

FIRST REGULAR SESSION

SENATE BILL NO. 427

96TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR LAMPING.

Read 1st time March 1, 2011, and ordered printed.

TERRY L. SPIELER, Secretary.

1668S.011

AN ACT

To repeal sections 67.1545, 144.011, 144.012, 144.014, 144.030, 144.034, 144.037, 144.038, 144.039, 144.043, 144.044, 144.045, 144.046, 144.054, 144.057, 144.063, 144.155, 144.157, 144.440, 144.450, 144.455, 144.518, 144.600, 144.605, 144.610, 144.613, 144.615, 144.617, 144.620, 144.625, 144.630, 144.635, 144.640, 144.645, 144.650, 144.655, 144.660, 144.665, 144.670, 144.675, 144.690, 144.695, 144.696, 144.700, 144.701, 144.705, 144.710, 144.715, 144.720, 144.725, 144.730, 144.735, 144.740, 144.745, 144.757, 144.759, and 144.761, RSMo, and to enact in lieu thereof nineteen new sections relating to the repeal of the compensating use tax.

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

Section A. Sections 67.1545, 144.011, 144.012, 144.014, 144.030, 144.034, 2 144.037, 144.038, 144.039, 144.043, 144.044, 144.045, 144.046, 144.054, 144.057, 3 144.063, 144.155, 144.157, 144.440, 144.450, 144.455, 144.518, 144.600, 144.605, 4 144.610, 144.613, 144.615, 144.617, 144.620, 144.625, 144.630, 144.635, 144.640, 5 144.645, 144.650, 144.655, 144.660, 144.665, 144.670, 144.675, 144.690, 144.695, 6 144.696, 144.700, 144.701, 144.705, 144.710, 144.715, 144.720, 144.725, 144.730, 7 144.735, 144.740, 144.745, 144.757, 144.759, and 144.761, RSMo, are repealed and 8 nineteen new sections enacted in lieu thereof, to be known as sections 67.1545, 9 144.011, 144.012, 144.014, 144.030, 144.034, 144.037, 144.038, 144.039, 144.043, 10 144.044, 144.045, 144.046, 144.054, 144.057, 144.063, 144.155, 144.157, and 11 144.518, to read as follows:

67.1545. 1. Any district formed as a political subdivision may impose by 2 resolution a district sales [and use] tax on all retail sales made in such district 3 which are subject to taxation pursuant to sections 144.010 to 144.525, except

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

4 sales of motor vehicles, trailers, boats or outboard motors and sales to or by
 5 public utilities and providers of communications, cable, or video services. Any
 6 sales [and use] tax imposed pursuant to this section may be imposed in
 7 increments of one-eighth of one percent, up to a maximum of one percent. Such
 8 district sales [and use] tax may be imposed for any district purpose designated
 9 by the district in its ballot of submission to its qualified voters; except that, no
 10 resolution adopted pursuant to this section shall become effective unless the
 11 board of directors of the district submits to the qualified voters of the district, by
 12 mail-in ballot, a proposal to authorize a sales [and use] tax pursuant to this
 13 section. If a majority of the votes cast by the qualified voters on the proposed
 14 sales tax are in favor of the sales tax, then the resolution is adopted. If a
 15 majority of the votes cast by the qualified voters are opposed to the sales tax,
 16 then the resolution is void.

17 2. The ballot shall be substantially in the following form:

18 Shall the (insert name of district) Community Improvement
 19 District impose a community improvement districtwide sales [and use] tax at the
 20 maximum rate of (insert amount) for a period of (insert
 21 number) years from the date on which such tax is first imposed for the purpose
 22 of providing revenue for (insert general description
 23 of the purpose)?

24 YES NO

25 If you are in favor of the question, place an "X" in the box opposite "YES". If you
 26 are opposed to the question, place an "X" in the box opposite "NO".

27 3. Within ten days after the qualified voters have approved the imposition
 28 of the sales [and use] tax, the district shall, in accordance with section 32.087,
 29 notify the director of the department of revenue. The sales [and use] tax
 30 authorized by this section shall become effective on the first day of the second
 31 calendar quarter after the director of the department of revenue receives notice
 32 of the adoption of such tax.

33 4. The director of the department of revenue shall collect any tax adopted
 34 pursuant to this section pursuant to section 32.087.

35 5. In each district in which a sales [and use] tax is imposed pursuant to
 36 this section, every retailer shall add such additional tax imposed by the district
 37 to such retailer's sale price, and when so added such tax shall constitute a part
 38 of the purchase price, shall be a debt of the purchaser to the retailer until paid
 39 and shall be recoverable at law in the same manner as the purchase price.

40 6. In order to allow retailers to collect and report the sales [and use] tax
41 authorized by this section as well as all other sales [and use] taxes required by
42 law in the simplest and most efficient manner possible, a district may establish
43 appropriate brackets to be used in the district imposing a tax pursuant to this
44 section in lieu of the brackets provided in section 144.285.

45 7. The penalties provided in sections 144.010 to 144.525 shall apply to
46 violations of this section.

47 8. All revenue received by the district from a sales [and use] tax imposed
48 pursuant to this section which is designated for a specific purpose shall be
49 deposited into a special trust fund and expended solely for such purpose. Upon
50 the expiration of any sales [and use] tax adopted pursuant to this section, all
51 funds remaining in the special trust fund shall continue to be used solely for the
52 specific purpose designated in the resolution adopted by the qualified voters. Any
53 funds in such special trust fund which are not needed for current expenditures
54 may be invested by the board of directors pursuant to applicable laws relating to
55 the investment of other district funds.

56 9. A district may repeal by resolution any sales [and use] tax imposed
57 pursuant to this section before the expiration date of such sales [and use] tax
58 unless the repeal of such sales [and use] tax will impair the district's ability to
59 repay any liabilities the district has incurred, moneys the district has borrowed
60 or obligation the district has issued to finance any improvements or services
61 rendered for the district.

62 10. Notwithstanding the provisions of chapter 115, an election for a
63 district sales [and use] tax under this section shall be conducted in accordance
64 with the provisions of this section.

144.011. 1. For purposes of sections 144.010 to 144.525 [and 144.600 to
2 144.748,] and the taxes imposed thereby, the definition of "retail sale" or "sale at
3 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
21 partial or complete liquidation of the corporation or distribution in redemption
22 of the 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
40 items are included in the charge made for such accommodations. Such items
41 shall include, but not be limited to, soap, shampoo, tissue and other toiletries and
42 food 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 a "Repossessed 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 forces
62 of the United States or an auxiliary unit or society of, or a trust or foundation for,
63 any such post or organization substantially all of the members of which are past
64 or present members of the armed forces of the United States or who are cadets,
65 spouses, widows, or widowers of past or present members of the armed forces of
66 the United States, no part of the net earnings of which inures to the benefit of
67 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.

144.012. 1. Notwithstanding any other provision of law to the contrary,
2 any sale of tangible personal property, other than photocopies, cigarettes, cigars,
3 or other tobacco-related products, by a vendor through a vending machine located
4 in the state of Missouri shall be deemed a sale at retail occurring at the location
5 of the vending machine through which the tangible personal property is
6 sold. Such sale by the vendor shall be subject to the provisions of sections 66.600
7 to 66.635, sections 67.500 to 67.545, 67.547, 67.548, 67.550 to 67.580, 67.581,
8 67.582, 67.590 to 67.596, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739,
9 67.782, sections 92.400 to 92.420, sections 94.500 to 94.570, 94.577, 94.600 to
10 94.655, 94.700 to 94.755, **and** sections 144.010 to 144.510[, and 144.600 to

11 144.745]. For the purpose of transactions covered under this section, "gross
12 receipts" means the net invoice price of the property vended during the reporting
13 period multiplied by one hundred thirty-five percent. All local sales taxes shall
14 be based on the location of the vending machines from which the tangible
15 personal property is sold.

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

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

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

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

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

27 4. In addition to the exemptions granted under the provisions of section
28 144.030, there is hereby specifically exempted from the provisions of sections
29 66.600 to 66.635, sections 67.500 to 67.545, 67.547, 67.548, 67.550 to 67.580,
30 67.581, 67.582, 67.590 to 67.596, 67.671 to 67.685, 67.700 to 67.729, 67.730 to
31 67.739, 67.782, sections 92.400 to 92.420, sections 94.500 to 94.570, 94.577,
32 94.600 to 94.655, 94.700 to 94.755, **and** sections 144.010 to 144.510, [and 144.600
33 to 144.745,] and from computation of the tax levied, assessed or payable under
34 sections 66.600 to 66.635, sections 67.500 to 67.545, 67.547, 67.548, 67.550 to
35 67.580, 67.581, 67.582, 67.590 to 67.596, 67.671 to 67.685, 67.700 to 67.729,
36 67.730 to 67.739, 67.782, sections 92.400 to 92.420, sections 94.500 to 94.570,
37 94.577, 94.600 to 94.655, 94.700 to 94.755, **and** sections 144.010 to 144.510, [and
38 144.600 to 144.745,] all sales by a vendor of tangible personal property from
39 vending machines located on the premises of any organization, institution or
40 school whose sales are exempt under subdivision (19) of subsection 2 of section
41 144.030.

144.014. 1. Notwithstanding other provisions of law to the contrary,
2 beginning October 1, 1997, 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
4 shall be at the rate of one percent. The revenue derived from the one percent
5 rate pursuant to this section shall be deposited by the state treasurer in the

6 school district trust fund and shall be distributed as provided in section 144.701.

7 2. For the purposes of this section, the term "food" shall include only those
8 products and types of food for which food stamps may be redeemed pursuant to
9 the provisions of the Federal Food Stamp Program as contained in 7 U.S.C.
10 Section 2012, as that section now reads or as it may be amended hereafter, and
11 shall include food dispensed by or through vending machines. For the purpose
12 of this section, except for vending machine sales, the term "food" shall not include
13 food or drink sold by any establishment where the gross receipts derived from the
14 sale of food prepared by such establishment for immediate consumption on or off
15 the premises of the establishment constitutes more than eighty percent of the
16 total gross receipts of that establishment, regardless of whether such prepared
17 food is consumed on the premises of that establishment, including, but not limited
18 to, sales of food by any restaurant, fast food restaurant, delicatessen, eating
19 house, or café.

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

10 2. There are also specifically exempted from the provisions of the local
11 sales tax law as defined in section 32.085, section 238.235, and sections 144.010
12 to 144.525 [and 144.600 to 144.761] and from the computation of the tax levied,
13 assessed or payable pursuant to the local sales tax law as defined in section
14 32.085, section 238.235, and sections 144.010 to 144.525 [and 144.600 to 144.745]:

15 (1) Motor fuel or special fuel subject to an excise tax of this state, unless
16 all or part of such excise tax is refunded pursuant to section 142.824; or upon the
17 sale at retail of fuel to be consumed in manufacturing or creating gas, power,
18 steam, electrical current or in furnishing water to be sold ultimately at retail; or
19 feed for livestock or poultry; or grain to be converted into foodstuffs which are to
20 be sold ultimately in processed form at retail; or seed, limestone or fertilizer
21 which is to be used for seeding, liming or fertilizing crops which when harvested
22 will be sold at retail or will be fed to livestock or poultry to be sold ultimately in

23 processed form at retail; economic poisons registered pursuant to the provisions
24 of the Missouri pesticide registration law (sections 281.220 to 281.310) which are
25 to be used in connection with the growth or production of crops, fruit trees or
26 orchards applied before, during, or after planting, the crop of which when
27 harvested will be sold at retail or will be converted into foodstuffs which are to
28 be sold ultimately in processed form at retail;

29 (2) Materials, manufactured goods, machinery and parts which when used
30 in manufacturing, processing, compounding, mining, producing or fabricating
31 become a component part or ingredient of the new personal property resulting
32 from such manufacturing, processing, compounding, mining, producing or
33 fabricating and which new personal property is intended to be sold ultimately for
34 final use or consumption; and materials, including without limitation, gases and
35 manufactured goods, including without limitation slagging materials and
36 firebrick, which are ultimately consumed in the manufacturing process by
37 blending, reacting or interacting with or by becoming, in whole or in part,
38 component parts or ingredients of steel products intended to be sold ultimately
39 for final use or consumption;

40 (3) Materials, replacement parts and equipment purchased for use directly
41 upon, and for the repair and maintenance or manufacture of, motor vehicles,
42 watercraft, railroad rolling stock or aircraft engaged as common carriers of
43 persons or property;

44 (4) Replacement machinery, equipment, and parts and the materials and
45 supplies solely required for the installation or construction of such replacement
46 machinery, equipment, and parts, used directly in manufacturing, mining,
47 fabricating or producing a product which is intended to be sold ultimately for
48 final use or consumption; and machinery and equipment, and the materials and
49 supplies required solely for the operation, installation or construction of such
50 machinery and equipment, purchased and used to establish new, or to replace or
51 expand existing, material recovery processing plants in this state. For the
52 purposes of this subdivision, a "material recovery processing plant" means a
53 facility that has as its primary purpose the recovery of materials into a useable
54 product or a different form which is used in producing a new product and shall
55 include a facility or equipment which are used exclusively for the collection of
56 recovered materials for delivery to a material recovery processing plant but shall
57 not include motor vehicles used on highways. For purposes of this section, the
58 terms motor vehicle and highway shall have the same meaning pursuant to

59 section 301.010. Material recovery is not the reuse of materials within a
60 manufacturing process or the use of a product previously recovered. The material
61 recovery processing plant shall qualify under the provisions of this section
62 regardless of ownership of the material being recovered;

63 (5) Machinery and equipment, and parts and the materials and supplies
64 solely required for the installation or construction of such machinery and
65 equipment, purchased and used to establish new or to expand existing
66 manufacturing, mining or fabricating plants in the state if such machinery and
67 equipment is used directly in manufacturing, mining or fabricating a product
68 which is intended to be sold ultimately for final use or consumption;

69 (6) Tangible personal property which is used exclusively in the
70 manufacturing, processing, modification or assembling of products sold to the
71 United States government or to any agency of the United States government;

72 (7) Animals or poultry used for breeding or feeding purposes;

73 (8) Newsprint, ink, computers, photosensitive paper and film, toner,
74 printing plates and other machinery, equipment, replacement parts and supplies
75 used in producing newspapers published for dissemination of news to the general
76 public;

77 (9) The rentals of films, records or any type of sound or picture
78 transcriptions for public commercial display;

79 (10) Pumping machinery and equipment used to propel products delivered
80 by pipelines engaged as common carriers;

81 (11) Railroad rolling stock for use in transporting persons or property in
82 interstate commerce and motor vehicles licensed for a gross weight of twenty-four
83 thousand pounds or more or trailers used by common carriers, as defined in
84 section 390.020, in the transportation of persons or property;

85 (12) Electrical energy used in the actual primary manufacture, processing,
86 compounding, mining or producing of a product, or electrical energy used in the
87 actual secondary processing or fabricating of the product, or a material recovery
88 processing plant as defined in subdivision (4) of this subsection, in facilities
89 owned or leased by the taxpayer, if the total cost of electrical energy so used
90 exceeds ten percent of the total cost of production, either primary or secondary,
91 exclusive of the cost of electrical energy so used or if the raw materials used in
92 such processing contain at least twenty-five percent recovered materials as
93 defined in section 260.200. There shall be a rebuttable presumption that the raw
94 materials used in the primary manufacture of automobiles contain at least

95 twenty-five percent recovered materials. For purposes of this subdivision,
96 "processing" means any mode of treatment, act or series of acts performed upon
97 materials to transform and reduce them to a different state or thing, including
98 treatment necessary to maintain or preserve such processing by the producer at
99 the production facility;

100 (13) Anodes which are used or consumed in manufacturing, processing,
101 compounding, mining, producing or fabricating and which have a useful life of
102 less than one year;

103 (14) Machinery, equipment, appliances and devices purchased or leased
104 and used solely for the purpose of preventing, abating or monitoring air pollution,
105 and materials and supplies solely required for the installation, construction or
106 reconstruction of such machinery, equipment, appliances and devices;

107 (15) Machinery, equipment, appliances and devices purchased or leased
108 and used solely for the purpose of preventing, abating or monitoring water
109 pollution, and materials and supplies solely required for the installation,
110 construction or reconstruction of such machinery, equipment, appliances and
111 devices;

112 (16) Tangible personal property purchased by a rural water district;

113 (17) All amounts paid or charged for admission or participation or other
114 fees paid by or other charges to individuals in or for any place of amusement,
115 entertainment or recreation, games or athletic events, including museums, fairs,
116 zoos and planetariums, owned or operated by a municipality or other political
117 subdivision where all the proceeds derived therefrom benefit the municipality or
118 other political subdivision and do not inure to any private person, firm, or
119 corporation;

120 (18) All sales of insulin and prosthetic or orthopedic devices as defined on
121 January 1, 1980, by the federal Medicare program pursuant to Title XVIII of the
122 Social Security Act of 1965, including the items specified in Section 1862(a)(12)
123 of that act, and also specifically including hearing aids and hearing aid supplies
124 and all sales of drugs which may be legally dispensed by a licensed pharmacist
125 only upon a lawful prescription of a practitioner licensed to administer those
126 items, including samples and materials used to manufacture samples which may
127 be dispensed by a practitioner authorized to dispense such samples and all sales
128 of medical oxygen, home respiratory equipment and accessories, hospital beds and
129 accessories and ambulatory aids, all sales of manual and powered wheelchairs,
130 stairway lifts, Braille writers, electronic Braille equipment and, if purchased by

131 or on behalf of a person with one or more physical or mental disabilities to enable
132 them to function more independently, all sales of scooters, reading machines,
133 electronic print enlargers and magnifiers, electronic alternative and augmentative
134 communication devices, and items used solely to modify motor vehicles to permit
135 the use of such motor vehicles by individuals with disabilities or sales of
136 over-the-counter or nonprescription drugs to individuals with disabilities;

137 (19) All sales made by or to religious and charitable organizations and
138 institutions in their religious, charitable or educational functions and activities
139 and all sales made by or to all elementary and secondary schools operated at
140 public expense in their educational functions and activities;

141 (20) All sales of aircraft to common carriers for storage or for use in
142 interstate commerce and all sales made by or to not-for-profit civic, social, service
143 or fraternal organizations, including fraternal organizations which have been
144 declared tax-exempt organizations pursuant to Section 501(c)(8) or (10) of the
145 1986 Internal Revenue Code, as amended, in their civic or charitable functions
146 and activities and all sales made to eleemosynary and penal institutions and
147 industries of the state, and all sales made to any private not-for-profit institution
148 of higher education not otherwise excluded pursuant to subdivision (19) of this
149 subsection or any institution of higher education supported by public funds, and
150 all sales made to a state relief agency in the exercise of relief functions and
151 activities;

152 (21) All ticket sales made by benevolent, scientific and educational
153 associations which are formed to foster, encourage, and promote progress and
154 improvement in the science of agriculture and in the raising and breeding of
155 animals, and by nonprofit summer theater organizations if such organizations are
156 exempt from federal tax pursuant to the provisions of the Internal Revenue Code
157 and all admission charges and entry fees to the Missouri state fair or any fair
158 conducted by a county agricultural and mechanical society organized and
159 operated pursuant to sections 262.290 to 262.530;

160 (22) All sales made to any private not-for-profit elementary or secondary
161 school, all sales of feed additives, medications or vaccines administered to
162 livestock or poultry in the production of food or fiber, all sales of pesticides used
163 in the production of crops, livestock or poultry for food or fiber, all sales of
164 bedding used in the production of livestock or poultry for food or fiber, all sales
165 of propane or natural gas, electricity or diesel fuel used exclusively for drying
166 agricultural crops, natural gas used in the primary manufacture or processing of

167 fuel ethanol as defined in section 142.028, natural gas, propane, and electricity
168 used by an eligible new generation cooperative or an eligible new generation
169 processing entity as defined in section 348.432, and all sales of farm machinery
170 and equipment, other than airplanes, motor vehicles and trailers. As used in this
171 subdivision, the term "feed additives" means tangible personal property which,
172 when mixed with feed for livestock or poultry, is to be used in the feeding of
173 livestock or poultry. As used in this subdivision, the term "pesticides" includes
174 adjuvants such as crop oils, surfactants, wetting agents and other assorted
175 pesticide carriers used to improve or enhance the effect of a pesticide and the
176 foam used to mark the application of pesticides and herbicides for the production
177 of crops, livestock or poultry. As used in this subdivision, the term "farm
178 machinery and equipment" means new or used farm tractors and such other new
179 or used farm machinery and equipment and repair or replacement parts thereon,
180 and supplies and lubricants used exclusively, solely, and directly for producing
181 crops, raising and feeding livestock, fish, poultry, pheasants, chukar, quail, or for
182 producing milk for ultimate sale at retail, including field drain tile, and one-half
183 of each purchaser's purchase of diesel fuel therefor which is:

184 (a) Used exclusively for agricultural purposes;

185 (b) Used on land owned or leased for the purpose of producing farm
186 products; and

187 (c) Used directly in producing farm products to be sold ultimately in
188 processed form or otherwise at retail or in producing farm products to be fed to
189 livestock or poultry to be sold ultimately in processed form at retail;

190 (23) Except as otherwise provided in section 144.032, all sales of metered
191 water service, electricity, electrical current, natural, artificial or propane gas,
192 wood, coal or home heating oil for domestic use and in any city not within a
193 county, all sales of metered or unmetered water service for domestic use:

194 (a) "Domestic use" means that portion of metered water service,
195 electricity, electrical current, natural, artificial or propane gas, wood, coal or
196 home heating oil, and in any city not within a county, metered or unmetered
197 water service, which an individual occupant of a residential premises uses for
198 nonbusiness, noncommercial or nonindustrial purposes. Utility service through
199 a single or master meter for residential apartments or condominiums, including
200 service for common areas and facilities and vacant units, shall be deemed to be
201 for domestic use. Each seller shall establish and maintain a system whereby
202 individual purchases are determined as exempt or nonexempt;

203 (b) Regulated utility sellers shall determine whether individual purchases
204 are exempt or nonexempt based upon the seller's utility service rate
205 classifications as contained in tariffs on file with and approved by the Missouri
206 public service commission. Sales and purchases made pursuant to the rate
207 classification "residential" and sales to and purchases made by or on behalf of the
208 occupants of residential apartments or condominiums through a single or master
209 meter, including service for common areas and facilities and vacant units, shall
210 be considered as sales made for domestic use and such sales shall be exempt from
211 sales tax. Sellers shall charge sales tax upon the entire amount of purchases
212 classified as nondomestic use. The seller's utility service rate classification and
213 the provision of service thereunder shall be conclusive as to whether or not the
214 utility must charge sales tax;

215 (c) Each person making domestic use purchases of services or property
216 and who uses any portion of the services or property so purchased for a
217 nondomestic use shall, by the fifteenth day of the fourth month following the year
218 of purchase, and without assessment, notice or demand, file a return and pay
219 sales tax on that portion of nondomestic purchases. Each person making
220 nondomestic purchases of services or property and who uses any portion of the
221 services or property so purchased for domestic use, and each person making
222 domestic purchases on behalf of occupants of residential apartments or
223 condominiums through a single or master meter, including service for common
224 areas and facilities and vacant units, under a nonresidential utility service rate
225 classification may, between the first day of the first month and the fifteenth day
226 of the fourth month following the year of purchase, apply for credit or refund to
227 the director of revenue and the director shall give credit or make refund for taxes
228 paid on the domestic use portion of the purchase. The person making such
229 purchases on behalf of occupants of residential apartments or condominiums shall
230 have standing to apply to the director of revenue for such credit or refund;

231 (24) All sales of handicraft items made by the seller or the seller's spouse
232 if the seller or the seller's spouse is at least sixty-five years of age, and if the total
233 gross proceeds from such sales do not constitute a majority of the annual gross
234 income of the seller;

235 (25) Excise taxes, collected on sales at retail, imposed by Sections 4041,
236 4061, 4071, 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United
237 States Code. The director of revenue shall promulgate rules pursuant to chapter
238 536 to eliminate all state and local sales taxes on such excise taxes;

239 (26) Sales of fuel consumed or used in the operation of ships, barges, or
240 waterborne vessels which are used primarily in or for the transportation of
241 property or cargo, or the conveyance of persons for hire, on navigable rivers
242 bordering on or located in part in this state, if such fuel is delivered by the seller
243 to the purchaser's barge, ship, or waterborne vessel while it is afloat upon such
244 river;

245 (27) All sales made to an interstate compact agency created pursuant to
246 sections 70.370 to 70.441 or sections 238.010 to 238.100 in the exercise of the
247 functions and activities of such agency as provided pursuant to the compact;

248 (28) Computers, computer software and computer security systems
249 purchased for use by architectural or engineering firms headquartered in this
250 state. For the purposes of this subdivision, "headquartered in this state" means
251 the office for the administrative management of at least four integrated facilities
252 operated by the taxpayer is located in the state of Missouri;

253 (29) All livestock sales when either the seller is engaged in the growing,
254 producing or feeding of such livestock, or the seller is engaged in the business of
255 buying and selling, bartering or leasing of such livestock;

256 (30) All sales of barges which are to be used primarily in the
257 transportation of property or cargo on interstate waterways;

258 (31) Electrical energy or gas, whether natural, artificial or propane, water,
259 or other utilities which are ultimately consumed in connection with the
260 manufacturing of cellular glass products or in any material recovery processing
261 plant as defined in subdivision (4) of this subsection;

262 (32) Notwithstanding other provisions of law to the contrary, all sales of
263 pesticides or herbicides used in the production of crops, aquaculture, livestock or
264 poultry;

265 (33) Tangible personal property and utilities purchased for use or
266 consumption directly or exclusively in the research and development of
267 agricultural/biotechnology and plant genomics products and prescription
268 pharmaceuticals consumed by humans or animals;

269 (34) All sales of grain bins for storage of grain for resale;

270 (35) All sales of feed which are developed for and used in the feeding of
271 pets owned by a commercial breeder when such sales are made to a commercial
272 breeder, as defined in section 273.325, and licensed pursuant to sections 273.325
273 to 273.357;

274 (36) All purchases by a contractor on behalf of an entity located in another

275 state, provided that the entity is authorized to issue a certificate of exemption for
276 purchases to a contractor under the provisions of that state's laws. For purposes
277 of this subdivision, the term "certificate of exemption" shall mean any document
278 evidencing that the entity is exempt from sales and use taxes on purchases
279 pursuant to the laws of the state in which the entity is located. Any contractor
280 making purchases on behalf of such entity shall maintain a copy of the entity's
281 exemption certificate as evidence of the exemption. If the exemption certificate
282 issued by the exempt entity to the contractor is later determined by the director
283 of revenue to be invalid for any reason and the contractor has accepted the
284 certificate in good faith, neither the contractor or the exempt entity shall be liable
285 for the payment of any taxes, interest and penalty due as the result of use of the
286 invalid exemption certificate. Materials shall be exempt from all state and local
287 sales and use taxes when purchased by a contractor for the purpose of fabricating
288 tangible personal property which is used in fulfilling a contract for the purpose
289 of constructing, repairing or remodeling facilities for the following:

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

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

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

300 (38) Sales of tickets to any collegiate athletic championship event that is
301 held in a facility owned or operated by a governmental authority or commission,
302 a quasi-governmental agency, a state university or college or by the state or any
303 political subdivision thereof, including a municipality, and that is played on a
304 neutral site and may reasonably be played at a site located outside the state of
305 Missouri. For purposes of this subdivision, "neutral site" means any site that is
306 not located on the campus of a conference member institution participating in the
307 event;

308 (39) All purchases by a sports complex authority created under section
309 64.920, and all sales of utilities by such authority at the authority's cost that are
310 consumed in connection with the operation of a sports complex leased to a

311 professional sports team;

312 (40) Beginning January 1, 2009, but not after January 1, 2015, materials,
313 replacement parts, and equipment purchased for use directly upon, and for the
314 modification, replacement, repair, and maintenance of aircraft, aircraft power
315 plants, and aircraft accessories;

316 (41) Sales of sporting clays, wobble, skeet, and trap targets to any
317 shooting range or similar places of business for use in the normal course of
318 business and money received by a shooting range or similar places of business
319 from patrons and held by a shooting range or similar place of business for
320 redistribution to patrons at the conclusion of a shooting event.

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

144.037. In addition to the exemptions granted under the provisions of
2 section 144.030, there is hereby specifically exempted from the provisions of
3 sections 66.600 to 66.635, sections 67.500 to 67.545, sections 67.671 to 67.685,
4 sections 67.700 to 67.729, sections 92.400 to 92.420, sections 94.500 to 94.570,
5 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, and
10 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.

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

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

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

2 (1) "Light aircraft", a light airplane that seats no more than four persons,
3 with a gross weight of three thousand pounds or less, which is primarily used for
4 recreational flying or flight training;

5 (2) "Light aircraft kit", factory manufactured parts and components,
6 including engine, propeller, instruments, wheels, brakes, and air frame parts
7 which make up a complete aircraft kit or partial kit designed to be assembled into
8 a light aircraft and then operated by a qualified purchaser for recreational and
9 educational purposes;

10 (3) "Parts and components", manufactured light aircraft parts, including
11 air frame and engine parts, that are required by the qualified purchaser to

12 complete a light aircraft kit, or spare or replacement parts for an already
13 completed light aircraft;

14 (4) "Qualified purchaser", a purchaser of a light aircraft, light aircraft kit,
15 parts or components who is nonresident of this state, who will transport the light
16 aircraft, light aircraft kit, parts or components outside this state within ten days
17 after the date of purchase, and who will register any light aircraft so purchased
18 in another state or country. Such purchaser shall not base such aircraft in this
19 state and such purchaser shall not be a resident of the state unless such
20 purchaser has paid sales or use tax on such aircraft in another state.

21 2. In addition to the exemptions granted under the provisions of section
22 144.030, there shall also be specifically exempted from the provisions of sections
23 144.010 to 144.525, [sections 144.600 to 144.748,] **and** section 238.235, and from
24 the provisions of any local sales tax law, as defined in section 32.085, and from
25 the computation of the tax levied, assessed or payable under sections 144.010 to
26 144.525[, sections 144.600 to 144.748,] **and** section 238.235, and under any local
27 sales tax law, as defined in section 32.085, all sales of new light aircraft, light
28 aircraft kits, parts or components manufactured or substantially completed within
29 this state, when such new light aircraft, light aircraft kits, parts or components
30 are sold by the manufacturer to a qualified purchaser. The director of revenue
31 shall prescribe the manner for a purchaser of a light aircraft, light aircraft kit,
32 parts or components to establish that such person is a qualified purchaser and
33 is eligible for the exemption established in this section.

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

2 (1) "Sale of a modular unit", a transfer of a modular unit as defined in
3 section 700.010;

4 (2) "Sale of a new manufactured home", a transfer of a manufactured
5 home, as defined in section 700.010, which involves the delivery of the document
6 known as the manufacturer's statement of origin to a person other than a
7 manufactured home dealer, as dealer is defined in section 700.010, for purposes
8 of allowing such person to obtain a title to the manufactured home from the
9 department of revenue of this state or the appropriate agency or officer of any
10 other state.

11 2. In the event of the sale of a new manufactured home, forty percent of
12 the purchase price, as defined in section 700.320, shall be considered the sale of
13 a service and not the sale of tangible personal property. In addition to the
14 exemptions granted under the provisions of section 144.030, the sale of services

15 as defined in this section shall be specifically exempted from the provisions of
16 sections 238.235 and 238.410, the local sales tax law as defined in section
17 32.085[,] **and** sections 144.010 to 144.525 [and 144.600 to 144.745], and from the
18 computation of the tax levied, assessed or payable under sections 238.235 and
19 238.410, the local sales tax law as defined in section 32.085, sections 144.010 to
20 144.525 [and 144.600 to 144.745], and section 238.235.

21 3. In the event of the sale of a new modular unit, forty percent of the
22 retail sale of the unit or forty percent of the manufacturer's sales price of the unit
23 if the manufacturer makes a sale to a consumer that is not a retail sale, plus any
24 carrier charge and freight charges shall be considered the sale of a service and
25 sixty percent shall be the retail sale of tangible personal property. In addition
26 to the exemptions granted under the provisions of section 144.030, the sale of
27 services as defined in this section shall be specifically exempted from the
28 provisions of sections 238.235 and 238.410, the local sales tax law as defined in
29 section 32.085, **and** sections 144.010 to 144.525 [and 144.600 to 144.745], and
30 from the computation of the tax levied, assessed, or payable under sections
31 238.235 and 238.410, the local sales tax law as defined in section 32.085, sections
32 144.010 to 144.525 [and 144.600 to 144.745], and section 238.235.

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

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

19 item, and all copies of any such item, which are prepared by a court reporter.

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

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,
4 including treatment necessary to maintain or preserve such processing by the
5 producer at 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
10 is 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,
12 or 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, or
16 used or consumed in the processing of recovered materials, or used in research
17 and development related to manufacturing, processing, compounding, mining, or
18 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
21 provided in section 144.030.

22 3. In addition to all other exemptions granted under this chapter, there
23 is 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 personal
37 property used for railroad infrastructure brought into this state for processing,
38 fabrication, or other modification for use outside the state in the regular course
39 of business.

40 4. In addition to all other exemptions granted under this chapter, there
41 is 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.

144.057. 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 tangible personal property
5 included on the United States munitions list, as provided in 22 CFR 121.1, sold
6 to or purchased by any foreign government or agency or instrumentality of such
7 foreign government which is used for a governmental purpose.

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.

144.155. 1. The liability at law or in equity of a transferee of property of
2 a taxpayer for any tax, addition to tax, penalty or interest due under sections
3 144.010 to 144.510 [and 144.600 to 144.745,] shall be assessed, paid and collected
4 in the same manner and subject to the same provisions and limitations as in the
5 case of the tax to which the liability relates except as hereinafter provided in this
6 section. The term "transferee" includes donee, heir, legatee, devisee and
7 distributee.

8 2. In the case of the liability of an initial transferee, the period of
9 limitation for assessment of any liability expires one year after the expiration of
10 the period of limitation against the transferor; in the case of the liability of a
11 transferee of a transferee, it expires one year after the expiration of the period
12 of limitation against the preceding transferee, but not more than three years after
13 the expiration of the period of limitation for assessment against the original
14 transferor.

15 3. If, before the expiration of the time provided in this section for the
16 assessment of the liability, the director of revenue and the transferee have
17 consented in writing to its assessment after such time, the liability may be
18 assessed at any time prior to the expiration of the period agreed upon or an
19 extension thereof.

20 4. If any person is deceased, the period of limitation for assessment
21 against such person shall be the period that would be in effect had death not
22 occurred.

144.157. 1. Any person required to collect, truthfully account for and pay
2 over any tax imposed by sections 67.1170 to 67.1180, sections 94.800 to 94.825,
3 and sections 144.010 to 144.525 [and 144.600 to 144.745] who willfully fails to
4 collect such tax or truthfully account for and pay over such tax or willfully
5 attempts in any manner to evade or defeat the tax or the payment thereof, or who
6 shall willfully and knowingly overcharge or overcollect such tax with intent to
7 make claim to any such overcharged or overcollected amounts under section
8 144.190, shall, in addition to other penalties provided by law, be liable to a
9 penalty equal to the total amount of the tax evaded, or not collected, or not
10 accounted for and paid over, or overcharged or overcollected.

11 2. For purposes of this section, the term "person" includes an individual

12 or an officer or employee of any corporation, including an administratively
13 dissolved corporation or a foreign corporation that has had its certificate of
14 authority revoked, or a member or employee of any partnership, who, as such
15 officer, employee or member, is under a duty to perform the act in respect of
16 which the violation occurs.

17 3. Any officers, directors, or statutory trustees of any corporation,
18 including administratively dissolved corporations or foreign corporations that
19 have had their certificate of authority revoked, subject to the provisions of
20 sections 144.010 to 144.745, who has the direct control, supervision or
21 responsibility for filing returns and making payment of the amount of tax
22 imposed in accordance with sections 144.010 to 144.745, and who fails to file such
23 return or make payment of all taxes due with the director of revenue shall be
24 personally assessed for such amounts, including interest, additions to tax and
25 penalties thereon. This assessment shall be imposed only in the event that the
26 assessment on the corporation is final, and such corporation fails to pay such
27 amounts to the director of revenue. Notice shall be given of the director of
28 revenue's intent to make the assessment against such officers, directors, statutory
29 trustees or employees. The personal liability of such officers, directors, statutory
30 trustees or employees as provided in this section shall survive the administrative
31 dissolution of the corporation or, if a foreign corporation, the revocation of the
32 corporation's certificate of authority.

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

13 2. Beginning September 1, 2007, in addition to any other exemption
14 provided by law, there is hereby specifically exempted from the provisions of
15 sections 144.010 to 144.525, [sections 144.600 to 144.761,] sections 190.335 to

16 190.337, section 238.235, section 238.236, section 238.410, section 321.242, section
17 573.505, section 644.032, and any local sales tax law as defined in section 32.085,
18 and from the computation of the tax levied, assessed, or payable pursuant to
19 sections 144.010 to 144.525, [sections 144.600 to 144.761,] sections 190.335 to
20 190.337, section 238.235, section 238.236, section 238.410, section 321.242, section
21 573.505, section 644.032, and any local sales tax law as defined in section 32.085,
22 amounts paid for the temporary use of a coin-operated amusement device.

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

30 4. In addition to any other exemptions provided by law, there is hereby
31 specifically exempted from the provisions of sections 144.010 to 144.525, [sections
32 144.600 to 144.761,] sections 190.335 to 190.337, section 238.235, section 238.236,
33 section 238.410, section 321.242, section 573.505, section 644.032, and any local
34 sales tax law as defined in section 32.085, and from the computation of the tax
35 levied, assessed, or payable pursuant to sections 144.010 to 144.525, [sections
36 144.600 to 144.761,] sections 190.335 to 190.337, section 238.235, section 238.236,
37 section 238.410, section 321.242, section 573.505, section 644.032, and any local
38 sales tax law as defined in section 32.085, vending machines or parts for vending
39 machines used in a commercial vending business where sales tax is paid on the
40 gross receipts derived from such vending machines.

[144.440. 1. In addition to all other taxes now or hereafter
2 levied and imposed upon every person for the privilege of using the
3 highways or waterways of this state, there is hereby levied and
4 imposed a tax equivalent to four percent of the purchase price, as
5 defined in section 144.070, which is paid or charged on new and
6 used motor vehicles, trailers, boats, and outboard motors purchased
7 or acquired for use on the highways or waters of this state which
8 are required to be registered under the laws of the state of
9 Missouri.

10 2. At the time the owner of any such motor vehicle, trailer,
11 boat, or outboard motor makes application to the director of

12 revenue for an official certificate of title and the registration of the
13 same as otherwise provided by law, he shall present to the director
14 of revenue evidence satisfactory to the director showing the
15 purchase price paid by or charged to the applicant in the
16 acquisition of the motor vehicle, trailer, boat, or outboard motor, or
17 that the motor vehicle, trailer, boat, or outboard motor is not
18 subject to the tax herein provided and, if the motor vehicle, trailer,
19 boat, or outboard motor is subject to the tax herein provided, the
20 applicant shall pay or cause to be paid to the director of revenue
21 the tax provided herein.

22 3. In the event that the purchase price is unknown or
23 undisclosed, or that the evidence thereof is not satisfactory to the
24 director of revenue, the same shall be fixed by appraisalment by the
25 director.

26 4. No certificate of title shall be issued for such motor
27 vehicle, trailer, boat, or outboard motor unless the tax for the
28 privilege of using the highways or waters of this state has been
29 paid or the vehicle, trailer, boat, or outboard motor is registered
30 under the provisions of subsection 5 of this section.

31 5. The owner of any motor vehicle, trailer, boat, or outboard
32 motor which is to be used exclusively for rental or lease purposes
33 may pay the tax due thereon required in section 144.020 at the
34 time of registration or in lieu thereof may pay a use tax as
35 provided in sections 144.010, 144.020, 144.070 and 144.440. A use
36 tax shall be charged and paid on the amount charged for each
37 rental or lease agreement while the motor vehicle, trailer, boat, or
38 outboard motor is domiciled in the state. If the owner elects to pay
39 upon each rental or lease, he shall make an affidavit to that effect
40 in such form as the director of revenue shall require and shall
41 remit the tax due at such times as the director of revenue shall
42 require.

43 6. In the event that any leasing company which rents or
44 leases motor vehicles, trailers, boats, or outboard motors elects to
45 collect a use tax, all of its lease receipt would be subject to the use
46 tax, regardless of whether or not the leasing company previously
47 paid a sales tax when the vehicle, trailer, boat, or outboard motor

48 was originally purchased.

49 7. The provisions of this section, and the tax imposed by
50 this section, shall not apply to manufactured homes.]

[144.450. In order to avoid double taxation under the
2 provisions of sections 144.010 to 144.510, any person who
3 purchases a motor vehicle, trailer, manufactured home, boat, or
4 outboard motor in any other state and seeks to register or obtain
5 a certificate of title for it in this state shall be credited with the
6 amount of any sales tax or use tax shown to have been previously
7 paid by him on the purchase price of such motor vehicle, trailer,
8 boat, or outboard motor in such other state. The tax imposed by
9 section 144.440 shall not apply:

10 (1) To motor vehicles, trailers, boats, or outboard motors on
11 account of which the sales tax provided by sections 144.010 to
12 144.510 shall have been paid;

13 (2) To motor vehicles, trailers, boats, or outboard motors
14 brought into this state by a person moving any such vehicle,
15 trailer, boat, or outboard motor into Missouri from another state
16 who shall have registered and in good faith regularly operated any
17 such motor vehicle, trailer, boat, or outboard motor in such other
18 state at least ninety days prior to the time it is registered in this
19 state;

20 (3) To motor vehicles, trailers, boats, or outboard motors
21 acquired by registered dealers for resale;

22 (4) To motor vehicles, trailers, boats, or outboard motors
23 purchased, owned or used by any religious, charitable or
24 eleemosynary institution for use in the conduct of regular religious,
25 charitable or eleemosynary functions and activities;

26 (5) To motor vehicles owned and used by religious
27 organizations in transferring pupils to and from schools supported
28 by such organization;

29 (6) Where the motor vehicle, trailer, boat, or outboard motor
30 has been acquired by the applicant for a certificate of title therefor
31 by gift or under a will or by inheritance, and the tax hereby
32 imposed has been paid by the donor or decedent;

33 (7) To any motor vehicle, trailer, boat, or outboard motor

34 owned or used by the state of Missouri or any other political
35 subdivision thereof, or by an educational institution supported by
36 public funds; or

37 (8) To farm tractors.]

[144.455. The tax imposed by section 144.440 on motor
2 vehicles and trailers is levied for the purpose of providing revenue
3 to be used by this state to defray in whole or in part the cost of
4 constructing, widening, reconstructing, maintaining, resurfacing
5 and repairing the public highways, roads and streets of this state,
6 and the cost and expenses incurred in the administration and
7 enforcement of sections 144.440 to 144.455, and for no other
8 purpose whatsoever, and all revenue collected or received by the
9 director of revenue from the tax imposed by section 144.440 on
10 motor vehicles and trailers shall be promptly deposited in the state
11 treasury to the credit of the state highway department fund.]

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

[144.605. The following words and phrases as used in
2 sections 144.600 to 144.745 mean and include:

3 (1) "Calendar quarter", the period of three consecutive
4 calendar months ending on March thirty-first, June thirtieth,
5 September thirtieth or December thirty-first;

6 (2) "Engages in business activities within this state"
7 includes:

8 (a) Purposefully or systematically exploiting the market
9 provided by this state by any media-assisted, media-facilitated, or
10 media-solicited means, including, but not limited to, direct mail
11 advertising, distribution of catalogs, computer-assisted shopping,
12 telephone, television, radio, or other electronic media, or magazine
13 or newspaper advertisements, or other media; or

14 (b) Being owned or controlled by the same interests which
15 own or control any seller engaged in the same or similar line of
16 business in this state; or

17 (c) Maintaining or having a franchisee or licensee operating
18 under the seller's trade name in this state if the franchisee or
19 licensee is required to collect sales tax pursuant to sections 144.010

20 to 144.525; or

21 (d) Soliciting sales or taking orders by sales agents or
22 traveling representatives;

23 (3) "Maintains a place of business in this state" includes
24 maintaining, occupying, or using, permanently or temporarily,
25 directly or indirectly, or through a subsidiary, or agent, by
26 whatever name called, an office, place of distribution, sales or
27 sample room or place, warehouse or storage place, or other place of
28 business;

29 (4) "Person", any individual, firm, copartnership, joint
30 venture, association, corporation, municipal or private, and
31 whether organized for profit or not, state, county, political
32 subdivision, state department, commission, board, bureau or
33 agency, except the state transportation department, estate, trust,
34 business trust, receiver or trustee appointed by the state or federal
35 court, syndicate, or any other group or combination acting as a
36 unit, and the plural as well as the singular number;

37 (5) "Purchase", the acquisition of the ownership of, or title
38 to, tangible personal property, through a sale, as defined herein, for
39 the purpose of storage, use or consumption in this state;

40 (6) "Purchaser", any person who is the recipient for a
41 valuable consideration of any sale of tangible personal property
42 acquired for use, storage or consumption in this state;

43 (7) "Sale", any transfer, barter or exchange of the title or
44 ownership of tangible personal property, or the right to use, store
45 or consume the same, for a consideration paid or to be paid, and
46 any transaction whether called leases, rentals, bailments, loans,
47 conditional sales or otherwise, and notwithstanding that the title
48 or possession of the property or both is retained for security. For
49 the purpose of this law the place of delivery of the property to the
50 purchaser, user, storer or consumer is deemed to be the place of
51 sale, whether the delivery be by the vendor or by common carriers,
52 private contractors, mails, express, agents, salesmen, solicitors,
53 hawkers, representatives, consignors, peddlers, canvassers or
54 otherwise;

55 (8) "Sales price", the consideration including the charges for

56 services, except charges incident to the extension of credit, paid or
57 given, or contracted to be paid or given, by the purchaser to the
58 vendor for the tangible personal property, including any services
59 that are a part of the sale, valued in money, whether paid in money
60 or otherwise, and any amount for which credit is given to the
61 purchaser by the vendor, without any deduction therefrom on
62 account of the cost of the property sold, the cost of materials used,
63 labor or service cost, losses or any other expenses whatsoever,
64 except that cash discounts allowed and taken on sales shall not be
65 included and "sales price" shall not include the amount charged for
66 property returned by customers upon rescission of the contract of
67 sales when the entire amount charged therefor is refunded either
68 in cash or credit or the amount charged for labor or services
69 rendered in installing or applying the property sold, the use,
70 storage or consumption of which is taxable pursuant to sections
71 144.600 to 144.745. In determining the amount of tax due
72 pursuant to sections 144.600 to 144.745, any charge incident to the
73 extension of credit shall be specifically exempted;

74 (9) "Selling agent", every person acting as a representative
75 of a principal, when such principal is not registered with the
76 director of revenue of the state of Missouri for the collection of the
77 taxes imposed pursuant to sections 144.010 to 144.525 or sections
78 144.600 to 144.745 and who receives compensation by reason of the
79 sale of tangible personal property of the principal, if such property
80 is to be stored, used, or consumed in this state;

81 (10) "Storage", any keeping or retention in this state of
82 tangible personal property purchased from a vendor, except
83 property for sale or property that is temporarily kept or retained
84 in this state for subsequent use outside the state;

85 (11) "Tangible personal property", all items subject to the
86 Missouri sales tax as provided in subdivisions (1) and (3) of section
87 144.020;

88 (12) "Taxpayer", any person remitting the tax or who should
89 remit the tax levied by sections 144.600 to 144.745;

90 (13) "Use", the exercise of any right or power over tangible
91 personal property incident to the ownership or control of that

92 property, except that it does not include the temporary storage of
93 property in this state for subsequent use outside the state, or the
94 sale of the property in the regular course of business;

95 (14) "Vendor", every person engaged in making sales of
96 tangible personal property by mail order, by advertising, by agent
97 or peddling tangible personal property, soliciting or taking orders
98 for sales of tangible personal property, for storage, use or
99 consumption in this state, all salesmen, solicitors, hawkers,
100 representatives, consignees, peddlers or canvassers, as agents of
101 the dealers, distributors, consignors, supervisors, principals or
102 employers under whom they operate or from whom they obtain the
103 tangible personal property sold by them, and every person who
104 maintains a place of business in this state, maintains a stock of
105 goods in this state, or engages in business activities within this
106 state and every person who engages in this state in the business of
107 acting as a selling agent for persons not otherwise vendors as
108 defined in this subdivision. Irrespective of whether they are
109 making sales on their own behalf or on behalf of the dealers,
110 distributors, consignors, supervisors, principals or employers, they
111 must be regarded as vendors and the dealers, distributors,
112 consignors, supervisors, principals or employers must be regarded
113 as vendors for the purposes of sections 144.600 to 144.745. A
114 person shall not be considered a vendor for the purposes of sections
115 144.600 to 144.745 if all of the following apply:

116 (a) The person's total gross receipts did not exceed five
117 hundred thousand dollars in this state, or twelve and one-half
118 million dollars in the entire United States, in the immediately
119 preceding calendar year;

120 (b) The person maintains no place of business in this state;
121 and

122 (c) The person has no selling agents in this state.]

2 [144.610. 1. A tax is imposed for the privilege of storing,
3 using or consuming within this state any article of tangible
4 personal property purchased on or after the effective date of
5 sections 144.600 to 144.745 in an amount equivalent to the
percentage imposed on the sales price in the sales tax law in

6 section 144.020. This tax does not apply with respect to the
7 storage, use or consumption of any article of tangible personal
8 property purchased, produced or manufactured outside this state
9 until the transportation of the article has finally come to rest
10 within this state or until the article has become commingled with
11 the general mass of property of this state.

12 2. Every person storing, using or consuming in this state
13 tangible personal property is liable for the tax imposed by this law,
14 and the liability shall not be extinguished until the tax is paid to
15 this state, but a receipt from a vendor authorized by the director
16 of revenue under the rules and regulations that he prescribes to
17 collect the tax, given to the purchaser in accordance with the
18 provisions of section 144.650, relieves the purchaser from further
19 liability for the tax to which receipt refers.]

[144.613. Notwithstanding the provisions of section
2 144.655, at the time the owner of any new or used boat or boat
3 motor which was acquired after December 31, 1979, in a
4 transaction subject to use tax under the Missouri use tax law
5 makes application to the director of revenue for the registration of
6 the boat or boat motor, he shall present to the director of revenue
7 evidence satisfactory to the director of revenue showing the
8 purchase price, exclusive of any charge incident to the extension of
9 credit, paid by or charged to the applicant in the acquisition of the
10 boat or boat motor, or that no sales or use tax was incurred in its
11 acquisition, and, if sales or use tax was incurred in its acquisition,
12 that the same has been paid, or the applicant shall pay or cause to
13 be paid to the director of revenue the use tax provided by the
14 Missouri use tax law in addition to the registration fees now or
15 hereafter required according to law, and the director of revenue
16 shall not issue a registration for any new or used boat or boat
17 motor subject to use tax as provided in the Missouri use tax law
18 until the tax levied for the use of the same under sections 144.600
19 to 144.748 has been paid.]

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

3 (1) Property, the storage, use or consumption of which this

4 state is prohibited from taxing pursuant to the constitution or laws
5 of the United States or of this state;

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

9 (3) Tangible personal property, the sale or other transfer of
10 which, if made in this state, would be exempt from or not subject
11 to the Missouri sales tax pursuant to the provisions of subsection
12 2 of section 144.030;

13 (4) Motor vehicles, trailers, boats, and outboard motors
14 subject to the tax imposed by section 144.440;

15 (5) Tangible personal property which has been subjected to
16 a tax by any other state in this respect to its sales or use; provided,
17 if such tax is less than the tax imposed by sections 144.600 to
18 144.745, such property, if otherwise taxable, shall be subject to a
19 tax equal to the difference between such tax and the tax imposed
20 by sections 144.600 to 144.745;

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

24 (7) Personal and household effects and farm machinery
25 used while an individual was a bona fide resident of another state
26 and who thereafter became a resident of this state, or tangible
27 personal property brought into the state by a nonresident for his
28 own storage, use or consumption while temporarily within the
29 state.]

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

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

9 (2) The transfer of tangible personal property incident to
10 the liquidation or cessation to a taxpayer's trade or business,

11 conducted in proprietorship, partnership or corporate form, except
12 to the extent any transfer is made in the ordinary course of the
13 taxpayer's trade or business;

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

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

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

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

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

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

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

2 [144.620. For the purpose of the proper administration of
3 sections 144.600 to 144.745 and to prevent evasion of the tax and
4 the duty to collect the tax, it shall be presumed that tangible
5 personal property sold by any vendor for delivery in this state or
6 transportation to this state is sold for storage, use or consumption
7 in this state unless the vendor takes from the purchaser a
8 certificate signed by and bearing the name and address of the
purchaser to the effect that the property was purchased for resale,

9 and it shall also be presumed that tangible personal property
10 shipped, mailed, expressed, transported or brought to this state by
11 the purchaser was purchased from a vendor after the effective date
12 of this law for storage, use or consumption in this state.]

[144.625. To secure the payment of the tax, interest and
2 penalties, which may become due from a vendor as provided in
3 sections 144.600 to 144.745, the director of revenue may, where
4 necessary to secure the payment of the tax, interest, and penalties
5 require all vendors to file a bond or a letter of credit in an amount
6 to be determined by the director, under the same requirements as
7 provided in section 144.087.]

[144.630. 1. Every vendor shall designate with the director
2 of revenue an agent for service within this state for the purpose of
3 enforcing sections 144.600 to 144.745. If a vendor fails to designate
4 with the director of revenue an agent for service within this state,
5 the doing of business as a vendor as defined herein shall be deemed

6 (1) An agreement by him that he, his executor,
7 administrator or other legal representative shall be subject to the
8 jurisdiction of the courts of this state in all civil actions and
9 proceedings brought against him, his executor, administrator or
10 other legal representative by the state for the enforcement of this
11 section in connection with such business;

12 (2) An appointment by him, his executor, administrator or
13 other legal representative of the secretary of state of Missouri as
14 his lawful attorney and agent upon whom may be served all process
15 in suits pertaining to such actions and proceedings;

16 (3) An agreement by the vendor that any process in any suit
17 so served shall be of the same legal force and validity as if
18 personally served in this state.

19 2. Service of process under this section shall be made by
20 delivering a copy of the summons, with a copy of the petition
21 attached, to the secretary of state of Missouri at his office or, in his
22 absence, to the deputy secretary of state at his office, and the
23 service shall be sufficient service upon the nonresident vendor.

24 3. The secretary of state shall immediately mail to the
25 defendant, by restricted registered mail, addressed to the

26 defendant at his last known address, residence or place of abode a
27 notice of the service and a copy of the process and petition.]

[144.635. Every vendor making a sale of tangible personal
2 property for the purpose of storage, use or consumption in this state
3 shall collect from the purchaser an amount equal to the percentage
4 on the sale price imposed by the sales tax law in section 144.020
5 and give the purchaser a receipt therefor. The required amount of
6 the tax collected by the vendor from the purchaser shall be shown
7 separately upon the sales slip or other evidence of sale. If a vendor
8 is a selling agent as defined in section 144.605, and receives
9 compensation by reason of a sale made pursuant to an order given
10 directly to his principal by the purchaser, of which the selling
11 agent had no knowledge at the time of the sale, and in which the
12 selling agent did not actively or inactively participate, the selling
13 agent shall be relieved of all liability for the collection and
14 remittance of the taxes imposed under sections 144.600 to
15 144.745. Furthermore, if payment is made by the purchaser
16 directly to the principal and the selling agent is unable to collect
17 the tax from the purchaser, the selling agent will be relieved from
18 all liability for the collection of the tax imposed under sections
19 144.600 to 144.745 from the purchaser. Selling agents may avoid
20 all responsibility for collection of the taxes imposed under sections
21 144.600 to 144.745, if their principal is a vendor registered with
22 the director of revenue for the collection of such taxes.]

[144.640. Every taxpayer subject to the tax imposed by this
2 law shall keep and preserve suitable records and other books and
3 accounts necessary to determine the amount of tax for which he is
4 liable under the provisions of this law. Every taxpayer shall
5 preserve the books and records for a period of three years unless
6 the director of revenue, in writing, authorizes their destruction at
7 an earlier date. The books and records shall be open for
8 examination at any time by the director of revenue or his agent
9 during the business hours of the day.]

[144.645. For the purpose of ascertaining the correctness of
2 any return, or determining the amount of tax due from any
3 taxpayer, the director of revenue or any employee designated in

4 writing by the director of revenue may hold investigations and
5 hearings concerning any matters covered by this law and may
6 examine any books, papers, records or memoranda of any taxpayer
7 bearing upon the amount of business done and may require of any
8 person the production of books, papers and records bearing upon
9 the tax levied by this law or the attendance of any person for the
10 purpose of taking his testimony with respect to any matter within
11 the purview of the director of revenue. In the conduct of any
12 investigation or hearing, neither the director of revenue nor any
13 employee thereof is bound by the technical rules of evidence and no
14 informality in any proceeding, or in the manner of taking
15 testimony, shall invalidate any order, decision, rule or regulation
16 made or confirmed by the director of revenue. The director of
17 revenue or any person designated by him may administer oaths in
18 all matters relating to the administration of this law.]

[144.650. Every vendor selling tangible personal property
2 for storage, use or consumption in this state shall, immediately
3 after the effective date of sections 144.600 to 144.745, register with
4 the director of revenue and give the names and addresses of all
5 agents operating in this state, the location of all distribution or
6 sales houses or offices or other places of business in this state and
7 other information that the director of revenue requires. Every
8 vendor shall furnish all agents with a statement to the effect that
9 his principal has been and is complying with the provisions of
10 sections 144.600 to 144.745.]

[144.655. 1. Every vendor, on or before the last day of the
2 month following each calendar quarterly period of three months,
3 shall file with the director of revenue a return of all taxes collected
4 for the preceding quarter in the form prescribed by the director of
5 revenue, showing the total sales price of the tangible personal
6 property sold by the vendor, the storage, use or consumption of
7 which is subject to the tax levied by this law, and other information
8 the director of revenue deems necessary. The return shall be
9 accompanied by a remittance of the amount of the tax required to
10 be collected by the vendor during the period covered by the
11 return. Returns shall be signed by the vendor or the vendor's

12 authorized agent. The director of revenue may promulgate rules
13 or regulations changing the filing and payment requirements of
14 vendors, but shall not require any vendor to file and pay more
15 frequently than required in this section.

16 2. Where the aggregate amount of tax required to be
17 collected by a vendor is in excess of two hundred and fifty dollars
18 for either the first or second month of a calendar quarter, the
19 vendor shall pay such aggregate amount for such months to the
20 director of revenue by the twentieth day of the succeeding
21 month. The amount so paid shall be allowed as a credit against
22 the liability shown on the vendor's quarterly return required by
23 this section.

24 3. Where the aggregate amount of tax required to be
25 collected by a vendor is less than forty-five dollars in a calendar
26 quarter, the director of revenue shall by regulation permit the
27 vendor to file a return for a calendar year. The return shall be
28 filed and the taxes paid on or before January thirty-first of the
29 succeeding year.

30 4. Except as provided in subsection 5 of this section, every
31 person purchasing tangible personal property, the storage, use or
32 consumption of which is subject to the tax levied by sections
33 144.600 to 144.748, who has not paid the tax due to a vendor
34 registered in accordance with the provisions of section 144.650,
35 shall file with the director of revenue a return for the preceding
36 reporting period in the form and manner that the director of
37 revenue prescribes, showing the total sales price of the tangible
38 property purchased during the preceding reporting period and any
39 other information that the director of revenue deems necessary for
40 the proper administration of sections 144.600 to 144.748. The
41 return shall be accompanied by a remittance of the amount of the
42 tax required by sections 144.600 to 144.748 to be paid by the
43 person. Returns shall be signed by the person liable for the tax or
44 such person's duly authorized agent. For purposes of this
45 subsection, the reporting period shall be determined by the director
46 of revenue and may be a calendar quarter or a calendar
47 year. Annual returns and payments required by the director

48 pursuant to this subsection shall be due on or before April fifteenth
49 of the year for the preceding calendar year and quarterly returns
50 and payments shall be due on or before the last day of the month
51 following each calendar period of three months. Upon the
52 taxpayer's request, the director may allow the filing of such returns
53 and payments on a monthly basis. If a taxpayer elects to file a
54 monthly return and payment, such return and payment shall be
55 due on or before the twentieth day of the succeeding month.

56 5. Any person purchasing tangible personal property subject
57 to the taxes imposed by sections 144.600 to 144.748 shall not be
58 required to file a use tax return with the director of revenue if such
59 purchases on which such taxes were not paid do not exceed in the
60 aggregate two thousand dollars in any calendar year.

61 6. Nothing in subsection 5 of this section shall relieve a
62 vendor of liability to collect the tax imposed pursuant to sections
63 144.600 to 144.748 on the total gross receipts of all sales of tangible
64 personal property used, stored or consumed in this state and to
65 remit all taxes collected to the director of revenue in accordance
66 with the provisions of this section nor shall it relieve a purchaser
67 from paying such taxes to a vendor registered in accordance with
68 the provisions of section 144.650.]

2 [144.660. The director of revenue has all the powers with
3 regard to requiring monthly returns and extending the time for the
4 payment of the tax levied by sections 144.600 to 144.745 that are
5 provided in sections 144.090 and 144.160 with regard to the
6 Missouri sales tax.]

7 [144.665. 1. In case of failure to file any return required
8 under sections 144.600 to 144.745 on or before the date prescribed
9 therefor (determined with regard to any extension of time for
10 making a return), unless it is shown that such failure is due to
reasonable cause and not the result of willful neglect, evasion, or
fraudulent intent, there shall be added to the amount required to
be shown as tax on such return five percent of the amount of such
tax if the failure is not for more than one month, with an
additional five percent for each additional month, or fraction
thereof, during which such failure continues, not exceeding

11 twenty-five percent in the aggregate; except that, when the gross
12 sales tax exceeds two hundred fifty dollars in any one month for
13 which a taxpayer must file a monthly return, there shall be no late
14 penalty assessed for the first month in which the return is
15 due. For purposes of this section, the amount of tax required to be
16 shown on the return shall be reduced by the amount of any part of
17 the tax which is paid on or before the date prescribed for payment
18 of the tax.

19 2. In case of failure to pay any tax required under sections
20 144.600 to 144.745 on or before the date prescribed therefor
21 (determined with regard to any extension of time for payment),
22 unless it is shown that such failure is due to reasonable cause and
23 not the result of willful neglect, evasion, or fraudulent intent, there
24 shall be added to the tax an amount equal to five percent of the
25 deficiency.

26 3. The provisions in subsections 1 and 2 of this section shall
27 be in addition to any interest provided for in this chapter.]

2 [144.670. If the director is not satisfied with the return
3 payment of tax made by any taxpayer, he shall make an additional
4 assessment based upon the facts contained in any returns or upon
5 any information in his possession, and the director shall give the
6 taxpayer written notice in person or by certified mail of the amount
7 of the additional tax. The director may only base an additional
8 assessment upon an estimate of the taxpayer's liability under
9 sections 144.600 to 144.748, if:

- 9 (1) The taxpayer fails to file a return; or
10 (2) The taxpayer's books and records are incomplete or
11 illegible in the opinion of the director when conducting an
12 examination of the accuracy of any return filed by the taxpayer; or
13 (3) The taxpayer denies the director access to the taxpayer's
14 books and records for the purpose of conducting an examination of
15 the accuracy of any return filed by the taxpayer.]

2 [144.675. If fraud or evasion on the part of a person is
3 discovered by the director of revenue, he shall determine the
4 amount of which the state has been defrauded, shall add to the
5 amount so determined a penalty equal to twenty-five percent

5 thereof, and shall assess the same against the person. The director
6 of revenue shall promptly thereafter give to the person written
7 notice of the assessment and penalty, which shall be served
8 personally or by certified mail.]

 [144.690. 1. If any taxpayer refuses or neglects to pay any
2 tax, interest or penalty imposed by this law when due and the
3 assessment of which has become final, the director may file for
4 record in the office of the clerk of the circuit court in any county in
5 which the taxpayer owing the tax, interest or penalty resides, or
6 has a place of business or in which he has property, or all of them,
7 a certificate specifying the amount of the tax, interest and
8 penalties due and the name of the taxpayer liable. The clerk of the
9 circuit court shall file the certificate of record and enter it in the
10 record of the circuit court for judgments and decrees under the
11 procedure prescribed for filing transcripts of judgments. From the
12 time of the filing of the certificate, the amount of the tax, interest
13 and penalties specified therein shall have the force and effect of a
14 judgment of the circuit court until satisfied by the director of
15 revenue through his duly authorized agents. Execution shall issue
16 at the request of the director of revenue or his agent as is provided
17 in the case of other judgments. No exemption shall be allowed
18 from the levy of an execution issued for the tax, interest and
19 penalties and no indemnifying bond is required by the sheriff
20 before making levy.

21 2. The foregoing remedy is cumulative and in addition to
22 the methods given the director of revenue for the collection of the
23 Missouri sales tax which are here made available to him in the
24 collections of the tax, interest and penalties imposed by sections
25 144.600 to 144.745. No action taken shall be construed as an
26 election on the part of the state or any of its officers to pursue any
27 remedy or action hereunder to the exclusion of any other remedy
28 or action for which provision is made.]

 [144.695. If, upon examination of any return, it appears
2 that the taxpayer has paid an amount in excess of that properly
3 due, the amount of the excess shall be credited by the director of
4 revenue against any tax installment thereafter due from the

5 taxpayer under the provisions of this law or refunded. The general
6 assembly shall appropriate and set aside funds sufficient for the
7 use of the director of revenue to make any refund of taxes required
8 by this section.]

[144.696. Section 144.190, pertaining to the refund of
2 overpayments, claims for refund, and the time within which
3 refunds shall be claimed, is applicable to the tax levied under the
4 compensating use tax law.]

[144.700. 1. All revenue received by the director of revenue
2 from the tax imposed by sections 144.010 to 144.430 and 144.600
3 to 144.745, except that revenue derived from the rate of one cent
4 on the dollar of the tax which shall be held and distributed in the
5 manner provided in sections 144.701 and 163.031, shall be
6 deposited in the state general revenue fund, including any
7 payments of the taxes made under protest.

8 2. The director of revenue shall keep accurate records of
9 any payment of the tax made under protest. In the event any
10 payment shall be made under protest:

11 (1) A protest affidavit shall be submitted to the director of
12 revenue within thirty days after the payment is made; and

13 (2) An appeal shall be taken in the manner provided in
14 section 144.261 from any decision of the director of revenue
15 disallowing the making of the payment under protest or an
16 application shall be filed by a protesting taxpayer with the director
17 of revenue for a stay of the period for appeal on the ground that a
18 case is presently pending in the courts involving the same question,
19 with an agreement by the taxpayer to be bound by the final
20 decision in the pending case.

21 3. Nothing in this section shall be construed to apply to any
22 refund to which the taxpayer would be entitled under any
23 applicable provision of law.

24 4. All payments deposited in the state general revenue fund
25 that are made under protest shall be retained in the state treasury
26 if the taxpayer does not prevail. If the taxpayer prevails, then
27 taxes paid under protest shall be refunded to the taxpayer, with all
28 interest income derived therefrom, from funds appropriated by the

29 general assembly for such purpose.]

2 [144.701. The revenue derived from the rate of one cent on
3 the dollar of the tax imposed by sections 144.010 to 144.430 and
4 sections 144.600 to 144.745 which shall be deemed to be local tax
5 revenue, shall be deposited by the state treasurer in a special trust
6 fund, which is hereby created, to be known as the "School District
7 Trust Fund". The money in the fund shall be distributed to the
8 public school districts of the state in the manner provided in
9 sections 163.031 and 163.087 and shall be appropriated and used
10 for no other purpose; except that, of all refunds made of taxes
11 collected under the provisions of sections 144.010 to 144.430 and
12 sections 144.600 to 144.745, the appropriate percentage of any
13 refund shall be paid from the school district trust fund, and except
14 that the state may retain a fee as a charge for collecting and
15 disbursing moneys so deposited, and transfers may be made from
16 the fund as provided in section 164.013. The state collection fee
17 shall not exceed two and one-half million dollars or one percent of
18 the amount deposited in the fund, whichever is less. The fee shall
19 be negotiated annually through the appropriation process. Any
20 balance remaining in the fund at the end of an appropriation
21 period shall not be transferred to general revenue, and the
22 provisions of section 33.080 shall not apply to the fund. Moneys in
23 the trust fund shall be invested by the state treasurer in the same
24 deposits and obligations in which state funds are authorized by law
25 to be invested, except that the deposits and obligations shall
26 mature and become payable in time for distribution of the funds as
provided in sections 163.031 and 163.087.]

2 [144.705. 1. The director of revenue shall make and enforce
3 reasonable rules and regulations and prescribe forms for the
4 administration and enforcement of this law and may require the
5 services of the attorney general and the prosecuting or circuit
6 attorney of any county or city.

7 2. The rules, regulations and forms shall be dated and
8 issued under a systematic method of numbering and copies made
9 available to any person requesting them. A complete file of all the
rules, regulations and forms shall be kept in the office of the

10 director.]

2 [144.710. From every remittance made by a vendor as
3 required by sections 144.600 to 144.745 to the director of revenue
4 on or before the date when the remittance becomes due, the vendor
5 may deduct and retain an amount equal to two percent thereof.]

2 [144.715. All notices required or authorized by sections
3 144.600 to 144.745 to be given by mail to any taxpayer shall be
4 addressed to him at his last known address.]

2 [144.720. Sections 144.170, 144.220, 144.230, and 144.240,
3 pertaining to interest on delinquent taxes, the time within which
4 additional assessments shall be made, the time within which
5 assessed penalties and taxes shall be paid and the procedure for
6 requesting review of additional assessments are applicable to the
7 assessment and payment of the tax levied by this law.]

2 [144.725. If any person summoned as a witness by the
3 director or by the designee of the director fails to obey the
4 summons or refuses to testify or answer any material question or
5 refuses to produce any book, record, paper or other data when
6 required so to do, he is guilty of a misdemeanor. Nothing in this
7 section shall be construed to deprive a person of any right,
8 privilege or immunity guaranteed by the Constitution of the United
9 States or the Constitution of the State of Missouri.]

2 [144.730. No vendor shall advertise or hold out or state to
3 the public or to any customer, directly or indirectly, that the tax or
4 any part thereof imposed by sections 144.600 to 144.745, and
5 required to be collected by him, will be assumed or absorbed by
6 him, or that it will not be added to the selling price of the property
7 sold, or if added, that it or any part thereof will be refunded. Any
8 person violating any of the provisions of this section is guilty of a
9 misdemeanor.]

2 [144.735. Any person required under sections 144.600 to
3 144.745 to pay any tax, or required by sections 144.600 to 144.745
4 to make a return, keep any records or supply any information, who
5 with intent to defraud willfully fails to pay such tax, make such
6 return, keep such records or supply such information, at the time
7 or times required by law, shall, in addition to other penalties

7 provided by law, and upon conviction thereof, be fined not more
8 than ten thousand dollars, or be imprisoned in the county jail for
9 not more than one year or by not less than two nor more than five
10 years in the state penitentiary or by both fine and imprisonment
11 together with the cost of prosecution.]

[144.740. Any person who willfully makes a false return, or
2 who willfully makes a false statement in any return filed with or
3 transmitted to the director of revenue relating to the amount of any
4 sales or tax due under sections 144.600 to 144.745 shall, in
5 addition to other penalties provided by law, and upon conviction
6 thereof, be fined not more than ten thousand dollars, or be
7 imprisoned in the county jail for not more than one year or by not
8 less than two nor more than five years in the state penitentiary or
9 by both fine and imprisonment together with the cost of
10 prosecution.]

[144.745. Any person violating any of the provisions of
2 sections 144.600 to 144.745 for which no criminal penalty is
3 otherwise provided, upon conviction thereof, shall be deemed guilty
4 of a misdemeanor.]

[144.757. 1. Any county or municipality, except
2 municipalities within a county having a charter form of government
3 with a population in excess of nine hundred thousand, may, by a
4 majority vote of its governing body, impose a local use tax if a local
5 sales tax is imposed as defined in section 32.085 at a rate equal to
6 the rate of the local sales tax in effect in such county or
7 municipality; provided, however, that no ordinance or order enacted
8 pursuant to sections 144.757 to 144.761 shall be effective unless
9 the governing body of the county or municipality submits to the
10 voters thereof at a municipal, county or state general, primary or
11 special election a proposal to authorize the governing body of the
12 county or municipality to impose a local use tax pursuant to
13 sections 144.757 to 144.761. Municipalities within a county having
14 a charter form of government with a population in excess of nine
15 hundred thousand may, upon voter approval received pursuant to
16 paragraph (b) of subdivision (2) of subsection 2 of this section,
17 impose a local use tax at the same rate as the local municipal sales

18 tax with the revenues from all such municipal use taxes to be
 19 distributed pursuant to subsection 4 of section 94.890. The
 20 municipality shall within thirty days of the approval of the use tax
 21 imposed pursuant to paragraph (b) of subdivision (2) of subsection
 22 2 of this section select one of the distribution options permitted in
 23 subsection 4 of section 94.890 for distribution of all municipal use
 24 taxes.

25 2. (1) The ballot of submission, except for counties and
 26 municipalities described in subdivisions (2) and (3) of this
 27 subsection, shall contain substantially the following language:

28 Shall the (county or municipality's name) impose
 29 a local use tax at the same rate as the total local sales tax rate,
 30 currently (insert percent), provided that if the local sales
 31 tax rate is reduced or raised by voter approval, the local use tax
 32 rate shall also be reduced or raised by the same action? A use tax
 33 return shall not be required to be filed by persons whose purchases
 34 from out-of-state vendors do not in total exceed two thousand
 35 dollars in any calendar year.

36 YES NO

37 If you are in favor of the question, place an "X" in the box opposite
 38 "YES". If you are opposed to the question, place an "X" in the box
 39 opposite "NO".

40 (2) (a) The ballot of submission in a county having a
 41 charter form of government with a population in excess of nine
 42 hundred thousand shall contain substantially the following
 43 language:

44 For the purposes of enhancing county and municipal public
 45 safety, parks, and job creation and enhancing local government
 46 services, shall the county be authorized to collect a local use tax
 47 equal to the total of the existing county sales tax rate of (insert tax
 48 rate), provided that if the county sales tax is repealed, reduced or
 49 raised by voter approval, the local use tax rate shall also be
 50 repealed, reduced or raised by the same voter action? Fifty percent
 51 of the revenue shall be used by the county throughout the county
 52 for improving and enhancing public safety, park improvements, and
 53 job creation, and fifty percent shall be used for enhancing local

54 government services. The county shall be required to make
 55 available to the public an audited comprehensive financial report
 56 detailing the management and use of the countywide portion of the
 57 funds each year. A use tax is the equivalent of a sales tax on
 58 purchases from out-of-state sellers by in-state buyers and on
 59 certain taxable business transactions. A use tax return shall not
 60 be required to be filed by persons whose purchases from
 61 out-of-state vendors do not in total exceed two thousand dollars in
 62 any calendar year.

63 YES NO

64 If you are in favor of the question, place an "X" in the box opposite
 65 "YES". If you are opposed to the question, place an "X" in the box
 66 opposite "NO".

67 (b) The ballot of submission in a municipality within a
 68 county having a charter form of government with a population in
 69 excess of nine hundred thousand shall contain substantially the
 70 following language:

71 Shall the municipality be authorized to impose a local use
 72 tax at the same rate as the local sales tax by a vote of the
 73 governing body, provided that if any local sales tax is repealed,
 74 reduced or raised by voter approval, the respective local use tax
 75 shall also be repealed, reduced or raised by the same action? A use
 76 tax return shall not be required to be filed by persons whose
 77 purchases from out-of-state vendors do not in total exceed two
 78 thousand dollars in any calendar year.

79 YES NO

80 If you are in favor of the question, place an "X" in the box opposite
 81 "YES". If you are opposed to the question, place an "X" in the box
 82 opposite "NO".

83 (3) The ballot of submission in any city not within a county
 84 shall contain substantially the following language:

85 Shall the (city name) impose a local use tax at the
 86 same rate as the local sales tax, currently at a rate of
 87 (insert percent) which includes the capital improvements sales tax
 88 and the transportation tax, provided that if any local sales tax is
 89 repealed, reduced or raised by voter approval, the respective local

90 use tax shall also be repealed, reduced or raised by the same
91 action? A use tax return shall not be required to be filed by
92 persons whose purchases from out-of-state vendors do not in total
93 exceed two thousand dollars in any calendar year.

94 YES NO

95 If you are in favor of the question, place an "X" in the box opposite
96 "YES". If you are opposed to the question, place an "X" in the box
97 opposite "NO".

98 (4) If any of such ballots are submitted on August 6, 1996,
99 and if a majority of the votes cast on the proposal by the qualified
100 voters voting thereon are in favor of the proposal, then the
101 ordinance or order and any amendments thereto shall be in effect
102 October 1, 1996, provided the director of revenue receives notice of
103 adoption of the local use tax on or before August 16, 1996. If any
104 of such ballots are submitted after December 31, 1996, and if a
105 majority of the votes cast on the proposal by the qualified voters
106 voting thereon are in favor of the proposal, then the ordinance or
107 order and any amendments thereto shall be in effect on the first
108 day of the calendar quarter which begins at least forty- five days
109 after the director of revenue receives notice of adoption of the local
110 use tax. If a majority of the votes cast by the qualified voters
111 voting are opposed to the proposal, then the governing body of the
112 county or municipality shall have no power to impose the local use
113 tax as herein authorized unless and until the governing body of the
114 county or municipality shall again have submitted another proposal
115 to authorize the governing body of the county or municipality to
116 impose the local use tax and such proposal is approved by a
117 majority of the qualified voters voting thereon.

118 3. The local use tax may be imposed at the same rate as the
119 local sales tax then currently in effect in the county or municipality
120 upon all transactions which are subject to the taxes imposed
121 pursuant to sections 144.600 to 144.745 within the county or
122 municipality adopting such tax; provided, however, that if any local
123 sales tax is repealed or the rate thereof is reduced or raised by
124 voter approval, the local use tax rate shall also be deemed to be
125 repealed, reduced or raised by the same action repealing, reducing

126 or raising the local sales tax.

127 4. For purposes of sections 144.757 to 144.761, the use tax
128 may be referred to or described as the equivalent of a sales tax on
129 purchases made from out-of-state sellers by in- state buyers and on
130 certain intrabusiness transactions. Such a description shall not
131 change the classification, form or subject of the use tax or the
132 manner in which it is collected.]

[144.759. 1. All local use taxes collected by the director of
2 revenue pursuant to sections 144.757 to 144.761 on behalf of any
3 county or municipality, less one percent for cost of collection, which
4 shall be deposited in the state's general revenue fund after
5 payment of premiums for surety bonds as provided in section
6 32.087 shall be deposited with the state treasurer in a local use tax
7 trust fund, which fund shall be separate and apart from the local
8 sales tax trust funds. The moneys in such local use tax trust fund
9 shall not be deemed to be state funds and shall not be commingled
10 with any funds of the state. The director of revenue shall keep
11 accurate records of the amount of money in the trust fund which
12 was collected in each county or municipality imposing a local use
13 tax, and the records shall be open to the inspection of officers of the
14 county or municipality and to the public. No later than the tenth
15 day of each month, the director of revenue shall distribute all
16 moneys deposited in the trust fund during the preceding month,
17 except as provided in subsection 2 of this section, to the county or
18 municipality treasurer, or such other officer as may be designated
19 by the county or municipality ordinance or order, of each county or
20 municipality imposing the tax authorized by sections 144.757 to
21 144.761, the sum due the county or municipality as certified by the
22 director of revenue.

23 2. The director of revenue shall distribute all moneys which
24 would be due any county having a charter form of government and
25 having a population of nine hundred thousand or more to the
26 county treasurer or such other officer as may be designated by
27 county ordinance, who shall distribute such moneys as follows: the
28 portion of the use tax imposed by the county which equals one-half
29 the rate of sales tax in effect for such county shall be disbursed to

30 the county treasurer for expenditure throughout the county for
31 public safety, parks, and job creation, subject to any qualifications
32 and regulations adopted by ordinance of the county. Such
33 ordinance shall require an audited comprehensive financial report
34 detailing the management and use of such funds each year. Such
35 ordinance shall also require that the county and the municipal
36 league of the county jointly prepare a strategy to guide
37 expenditures of funds and conduct an annual review of the
38 strategy. The treasurer or such other officer as may be designated
39 by county ordinance shall distribute one-third of the balance to the
40 county and to each city, town and village in group B according to
41 section 66.620 as modified by this section, a portion of the
42 two-thirds remainder of such balance equal to the percentage ratio
43 that the population of each such city, town or village bears to the
44 total population of all such group B cities, towns and villages. For
45 the purposes of this subsection, population shall be determined by
46 the last federal decennial census or the latest census that
47 determines the total population of the county and all political
48 subdivisions therein. For the purposes of this subsection, each city,
49 town or village in group A according to section 66.620 but whose
50 per capita sales tax receipts during the preceding calendar year
51 pursuant to sections 66.600 to 66.630 were less than the per capita
52 countywide average of all sales tax receipts during the preceding
53 calendar year, shall be treated as a group B city, town or village
54 until the per capita amount distributed to such city, town or village
55 equals the difference between the per capita sales tax receipts
56 during the preceding calendar year and the per capita countywide
57 average of all sales tax receipts during the preceding calendar year.

58 3. The director of revenue may authorize the state treasurer
59 to make refunds from the amounts in the trust fund and credited
60 to any county or municipality for erroneous payments and
61 overpayments made, and may redeem dishonored checks and drafts
62 deposited to the credit of such counties or municipalities. If any
63 county or municipality abolishes the tax, the county or municipality
64 shall notify the director of revenue of the action at least ninety
65 days prior to the effective date of the repeal, and the director of

66 revenue may order retention in the trust fund, for a period of one
67 year, of two percent of the amount collected after receipt of such
68 notice to cover possible refunds or overpayment of the tax and to
69 redeem dishonored checks and drafts deposited to the credit of such
70 accounts. After one year has elapsed after the effective date of
71 abolition of the tax in such county or municipality, the director of
72 revenue shall authorize the state treasurer to remit the balance in
73 the account to the county or municipality and close the account of
74 that county or municipality. The director of revenue shall notify
75 each county or municipality of each instance of any amount
76 refunded or any check redeemed from receipts due the county or
77 municipality.

78 4. Except as modified in sections 144.757 to 144.761, all
79 provisions of sections 32.085 and 32.087 applicable to the local
80 sales tax, except for subsection 12 of section 32.087, and all
81 provisions of sections 144.600 to 144.745 shall apply to the tax
82 imposed pursuant to sections 144.757 to 144.761, and the director
83 of revenue shall perform all functions incident to the
84 administration, collection, enforcement, and operation of the tax.]

2 [144.761. 1. No county or municipality imposing a local use
3 tax pursuant to sections 144.757 to 144.761 may repeal or amend
4 such local use tax unless such repeal or amendment is submitted
5 to and approved by the voters of the county or municipality in the
6 manner provided in section 144.757; provided, however, that the
7 repeal of the local sales tax within the county or municipality shall
8 be deemed to repeal the local use tax imposed pursuant to sections
9 144.757 to 144.761.

10 2. Whenever the governing body of any county or
11 municipality in which a local use tax has been imposed in the
12 manner provided by sections 144.757 to 144.761 receives a petition,
13 signed by fifteen percent of the registered voters of such county or
14 municipality voting in the last gubernatorial election, calling for an
15 election to repeal such local use tax, the governing body shall
16 submit to the voters of such county or municipality a proposal to
17 repeal the county or municipality use tax imposed pursuant to
sections 144.757 to 144.761. If a majority of the votes cast on the

18 proposal by the registered voters voting thereon are in favor of the
19 proposal to repeal the local use tax, then the ordinance or order
20 imposing the local use tax, along with any amendments thereto, is
21 repealed. If a majority of the votes cast by the registered voters
22 voting thereon are opposed to the proposal to repeal the local use
23 tax, then the ordinance or order imposing the local use tax, along
24 with any amendments thereto, shall remain in effect.]

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