

# HOUSE BILL NO. 590

## 98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE KOENIG.

0445H.011

D. ADAM CRUMBLISS, Chief Clerk

### AN ACT

To repeal sections 143.011, 144.010, 144.011, 144.012, 144.014, 144.018, 144.020, 144.021, 144.030, 144.034, 144.037, 144.038, 144.039, 144.044, 144.045, 144.046, 144.047, 144.049, 144.053, 144.054, 144.057, 144.062, 144.063, 144.064, 144.140, 144.513, 144.517, 144.518, 144.526, 144.600, 144.615, 144.617, 144.805, 144.807, 144.809, 144.811, 144.815, and 144.817, RSMo, and to enact in lieu thereof twelve new sections relating to taxation.

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

Section A. Sections 143.011, 144.010, 144.011, 144.012, 144.014, 144.018, 144.020, 2 144.021, 144.030, 144.034, 144.037, 144.038, 144.039, 144.044, 144.045, 144.046, 144.047, 3 144.049, 144.053, 144.054, 144.057, 144.062, 144.063, 144.064, 144.140, 144.513, 144.517, 4 144.518, 144.526, 144.600, 144.615, 144.617, 144.805, 144.807, 144.809, 144.811, 144.815, and 5 144.817, RSMo, are repealed and twelve new sections enacted in lieu thereof, to be known as 6 sections 143.011, 144.005, 144.010, 144.012, 144.014, 144.017, 144.018, 144.020, 144.021, 7 144.030, 144.140, and 144.615, to read as follows:

143.011. 1. **For all tax years beginning on or before December 31, 2014**, a tax is 2 hereby imposed for every taxable year on the Missouri taxable income of every resident. The 3 tax shall be determined by applying the tax table or the rate provided in section 143.021, which 4 is based upon the following rates:

5 If the Missouri taxable income is: The tax is:

6 Not over \$1,000.00 . . . . . 1 1/2% of the Missouri 7 taxable income

8 Over \$1,000 but not over \$2,000 \$15 plus 2% of excess

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.

9			over \$1,000
10	Over \$2,000 but not over \$3,000	\$35 plus 2 1/2% of excess	
11			over \$2,000
12	Over \$3,000 but not over \$4,000	\$60 plus 3% of excess	
13			over \$3,000
14	Over \$4,000 but not over \$5,000	\$90 plus 3 1/2% of excess	
15			over \$4,000
16	Over \$5,000 but not over \$6,000	\$125 plus 4% of excess	
17			over \$5,000
18	Over \$6,000 but not over \$7,000	\$165 plus 4 1/2% of	
19			excess over \$6,000
20	Over \$7,000 but not over \$8,000	\$210 plus 5% of excess	
21			over \$7,000
22	Over \$8,000 but not over \$9,000	\$260 plus 5 1/2% of	
23			excess over \$8,000
24	Over \$9,000. . . . .	\$315 plus 6% of excess	
25			over \$9,000

26           **2. For all tax years beginning on or after January 1, 2016, the director of the**  
 27 **department of revenue shall by rule make an annual adjustment to the rates provided in**  
 28 **subsection 1 of this section to reduce the rates of tax imposed if the department calculates**  
 29 **that the total amount of tax revenue collected by the state when including the rate**  
 30 **reduction would be substantially equal to or greater than the total amount of tax revenue**  
 31 **estimated to be collected by the state in the prior taxable year based on the collections from**  
 32 **January to September and estimated revenue for October to December for the 2016 tax**  
 33 **year. The full prior year’s revenue collections shall be used for the 2017 and 2018**  
 34 **adjustments. One adjustment shall be made for the 2016 tax year, one adjustment shall**  
 35 **be made for the 2017 tax year, and one adjustment shall be made for all tax years**  
 36 **beginning on or after January 1, 2018. All such adjustments shall be in addition to the rate**  
 37 **adjustments required in subsection 3 of this section and be subject to review and**  
 38 **verification by the state treasurer. The rates of tax imposed under subsection 1 of this**  
 39 **section shall, after an adjustment, be rounded to the nearest one-tenth of one percent. For**  
 40 **the purposes of this subsection, the director shall only consider this act.**

41           **3. (1) Beginning with the [2017] 2015 calendar year, the top rate of tax under subsection**  
 42 **1 of this section may be reduced over a period of years. Each reduction in the top rate of tax**  
 43 **shall be by one-tenth of a percent and no more than one reduction shall occur in a calendar year.**  
 44 **The top rate of tax shall not be reduced [below five and one-half percent] by more than one-half**

45 **of one percent under the provisions of this subsection.** Reductions in the rate of tax shall take  
46 effect on January first of a calendar year and such reduced rates shall continue in effect until the  
47 next reduction occurs. **Notwithstanding subdivision (2) of this subsection, the first reduction**  
48 **under this subsection shall occur for the 2015 tax year. All subsequent reductions under**  
49 **this subsection shall not occur until the 2019 tax year or subsequent tax years and shall**  
50 **comply with the provisions of subdivision (2) of this subsection.**

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

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

57 (4) The director of the department of revenue shall, by rule, adjust the tax tables under  
58 subsection 1 of this section to effectuate the provisions of this subsection. [The bracket for  
59 income subject to the top rate of tax shall be eliminated once the top rate of tax has been reduced  
60 to five and one-half of a percent.]

61 [3.] 4. Beginning with the [2017] **2019** calendar year, the brackets of Missouri taxable  
62 income identified in subsection 1 of this section shall be adjusted annually by the percent  
63 increase in inflation. The director shall publish such brackets annually beginning on or after  
64 October 1, 2016. Modifications to the brackets shall take effect on January first of each calendar  
65 year and shall apply to tax years beginning on or after the effective date of the new brackets.

66 [4.] 5. As used in this section, the following terms mean:

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

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

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

74 **6. If the highest rate of tax imposed under subsection 1 of this section is reduced**  
75 **to zero percent under the provisions of subsections 2 and 3 of this section, there shall be**  
76 **no income tax imposed on the Missouri taxable income of every resident.**

**144.005. 1. For the purposes of this section, the term "cumulative sales tax rate"**  
2 **shall mean the rate of the state sales tax levied and imposed under section 144.020 plus the**  
3 **rate of the taxes imposed by article IV, sections 43(a) and 47(a) of the Constitution of**  
4 **Missouri, plus the rate of sales and use taxes calculated under this section, or newly**

5 imposed sales and use taxes imposed by counties, other political subdivisions, and other  
6 taxing jurisdictions, but excluding any taxes imposed by transportation development  
7 districts or community improvement districts.

8       **2. On or before September 1, 2016, all rates of sales and services imposed by**  
9 **counties, other political subdivisions, or other taxing jurisdictions shall be recalculated by**  
10 **the department of revenue and, upon review and verification of the recalculated rates by**  
11 **the state treasurer, be supplied to the counties, other political subdivisions, or other taxing**  
12 **jurisdictions. The verification of the recalculated rates by the state treasurer shall be in**  
13 **addition to the state treasurer duties under section 15, article IV of the Constitution of**  
14 **Missouri. The recalculated rates shall produce reasonably equivalent amounts of revenue**  
15 **as those produced by the prior rates of tax, averaged over the previous five tax years and**  
16 **factor in changes to the consumer price index. The department may recalculate the new**  
17 **rates one time after January 1, 2017, but before January 1, 2018.**

18       **3. The new rates calculated under subsection 2 of this section shall go into effect**  
19 **January 1, 2017.**

20       **4. Any county, other political subdivision, or other taxing jurisdiction may appeal**  
21 **to the department of revenue the recalculation of its taxing rate under the rules prescribed**  
22 **by the department of revenue.**

23       **(1) Any appeal made under this subsection shall:**

24       **(a) Be filed before January 1, 2019; and**

25       **(b) Concern only questions related to the recalculation.**

26       **(2) The department of revenue may inquire of the county, other political**  
27 **subdivision, other taxing jurisdiction, or any other party to the appeal regarding any**  
28 **matter or issue relevant to the recalculation. The department may make its decision**  
29 **regarding the calculation based solely upon its inquiry and any evidence presented by the**  
30 **parties.**

31       **(3) Upon timely filing of an appeal to the department of revenue, the department**  
32 **shall send notice to the county, other political subdivision, or other taxing jurisdiction that**  
33 **an appeal has been filed.**

34       **5. Beginning January 1, 2017, the cumulative sales tax rate shall not exceed ten**  
35 **percent of the consideration paid or charged on a transaction unless the cumulative sales**  
36 **tax rate exceeds ten percent as a result of the inclusion of the rate calculated under**  
37 **subsection 2 of this section.**

144.010. 1. The following words, terms, and phrases when used in sections 144.010 to  
2 144.525 have the meanings ascribed to them in this section, except when the context indicates  
3 a different meaning:

4 (1) "Admission" includes seats and tables, reserved or otherwise, and other similar  
5 accommodations and charges made therefor and amount paid for admission, exclusive of any  
6 admission tax imposed by the federal government or by sections 144.010 to 144.525;

7 (2) "Business" includes any activity engaged in by any person, or caused to be engaged  
8 in by him, with the object of gain, benefit or advantage, either direct or indirect, and the  
9 classification of which business is of such character as to be subject to the terms of sections  
10 144.010 to 144.525. A person is "engaging in business" in this state for purposes of sections  
11 144.010 to 144.525 if such person "engages in business in this state" or "maintains a place of  
12 business in this state" under section 144.605. The isolated or occasional sale of tangible personal  
13 property, service, substance, or thing, by a person not engaged in such business, does not  
14 constitute engaging in business within the meaning of sections 144.010 to 144.525 unless the  
15 total amount of the gross receipts from such sales, exclusive of receipts from the sale of tangible  
16 personal property by persons which property is sold in the course of the partial or complete  
17 liquidation of a household, farm or nonbusiness enterprise, exceeds three thousand dollars in any  
18 calendar year. The provisions of this subdivision shall not be construed to make any sale of  
19 property which is exempt from sales tax or use tax on June 1, 1977, subject to that tax thereafter;

20 (3) ["Captive wildlife", includes but is not limited to exotic partridges, gray partridge,  
21 northern bobwhite quail, ring-necked pheasant, captive waterfowl, captive white-tailed deer,  
22 captive elk, and captive furbearers held under permit issued by the Missouri department of  
23 conservation for hunting purposes. The provisions of this subdivision shall not apply to sales  
24 tax on a harvested animal] **"Food", only those products and types of food for which food  
25 stamps may be redeemed under the provisions of the Federal Food Stamp Program as  
26 contained in 7 U.S.C. Section 2012, as that section now reads or as it may be amended  
27 hereafter, and shall include food dispensed by or through vending machines. Except for  
28 vending machine sales, the term "food" shall not include food or drink sold by any  
29 establishment if the gross receipts derived from the sale of food prepared by such  
30 establishment for immediate consumption on or off the premises of the establishment  
31 constitutes more than eighty percent of the total gross receipts of that establishment,  
32 regardless of whether such prepared food is consumed on the premises of that  
33 establishment including, but not limited to, sales of food by any restaurant, fast food  
34 restaurant, delicatessen, eating house, or cafe;**

35 (4) "Gross receipts", except as provided in section 144.012, means the total amount of  
36 the sale price of the sales at retail including any services other than charges incident to the  
37 extension of credit that are a part of such sales made by the businesses herein referred to, capable  
38 of being valued in money, whether received in money or otherwise; except that, the term "gross  
39 receipts" shall not include the sale price of property returned by customers when the full sale

40 price thereof is refunded either in cash or by credit. In determining any tax due under sections  
41 144.010 to 144.525 on the gross receipts, charges incident to the extension of credit shall be  
42 specifically exempted. For the purposes of sections 144.010 to 144.525 the total amount of the  
43 sale price above mentioned shall be deemed to be the amount received. It shall also include the  
44 lease or rental consideration where the right to continuous possession or use of any article of  
45 tangible personal property is granted under a lease or contract and such transfer of possession  
46 would be taxable if outright sale were made and, in such cases, the same shall be taxable as if  
47 outright sale were made and considered as a sale of such article, and the tax shall be computed  
48 and paid by the lessee upon the rentals paid;

49 (5) "Livestock", cattle, calves, sheep, swine, ratite birds, including but not limited to,  
50 ostrich and emu, aquatic products as defined in section 277.024, llamas, alpaca, buffalo, elk  
51 documented as obtained from a legal source and not from the wild, goats, horses, other equine,  
52 or rabbits raised in confinement for human consumption;

53 (6) "Motor vehicle leasing company" shall be a company obtaining a permit from the  
54 director of revenue to operate as a motor vehicle leasing company. Not all persons renting or  
55 leasing trailers or motor vehicles need to obtain such a permit; however, no person failing to  
56 obtain such a permit may avail itself of the optional tax provisions of subsection 5 of section  
57 144.070, as hereinafter provided;

58 (7) "Person" includes any individual, firm, copartnership, joint adventure, association,  
59 corporation, municipal or private, and whether organized for profit or not, state, county, political  
60 subdivision, state department, commission, board, bureau or agency, except the state  
61 transportation department, estate, trust, business trust, receiver or trustee appointed by the state  
62 or federal court, syndicate, or any other group or combination acting as a unit, and the plural as  
63 well as the singular number;

64 (8) **"Professional services", services rendered by an accountant, real estate agent,**  
65 **real estate broker, or real estate appraiser;**

66 (9) "Purchaser" means a person who purchases tangible personal property or to whom  
67 are rendered services, receipts from which are taxable under sections 144.010 to 144.525;

68 [(9)] (10) "Research or experimentation activities" are the development of an  
69 experimental or pilot model, plant process, formula, invention or similar property, and the  
70 improvement of existing property of such type. Research or experimentation activities do not  
71 include activities such as ordinary testing or inspection of materials or products for quality  
72 control, efficiency surveys, advertising promotions or research in connection with literary,  
73 historical or similar projects;

74 [(10)] (11) "Sale" or "sales" includes installment and credit sales, and the exchange of  
75 properties as well as the sale thereof for money, every closed transaction constituting a sale, and

76 means any transfer, **rental, lease**, exchange, or barter, conditional or otherwise, in any manner  
77 or by any means whatsoever, of tangible personal property for valuable consideration and the  
78 rendering, furnishing or selling for a valuable consideration any of the substances, things and  
79 services herein designated and defined as taxable under the terms of sections 144.010 to 144.525;

80 [(11)] **(12)** "Sale at retail" means any transfer made by any person engaged in business  
81 as defined herein of the ownership of, or title to, tangible personal property to the purchaser, for  
82 use or consumption and not for resale in any form as tangible personal property, for a valuable  
83 consideration; except that, for the purposes of sections 144.010 to 144.525 and the tax imposed  
84 thereby: (i) purchases of tangible personal property made by duly licensed physicians, dentists,  
85 optometrists and veterinarians and used in the practice of their professions shall be deemed to  
86 be purchases for use or consumption and not for resale; and (ii) the selling of computer printouts,  
87 computer output or microfilm or microfiche and computer-assisted photo compositions to a  
88 purchaser to enable the purchaser to obtain for his or her own use the desired information  
89 contained in such computer printouts, computer output on microfilm or microfiche and  
90 computer-assisted photo compositions shall be considered as the sale of a service and not as the  
91 sale of tangible personal property. Where necessary to conform to the context of sections  
92 144.010 to 144.525 and the tax imposed thereby, the term "sale at retail" shall be construed to  
93 embrace:

94 (a) Sales of admission tickets, cash admissions, charges and fees to or in places of  
95 amusement, entertainment and recreation, games and athletic events;

96 (b) Sales of electricity, electrical current, water and gas, natural or artificial, to domestic,  
97 commercial or industrial consumers;

98 (c) Sales of local and long distance telecommunications service to telecommunications  
99 subscribers and to others through equipment of telecommunications subscribers for the  
100 transmission of messages and conversations, and the sale, rental or leasing of all equipment or  
101 services pertaining or incidental thereto;

102 (d) Sales of service for transmission of messages by telegraph companies;

103 (e) Sales or charges for all rooms, meals and drinks furnished at any hotel, motel, tavern,  
104 inn, restaurant, eating house, drugstore, dining car, tourist camp, tourist cabin, or other place in  
105 which rooms, meals or drinks are regularly served to the public;

106 (f) Sales of tickets by every person operating a railroad, sleeping car, dining car, express  
107 car, boat, airplane, and such buses and trucks as are licensed by the division of motor carrier and  
108 railroad safety of the department of economic development of Missouri, engaged in the  
109 transportation of persons for hire;

110 [(12)] **(13)** "Seller" means a person selling or furnishing tangible personal property or  
111 rendering services, on the receipts from which a tax is imposed pursuant to section 144.020;

112            [(13)] (14) **“Services”, all activities for the benefit, use, or consumption of the**  
113 **taxpayer, regardless of whether paid by a fee, retainer, commission, or other consideration,**  
114 **if such activities involve predominantly the performance of a service as distinguished from**  
115 **the sale of property;**

116            (15) The noun "tax" means either the tax payable by the purchaser of a commodity or  
117 service subject to tax, or the aggregate amount of taxes due from the vendor of such commodities  
118 or services during the period for which he or she is required to report his or her collections, as  
119 the context may require;

120            [(14)] (16) "Telecommunications service", for the purpose of this chapter, the  
121 transmission of information by wire, radio, optical cable, coaxial cable, electronic impulses, or  
122 other similar means. As used in this definition, "information" means knowledge or intelligence  
123 represented by any form of writing, signs, signals, pictures, sounds, or any other symbols.  
124 Telecommunications service does not include the following if such services are separately stated  
125 on the customer's bill or on records of the seller maintained in the ordinary course of business:

126            (a) Access to the internet, access to interactive computer services or electronic  
127 publishing services, except the amount paid for the telecommunications service used to provide  
128 such access;

129            (b) Answering services and one-way paging services;

130            (c) Private mobile radio services which are not two-way commercial mobile radio  
131 services such as wireless telephone, personal communications services or enhanced specialized  
132 mobile radio services as defined pursuant to federal law; or

133            (d) Cable or satellite television or music services; and

134            [(15)] (17) "Product which is intended to be sold ultimately for final use or consumption"  
135 means tangible personal property, or any service that is subject to state or local sales or use taxes,  
136 or any tax that is substantially equivalent thereto, in this state or any other state.

137            2. For purposes of the taxes imposed under sections 144.010 to 144.525, and any other  
138 provisions of law pertaining to sales or use taxes which incorporate the provisions of sections  
139 144.010 to 144.525 by reference, the term "manufactured homes" shall have the same meaning  
140 given it in section 700.010.

141            3. Sections 144.010 to 144.525 may be known and quoted as the "Sales Tax Law".

                 144.012. 1. Notwithstanding any other provision of law to the contrary, any sale of  
2 tangible personal property, other than photocopies, cigarettes, cigars, or other tobacco-related  
3 products, by a vendor through a vending machine located in the state of Missouri shall be  
4 deemed a sale at retail occurring at the location of the vending machine through which the  
5 tangible personal property is sold. Such sale by the vendor shall be subject to the provisions of  
6 sections 66.600 to 66.635, sections 67.500 to 67.545, 67.547, 67.548, 67.550 to 67.580, 67.581,



7 67.582, 67.590 to 67.596, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, 67.782, sections  
8 92.400 to 92.420, sections 94.500 to 94.570, 94.577, 94.600 to 94.655, 94.700 to 94.755,  
9 sections 144.010 to 144.510, and 144.600 to 144.745. For the purpose of transactions covered  
10 under this section, "gross receipts" means the net invoice price of the property vended during the  
11 reporting period multiplied by one hundred thirty-five percent. All local sales taxes shall be  
12 based on the location of the vending machines from which the tangible personal property is sold.

13 2. The taxes required by the sections listed in subsection 1 of this section are to be  
14 reported directly to the director of revenue and remitted by the vendor selling tangible personal  
15 property.

16 3. For purposes of this section, the following terms mean:

17 (1) "Net invoice price", the cost of the products, including freight, less any timely  
18 payment discounts, with no allowance for spoilage or loss;

19 (2) "Vending machine", a coin or currency operated device which is used to sell tangible  
20 personal property without requiring the vendor's physical attention at the time of sale;

21 (3) "Vendor", the person who owns the tangible personal property sold in the vending  
22 machine.

23 [4. In addition to the exemptions granted under the provisions of section 144.030, there  
24 is hereby specifically exempted from the provisions of sections 66.600 to 66.635, sections 67.500  
25 to 67.545, 67.547, 67.548, 67.550 to 67.580, 67.581, 67.582, 67.590 to 67.596, 67.671 to 67.685,  
26 67.700 to 67.729, 67.730 to 67.739, 67.782, sections 92.400 to 92.420, sections 94.500 to  
27 94.570, 94.577, 94.600 to 94.655, 94.700 to 94.755, sections 144.010 to 144.510, and 144.600  
28 to 144.745, and from computation of the tax levied, assessed or payable under sections 66.600  
29 to 66.635, sections 67.500 to 67.545, 67.547, 67.548, 67.550 to 67.580, 67.581, 67.582, 67.590  
30 to 67.596, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, 67.782, sections 92.400 to  
31 92.420, sections 94.500 to 94.570, 94.577, 94.600 to 94.655, 94.700 to 94.755, sections 144.010  
32 to 144.510, and 144.600 to 144.745, all sales by a vendor of tangible personal property from  
33 vending machines located on the premises of any organization, institution or school whose sales  
34 are exempt under subdivision (19) of subsection 2 of section 144.030.]

144.014. 1. Notwithstanding other provisions of law to the contrary, beginning October  
2 1, 1997, **but ending on December 31, 2015**, the tax levied and imposed pursuant to sections  
3 144.010 to 144.525 and sections 144.600 to 144.746 on all retail sales of food shall be at the rate  
4 of one percent. The revenue derived from the one percent rate pursuant to this section shall be  
5 deposited by the state treasurer in the school district trust fund and shall be distributed as  
6 provided in section 144.701.

7 2. [For the purposes of this section, the term "food" shall include only those products and  
8 types of food for which food stamps may be redeemed pursuant to the provisions of the Federal

9 Food Stamp Program as contained in 7 U.S.C. Section 2012, as that section now reads or as it  
10 may be amended hereafter, and shall include food dispensed by or through vending machines.  
11 For the purpose of this section, except for vending machine sales, the term "food" shall not  
12 include food or drink sold by any establishment where the gross receipts derived from the sale  
13 of food prepared by such establishment for immediate consumption on or off the premises of the  
14 establishment constitutes more than eighty percent of the total gross receipts of that  
15 establishment, regardless of whether such prepared food is consumed on the premises of that  
16 establishment, including, but not limited to, sales of food by any restaurant, fast food restaurant,  
17 delicatessen, eating house, or cafe.] **For all tax years beginning on or after January 1, 2016,**  
18 **there shall be no tax levied and imposed on the retail sales of food at the state level.**  
19 **Nothing in this section shall be construed to limit or prevent the levying and imposition of**  
20 **tax on the retail sales of food by a local taxing jurisdiction.**

**144.017. The burden of proof for establishing tax liability for any taxes imposed**  
2 **under this chapter shall be borne by the state in all legal proceedings.**

144.018. 1. Notwithstanding any other provision of law to the contrary, except as  
2 provided under subsection 2 or 3 of this section, when a purchase of tangible personal property  
3 or service subject to tax is made for the purpose of resale, such purchase shall be either exempt  
4 or excluded under this chapter if the subsequent sale is:

- 5 (1) Subject to a tax in this or any other state;
- 6 (2) For resale;
- 7 (3) Excluded from tax under this chapter;
- 8 (4) Subject to tax but exempt under this chapter; or
- 9 (5) Exempt from the sales tax laws of another state, if the subsequent sale is in such  
10 other state.

11  
12 The purchase of tangible personal property by a taxpayer shall not be deemed to be for resale if  
13 such property is used or consumed by the taxpayer in providing a service on which tax is not  
14 imposed by subsection 1 of section 144.020, except purchases made in fulfillment of any  
15 obligation under a defense contract with the United States government.

16 2. [For purposes of subdivision (2) of subsection 1 of section 144.020, a place of  
17 amusement, entertainment or recreation, including games or athletic events, shall remit tax on  
18 the amount paid for admissions or seating accommodations, or fees paid to, or in such place of  
19 amusement, entertainment or recreation. Any subsequent sale of such admissions or seating  
20 accommodations shall not be subject to tax if the initial sale was an arms length transaction for  
21 fair market value with an unaffiliated entity. If the sale of such admissions or seating  
22 accommodations is exempt or excluded from payment of sales and use taxes, the provisions of

23 this subsection shall not require the place of amusement, entertainment, or recreation to remit  
24 tax on that sale.

25 3. For purposes of subdivision (6) of subsection 1 of section 144.020, a hotel, motel,  
26 tavern, inn, restaurant, eating house, drugstore, dining car, tourist cabin, tourist camp, or other  
27 place in which rooms, meals, or drinks are regularly served to the public shall remit tax on the  
28 amount of sales or charges for all rooms, meals, and drinks furnished at such hotel, motel, tavern,  
29 inn, restaurant, eating house, drugstore, dining car, tourist cabin, tourist camp, or other place in  
30 which rooms, meals, or drinks are regularly served to the public. Any subsequent sale of such  
31 rooms, meals, or drinks shall not be subject to tax if the initial sale was an arms length  
32 transaction for fair market value with an unaffiliated entity. If the sale of such rooms, meals, or  
33 drinks is exempt or excluded from payment of sales and use taxes, the provisions of this  
34 subsection shall not require the hotel, motel, tavern, inn, restaurant, eating house, drugstore,  
35 dining car, tourist cabin, tourist camp, or other place in which rooms, meals, or drinks are  
36 regularly served to the public to remit tax on that sale.

37 4.] The provisions of this section are intended to reject and abrogate earlier case law  
38 interpretations of the state's sales and use tax law with regard to sales for resale as extended in  
39 Music City Centre Management, LLC v. Director of Revenue, 295 S.W.3d 465, (Mo. 2009) and  
40 ICC Management, Inc. v. Director of Revenue, 290 S.W.3d 699, (Mo. 2009). The provisions  
41 of this section are intended to clarify the exemption or exclusion of purchases for resale from  
42 sales and use taxes as originally enacted in this chapter.

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 **services and** tangible personal property,  
8 excluding motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats and outboard  
9 motors required to be titled under the laws of the state of Missouri and subject to tax under  
10 subdivision (9) of this subsection, a tax **is levied and imposed** equivalent to four percent of:

11 (1) The purchase price paid or charged, or in case such sale involves the exchange of  
12 property, a tax equivalent to four percent of the consideration paid or charged, including the fair  
13 market value of the property exchanged at the time and place of the exchange, except as  
14 otherwise provided in section 144.025;

15           (2) [A tax equivalent to four percent of] The amount paid for admission and seating  
16 accommodations, or fees paid to, or in any place of amusement, entertainment or recreation,  
17 games and athletic events;

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

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

28           (5) [A tax equivalent to four percent of] The basic rate paid or charged for all sales of  
29 services for transmission of messages of telegraph companies;

30           (6) [A tax equivalent to four percent on] The amount of sales or charges for all rooms,  
31 meals and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore,  
32 dining car, tourist cabin, tourist camp or other place in which rooms, meals or drinks are  
33 regularly served to the public;

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

39           (8) [A tax equivalent to four percent of] The amount paid or charged for rental or lease  
40 of tangible personal property, provided that if the lessor or renter of any tangible personal  
41 property had previously purchased the property under the conditions of "sale at retail" or leased  
42 or rented the property and the tax was paid at the time of purchase, lease or rental, the lessor,  
43 sublessor, renter or subrenter shall not apply or collect the tax on the subsequent lease, sublease,  
44 rental or subrental receipts from that property. The purchase, rental or lease of motor vehicles,  
45 trailers, motorcycles, mopeds, motortricycles, boats, and outboard motors shall be taxed and the  
46 tax paid as provided in this section and section 144.070. In no event shall the rental or lease of  
47 boats and outboard motors be considered a sale, charge, or fee to, for or in places of amusement,  
48 entertainment or recreation nor shall any such rental or lease be subject to any tax imposed to,  
49 for, or in such places of amusement, entertainment or recreation. Rental and leased boats or  
50 outboard motors shall be taxed under the provisions of the sales tax laws as provided under such

51 laws for motor vehicles and trailers. Tangible personal property which is exempt from the sales  
52 or use tax under section 144.030 upon a sale thereof is likewise exempt from the sales or use tax  
53 upon the lease or rental thereof;

54 (9) [A tax equivalent to four percent of] The purchase price, as defined in section  
55 144.070, of new and used motor vehicles, trailers, boats, and outboard motors purchased or  
56 acquired for use on the highways or waters of this state which are required to be registered under  
57 the laws of the state of Missouri. This tax is imposed on the person titling such property, and  
58 shall be paid according to the procedures in section 144.440.

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

144.021. The purpose and intent of sections 144.010 to 144.510 is to impose a tax upon  
2 the privilege of engaging in the business, in this state, of selling tangible personal property and  
3 those services listed in section 144.020 and for the privilege of titling new and used motor  
4 vehicles, trailers, boats, and outboard motors purchased or acquired for use on the highways or  
5 waters of this state which are required to be registered under the laws of the state of Missouri.  
6 Except as otherwise provided, the primary tax burden is placed upon the seller making the  
7 taxable sales of property or service and is levied at the rate provided for in section 144.020.  
8 Excluding subdivision (9) of subsection 1 of section 144.020 and sections 144.070, 144.440 and  
9 144.450, the extent to which a seller is required to collect the tax from the purchaser of the  
10 taxable property or service is governed by section 144.285 and in no way affects sections  
11 144.080 and 144.100, which require all sellers to report to the director of revenue their "gross  
12 receipts", defined herein to mean the aggregate amount of the sales price of all sales at retail, and  
13 remit tax at [four percent of] **the rate imposed under section 144.020** on their gross receipts.

144.030. 1. There is hereby specifically exempted from the provisions of **section**  
2 **32.085**, sections 144.010 to 144.525, **and section 238.235** and from the computation of the tax  
3 levied, assessed or payable pursuant to **section 32.085**, sections 144.010 to 144.525, **and section**  
4 **238.235** [such retail sales as may be made in commerce between this state and any other state  
5 of the United States, or between this state and any foreign country, and any retail sale which the  
6 state of Missouri is prohibited from taxing pursuant to the Constitution or laws of the United  
7 States of America, and such retail sales of tangible personal property which the general assembly  
8 of the state of Missouri is prohibited from taxing or further taxing by the constitution of this  
9 state.

10 2. There are also specifically exempted from the provisions of the local sales tax law as  
11 defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to  
12 144.761 and from the computation of the tax levied, assessed or payable pursuant to the local

13 sales tax law as defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and  
14 144.600 to 144.745]:

15 (1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of  
16 such excise tax is refunded pursuant to section 142.824; or upon the sale at retail of fuel to be  
17 consumed in manufacturing or creating gas, power, steam, electrical current or in furnishing  
18 water to be sold ultimately at retail; or feed for livestock or poultry; or grain to be converted into  
19 foodstuffs which are to be sold ultimately in processed form at retail; or seed, limestone or  
20 fertilizer which is to be used for seeding, liming or fertilizing crops which when harvested will  
21 be sold at retail or will be fed to livestock or poultry to be sold ultimately in processed form at  
22 retail; economic poisons registered pursuant to the provisions of the Missouri pesticide  
23 registration law (sections 281.220 to 281.310) which are to be used in connection with the  
24 growth or production of crops, fruit trees or orchards applied before, during, or after planting,  
25 the crop of which when harvested will be sold at retail or will be converted into foodstuffs which  
26 are to be sold ultimately in processed form at retail;

27 (2) [Materials, manufactured goods, machinery and parts which when used in  
28 manufacturing, processing, compounding, mining, producing or fabricating become a component  
29 part or ingredient of the new personal property resulting from such manufacturing, processing,  
30 compounding, mining, producing or fabricating and which new personal property is intended to  
31 be sold ultimately for final use or consumption; and materials, including without limitation,  
32 gases and manufactured goods, including without limitation slagging materials and firebrick,  
33 which are ultimately consumed in the manufacturing process by blending, reacting or interacting  
34 with or by becoming, in whole or in part, component parts or ingredients of steel products  
35 intended to be sold ultimately for final use or consumption] **Sales of personal property other  
36 than a motor vehicle, trailer, boat, or outboard motor for which the tax authorized under  
37 section 144.020 has been collected due to a prior taxable transaction or sales for resale;**

38 (3) [Materials, replacement parts and equipment purchased for use directly upon, and for  
39 the repair and maintenance or manufacture of, motor vehicles, watercraft, railroad rolling stock  
40 or aircraft engaged as common carriers of persons or property] **Professional services;**

41 (4) [Motor vehicles registered in excess of fifty-four thousand pounds, and the trailers  
42 pulled by such motor vehicles, that are actually used in the normal course of business to haul  
43 property on the public highways of the state, and that are capable of hauling loads commensurate  
44 with the motor vehicle's registered weight; and the materials, replacement parts, and equipment  
45 purchased for use directly upon, and for the repair and maintenance or manufacture of such  
46 vehicles. For purposes of this subdivision, "motor vehicle" and "public highway" shall have the  
47 meaning as ascribed in section 390.020] **Sales, leases, or rents of real property including all**

48 **fees, charges, or commissions resulting directly or indirectly from the sale, lease, or rent**  
49 **of the real property;**

50 (5) [Replacement machinery, equipment, and parts and the materials and supplies solely  
51 required for the installation or construction of such replacement machinery, equipment, and  
52 parts, used directly in manufacturing, mining, fabricating or producing a product which is  
53 intended to be sold ultimately for final use or consumption; and machinery and equipment, and  
54 the materials and supplies required solely for the operation, installation or construction of such  
55 machinery and equipment, purchased and used to establish new, or to replace or expand existing,  
56 material recovery processing plants in this state. For the purposes of this subdivision, a "material  
57 recovery processing plant" means a facility that has as its primary purpose the recovery of  
58 materials into a usable product or a different form which is used in producing a new product and  
59 shall include a facility or equipment which are used exclusively for the collection of recovered  
60 materials for delivery to a material recovery processing plant but shall not include motor vehicles  
61 used on highways. For purposes of this section, the terms motor vehicle and highway shall have  
62 the same meaning pursuant to section 301.010. Material recovery is not the reuse of materials  
63 within a manufacturing process or the use of a product previously recovered. The material  
64 recovery processing plant shall qualify under the provisions of this section regardless of  
65 ownership of the material being recovered] **Sales of metered or unmetered water or**  
66 **wastewater service; electric energy or capacity; electric service; natural, artificial, or**  
67 **propane gas; wood, coal, or heating oil;**

68 (6) [Machinery and equipment, and parts and the materials and supplies solely required  
69 for the installation or construction of such machinery and equipment, purchased and used to  
70 establish new or to expand existing manufacturing, mining or fabricating plants in the state if  
71 such machinery and equipment is used directly in manufacturing, mining or fabricating a product  
72 which is intended to be sold ultimately for final use or consumption] **All sales of the following,**  
73 **as prescribed by a health care practitioner licensed to prescribe: over-the-counter drugs**  
74 **to individuals with disabilities, durable medical equipment, prosthetic devices, mobility**  
75 **enhancing equipment, and drugs;**

76 (7) [Tangible personal property which is used exclusively in the manufacturing,  
77 processing, modification or assembling of products sold to the United States government or to  
78 any agency of the United States government] **Child care services and services provided for**  
79 **by a residential care, assisted living, intermediate care, or skilled nursing facility;**

80 (8) [Animals or poultry used for breeding or feeding purposes, or captive wildlife]  
81 **Tuition and fees of any early childhood, prekindergarten, kindergarten, elementary,**  
82 **secondary, vocational or technical school, or an accredited institution of higher education**  
83 **for educational services;**

84 (9) [Newsprint, ink, computers, photosensitive paper and film, toner, printing plates and  
85 other machinery, equipment, replacement parts and supplies used in producing newspapers  
86 published for dissemination of news to the general public] **Services rendered by an employee  
87 for his or her employer;**

88 (10) [The rentals of films, records or any type of sound or picture transcriptions for public  
89 commercial display] **Services between entities that in the given year consolidate earnings;**

90 (11) [Pumping machinery and equipment used to propel products delivered by pipelines  
91 engaged as common carriers] **Sales or services directly used for agricultural trade or  
92 agricultural business purposes;**

93 (12) [Railroad rolling stock for use in transporting persons or property in interstate  
94 commerce and motor vehicles licensed for a gross weight of twenty-four thousand pounds or  
95 more or trailers used by common carriers, as defined in section 390.020, in the transportation of  
96 persons or property] **Sales of materials, fuel, manufactured goods, machinery, equipment,  
97 parts, or replacement parts used or consumed in manufacturing, processing, compounding,  
98 mining, producing, fabricating, researching, or developing a product or producing a  
99 service, controlling pollution, or that become a component part or ingredient of a product  
100 or service;**

101 (13) [Electrical energy used in the actual primary manufacture, processing, compounding,  
102 mining or producing of a product, or electrical energy used in the actual secondary processing  
103 or fabricating of the product, or a material recovery processing plant as defined in subdivision  
104 (5) of this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical  
105 energy so used exceeds ten percent of the total cost of production, either primary or secondary,  
106 exclusive of the cost of electrical energy so used or if the raw materials used in such processing  
107 contain at least twenty-five percent recovered materials as defined in section 260.200. There  
108 shall be a rebuttable presumption that the raw materials used in the primary manufacture of  
109 automobiles contain at least twenty-five percent recovered materials. For purposes of this  
110 subdivision, "processing" means any mode of treatment, act or series of acts performed upon  
111 materials to transform and reduce them to a different state or thing, including treatment necessary  
112 to maintain or preserve such processing by the producer at the production facility] **Sales of  
113 stocks, bonds, financial instruments, and any other similar intangible personal property;**

114 (14) [Anodes which are used or consumed in manufacturing, processing, compounding,  
115 mining, producing or fabricating and which have a useful life of less than one year] **Sales of  
116 bullion or coins, artistic works, precious stones, or other tangible personal property held  
117 exclusively for investment purposes;**

118 (15) [Machinery, equipment, appliances and devices purchased or leased and used solely  
119 for the purpose of preventing, abating or monitoring air pollution, and materials and supplies



120 solely required for the installation, construction or reconstruction of such machinery, equipment,  
121 appliances and devices] **Sales of barges which are to be used primarily in the transportation**  
122 **of property or cargo on interstate waterways;**

123 (16) [Machinery, equipment, appliances and devices purchased or leased and used solely  
124 for the purpose of preventing, abating or monitoring water pollution, and materials and supplies  
125 solely required for the installation, construction or reconstruction of such machinery, equipment,  
126 appliances and devices] **Sales of insurance products and insurance services;**

127 (17) [Tangible personal property purchased by a rural water district] **Sales of railroad**  
128 **rolling stock for use in transporting persons or property in interstate commerce and motor**  
129 **vehicles licensed for a gross weight of twenty-four thousand pounds or more or trailers**  
130 **used by common carriers in the transportation of persons or property;**

131 (18) [All amounts paid or charged for admission or participation or other fees paid by or  
132 other charges to individuals in or for any place of amusement, entertainment or recreation, games  
133 or athletic events, including museums, fairs, zoos and planetariums, owned or operated by a  
134 municipality or other political subdivision where all the proceeds derived therefrom benefit the  
135 municipality or other political subdivision and do not inure to any private person, firm, or  
136 corporation, provided, however, that a municipality or other political subdivision may enter into  
137 revenue-sharing agreements with private persons, firms, or corporations providing goods or  
138 services, including management services, in or for the place of amusement, entertainment or  
139 recreation, games or athletic events, and provided further that nothing in this subdivision shall  
140 exempt from tax any amounts retained by any private person, firm, or corporation under such  
141 revenue-sharing agreement] **The purchase or storage of tangible personal property by any**  
142 **common carrier engaged in the interstate air transportation of persons and cargo;**

143 (19) [All sales of insulin and prosthetic or orthopedic devices as defined on January 1,  
144 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of  
145 1965, including the items specified in Section 1862(a)(12) of that act, and also specifically  
146 including hearing aids and hearing aid supplies and all sales of drugs which may be legally  
147 dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to  
148 administer those items, including samples and materials used to manufacture samples which may  
149 be dispensed by a practitioner authorized to dispense such samples and all sales or rental of  
150 medical oxygen, home respiratory equipment and accessories, hospital beds and accessories and  
151 ambulatory aids, all sales or rental of manual and powered wheelchairs, stairway lifts, Braille  
152 writers, electronic Braille equipment and, if purchased or rented by or on behalf of a person with  
153 one or more physical or mental disabilities to enable them to function more independently, all  
154 sales or rental of scooters, reading machines, electronic print enlargers and magnifiers, electronic  
155 alternative and augmentative communication devices, and items used solely to modify motor

156 vehicles to permit the use of such motor vehicles by individuals with disabilities or sales of  
157 over-the-counter or nonprescription drugs to individuals with disabilities, and drugs required by  
158 the Food and Drug Administration to meet the over-the-counter drug product labeling  
159 requirements in 21 CFR 201.66, or its successor, as prescribed by a health care practitioner  
160 licensed to prescribe] **Gaming sales, services, waters, winnings, or admission fees relating**  
161 **to licensed bingo, racing, or excursion gambling boat activities;**

162 (20) [All sales made by or to religious and charitable organizations and institutions in  
163 their religious, charitable or educational functions and activities and all sales made by or to all  
164 elementary and secondary schools operated at public expense in their educational functions and  
165 activities] **Sales or services to or for the benefit of the United States of America, any state,**  
166 **county, other political subdivision, foreign government, or a charitable organization**  
167 **exempt from taxation under federal law, and the sale or service is in furtherance of the**  
168 **purpose of the state, county, or other political subdivision, or a charitable organization;**

169 (21) [All sales of aircraft to common carriers for storage or for use in interstate commerce  
170 and all sales made by or to not-for-profit civic, social, service or fraternal organizations,  
171 including fraternal organizations which have been declared tax-exempt organizations pursuant  
172 to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or  
173 charitable functions and activities and all sales made to eleemosynary and penal institutions and  
174 industries of the state, and all sales made to any private not-for-profit institution of higher  
175 education not otherwise excluded pursuant to subdivision (20) of this subsection or any  
176 institution of higher education supported by public funds, and all sales made to a state relief  
177 agency in the exercise of relief functions and activities] **Sales made through the use of federal**  
178 **food stamp coupons or any successor program;**

179 (22) [All ticket sales made by benevolent, scientific and educational associations which  
180 are formed to foster, encourage, and promote progress and improvement in the science of  
181 agriculture and in the raising and breeding of animals, and by nonprofit summer theater  
182 organizations if such organizations are exempt from federal tax pursuant to the provisions of the  
183 Internal Revenue Code and all admission charges and entry fees to the Missouri state fair or any  
184 fair conducted by a county agricultural and mechanical society organized and operated pursuant  
185 to sections 262.290 to 262.530] **Sales for which federal government coupons or vouchers**  
186 **under the supplemental feeding for women, infants, and children program, or any**  
187 **successor program, are used as payment;**

188 (23) [All sales made to any private not-for-profit elementary or secondary school, all sales  
189 of feed additives, medications or vaccines administered to livestock or poultry in the production  
190 of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for  
191 food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber,

192 all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying  
193 agricultural crops, natural gas used in the primary manufacture or processing of fuel ethanol as  
194 defined in section 142.028, natural gas, propane, and electricity used by an eligible new  
195 generation cooperative or an eligible new generation processing entity as defined in section  
196 348.432, and all sales of farm machinery and equipment, other than airplanes, motor vehicles and  
197 trailers, and any freight charges on any exempt item. As used in this subdivision, the term "feed  
198 additives" means tangible personal property which, when mixed with feed for livestock or  
199 poultry, is to be used in the feeding of livestock or poultry. As used in this subdivision, the term  
200 "pesticides" includes adjuvants such as crop oils, surfactants, wetting agents and other assorted  
201 pesticide carriers used to improve or enhance the effect of a pesticide and the foam used to mark  
202 the application of pesticides and herbicides for the production of crops, livestock or poultry. As  
203 used in this subdivision, the term "farm machinery and equipment" means new or used farm  
204 tractors and such other new or used farm machinery and equipment and repair or replacement  
205 parts thereon and any accessories for and upgrades to such farm machinery and equipment, rotary  
206 mowers used exclusively for agricultural purposes, and supplies and lubricants used exclusively,  
207 solely, and directly for producing crops, raising and feeding livestock, fish, poultry, pheasants,  
208 chukar, quail, or for producing milk for ultimate sale at retail, including field drain tile, and  
209 one-half of each purchaser's purchase of diesel fuel therefor which is:

- 210 (a) Used exclusively for agricultural purposes;  
211 (b) Used on land owned or leased for the purpose of producing farm products; and  
212 (c) Used directly in producing farm products to be sold ultimately in processed form or  
213 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold  
214 ultimately in processed form at retail] **Sales exempted from state taxation under any other  
215 federal program that requires a state that chooses to participate in such a program to be  
216 exempt from tax;**

217 (24) [Except as otherwise provided in section 144.032, all sales of metered water service,  
218 electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil  
219 for domestic use and in any city not within a county, all sales of metered or unmetered water  
220 service for domestic use:

- 221 (a) "Domestic use" means that portion of metered water service, electricity, electrical  
222 current, natural, artificial or propane gas, wood, coal or home heating oil, and in any city not  
223 within a county, metered or unmetered water service, which an individual occupant of a  
224 residential premises uses for nonbusiness, noncommercial or nonindustrial purposes. Utility  
225 service through a single or master meter for residential apartments or condominiums, including  
226 service for common areas and facilities and vacant units, shall be deemed to be for domestic use.

227 Each seller shall establish and maintain a system whereby individual purchases are determined  
228 as exempt or nonexempt;

229 (b) Regulated utility sellers shall determine whether individual purchases are exempt or  
230 nonexempt based upon the seller's utility service rate classifications as contained in tariffs on file  
231 with and approved by the Missouri public service commission. Sales and purchases made  
232 pursuant to the rate classification "residential" and sales to and purchases made by or on behalf  
233 of the occupants of residential apartments or condominiums through a single or master meter,  
234 including service for common areas and facilities and vacant units, shall be considered as sales  
235 made for domestic use and such sales shall be exempt from sales tax. Sellers shall charge sales  
236 tax upon the entire amount of purchases classified as nondomestic use. The seller's utility  
237 service rate classification and the provision of service thereunder shall be conclusive as to  
238 whether or not the utility must charge sales tax;

239 (c) Each person making domestic use purchases of services or property and who uses any  
240 portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day  
241 of the fourth month following the year of purchase, and without assessment, notice or demand,  
242 file a return and pay sales tax on that portion of nondomestic purchases. Each person making  
243 nondomestic purchases of services or property and who uses any portion of the services or  
244 property so purchased for domestic use, and each person making domestic purchases on behalf  
245 of occupants of residential apartments or condominiums through a single or master meter,  
246 including service for common areas and facilities and vacant units, under a nonresidential utility  
247 service rate classification may, between the first day of the first month and the fifteenth day of  
248 the fourth month following the year of purchase, apply for credit or refund to the director of  
249 revenue and the director shall give credit or make refund for taxes paid on the domestic use  
250 portion of the purchase. The person making such purchases on behalf of occupants of residential  
251 apartments or condominiums shall have standing to apply to the director of revenue for such  
252 credit or refund] **Nonproprietary sales made by or nonproprietary services performed by  
253 the state, a county, or other political subdivision;**

254 (25) [All sales of handicraft items made by the seller or the seller's spouse if the seller or  
255 the seller's spouse is at least sixty-five years of age, and if the total gross proceeds from such  
256 sales do not constitute a majority of the annual gross income of the seller] **Sales that the state  
257 of Missouri is prohibited from taxing under the Constitution of Missouri or the  
258 Constitution or laws of the United States of America;**

259 (26) [Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071,  
260 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of  
261 revenue shall promulgate rules pursuant to chapter 536 to eliminate all state and local sales taxes  
262 on such excise taxes] **All sales of aviation jet fuel in a given calendar year to common**

263 carriers engaged in the interstate air transportation of passengers and cargo, and the  
264 storage, use, and consumption of such aviation jet fuel by such common carriers, if such  
265 common carrier has first paid to the state of Missouri, in accordance with the provisions  
266 of this chapter, state sales and use taxes under the foregoing provisions and applicable to  
267 the purchase, storage, use, or consumption of such aviation jet fuel in a maximum  
268 aggregate amount of one million five hundred thousand dollars of state sales and use taxes  
269 in such calendar year.

270 (a) To qualify for the exemption prescribed in this subdivision, the common carrier  
271 shall furnish to the seller a certificate in writing to the effect that an exemption under this  
272 section is applicable to the aviation jet fuel purchased, stored, used, and consumed. The  
273 director of revenue shall permit any such common carrier to enter into a direct-pay  
274 agreement with the department of revenue, pursuant to which such common carrier may  
275 pay directly to the department of revenue any applicable sales and use taxes on such  
276 aviation jet fuel up to the maximum aggregate amount of one million five hundred  
277 thousand dollars in each calendar year. The director of revenue shall adopt appropriate  
278 rules and regulations to implement the provisions of this section and permit appropriate  
279 claims for refunds of any excess sales and use taxes collected with respect to any such  
280 common carrier and aviation jet fuel.

281 (b) All sales and use tax revenues upon aviation jet fuel received under this chapter,  
282 less the amounts specifically designated under the constitution or under section 144.701 for  
283 other purposes, shall be deposited to the credit of the aviation trust fund established under  
284 section 155.090, provided however, the amount of such state sales and use tax revenues  
285 deposited to the credit of such aviation trust fund shall not exceed ten million dollars in  
286 each calendar year;

287 (27) [Sales of fuel consumed or used in the operation of ships, barges, or waterborne  
288 vessels which are used primarily in or for the transportation of property or cargo, or the  
289 conveyance of persons for hire, on navigable rivers bordering on or located in part in this state,  
290 if such fuel is delivered by the seller to the purchaser's barge, ship, or waterborne vessel while  
291 it is afloat upon such river] **The sale, storage, use, or consumption of aviation jet fuel at or  
292 upon airports within the state of Missouri that are recipients of federal grant funds, have  
293 submitted applications for or have been approved for federal grant funds, or are otherwise  
294 eligible to apply for federal grant funds;**

295 (28) [All sales made to an interstate compact agency created pursuant to sections 70.370  
296 to 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities of such  
297 agency as provided pursuant to the compact] **Construction of an entirely new building or  
298 structure;**

299 (29) [Computers, computer software and computer security systems purchased for use  
300 by architectural or engineering firms headquartered in this state. For the purposes of this  
301 subdivision, "headquartered in this state" means the office for the administrative management  
302 of at least four integrated facilities operated by the taxpayer is located in the state of Missouri;]  
303 **All sales made to a business entity for use in that business for resale, to produce, provide,**  
304 **render, or sell taxable property or services.**

305 [(30) All livestock sales when either the seller is engaged in the growing, producing or  
306 feeding of such livestock, or the seller is engaged in the business of buying and selling, bartering  
307 or leasing of such livestock;

308 (31) All sales of barges which are to be used primarily in the transportation of property  
309 or cargo on interstate waterways;

310 (32) Electrical energy or gas, whether natural, artificial or propane, water, or other  
311 utilities which are ultimately consumed in connection with the manufacturing of cellular glass  
312 products or in any material recovery processing plant as defined in subdivision (5) of this  
313 subsection;

314 (33) Notwithstanding other provisions of law to the contrary, all sales of pesticides or  
315 herbicides used in the production of crops, aquaculture, livestock or poultry;

316 (34) Tangible personal property and utilities purchased for use or consumption directly  
317 or exclusively in the research and development of agricultural/biotechnology and plant genomics  
318 products and prescription pharmaceuticals consumed by humans or animals;

319 (35) All sales of grain bins for storage of grain for resale;

320 (36) All sales of feed which are developed for and used in the feeding of pets owned by  
321 a commercial breeder when such sales are made to a commercial breeder, as defined in section  
322 273.325, and licensed pursuant to sections 273.325 to 273.357;

323 (37) All purchases by a contractor on behalf of an entity located in another state,  
324 provided that the entity is authorized to issue a certificate of exemption for purchases to a  
325 contractor under the provisions of that state's laws. For purposes of this subdivision, the term  
326 "certificate of exemption" shall mean any document evidencing that the entity is exempt from  
327 sales and use taxes on purchases pursuant to the laws of the state in which the entity is located.  
328 Any contractor making purchases on behalf of such entity shall maintain a copy of the entity's  
329 exemption certificate as evidence of the exemption. If the exemption certificate issued by the  
330 exempt entity to the contractor is later determined by the director of revenue to be invalid for any  
331 reason and the contractor has accepted the certificate in good faith, neither the contractor or the  
332 exempt entity shall be liable for the payment of any taxes, interest and penalty due as the result  
333 of use of the invalid exemption certificate. Materials shall be exempt from all state and local  
334 sales and use taxes when purchased by a contractor for the purpose of fabricating tangible

335 personal property which is used in fulfilling a contract for the purpose of constructing, repairing  
336 or remodeling facilities for the following:

337 (a) An exempt entity located in this state, if the entity is one of those entities able to issue  
338 project exemption certificates in accordance with the provisions of section 144.062; or

339 (b) An exempt entity located outside the state if the exempt entity is authorized to issue  
340 an exemption certificate to contractors in accordance with the provisions of that state's law and  
341 the applicable provisions of this section;

342 (38) All sales or other transfers of tangible personal property to a lessor who leases the  
343 property under a lease of one year or longer executed or in effect at the time of the sale or other  
344 transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections  
345 238.010 to 238.100;

346 (39) Sales of tickets to any collegiate athletic championship event that is held in a facility  
347 owned or operated by a governmental authority or commission, a quasi-governmental agency,  
348 a state university or college or by the state or any political subdivision thereof, including a  
349 municipality, and that is played on a neutral site and may reasonably be played at a site located  
350 outside the state of Missouri. For purposes of this subdivision, "neutral site" means any site that  
351 is not located on the campus of a conference member institution participating in the event;

352 (40) All purchases by a sports complex authority created under section 64.920, and all  
353 sales of utilities by such authority at the authority's cost that are consumed in connection with  
354 the operation of a sports complex leased to a professional sports team;

355 (41) All materials, replacement parts, and equipment purchased for use directly upon,  
356 and for the modification, replacement, repair, and maintenance of aircraft, aircraft power plants,  
357 and aircraft accessories;

358 (42) Sales of sporting clays, wobble, skeet, and trap targets to any shooting range or  
359 similar places of business for use in the normal course of business and money received by a  
360 shooting range or similar places of business from patrons and held by a shooting range or similar  
361 place of business for redistribution to patrons at the conclusion of a shooting event.]

362 [3.] 2. Any ruling, agreement, or contract, whether written or oral, express or implied,  
363 between a person and this state's executive branch, or any other state agency or department,  
364 stating, agreeing, or ruling that such person is not required to collect sales and use tax in this  
365 state despite the presence of a warehouse, distribution center, or fulfillment center in this state  
366 that is owned or operated by the person or an affiliated person shall be null and void unless it is  
367 specifically approved by a majority vote of each of the houses of the general assembly. For  
368 purposes of this subsection, an "affiliated person" means any person that is a member of the same  
369 controlled group of corporations as defined in Section 1563(a) of the Internal Revenue Code of  
370 1986, as amended, as the vendor or any other entity that, notwithstanding its form of

371 organization, bears the same ownership relationship to the vendor as a corporation that is a  
 372 member of the same controlled group of corporations as defined in Section 1563(a) of the  
 373 Internal Revenue Code, as amended.

144.140. From every remittance to the director of revenue made on or before the date  
 2 when the same becomes due, the person required to remit the same shall be entitled to deduct and  
 3 retain an amount equal to [two] **one** percent thereof.

144.615. There are specifically exempted from the taxes levied in sections 144.600 to  
 2 144.745]:

3 (1) Property, the storage, use or consumption of which this state is prohibited from  
 4 taxing pursuant to the constitution or laws of the United States or of this state;

5 (2) Property, the gross receipts from the sale of which are required to be included in the  
 6 measure of the tax imposed pursuant to the Missouri sales tax law;

7 (3) Tangible personal property, the sale or other transfer of which, if made in this state,  
 8 would be exempt from or not subject to the Missouri sales tax pursuant to the provisions of  
 9 subsection 2 of section 144.030;

10 (4) Motor vehicles, trailers, boats, and outboard motors subject to the tax imposed by  
 11 section 144.020;

12 (5) Tangible personal property which has been subjected to a tax by any other state in  
 13 this respect to its sales or use; provided, if such tax is less than the tax imposed by sections  
 14 144.600 to 144.745, such property, if otherwise taxable, shall be subject to a tax equal to the  
 15 difference between such tax and the tax imposed by sections 144.600 to 144.745;

16 (6) Tangible personal property held by processors, retailers, importers, manufacturers,  
 17 wholesalers, or jobbers solely for resale in the regular course of business;

18 (7) Personal and household effects and farm machinery used while an individual was a  
 19 bona fide resident of another state and who thereafter became a resident of this state, or tangible  
 20 personal property brought into the state by a nonresident for his own storage, use or consumption  
 21 while temporarily within the state.] **those exemptions granted under section 144.030.**  
 22

[144.011. 1. For purposes of sections 144.010 to 144.525 and 144.600  
 2 to 144.748, and the taxes imposed thereby, the definition of "retail sale" or "sale  
 3 at retail" shall not be construed to include any of the following:

4 (1) The transfer by one corporation of substantially all of its tangible  
 5 personal property to another corporation pursuant to a merger or consolidation  
 6 effected under the laws of the state of Missouri or any other jurisdiction;

7 (2) The transfer of tangible personal property incident to the liquidation  
 8 or cessation of a taxpayer's trade or business, conducted in proprietorship,  
 9 partnership or corporate form, except to the extent any transfer is made in the  
 10 ordinary course of the taxpayer's trade or business;



- 11 (3) The transfer of tangible personal property to a corporation solely in  
12 exchange for its stock or securities;
- 13 (4) The transfer of tangible personal property to a corporation by a  
14 shareholder as a contribution to the capital of the transferee corporation;
- 15 (5) The transfer of tangible personal property to a partnership solely in  
16 exchange for a partnership interest therein;
- 17 (6) The transfer of tangible personal property by a partner as a  
18 contribution to the capital of the transferee partnership;
- 19 (7) The transfer of tangible personal property by a corporation to one or  
20 more of its shareholders as a dividend, return of capital, distribution in the partial  
21 or complete liquidation of the corporation or distribution in redemption of the  
22 shareholder's interest therein;
- 23 (8) The transfer of tangible personal property by a partnership to one or  
24 more of its partners as a current distribution, return of capital or distribution in  
25 the partial or complete liquidation of the partnership or of the partner's interest  
26 therein;
- 27 (9) The transfer of reusable containers used in connection with the sale  
28 of tangible personal property contained therein for which a deposit is required  
29 and refunded on return;
- 30 (10) The purchase by persons operating eating or food service  
31 establishments, of items of a nonreusable nature which are furnished to the  
32 customers of such establishments with or in conjunction with the retail sales of  
33 their food or beverage. Such items shall include, but not be limited to, wrapping  
34 or packaging materials and nonreusable paper, wood, plastic and aluminum  
35 articles such as containers, trays, napkins, dishes, silverware, cups, bags, boxes,  
36 straws, sticks and toothpicks;
- 37 (11) The purchase by persons operating hotels, motels or other transient  
38 accommodation establishments, of items of a nonreusable nature which are  
39 furnished to the guests in the guests' rooms of such establishments and such items  
40 are included in the charge made for such accommodations. Such items shall  
41 include, but not be limited to, soap, shampoo, tissue and other toiletries and food  
42 or confectionery items offered to the guests without charge;
- 43 (12) The transfer of a manufactured home other than:
- 44 (a) A transfer which involves the delivery of the document known as the  
45 "Manufacturer's Statement of Origin" to a person other than a manufactured  
46 home dealer, as defined in section 700.010, for purposes of allowing such person  
47 to obtain a title to the manufactured home from the department of revenue of this  
48 state or the appropriate agency or officer of any other state;
- 49 (b) A transfer which involves the delivery of "Reposessed Title" to a  
50 resident of this state if the tax imposed by sections 144.010 to 144.525 was not  
51 paid on the transfer of the manufactured home described in paragraph (a) of this  
52 subdivision;

53 (c) The first transfer which occurs after December 31, 1985, if the tax  
 54 imposed by sections 144.010 to 144.525 was not paid on any transfer of the same  
 55 manufactured home which occurred before December 31, 1985; or

56 (13) Charges for initiation fees or dues to:

57 (a) Fraternal beneficiaries societies, or domestic fraternal societies, orders  
 58 or associations operating under the lodge system a substantial part of the  
 59 activities of which are devoted to religious, charitable, scientific, literary,  
 60 educational or fraternal purposes; or

61 (b) Posts or organizations of past or present members of the Armed  
 62 Forces of the United States or an auxiliary unit or society of, or a trust or  
 63 foundation for, any such post or organization substantially all of the members of  
 64 which are past or present members of the Armed Forces of the United States or  
 65 who are cadets, spouses, widows, or widowers of past or present members of the  
 66 Armed Forces of the United States, no part of the net earnings of which inures to  
 67 the benefit of any private shareholder or individual.

68 2. The assumption of liabilities of the transferor by the transferee incident  
 69 to any of the transactions enumerated in the above subdivisions (1) to (8) of  
 70 subsection 1 of this section shall not disqualify the transfer from the exclusion  
 71 described in this section, where such liability assumption is related to the  
 72 property transferred and where the assumption does not have as its principal  
 73 purpose the avoidance of Missouri sales or use tax.]  
 74

2 [144.034. The sales of advertising by legal newspapers pursuant to  
 3 chapter 493, advertising agencies, broadcast stations, and standardized outdoor  
 4 billboard advertising shall be considered the sale of a service and not the sale of  
 5 tangible personal property. Purchases of tangible personal property which are for  
 6 use in producing advertising by the businesses listed in the preceding sentence  
 7 shall be deemed to be purchases for use or consumption and not for resale. In  
 8 addition to the exemptions granted under the provisions of section 144.030, the  
 9 sale of services as defined in this section shall be specifically exempted from the  
 10 provisions of sections 66.600 to 66.635, sections 67.500 to 67.545, sections  
 11 92.400 to 92.420, sections 94.500 to 94.570, sections 94.600 to 94.655, sections  
 12 94.700 to 94.755, and sections 144.010 to 144.510 and 144.600 to 144.745 and  
 13 from the computation of the tax levied, assessed or payable under sections 66.600  
 14 to 66.635, sections 67.500 to 67.545, sections 92.400 to 92.420, sections 94.500  
 15 to 94.570, sections 94.600 to 94.655, sections 94.700 to 94.755, and sections  
 16 144.010 to 144.510 and 144.600 to 144.745.]

2 [144.037. In addition to the exemptions granted under the provisions of  
 3 section 144.030, there is hereby specifically exempted from the provisions of  
 4 sections 66.600 to 66.635, sections 67.500 to 67.545, sections 67.671 to 67.685,  
 5 sections 67.700 to 67.729, sections 92.400 to 92.420, sections 94.500 to 94.570,  
 sections 94.600 to 94.655, sections 94.700 to 94.755, and sections 144.010 to

6 144.510 and 144.600 to 144.745, and from the computation of the tax levied,  
7 assessed or payable under sections 66.600 to 66.635, sections 67.500 to 67.545,  
8 sections 67.671 to 67.685, sections 67.700 to 67.729, sections 92.400 to 92.420,  
9 sections 94.500 to 94.570, sections 94.600 to 94.655, sections 94.700 to 94.755,  
10 and sections 144.010 to 144.510 and 144.600 to 144.745, all sales at retail made  
11 through the use of federal food stamp coupons.]  
12

2 [144.038. In addition to the exemptions granted under the provisions of  
3 section 144.030, there is hereby specifically exempted from the provisions of  
4 sections 66.600 to 66.635, sections 67.500 to 67.545, sections 67.671 to 67.685,  
5 sections 67.700 to 67.729, sections 92.400 to 92.420, sections 94.500 to 94.570,  
6 sections 94.600 to 94.655, sections 94.700 to 94.755, and sections 144.010 to  
7 144.510 and 144.600 to 144.745, and from the computation of the tax levied,  
8 assessed or payable under sections 66.600 to 66.635, sections 67.500 to 67.545,  
9 sections 67.671 to 67.685, sections 67.700 to 67.729, sections 92.400 to 92.420,  
10 sections 94.500 to 94.570, sections 94.600 to 94.655, sections 94.700 to 94.755,  
11 and sections 144.010 to 144.510 and 144.600 to 144.745, all sales at retail for  
12 which federal government coupons or vouchers under the supplemental feeding  
13 for women, infants and children program are used as payment.]

2 [144.039. In addition to the exemptions granted under the provisions of  
3 section 144.030, there shall also be specifically exempted from the provisions of  
4 sections 66.600 to 66.635, sections 67.500 to 67.545, 67.547, 67.581, 67.582,  
5 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, 67.782, sections 92.400  
6 to 92.420, sections 94.500 to 94.570, 94.600 to 94.655, 94.700 to 94.755, and  
7 sections 144.010 to 144.510 and 144.600 to 144.745 and from the computation  
8 of the tax levied, assessed or payable under sections 66.600 to 66.635, sections  
9 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729,  
10 67.730 to 67.739, 67.782, sections 92.400 to 92.420, sections 94.500 to 94.570,  
11 94.600 to 94.655, 94.700 to 94.755, and sections 144.010 to 144.510 and 144.600  
12 to 144.745, purchases of all tangible personal property made by, or on behalf of,  
13 a state senator or state representative if such purchases are made from funds in  
14 such state senator's or state representative's state expense account.]

2 [144.044. 1. As used in this section, the following terms mean: (1) "Sale  
3 of a modular unit", a transfer of a modular unit as defined in section 700.010; (2)  
4 "Sale of a new manufactured home", a transfer of a manufactured home, as  
5 defined in section 700.010, which involves the delivery of the document known  
6 as the manufacturer's statement of origin to a person other than a manufactured  
7 home dealer, as dealer is defined in section 700.010, for purposes of allowing  
8 such person to obtain a title to the manufactured home from the department of  
revenue of this state or the appropriate agency or officer of any other state.

9           2. In the event of the sale of a new manufactured home, forty percent of  
10 the purchase price, as defined in section 700.320, shall be considered the sale of  
11 a service and not the sale of tangible personal property. In addition to the  
12 exemptions granted under the provisions of section 144.030, the sale of services  
13 as defined in this section shall be specifically exempted from the provisions of  
14 sections 238.235 and 238.410, the local sales tax law as defined in section  
15 32.085, sections 144.010 to 144.525 and 144.600 to 144.745, and from the  
16 computation of the tax levied, assessed or payable under sections 238.235 and  
17 238.410, the local sales tax law as defined in section 32.085, sections 144.010 to  
18 144.525 and 144.600 to 144.745, and section 238.235.

19           3. In the event of the sale of a new modular unit, forty percent of the  
20 retail sale of the unit or forty percent of the manufacturer's sales price of the unit  
21 if the manufacturer makes a sale to a consumer that is not a retail sale, plus any  
22 carrier charge and freight charges shall be considered the sale of a service and  
23 sixty percent shall be the retail sale of tangible personal property. In addition to  
24 the exemptions granted under the provisions of section 144.030, the sale of  
25 services as defined in this section shall be specifically exempted from the  
26 provisions of sections 238.235 and 238.410, the local sales tax law as defined in  
27 section 32.085, sections 144.010 to 144.525 and 144.600 to 144.745, and from  
28 the computation of the tax levied, assessed, or payable under sections 238.235  
29 and 238.410, the local sales tax law as defined in section 32.085, sections  
30 144.010 to 144.525 and 144.600 to 144.745, and section 238.235.]

31

2           [144.045. 1. Notwithstanding any other provision of law to the contrary,  
3 the department of revenue shall not consider the transfer for consideration of  
4 court transcripts, depositions, compressed transcripts, exhibits, computer disks  
5 containing any such item, or copies of any such item which are prepared by a  
6 court reporter as tangible personal property, but rather as a nontaxable service for  
7 purposes of administrative interpretation. In addition, the department of revenue  
8 shall, for purposes of administrative interpretation, consider as nontaxable any  
9 machinery or equipment meeting the definition of "farm machinery" under  
10 subdivision (22) of subsection 2 of section 144.030, whether or not such  
11 machinery or equipment is attached to a vehicle or real property.

12           2. In addition to the exemptions granted under the provisions of section  
13 144.030, there shall also be specifically exempted from the provisions of sections  
14 144.010 to 144.525, sections 144.600 to 144.748, section 238.235, and from the  
15 provisions of any local sales tax law, as defined in section 32.085, and from the  
16 computation of the tax levied, assessed or payable under sections 144.010 to  
17 144.525, sections 144.600 to 144.748, section 238.235, and under any local sales  
18 tax law, as defined in section 32.085, all sales of court transcripts, depositions,  
19 compressed transcripts, exhibits, computer disks containing any such item, and  
20 all copies of any such item, which are prepared by a court reporter.]

2 [144.046. In addition to the exemptions granted under the provisions of  
3 section 144.030, there is hereby specifically exempted from the provisions of  
4 sections 144.010 to 144.525 and sections 144.600 to 144.748 and from the  
5 computation of the tax levied, assessed or payable under sections 144.010 to  
6 144.525 and sections 144.600 to 144.748, the sale at retail of separately measured  
7 electrical current to manufacturers of batteries in this state for conversion to  
8 stored chemical energy in new lead-acid storage batteries solely for the purpose  
9 of providing an initial charge in such batteries during the manufacturing process  
10 but not for the purpose of recharging any previously manufactured batteries. The  
11 sale at retail of such separately measured electrical current described in this  
12 section shall not be exempted from any local sales tax imposed under a local  
13 sales tax law, as defined in section 32.085.]

2 [144.047. Notwithstanding any other provision of law to the contrary, for  
3 purposes of department of revenue administrative interpretation, all sales of  
4 aircraft used solely for aerial application of agricultural chemicals shall be  
5 considered farm machinery and therefore, exempt from state and local sales and  
6 use tax, as provided for other farm machinery in subdivision (22) of subsection  
7 2 of section 144.030.]

2 [144.049. 1. For purposes of this section, the following terms mean:  
3 (1) "Clothing", any article of wearing apparel, including footwear,  
4 intended to be worn on or about the human body. The term shall include but not  
5 be limited to cloth and other material used to make school uniforms or other  
6 school clothing. Items normally sold in pairs shall not be separated to qualify for  
7 the exemption. The term shall not include watches, watchbands, jewelry,  
8 handbags, handkerchiefs, umbrellas, scarves, ties, headbands, or belt buckles; and  
9 (2) "Personal computers", a laptop, desktop, or tower computer system  
10 which consists of a central processing unit, random access memory, a storage  
11 drive, a display monitor, and a keyboard and devices designed for use in  
12 conjunction with a personal computer, such as a disk drive, memory module,  
13 compact disk drive, daughterboard, digitalizer, microphone, modem,  
14 motherboard, mouse, multimedia speaker, printer, scanner, single-user hardware,  
15 single-user operating system, soundcard, or video card;  
16 (3) "School supplies", any item normally used by students in a standard  
17 classroom for educational purposes, including but not limited to textbooks,  
18 notebooks, paper, writing instruments, crayons, art supplies, rulers, book bags,  
19 backpacks, handheld calculators, chalk, maps, and globes. The term shall not  
20 include watches, radios, CD players, headphones, sporting equipment, portable  
21 or desktop telephones, copiers or other office equipment, furniture, or fixtures.  
22 School supplies shall also include computer software having a taxable value of  
three hundred fifty dollars or less.

23           2. In each year beginning on or after January 1, 2005, there is hereby  
24 specifically exempted from state sales tax law all retail sales of any article of  
25 clothing having a taxable value of one hundred dollars or less, all retail sales of  
26 school supplies not to exceed fifty dollars per purchase, all computer software  
27 with a taxable value of three hundred fifty dollars or less, and all retail sales of  
28 personal computers or computer peripheral devices not to exceed three thousand  
29 five hundred dollars, during a three-day period beginning at 12:01 a.m. on the  
30 first Friday in August and ending at midnight on the Sunday following.

31           3. If the governing body of any political subdivision adopted an  
32 ordinance that applied to the 2004 sales tax holiday to prohibit the provisions of  
33 this section from allowing the sales tax holiday to apply to such political  
34 subdivision's local sales tax, then, notwithstanding any provision of a local  
35 ordinance to the contrary, the 2005 sales tax holiday shall not apply to such  
36 political subdivision's local sales tax. However, any such political subdivision  
37 may enact an ordinance to allow the 2005 sales tax holiday to apply to its local  
38 sales taxes. A political subdivision must notify the department of revenue not  
39 less than forty-five calendar days prior to the beginning date of the sales tax  
40 holiday occurring in that year of any ordinance or order rescinding an ordinance  
41 or order to opt out.

42           4. This section shall not apply to any sales which take place within the  
43 Missouri state fairgrounds.

44           5. This section applies to sales of items bought for personal use only.

45           6. After the 2005 sales tax holiday, any political subdivision may, by  
46 adopting an ordinance or order, choose to prohibit future annual sales tax  
47 holidays from applying to its local sales tax. After opting out, the political  
48 subdivision may rescind the ordinance or order. The political subdivision must  
49 notify the department of revenue not less than forty-five calendar days prior to the  
50 beginning date of the sales tax holiday occurring in that year of any ordinance or  
51 order rescinding an ordinance or order to opt out.

52           7. This section may not apply to any retailer when less than two percent  
53 of the retailer's merchandise offered for sale qualifies for the sales tax holiday.  
54 The retailer shall offer a sales tax refund in lieu of the sales tax holiday.]  
55

2           [144.053. 1. As used in this section, "machinery and equipment" means  
3 new or used farm tractors and such other new or used machinery and equipment  
4 and repair or replacement parts thereon, and supplies and lubricants used  
5 exclusively, solely, and directly for the planting, harvesting, processing, or  
6 transporting of a forestry product.

7           2. Notwithstanding any other provision of law to the contrary, for  
8 purposes of department of revenue administrative interpretation, all machinery  
9 and equipment used solely for the planting, harvesting, processing, or  
10 transporting of a forestry product shall be considered farm machinery, and shall  
be exempt from state and local sales and use tax, as provided for other farm

11 machinery in section 144.030. For purposes of the exemption in section 144.063,  
12 the planting, harvesting, processing, or transporting of a forestry product is  
13 deemed an agricultural purpose.]  
14

[144.054. 1. As used in this section, the following terms mean:

2 (1) "Processing", any mode of treatment, act, or series of acts performed  
3 upon materials to transform or reduce them to a different state or thing, including  
4 treatment necessary to maintain or preserve such processing by the producer at  
5 the production facility;

6 (2) "Recovered materials", those materials which have been diverted or  
7 removed from the solid waste stream for sale, use, reuse, or recycling, whether  
8 or not they require subsequent separation and processing.

9 2. In addition to all other exemptions granted under this chapter, there is  
10 hereby specifically exempted from the provisions of sections 144.010 to 144.525  
11 and 144.600 to 144.761, and from the computation of the tax levied, assessed, or  
12 payable under sections 144.010 to 144.525 and 144.600 to 144.761, electrical  
13 energy and gas, whether natural, artificial, or propane, water, coal, and energy  
14 sources, chemicals, machinery, equipment, and materials used or consumed in the  
15 manufacturing, processing, compounding, mining, or producing of any product,  
16 or used or consumed in the processing of recovered materials, or used in research  
17 and development related to manufacturing, processing, compounding, mining,  
18 or producing any product. The exemptions granted in this subsection shall not  
19 apply to local sales taxes as defined in section 32.085 and the provisions of this  
20 subsection shall be in addition to any state and local sales tax exemption provided  
21 in section 144.030.

22 3. In addition to all other exemptions granted under this chapter, there is  
23 hereby specifically exempted from the provisions of sections 144.010 to 144.525  
24 and 144.600 to 144.761, and section 238.235, and the local sales tax law as  
25 defined in section 32.085, and from the computation of the tax levied, assessed,  
26 or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and  
27 section 238.235, and the local sales tax law as defined in section 32.085, all  
28 utilities, machinery, and equipment used or consumed directly in television or  
29 radio broadcasting and all sales and purchases of tangible personal property,  
30 utilities, services, or any other transaction that would otherwise be subject to the  
31 state or local sales or use tax when such sales are made to or purchases are made  
32 by a contractor for use in fulfillment of any obligation under a defense contract  
33 with the United States government, and all sales and leases of tangible personal  
34 property by any county, city, incorporated town, or village, provided such sale or  
35 lease is authorized under chapter 100, and such transaction is certified for sales  
36 tax exemption by the department of economic development, and tangible  
37 personal property used for railroad infrastructure brought into this state for  
38 processing, fabrication, or other modification for use outside the state in the  
39 regular course of business.

40           4. In addition to all other exemptions granted under this chapter, there is  
 41 hereby specifically exempted from the provisions of sections 144.010 to 144.525  
 42 and 144.600 to 144.761, and section 238.235, and the local sales tax law as  
 43 defined in section 32.085, and from the computation of the tax levied, assessed,  
 44 or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and  
 45 section 238.235, and the local sales tax law as defined in section 32.085, all sales  
 46 and purchases of tangible personal property, utilities, services, or any other  
 47 transaction that would otherwise be subject to the state or local sales or use tax  
 48 when such sales are made to or purchases are made by a private partner for use  
 49 in completing a project under sections 227.600 to 227.669.]  
 50

2           [144.057. In addition to the exemptions granted under this chapter, there  
 3 shall also be specifically exempted from state and local sales and use taxes  
 4 defined, levied, or calculated under section 32.085, sections 144.010 to 144.525,  
 5 sections 144.600 to 144.761, or section 238.235, all tangible personal property  
 6 included on the United States munitions list, as provided in 22 CFR 121.1, sold  
 7 to or purchased by any foreign government or agency or instrumentality of such  
 8 foreign government which is used for a governmental purpose.]

2           [144.062. 1. With respect to exempt sales at retail of tangible personal  
 3 property and materials for the purpose of constructing, repairing or remodeling  
 4 facilities for:

5           (1) A county, other political subdivision or instrumentality thereof  
 6 exempt from taxation under subdivision (10) of section 39 of article III of the  
 7 Constitution of Missouri; or

8           (2) An organization sales to which are exempt from taxation under the  
 9 provisions of subdivision (19) of subsection 2 of section 144.030; or

10           (3) Any institution of higher education supported by public funds or any  
 11 private not-for-profit institution of higher education, exempt from taxation under  
 12 subdivision (20) of subsection 2 of section 144.030; or

13           (4) Any private not-for-profit elementary or secondary school exempt  
 14 from taxation under subdivision (22) of subsection 2 of section 144.030; or

15           (5) Any authority exempt from taxation under subdivision (39) of  
 16 subsection 2 of section 144.030; or

17           (6) After June 30, 2007, the department of transportation or the state  
 18 highways and transportation commission; hereinafter collectively referred to as  
 19 exempt entities, such exemptions shall be allowed for such purchases if the  
 20 purchases are related to the entities' exempt functions and activities. In addition,  
 21 the sales shall not be rendered nonexempt nor shall any material supplier or  
 22 contractor be obligated to pay, collect or remit sales tax with respect to such  
 23 purchases made by or on behalf of an exempt entity due to such purchases being  
 24 billed to or paid for by a contractor or the exempt entity contracting with any  
 entity to render any services in relation to such purchases, including but not



25 limited to selection of materials, ordering, pickup, delivery, approval on delivery,  
26 taking of delivery, transportation, storage, assumption of risk of loss to materials  
27 or providing warranties on materials as specified by contract, use of materials or  
28 other purchases for construction of the building or other facility, providing labor,  
29 management services, administrative services, design or technical services or  
30 advice to the exempt entity, whether or not the contractor or other entity exercises  
31 dominion or control in any other manner over the materials in conjunction with  
32 services or labor provided to the exempt entity.

33 2. When any exempt entity contracts for the purpose of constructing,  
34 repairing or remodeling facilities, and purchases of tangible personal property  
35 and materials to be incorporated into or consumed in the construction of the  
36 project are to be made on a tax-exempt basis, such entity shall furnish to the  
37 contractor an exemption certificate authorizing such purchases for the  
38 construction, repair or remodeling project. The form and content of such project  
39 exemption certificate shall be approved by the director of revenue. The project  
40 exemption certificate shall include but not be limited to:

- 41 (1) The exempt entity's name, address, Missouri tax identification  
42 number and signature of authorized representative;  
43 (2) The project location, description, and unique identification number;  
44 (3) The date the contract is entered into, which is the earliest date  
45 materials may be purchased for the project on a tax-exempt basis;  
46 (4) The estimated project completion date; and  
47 (5) The certificate expiration date.

48 Such certificate is renewable for a given project at the option of the  
49 exempt entity, only for the purpose of revising the certificate expiration date as  
50 necessary to complete the project.

51 3. The contractor shall furnish the certificate prescribed in subsection 2  
52 of this section to all subcontractors, and any contractor purchasing materials shall  
53 present such certificate to all material suppliers as authorization to purchase, on  
54 behalf of the exempt entity, all tangible personal property and materials to be  
55 incorporated into or consumed in the construction of that project and no other on  
56 a tax-exempt basis. Such suppliers shall execute to the purchasing contractor  
57 invoices bearing the name of the exempt entity and the project identification  
58 number. Nothing in this section shall be deemed to exempt the purchase of any  
59 construction machinery, equipment or tools used in constructing, repairing or  
60 remodeling facilities for the exempt entity. All invoices for all personal property  
61 and materials purchased under a project exemption certificate shall be retained  
62 by the purchasing contractor for a period of five years and shall be subject to  
63 audit by the director of revenue.

64 4. Any excess resalable tangible personal property or materials which  
65 were purchased for the project by a contractor under a project exemption  
66 certificate but which were not incorporated into or consumed in the construction  
67 of the project shall either be returned to the supplier for credit or the appropriate

68 sales or use tax on such excess property or materials shall be reported on a return  
 69 and paid by such contractor not later than the due date of the contractor's  
 70 Missouri sales or use tax return following the month in which it was determined  
 71 that the materials were not to be used in the project.

72 5. No contractor or material supplier shall, upon audit, be required to pay  
 73 tax on tangible personal property and materials incorporated into or consumed in  
 74 the construction of the project due to the failure of the exempt entity to revise the  
 75 certificate expiration date as necessary to complete any work required by the  
 76 contract. If it is determined that tax is owed on such property and materials due  
 77 to the failure of the exempt entity to revise such certificate expiration date, the  
 78 exempt entity shall be liable for the tax owed.

79 6. If an entity issues exemption certificates for the purchase of tangible  
 80 personal property and materials which are incorporated into or consumed in the  
 81 construction of its project and such entity is found not to have had the authority  
 82 granted by this section to issue such exemption certificates, then such entity shall  
 83 be liable for the tax owed on such personal property and materials. In addition,  
 84 if an entity which does have the authority granted by this section to issue  
 85 exemption certificates issues such certificates for the purchase of tangible  
 86 personal property and materials which are incorporated into or consumed in the  
 87 construction of a project, or part of a project, which is found not to be related to  
 88 such entity's exempt functions and activities, then such entity shall be liable for  
 89 the tax owed on such personal property and materials.]

90 [144.063. In addition to the exemptions granted under this chapter, there  
 2 shall also be specifically exempted from state and local sales and use taxes  
 3 defined, levied, or calculated under section 32.085, sections 144.010 to 144.525,  
 4 sections 144.600 to 144.761, or section 238.235, all sales of fencing materials  
 5 used for agricultural purposes, and the purchase of motor fuel, as defined in  
 6 section 142.800, therefor which is used for agricultural purposes.]

7 [144.064. No sales tax levied under this chapter on any firearms or  
 2 ammunition shall be levied at a rate that is higher than the sales tax levied under  
 3 this chapter or any other excise tax levied on any sporting goods or equipment or  
 4 any hunting equipment.]

5 [144.513. Notwithstanding the provisions of section 144.030 to the  
 2 contrary, sales by institutions of higher education in retail establishments,  
 3 including, but not limited to, those commonly known as bookstores shall be  
 4 subject to sales taxes as provided in this chapter.]

5 [144.517. In addition to the exemptions granted pursuant to section  
 2 144.030, there shall also be exempted from state sales and use taxes all sales of  
 3 textbooks, as defined by section 170.051, when such textbook is purchased by a

4 student who possesses proof of current enrollment at any Missouri public or  
5 private university, college or other postsecondary institution of higher learning  
6 offering a course of study leading to a degree in the liberal arts, humanities or  
7 sciences or in a professional, vocational or technical field, provided that the  
8 books which are exempt from state sales tax are those required or recommended  
9 for a class. Upon request the institution or department must provide at least one  
10 list of textbooks to the bookstore each semester. Alternately, the student may  
11 provide to the bookstore a list from the instructor, department or institution of his  
12 or her required or recommended textbooks. This exemption shall not apply to  
13 any locally imposed sales or use tax.]  
14

2 [144.518. 1. In addition to the exemptions granted pursuant to section  
3 144.030, there is hereby specifically exempted from the provisions of sections  
4 144.010 to 144.525, sections 144.600 to 144.761, sections 190.335 to 190.337,  
5 section 238.235, section 238.236, section 238.410, section 321.242, section  
6 573.505, section 644.032, and any local sales tax law as defined in section  
7 32.085, and from the computation of the tax levied, assessed or payable pursuant  
8 to sections 144.010 to 144.525, sections 144.600 to 144.761, sections 190.335 to  
9 190.337, section 238.235, section 238.236, section 238.410, section 321.242,  
10 section 573.505, section 644.032, and any local sales tax law as defined in section  
11 32.085, coin-operated amusement devices and parts for such devices purchased  
12 prior to September 1, 2007, where sales tax is paid on the gross receipts derived  
13 from the use of such devices.

14 2. Beginning September 1, 2007, in addition to any other exemption  
15 provided by law, there is hereby specifically exempted from the provisions of  
16 sections 144.010 to 144.525, sections 144.600 to 144.761, sections 190.335 to  
17 190.337, section 238.235, section 238.236, section 238.410, section 321.242,  
18 section 573.505, section 644.032, and any local sales tax law as defined in section  
19 32.085, and from the computation of the tax levied, assessed, or payable pursuant  
20 to sections 144.010 to 144.525, sections 144.600 to 144.761, sections 190.335 to  
21 190.337, section 238.235, section 238.236, section 238.410, section 321.242,  
22 section 573.505, section 644.032, and any local sales tax law as defined in section  
23 32.085, amounts paid for the temporary use of a coin-operated amusement  
24 device.

25 3. As used in this section, "coin-operated amusement device" means a  
26 device accepting payment or items representing payments to allow one or more  
27 users temporary use of the device for entertainment or amusement purposes.  
28 Examples of coin-operated amusement devices include, but are not limited to,  
29 video games, pinball games, table games such as billiards and air hockey, and  
30 redemption games such as the claw and skee ball that may award prizes of  
31 tangible personal property.

32 4. In addition to any other exemptions provided by law, there is hereby  
specifically exempted from the provisions of sections 144.010 to 144.525,

33 sections 144.600 to 144.761, sections 190.335 to 190.337, section 238.235,  
 34 section 238.236, section 238.410, section 321.242, section 573.505, section  
 35 644.032, and any local sales tax law as defined in section 32.085, and from the  
 36 computation of the tax levied, assessed, or payable pursuant to sections 144.010  
 37 to 144.525, sections 144.600 to 144.761, sections 190.335 to 190.337, section  
 38 238.235, section 238.236, section 238.410, section 321.242, section 573.505,  
 39 section 644.032, and any local sales tax law as defined in section 32.085, vending  
 40 machines or parts for vending machines used in a commercial vending business  
 41 where sales tax is paid on the gross receipts derived from such vending  
 42 machines.]  
 43

2 [144.526. 1. This section shall be known and may be cited as the "Show  
 Me Green Sales Tax Holiday".

3 2. For purposes of this section, the following terms mean:

4 (1) "Appliance", clothes washers and dryers, water heaters, trash  
 5 compactors, dishwashers, conventional ovens, ranges, stoves, air conditioners,  
 6 furnaces, refrigerators and freezers; and

7 (2) "Energy star certified", any appliance approved by both the United  
 8 States Environmental Protection Agency and the United States Department of  
 9 Energy as eligible to display the energy star label, as amended from time to time.

10 3. In each year beginning on or after January 1, 2009, there is hereby  
 11 specifically exempted from state sales tax law all retail sales of any energy star  
 12 certified new appliance, up to one thousand five hundred dollars per appliance,  
 13 during a seven-day period beginning at 12:01 a.m. on April nineteenth and  
 14 ending at midnight on April twenty-fifth.

15 4. A political subdivision may allow the sales tax holiday under this  
 16 section to apply to its local sales taxes by enacting an ordinance to that effect.  
 17 Any such political subdivision shall notify the department of revenue not less  
 18 than forty-five calendar days prior to the beginning date of the sales tax holiday  
 19 occurring in that year of any such ordinance or order.

20 5. This section may not apply to any retailer when less than two percent  
 21 of the retailer's merchandise offered for sale qualifies for the sales tax holiday.  
 22 The retailer shall offer a sales tax refund in lieu of the sales tax holiday.]  
 23

2 [144.600. This law may be cited as the "Compensating Use Tax Law".]

2 [144.617. 1. For purposes of section 144.440 and sections 144.600 to  
 2 144.745, and the taxes imposed thereby, the definition of "storing", "using" or  
 3 "consuming" shall not be construed to include any of the following:

4 (1) The transfer by one corporation of substantially all of its tangible  
 5 personal property to another corporation pursuant to a merger or consolidation  
 6 effected under the laws of the state of Missouri or any other jurisdiction;

7 (2) The transfer of tangible personal property incident to the liquidation  
 8 or cessation to a taxpayer's trade or business, conducted in proprietorship,  
 9 partnership or corporate form, except to the extent any transfer is made in the  
 10 ordinary course of the taxpayer's trade or business;

11 (3) The transfer of tangible personal property to a corporation solely in  
 12 exchange for its stock or securities;

13 (4) The transfer of tangible personal property to a corporation by a  
 14 shareholder as a contribution to the capital of the transferee corporation;

15 (5) The transfer of tangible personal property to a partnership solely in  
 16 exchange for a partnership interest therein;

17 (6) The transfer of tangible personal property by a partner as a  
 18 contribution to the capital of the transferee partnership;

19 (7) The transfer of tangible personal property by a corporation to one or  
 20 more of its shareholders as a dividend, return of capital, distribution in the partial  
 21 or complete liquidation of the corporation or distribution in redemption of the  
 22 shareholder's interest therein;

23 (8) The transfer of tangible personal property by a partnership to one or  
 24 more of its partners as a current distribution, return of capital or distribution in  
 25 the partial or complete liquidation of the partnership or of the partner's interest  
 26 therein.

27 2. The assumption of liabilities of the transferor by the transferee incident  
 28 to any of the transactions enumerated in subdivisions (1) through (8) of  
 29 subsection 1 of this section, shall not disqualify the transfer from the exclusion  
 30 described herein provided such liability assumption is related to the property  
 31 transferred and, further provided, that the assumption does not have as its  
 32 principal purpose the avoidance of Missouri sales or use tax.]

33  
 2 [144.805. 1. In addition to the exemptions granted pursuant to the  
 3 provisions of section 144.030, there shall also be specifically exempted from the  
 4 provisions of sections 144.010 to 144.525, sections 144.600 to 144.746, and  
 5 section 238.235, and the provisions of any local sales tax law, as defined in  
 6 section 32.085, and from the computation of the tax levied, assessed or payable  
 7 pursuant to sections 144.010 to 144.525, sections 144.600 to 144.746, and  
 8 section 238.235, and the provisions of any local sales tax law, as defined in  
 9 section 32.085, all sales of aviation jet fuel in a given calendar year to common  
 10 carriers engaged in the interstate air transportation of passengers and cargo, and  
 11 the storage, use and consumption of such aviation jet fuel by such common  
 12 carriers, if such common carrier has first paid to the state of Missouri, in  
 13 accordance with the provisions of this chapter, state sales and use taxes pursuant  
 14 to the foregoing provisions and applicable to the purchase, storage, use or  
 15 consumption of such aviation jet fuel in a maximum and aggregate amount of one  
 16 million five hundred thousand dollars of state sales and use taxes in such calendar  
 year.

17                   2. To qualify for the exemption prescribed in subsection 1 of this section,  
 18 the common carrier shall furnish to the seller a certificate in writing to the effect  
 19 that an exemption pursuant to this section is applicable to the aviation jet fuel so  
 20 purchased, stored, used and consumed. The director of revenue shall permit any  
 21 such common carrier to enter into a direct-pay agreement with the department of  
 22 revenue, pursuant to which such common carrier may pay directly to the  
 23 department of revenue any applicable sales and use taxes on such aviation jet fuel  
 24 up to the maximum aggregate amount of one million five hundred thousand  
 25 dollars in each calendar year. The director of revenue shall adopt appropriate  
 26 rules and regulations to implement the provisions of this section, and to permit  
 27 appropriate claims for refunds of any excess sales and use taxes collected in  
 28 calendar year 1993 or any subsequent year with respect to any such common  
 29 carrier and aviation jet fuel.

30                   3. The provisions of this section shall apply to all purchases and  
 31 deliveries of aviation jet fuel from and after May 10, 1993.

32                   4. All sales and use tax revenues upon aviation jet fuel received pursuant  
 33 to this chapter, less the amounts specifically designated pursuant to the  
 34 constitution or pursuant to section 144.701 for other purposes, shall be deposited  
 35 to the credit of the aviation trust fund established pursuant to section 155.090;  
 36 provided however, the amount of such state sales and use tax revenues deposited  
 37 to the credit of such aviation trust fund shall not exceed ten million dollars in  
 38 each calendar year.

39                   5. The provisions of this section and section 144.807 shall expire on  
 40 December 31, 2023.]

41  
 [144.807. 1. In addition to the exemptions granted under the provisions  
 2 of section 144.030, there shall also be specifically exempted from the provisions  
 3 of sections 144.010 to 144.525, 144.600 to 144.748, and section 238.235, and the  
 4 provisions of any local sales tax law, as defined in section 32.085, and from the  
 5 computation of the tax levied, assessed or payable under sections 144.010 to  
 6 144.525, 144.600 to 144.748, and section 238.235, and the provisions of any  
 7 local sales tax law, as defined in section 32.085, the purchase or storage by any  
 8 common carrier engaged in the interstate air transportation of persons and cargo  
 9 of tangible personal property, other than catered food and beverage products  
 10 purchased for in-flight consumption and aviation jet fuel, within the state of  
 11 Missouri, which tangible personal property is purchased or stored in the state of  
 12 Missouri and is subsequently transported out of state by the common carrier and  
 13 is used by the common carrier in the conduct of its business as a common carrier.

14                   2. Any use of the tangible personal property by the common carrier, other  
 15 than that incident to the delivery of the property to the carrier, the storage of the  
 16 property by the carrier pending out-of-state transportation of the property by the  
 17 carrier and the out-of-state transportation of the property by the carrier and  
 18 subsequent use in the conduct of its business as a common carrier, shall subject

19 the common carrier to liability for payment of sales and use tax, as applicable,  
 20 with respect to such property so used by the common carrier in the state of  
 21 Missouri, as if this exemption did not apply.

22 3. To qualify for the exemption under this section, the common carrier  
 23 shall file an election with the department of revenue whereby the common carrier  
 24 will agree to pay the state three hundred thousand dollars annually in equal  
 25 monthly payments, on or before the fifteenth day of each such month, for the  
 26 privilege of this election, and shall further agree that it will maintain records  
 27 documenting the use and transportation of the tangible personal property outside  
 28 the state of Missouri, as required under this section. Once a common carrier  
 29 makes this election, it may furnish its vendors a certificate in writing that it is a  
 30 common carrier qualifying for exemption under this section and can purchase  
 31 tangible personal property free of sales and use taxes. To the extent the  
 32 purchased property is used for its intended purpose in the state of Missouri, the  
 33 carrier shall remit the appropriate tax directly to the department of revenue.]  
 34

2 [144.809. In addition to the exemptions granted pursuant to the  
 3 provisions of section 144.030, there is hereby specifically exempted from the  
 4 provisions of, and the computation of the tax levied, assessed or payable under,  
 5 any state or local sales or use tax, or any increase in any state or local sales or use  
 6 tax rate, which tax or increase was not in effect on December 30, 1987, the sale,  
 7 storage, use or consumption of aviation jet fuel at or upon airports within the  
 8 state of Missouri, which airports are recipients of federal grant funds, have  
 9 submitted applications for or have been approved for federal grant funds, or  
 10 which are otherwise eligible to apply for federal grant funds.]

2 [144.811. 1. In addition to the exemptions granted under the provisions  
 3 of section 144.030, there shall also be specifically exempted from the provisions  
 4 of sections 144.010 to 144.525, sections 144.600 to 144.748, section 238.235,  
 5 and from the provisions of any local sales tax law, as defined in section 32.085,  
 6 and from the computation of the tax levied, assessed or payable under sections  
 7 144.010 to 144.525, sections 144.600 to 144.748, section 238.235, and under any  
 8 local sales tax law, as defined in section 32.085, any equipment purchased by a  
 9 federally licensed commercial or public broadcast station when such equipment  
 10 purchase is made as a result of federal mandate and the technological change that  
 11 results. This exemption does not apply to replacement of equipment necessitated  
 12 by a result of use or equipment replaced due to damage or theft.

12 2. As used in this section, the following terms mean:  
 13 (1) "Broadcast equipment", such equipment as may be necessary for the  
 14 broadcast station to fulfill those obligations as set forth under federal guidelines;  
 15 (2) "Federal mandate", any action of the Congress of the United States  
 16 or any federal regulatory agency having jurisdiction with regard to broadcast  
 17 stations when such action requires broadcasters to alter methods of operation;

18 (3) "Federally licensed broadcast station", any enterprise, either  
 19 commercial or noncommercial, which operates under a license granted by the  
 20 Federal Communications Commission for the purpose of the free distribution of  
 21 audio and/or video services when such distribution occurs by means of  
 22 transmission over the public airwaves;

23 (4) "Technological change", those changes in the design and methods of  
 24 operation of broadcast equipment which would, by virtue of these changes,  
 25 require the implementation and/or installation of replacement equipment and the  
 26 updating of existing equipment.]  
 27

2 [144.815. In addition to the exemptions granted pursuant to the  
 3 provisions of section 144.030, there shall also be specifically exempted from all  
 4 local sales taxes, as defined in section 32.085, and sections 144.010 to 144.510  
 5 and 144.600 to 144.757, and from the computation of the tax levied, assessed or  
 6 payable pursuant to all local sales taxes as defined in section 32.085 and sections  
 7 144.010 to 144.525 and 144.600 to 144.811, purchases of bullion and investment  
 8 coins. For purposes of this section, the following terms shall mean: (1)  
 9 "Bullion", gold, silver, platinum or palladium in a bulk state, where its value  
 10 depends on its content rather than its form, with a purity of not less than nine  
 11 hundred parts per one thousand; and (2) "Investment coins", numismatic coins  
 12 or other forms of money and legal tender manufactured of gold, silver, platinum,  
 13 palladium or metals with a fair market value greater than the face value of the  
 14 coins.]

2 [144.817. In addition to the exemptions granted pursuant to the  
 3 provisions of section 144.030, there shall also be specifically exempted from the  
 4 provisions of the local sales tax law as defined in section 32.085, section  
 5 238.235, and sections 144.010 to 144.525 and 144.600 to 144.745, and from the  
 6 computation of the tax levied, assessed, or payable pursuant to the local sales tax  
 7 law as defined in section 32.085, section 238.235, and sections 144.010 to  
 8 144.525 and 144.600 to 144.761, purchases of any item of tangible personal  
 9 property which is, within one year of such purchase, donated without charge to  
 10 the state of Missouri. The exemption prescribed in this section includes  
 11 purchases of all items of tangible personal property converted into an item  
 donated as a gift to the state of Missouri.]

✓