribe forms for compliance with this subsection.

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