

CONFERENCE COMMITTEE SUBSTITUTE

FOR

HOUSE SUBSTITUTE

FOR

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FOR

SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 11

AN ACT

To repeal sections 34.070, 34.073, 99.820, 137.100, 143.121, 143.181, 144.030, 144.615, and 260.830, RSMo, and to enact in lieu thereof thirteen new sections relating to taxation, with a termination date for a certain section.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AS FOLLOWS:

1 Section A. Sections 34.070, 34.073, 99.820, 137.100,
2 143.121, 143.181, 144.030, 144.615, and 260.830, RSMo, are
3 repealed and thirteen new sections enacted in lieu thereof, to be
4 known as sections 21.810, 34.070, 34.073, 71.611, 99.820,
5 137.100, 143.121, 144.030, 143.181, 144.049, 144.615, 144.817,
6 and 260.830, to read as follows:

7 21.810. 1. There is established a permanent joint
8 committee of the general assembly to be known as the "Joint
9 Committee on Tax Policy" which shall be composed of five members

1 of the senate, appointed by the president pro tem of the senate,
2 and five members of the house of representatives, appointed by
3 the speaker of the house of representatives. A majority of the
4 members of the committee shall constitute a quorum. The members
5 shall annually select one of the members to be the chair and one
6 of the members to be the vice chair. The speaker of the house of
7 representatives and the president pro tem of the senate shall
8 appoint the respective majority members. The minority leader of
9 the house and the minority leader of the senate shall appoint the
10 respective minority members. The members shall receive no
11 additional compensation, but shall be reimbursed for actual and
12 necessary expenses incurred by them in the performance of their
13 duties. No major party shall be represented on the committee by
14 more than three members from the senate nor by more than three
15 members from the house. The committee is authorized to meet and
16 act year round and to employ the necessary personnel within the
17 limits of appropriations. The staff of the committee on
18 legislative research, house research, and senate research shall
19 provide necessary clerical, research, fiscal, and legal services
20 to the committee, as the committee may request.

21 2. It shall be the duty of the committee:

22 (1) To make a continuing study and analysis of the current
23 and proposed tax policy of this state as it relates to:

24 (a) Fairness and equity;

25 (b) True economic impact;

26 (c) Burden on individuals and businesses;

27 (d) Effectiveness of tax expenditures;

28 (e) Impact on political subdivisions of this state;

1 (f) Agreements and contracts with the federal government,
2 other states and territories, political subdivisions, and private
3 entities relating to the collection and administration of state
4 and local taxes and fees;

5 (g) Compliance with the state and United States
6 Constitution and federal and international law; and

7 (h) The effects of interstate commerce;

8 (2) To make a continuing study and review of the department
9 of revenue, the department of economic development, the state tax
10 commission, and any other state agency, commission, or state
11 executive office responsible for the administration of tax
12 policies;

13 (3) To study the effects of the coupling or decoupling with
14 the federal income tax code as it relates to the state income
15 tax;

16 (4) To make recommendations, as and when the committee
17 deems fit, to the general assembly for legislative action or to
18 report findings and to the departments, commissions, and offices
19 for administrative or procedural changes; and

20 (5) To study the effects of a sales tax holiday.

21 3. All state departments, commissions, and offices
22 responsible for the administration of tax policies shall
23 cooperate with and assist the committee in the performance of its
24 duties and shall make available all books, records and
25 information requested, except individually identifiable
26 information regarding a specific taxpayer. The committee may
27 also consult with public and private universities and academies,
28 public and private organizations, and private citizens in the

1 performance of its duties. The committee may contract with
2 public and private entities, within the limits of appropriation,
3 for analysis and study of current or proposed changes to state
4 and local tax policy. The committee shall have the power to
5 subpoena witnesses, take testimony under oath, compel the
6 attendance of witnesses, the giving of testimony and the
7 production of records.

8 34.070. In making purchases, the commissioner of
9 administration shall give preference to all commodities and
10 tangible personal property manufactured, mined, produced or grown
11 within the state of Missouri and to all firms, corporations or
12 individuals doing business as Missouri firms, corporations or
13 individuals, when quality is equal or better and delivered price
14 is the same or less. The commissioner of administration may also
15 give such preference whenever competing bids, in their entirety,
16 are comparable.

17 34.073. 1. In letting contracts for the performance of any
18 job or service, all agencies, departments, institutions, and
19 other entities of this state and of each political subdivision of
20 this state shall give preference to all firms, corporations, or
21 individuals doing business as Missouri firms, corporations, or
22 individuals, or which maintain Missouri offices or places of
23 business, when the quality of performance promised is equal or
24 better and the price quoted is the same or less. The
25 commissioner of administration may also give such preference
26 whenever competing bids, in their entirety, are comparable.

27 2. Notwithstanding the requirements of subsection 1 of this
28 section, the commissioner of administration shall give further

1 preference as required by section 34.076.

2 71.611. Notwithstanding any other provision of law to the
3 contrary, after March 31, 2004, no village with less than one
4 thousand three hundred inhabitants shall impose a license tax in
5 excess of ten thousand dollars per license.

6 99.820. 1. A municipality may:

7 (1) By ordinance introduced in the governing body of the
8 municipality within fourteen to ninety days from the completion
9 of the hearing required in section 99.825, approve redevelopment
10 plans and redevelopment projects, and designate redevelopment
11 project areas pursuant to the notice and hearing requirements of
12 sections 99.800 to 99.865. No redevelopment project shall be
13 approved unless a redevelopment plan has been approved and a
14 redevelopment area has been designated prior to or concurrently
15 with the approval of such redevelopment project and the area
16 selected for the redevelopment project shall include only those
17 parcels of real property and improvements thereon directly and
18 substantially benefited by the proposed redevelopment project
19 improvements;

20 (2) Make and enter into all contracts necessary or
21 incidental to the implementation and furtherance of its
22 redevelopment plan or project;

23 (3) Pursuant to a redevelopment plan, subject to any
24 constitutional limitations, acquire by purchase, donation, lease
25 or, as part of a redevelopment project, eminent domain, own,
26 convey, lease, mortgage, or dispose of, land and other property,
27 real or personal, or rights or interests therein, and grant or
28 acquire licenses, easements and options with respect thereto, all

1 in the manner and at such price the municipality or the
2 commission determines is reasonably necessary to achieve the
3 objectives of the redevelopment plan. No conveyance, lease,
4 mortgage, disposition of land or other property, acquired by the
5 municipality, or agreement relating to the development of the
6 property shall be made except upon the adoption of an ordinance
7 by the governing body of the municipality. Each municipality or
8 its commission shall establish written procedures relating to
9 bids and proposals for implementation of the redevelopment
10 projects. Furthermore, no conveyance, lease, mortgage, or other
11 disposition of land or agreement relating to the development of
12 property shall be made without making public disclosure of the
13 terms of the disposition and all bids and proposals made in
14 response to the municipality's request. Such procedures for
15 obtaining such bids and proposals shall provide reasonable
16 opportunity for any person to submit alternative proposals or
17 bids;

18 (4) Within a redevelopment area, clear any area by
19 demolition or removal of existing buildings and structures;

20 (5) Within a redevelopment area, renovate, rehabilitate, or
21 construct any structure or building;

22 (6) Install, repair, construct, reconstruct, or relocate
23 streets, utilities, and site improvements essential to the
24 preparation of the redevelopment area for use in accordance with
25 a redevelopment plan;

26 (7) Within a redevelopment area, fix, charge, and collect
27 fees, rents, and other charges for the use of any building or
28 property owned or leased by it or any part thereof, or facility

1 therein;

2 (8) Accept grants, guarantees, and donations of property,
3 labor, or other things of value from a public or private source
4 for use within a redevelopment area;

5 (9) Acquire and construct public facilities within a
6 redevelopment area;

7 (10) Incur redevelopment costs and issue obligations;

8 (11) Make payment in lieu of taxes, or a portion thereof,
9 to taxing districts;

10 (12) Disburse surplus funds from the special allocation
11 fund to taxing districts as follows:

12 (a) Such surplus payments in lieu of taxes shall be
13 distributed to taxing districts within the redevelopment area
14 which impose ad valorem taxes on a basis that is proportional to
15 the current collections of revenue which each taxing district
16 receives from real property in the redevelopment area;

17 (b) Surplus economic activity taxes shall be distributed to
18 taxing districts in the redevelopment area which impose economic
19 activity taxes, on a basis that is proportional to the amount of
20 such economic activity taxes the taxing district would have
21 received from the redevelopment area had tax increment financing
22 not been adopted;

23 (c) Surplus revenues, other than payments in lieu of taxes
24 and economic activity taxes, deposited in the special allocation
25 fund, shall be distributed on a basis that is proportional to the
26 total receipt of such other revenues in such account in the year
27 prior to disbursement;

28 (13) If any member of the governing body of the

1 municipality, a member of a commission established pursuant to
2 subsection 2 of this section, or an employee or consultant of the
3 municipality, involved in the planning and preparation of a
4 redevelopment plan, or redevelopment project for a redevelopment
5 area or proposed redevelopment area, owns or controls an
6 interest, direct or indirect, in any property included in any
7 redevelopment area, or proposed redevelopment area, which
8 property is designated to be acquired or improved pursuant to a
9 redevelopment project, he or she shall disclose the same in
10 writing to the clerk of the municipality, and shall also so
11 disclose the dates, terms, and conditions of any disposition of
12 any such interest, which disclosures shall be acknowledged by the
13 governing body of the municipality and entered upon the minutes
14 books of the governing body of the municipality. If an
15 individual holds such an interest, then that individual shall
16 refrain from any further official involvement in regard to such
17 redevelopment plan, redevelopment project or redevelopment area,
18 from voting on any matter pertaining to such redevelopment plan,
19 redevelopment project or redevelopment area, or communicating
20 with other members concerning any matter pertaining to that
21 redevelopment plan, redevelopment project or redevelopment area.
22 Furthermore, no such member or employee shall acquire any
23 interest, direct or indirect, in any property in a redevelopment
24 area or proposed redevelopment area after either (a) such
25 individual obtains knowledge of such plan or project, or (b)
26 first public notice of such plan, project or area pursuant to
27 section 99.830, whichever first occurs;

28 (14) Charge as a redevelopment cost the reasonable costs

1 incurred by its clerk or other official in administering the
2 redevelopment project. The charge for the clerk's or other
3 official's costs shall be determined by the municipality based on
4 a recommendation from the commission, created pursuant to this
5 section.

6 2. Prior to adoption of an ordinance approving the
7 designation of a redevelopment area or approving a redevelopment
8 plan or redevelopment project, the municipality shall create a
9 commission of nine persons if the municipality is a county or a
10 city not within a county and not a first class county with a
11 charter form of government with a population in excess of nine
12 hundred thousand, and eleven persons if the municipality is not a
13 county and not in a first class county with a charter form of
14 government having a population of more than nine hundred
15 thousand, and twelve persons if the municipality is located in or
16 is a first class county with a charter form of government having
17 a population of more than nine hundred thousand, to be appointed
18 as follows:

19 (1) In all municipalities two members shall be appointed by
20 the school boards whose districts are included within the
21 redevelopment plan or redevelopment area. Such members shall be
22 appointed in any manner agreed upon by the affected districts;

23 (2) In all municipalities one member shall be appointed, in
24 any manner agreed upon by the affected districts, to represent
25 all other districts levying ad valorem taxes within the area
26 selected for a redevelopment project or the redevelopment area,
27 excluding representatives of the governing body of the
28 municipality;

1 (3) In all municipalities six members shall be appointed by
2 the chief elected officer of the municipality, with the consent
3 of the majority of the governing body of the municipality;

4 (4) In all municipalities which are not counties and not in
5 a first class county with a charter form of government having a
6 population in excess of nine hundred thousand, two members shall
7 be appointed by the county of such municipality in the same
8 manner as members are appointed in subdivision (3) of this
9 subsection;

10 (5) In a municipality which is a county with a charter form
11 of government having a population in excess of nine hundred
12 thousand, three members shall be appointed by the cities in the
13 county which have tax increment financing districts in a manner
14 in which the cities shall agree;

15 (6) In a municipality which is located in the first class
16 county with a charter form of government having a population in
17 excess of nine hundred thousand, three members shall be appointed
18 by the county of such municipality in the same manner as members
19 are appointed in subdivision (3) of this subsection;

20 (7) At the option of the members appointed by the
21 municipality, the members who are appointed by the school boards
22 and other taxing districts may serve on the commission for a term
23 to coincide with the length of time a redevelopment project,
24 redevelopment plan or designation of a redevelopment area, is
25 considered for approval by the commission, or for a definite term
26 pursuant to this subdivision. If the members representing school
27 districts and other taxing districts are appointed for a term
28 coinciding with the length of time a redevelopment project, plan

1 or area is approved, such term shall terminate upon final
2 approval of the project, plan or designation of the area by the
3 governing body of the municipality. Thereafter the commission
4 shall consist of the six members appointed by the municipality,
5 except that members representing school boards and other taxing
6 districts shall be appointed as provided in this section prior to
7 any amendments to any redevelopment plans, redevelopment projects
8 or designation of a redevelopment area. If any school district
9 or other taxing jurisdiction fails to appoint members of the
10 commission within thirty days of receipt of written notice of a
11 proposed redevelopment plan, redevelopment project or designation
12 of a redevelopment area, the remaining members may proceed to
13 exercise the power of the commission. Of the members first
14 appointed by the municipality, two shall be designated to serve
15 for terms of two years, two shall be designated to serve for a
16 term of three years and two shall be designated to serve for a
17 term of four years from the date of such initial appointments.
18 Thereafter, the members appointed by the municipality shall serve
19 for a term of four years, except that all vacancies shall be
20 filled for unexpired terms in the same manner as were the
21 original appointments.

22 3. The commission, subject to approval of the governing
23 body of the municipality, may exercise the powers enumerated in
24 sections 99.800 to 99.865, except final approval of plans,
25 projects and designation of redevelopment areas. The commission
26 shall hold public hearings and provide notice pursuant to
27 sections 99.825 and 99.830. The commission shall vote on all
28 proposed redevelopment plans, redevelopment projects and

1 designations of redevelopment areas, and amendments thereto,
2 within thirty days following completion of the hearing on any
3 such plan, project or designation and shall make recommendations
4 to the governing body within ninety days of the hearing referred
5 to in section 99.825 concerning the adoption of, or amendment to
6 redevelopment plans and redevelopment projects and the
7 designation of redevelopment areas. The requirements of
8 subsection 2 of this section and this subsection shall not apply
9 to redevelopment projects upon which the required hearings have
10 been duly held prior to August 31, 1991.

11 137.100. The following subjects are exempt from taxation
12 for state, county or local purposes:

13 (1) Lands and other property belonging to this state;

14 (2) Lands and other property belonging to any city, county
15 or other political subdivision in this state, including market
16 houses, town halls and other public structures, with their
17 furniture and equipments, and on public squares and lots kept
18 open for health, use or ornament;

19 (3) Nonprofit cemeteries;

20 (4) The real estate and tangible personal property which is
21 used exclusively for agricultural or horticultural societies
22 organized in this state, including not-for-profit agribusiness
23 associations;

24 (5) Real or personal property leased or otherwise
25 transferred by an interstate compact agency created pursuant to
26 sections 70.370 to 70.441, RSMo, or sections 238.010 to 238.100,
27 RSMo, to another for which or whom such property is not exempt
28 when immediately after the lease or transfer, the interstate

1 compact agency enters into a leaseback or other agreement that
2 directly or indirectly gives such interstate compact agency a
3 right to use, control, and possess the property; provided,
4 however, that in the event of a conveyance of such property, the
5 interstate compact agency must retain an option to purchase the
6 property at a future date or, within the limitations period for
7 reverters, the property must revert back to the interstate
8 compact agency. Property will no longer be exempt pursuant to
9 this subdivision in the event of a conveyance as of the date, if
10 any, when:

11 (a) The right of the interstate compact agency to use,
12 control, and possess the property is terminated;

13 (b) The interstate compact agency no longer has an option
14 to purchase or otherwise acquire the property; and

15 (c) There is no provision for reverter of the property
16 within the limitation period for reverters;

17 ~~[(5)]~~ (6) All property, real and personal, actually and
18 regularly used exclusively for religious worship, for schools and
19 colleges, or for purposes purely charitable and not held for
20 private or corporate profit, except that the exemption herein
21 granted does not include real property not actually used or
22 occupied for the purpose of the organization but held or used as
23 investment even though the income or rentals received therefrom
24 is used wholly for religious, educational or charitable purposes;

25 ~~[(6)]~~ (7) Household goods, furniture, wearing apparel and
26 articles of personal use and adornment, as defined by the state
27 tax commission, owned and used by a person in his home or
28 dwelling place; and

1 (8) Motor vehicles leased for a period of at least one year
2 to this state or to any city, county, or political subdivision.

3 143.121. 1. The Missouri adjusted gross income of a
4 resident individual shall be [his] the taxpayer's federal
5 adjusted gross income subject to the modifications in this
6 section.

7 2. There shall be added to [his] the taxpayer's federal
8 adjusted gross income:

9 (a) The amount of any federal income tax refund received
10 for a prior year which resulted in a Missouri income tax benefit;

11 (b) Interest on certain governmental obligations excluded
12 from federal gross income by Section 103 of the Internal Revenue
13 Code. The previous sentence shall not apply to interest on
14 obligations of the state of Missouri or any of its political
15 subdivisions or authorities and shall not apply to the interest
16 described in subdivision (a) of subsection 3 of this section.
17 The amount added [under] pursuant to this paragraph shall be
18 reduced by the amounts applicable to such interest that would
19 have been deductible in computing the taxable income of the
20 taxpayer except only for the application of Section 265 of the
21 Internal Revenue Code. The reduction shall only be made if it is
22 at least five hundred dollars;

23 (c) The amount of any deduction that is included in the
24 computation of federal taxable income [under] pursuant to Section
25 168 of the Internal Revenue Code as amended by the Job Creation
26 and Worker Assistance Act of 2002 to the extent the amount
27 deducted relates to property purchased on or after July 1, 2002,
28 but before July 1, 2003, and to the extent the amount deducted

1 exceeds the amount that would have been deductible [under]
2 pursuant to Section 168 of the Internal Revenue Code of 1986 as
3 in effect on January 1, 2002; and

4 (d) The amount of any deduction that is included in the
5 computation of federal taxable income for net operating loss
6 allowed by Section 172 of the Internal Revenue Code of 1986, as
7 amended, [except for any deduction] other than the deduction
8 allowed by Section 172(b)(1)(G) and Section 172(i) of the
9 Internal Revenue Code of 1986, as amended, for a net operating
10 loss the taxpayer claims in the tax year in which the net
11 operating loss occurred or carries forward for a period [not to
12 exceed] of more than twenty years and carries backward for [not]
13 more than two years. Any amount of net operating loss taken
14 against federal income taxes but disallowed against Missouri
15 income taxes pursuant to this paragraph since July 1, 2002, may
16 be carried forward and taken against any loss on the Missouri
17 income tax return for a period of not more than twenty years from
18 the year of the initial loss.

19 3. There shall be subtracted from [his] the taxpayer's
20 federal adjusted gross income the following amounts to the extent
21 included in federal adjusted gross income:

22 (a) Interest or dividends on obligations of the United
23 States and its territories and possessions or of any authority,
24 commission or instrumentality of the United States to the extent
25 exempt from Missouri income taxes [under] pursuant to the laws of
26 the United States. The amount subtracted [under] pursuant to
27 this paragraph shall be reduced by any interest on indebtedness
28 incurred to carry the described obligations or securities and by

1 any expenses incurred in the production of interest or dividend
2 income described in this paragraph. The reduction in the
3 previous sentence shall only apply to the extent that such
4 expenses including amortizable bond premiums are deducted in
5 determining [his] the taxpayer's federal adjusted gross income or
6 included in [his] the taxpayer's Missouri itemized deduction.
7 The reduction shall only be made if the expenses total at least
8 five hundred dollars;

9 (b) The portion of any gain, from the sale or other
10 disposition of property having a higher adjusted basis to the
11 taxpayer for Missouri income tax purposes than for federal income
12 tax purposes on December 31, 1972, that does not exceed such
13 difference in basis. If a gain is considered a long-term capital
14 gain for federal income tax purposes, the modification shall be
15 limited to one-half of such portion of the gain;

16 (c) The amount necessary to prevent the taxation [under
17 sections 143.011 to 143.996] pursuant to chapter 143 of any
18 annuity or other amount of income or gain which was properly
19 included in income or gain and was taxed [under] pursuant to the
20 laws of Missouri for a taxable year prior to January 1, 1973, to
21 the taxpayer, or to a decedent by reason of whose death the
22 taxpayer acquired the right to receive the income or gain, or to
23 a trust or estate from which the taxpayer received the income or
24 gain;

25 (d) Accumulation distributions received by a taxpayer as a
26 beneficiary of a trust to the extent that the same are included
27 in federal adjusted gross income;

28 (e) The amount of any state income tax refund for a prior

1 year which was included in the federal adjusted gross income;

2 (f) The portion of capital gain specified in [subsection 3
3 of section 144.747] section 135.357, RSMo, that would otherwise
4 be included in federal adjusted gross income; and

5 (g) The amount that would have been deducted in the
6 computation of federal taxable income [under] pursuant to Section
7 168 of the Internal Revenue Code as in effect on January 1, 2002,
8 to the extent that amount relates to property purchased on or
9 after July 1, 2002, but before July 1, 2003, and to the extent
10 that amount exceeds the amount actually deducted [under] pursuant
11 to Section 168 of the Internal Revenue Code as amended by the Job
12 Creation and Worker Assistance Act of 2002.

13 4. There shall be added to or subtracted from [his] the
14 taxpayer's federal adjusted gross income the taxpayer's share of
15 the Missouri fiduciary adjustment provided in section 143.351.

16 5. There shall be added to or subtracted from [his] the
17 taxpayer's federal adjusted gross income the modifications
18 provided in section 143.411.

19 143.181. 1. The Missouri nonresident adjusted gross income
20 shall be that part of the nonresident individual's federal
21 adjusted gross income derived from sources within Missouri, as
22 modified in the same manner as set forth in section 143.121 with
23 respect to resident individuals. It shall be the sum of:

24 (1) The net amount of items of income, gain, loss, and
25 deduction entering into his or her federal adjusted gross income
26 which are derived from or connected with sources in this state
27 including

28 (a) [His] The individual's distributive share of

1 partnership income and deductions determined under section
2 143.421, and

3 (b) [His] The individual's share of estate or trust income
4 and deductions determined under section 143.391, and

5 (c) [His] The individual's pro rata share of S corporation
6 income and deductions determined under subsection 3 of section
7 143.471; and

8 (2) The portion of the modifications described in section
9 143.121 which relate to income derived from sources in this
10 state, including any modifications attributable to him or her as
11 a partner.

12 2. Items of income, gain, loss, and deduction derived from
13 or connected with sources within this state are those items
14 attributable to:

15 (1) The ownership or disposition of any interest in real or
16 tangible personal property in this state; [and]

17 (2) A business, trade, profession, or occupation carried on
18 in this state;

19 (3) Winnings from a wager placed in a lottery conducted by
20 the state lottery commission, if the proceeds from such wager are
21 required, pursuant to the Internal Revenue Code of 1986, as
22 amended, or regulations adopted thereunder, to be reported by the
23 state lottery commission to the Internal Revenue Service; and

24 (4) Winnings from any other wager placed in this state or
25 from any wagering transaction, gaming activity, or gambling
26 activity in this state, if the proceeds from such wager, wagering
27 transaction, gaming activity, or gambling activity are required,
28 pursuant to the Internal Revenue Code of 1986, as amended, or

1 regulations adopted thereunder, to be reported by the payer to
2 the Internal Revenue Service.

3 3. Income from intangible personal property, including
4 annuities, dividends, interest, and gains from the disposition of
5 intangible personal property, shall constitute income derived
6 from sources within this state only to the extent that such
7 income is from:

8 (1) Property employed in a business, trade, profession, or
9 occupation carried on in this state;

10 (2) Winnings from a wager placed in a lottery conducted by
11 the state lottery commission, if the proceeds from such wager are
12 required, pursuant to the Internal Revenue Code of 1986, as
13 amended, or regulations adopted thereunder, to be reported by the
14 state lottery commission to the Internal Revenue Service; and

15 (3) Winnings from any other wager placed in this state or
16 from any wagering transaction, gaming activity, or gambling
17 activity in this state, if the proceeds from such wager, wagering
18 transaction, gaming activity, or gambling activity are required,
19 pursuant to the Internal Revenue Code of 1986, as amended, or
20 regulations adopted thereunder, to be reported by the payer to
21 the Internal Revenue Service.

22 4. Deductions with respect to capital losses, net long-term
23 capital gains, and net operation losses shall be based solely on
24 income, gains, losses, and deductions derived from sources within
25 this state in the same manner as the corresponding federal
26 deductions under regulations to be prescribed by the director of
27 revenue.

28 5. If a business, trade, profession, or occupation is

1 carried on partly within and partly without this state, the items
2 of income and deduction derived from or connected with sources
3 within this state shall be determined by apportionment and
4 allocation under regulations to be prescribed by the director of
5 revenue.

6 6. Compensation paid by the United States for service in
7 the armed forces of the United States performed by a nonresident
8 shall not constitute income derived from sources within this
9 state.

10 144.030. 1. There is hereby specifically exempted from the
11 provisions of sections 144.010 to 144.525 and from the
12 computation of the tax levied, assessed or payable pursuant to
13 sections 144.010 to 144.525 such retail sales as may be made in
14 commerce between this state and any other state of the United
15 States, or between this state and any foreign country, and any
16 retail sale which the state of Missouri is prohibited from taxing
17 pursuant to the Constitution or laws of the United States of
18 America, and such retail sales of tangible personal property
19 which the general assembly of the state of Missouri is prohibited
20 from taxing or further taxing by the constitution of this state.

21 2. There are also specifically exempted from the provisions
22 of the local sales tax law as defined in section 32.085, RSMo,
23 section 238.235, RSMo, and sections 144.010 to 144.525 and
24 144.600 to 144.745 and from the computation of the tax levied,
25 assessed or payable pursuant to the local sales tax law as
26 defined in section 32.085, RSMo, section 238.235, RSMo, and
27 sections 144.010 to 144.525 and 144.600 to 144.745:

28 (1) Motor fuel or special fuel subject to an excise tax of

1 this state, unless all or part of such excise tax is refunded
2 pursuant to section 142.584, RSMo; or upon the sale at retail of
3 fuel to be consumed in manufacturing or creating gas, power,
4 steam, electrical current or in furnishing water to be sold
5 ultimately at retail; or feed for livestock or poultry; or grain
6 to be converted into foodstuffs which are to be sold ultimately
7 in processed form at retail; or seed, limestone or fertilizer
8 which is to be used for seeding, liming or fertilizing crops
9 which when harvested will be sold at retail or will be fed to
10 livestock or poultry to be sold ultimately in processed form at
11 retail; economic poisons registered pursuant to the provisions of
12 the Missouri pesticide registration law (sections 281.220 to
13 281.310, RSMo) which are to be used in connection with the growth
14 or production of crops, fruit trees or orchards applied before,
15 during, or after planting, the crop of which when harvested will
16 be sold at retail or will be converted into foodstuffs which are
17 to be sold ultimately in processed form at retail;

18 (2) Materials, manufactured goods, machinery and parts
19 which when used in manufacturing, processing, compounding,
20 mining, producing or fabricating become a component part or
21 ingredient of the new personal property resulting from such
22 manufacturing, processing, compounding, mining, producing or
23 fabricating and which new personal property is intended to be
24 sold ultimately for final use or consumption; and materials,
25 including without limitation, gases and manufactured goods,
26 including without limitation, slagging materials and firebrick,
27 which are ultimately consumed in the manufacturing process by
28 blending, reacting or interacting with or by becoming, in whole

1 or in part, component parts or ingredients of steel products
2 intended to be sold ultimately for final use or consumption;

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

8 (4) Replacement machinery, equipment, and parts and the
9 materials and supplies solely required for the installation or
10 construction of such replacement machinery, equipment, and parts,
11 used directly in manufacturing, mining, fabricating or producing
12 a product which is intended to be sold ultimately for final use
13 or consumption; and machinery and equipment, and the materials
14 and supplies required solely for the operation, installation or
15 construction of such machinery and equipment, purchased and used
16 to establish new, or to replace or expand existing, material
17 recovery processing plants in this state. For the purposes of
18 this subdivision, a "material recovery processing plant" means a
19 facility which converts recovered materials into a new product,
20 or a different form which is used in producing a new product, and
21 shall include a facility or equipment which is used exclusively
22 for the collection of recovered materials for delivery to a
23 material recovery processing plant but shall not include motor
24 vehicles used on highways. For purposes of this section, the
25 terms "motor vehicle" and "highway" shall have the same meaning
26 pursuant to section 301.010, RSMo;

27 (5) Machinery and equipment, and parts and the materials
28 and supplies solely required for the installation or construction

1 of such machinery and equipment, purchased and used to establish
2 new or to expand existing manufacturing, mining or fabricating
3 plants in the state if such machinery and equipment is used
4 directly in manufacturing, mining or fabricating a product which
5 is intended to be sold ultimately for final use or consumption;

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

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

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

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

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

20 (11) Railroad rolling stock for use in transporting persons
21 or property in interstate commerce and motor vehicles licensed
22 for a gross weight of twenty-four thousand pounds or more or
23 trailers used by common carriers, as defined in section 390.020,
24 RSMo, solely in the transportation of persons or property in
25 interstate commerce;

26 (12) Electrical energy used in the actual primary
27 manufacture, processing, compounding, mining or producing of a
28 product, or electrical energy used in the actual secondary

1 processing or fabricating of the product, or a material recovery
2 processing plant as defined in subdivision (4) of this
3 subsection, in facilities owned or leased by the taxpayer, if the
4 total cost of electrical energy so used exceeds ten percent of
5 the total cost of production, either primary or secondary,
6 exclusive of the cost of electrical energy so used or if the raw
7 materials used in such processing contain at least twenty-five
8 percent recovered materials as defined in section 260.200, RSMo.
9 For purposes of this subdivision, "processing" means any mode of
10 treatment, act or series of acts performed upon materials to
11 transform and reduce them to a different state or thing,
12 including treatment necessary to maintain or preserve such
13 processing by the producer at the production facility;

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

17 (14) Machinery, equipment, appliances and devices purchased
18 or leased and used solely for the purpose of preventing, abating
19 or monitoring air pollution, and materials and supplies solely
20 required for the installation, construction or reconstruction of
21 such machinery, equipment, appliances and devices, and so
22 certified as such by the director of the department of natural
23 resources, except that any action by the director pursuant to
24 this subdivision may be appealed to the air conservation
25 commission which may uphold or reverse such action;

26 (15) Machinery, equipment, appliances and devices purchased
27 or leased and used solely for the purpose of preventing, abating
28 or monitoring water pollution, and materials and supplies solely

1 required for the installation, construction or reconstruction of
2 such machinery, equipment, appliances and devices, and so
3 certified as such by the director of the department of natural
4 resources, except that any action by the director pursuant to
5 this subdivision may be appealed to the Missouri clean water
6 commission which may uphold or reverse such action;

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

9 (17) All amounts paid or charged for admission or
10 participation or other fees paid by or other charges to
11 individuals in or for any place of amusement, entertainment or
12 recreation, games or athletic events, including museums, fairs,
13 zoos and planetariums, owned or operated by a municipality or
14 other political subdivision where all the proceeds derived
15 therefrom benefit the municipality or other political subdivision
16 and do not inure to any private person, firm, or corporation;

17 (18) All sales of insulin and prosthetic or orthopedic
18 devices as defined on January 1, 1980, by the federal Medicare
19 program pursuant to Title XVIII of the Social Security Act of
20 1965, including the items specified in Section 1862(a)(12) of
21 that act, and also specifically including hearing aids and
22 hearing aid supplies and all sales of drugs which may be legally
23 dispensed by a licensed pharmacist only upon a lawful
24 prescription of a practitioner licensed to administer those
25 items, including samples and materials used to manufacture
26 samples which may be dispensed by a practitioner authorized to
27 dispense such samples and all sales of medical oxygen, home
28 respiratory equipment and accessories, hospital beds and

1 accessories and ambulatory aids, all sales of manual and powered
2 wheelchairs, stairway lifts, Braille writers, electronic Braille
3 equipment and, if purchased by or on behalf of a person with one
4 or more physical or mental disabilities to enable them to
5 function more independently, all sales of scooters, reading
6 machines, electronic print enlargers and magnifiers, electronic
7 alternative and augmentative communication devices, and items
8 used solely to modify motor vehicles to permit the use of such
9 motor vehicles by individuals with disabilities or sales of
10 over-the-counter or nonprescription drugs to individuals with
11 disabilities;

12 (19) All sales made by or to religious and charitable
13 organizations and institutions in their religious, charitable or
14 educational functions and activities and all sales made by or to
15 all elementary and secondary schools operated at public expense
16 in their educational functions and activities;

17 (20) All sales of aircraft to common carriers for storage
18 or for use in interstate commerce and all sales made by or to
19 not-for-profit civic, social, service or fraternal organizations,
20 including fraternal organizations which have been declared tax
21 exempt organizations pursuant to Section 501(c)(8) or (10) of the
22 1986 Internal Revenue Code, as amended, solely in their civic or
23 charitable functions and activities and all sales made to
24 eleemosynary and penal institutions and industries of the state,
25 and all sales made to any private not-for-profit institution of
26 higher education not otherwise excluded pursuant to subdivision
27 (19) of this subsection or any institution of higher education
28 supported by public funds, and all sales made to a state relief

1 agency in the exercise of relief functions and activities;

2 (21) All ticket sales made by benevolent, scientific and
3 educational associations which are formed to foster, encourage,
4 and promote progress and improvement in the science of
5 agriculture and in the raising and breeding of animals, and by
6 nonprofit summer theater organizations if such organizations are
7 exempt from federal tax pursuant to the provisions of the
8 Internal Revenue Code and all admission charges and entry fees to
9 the Missouri state fair or any fair conducted by a county
10 agricultural and mechanical society organized and operated
11 pursuant to sections 262.290 to 262.530, RSMo;

12 (22) All sales made to any private not-for-profit
13 elementary or secondary school, all sales of feed additives,
14 medications or vaccines administered to livestock or poultry in
15 the production of food or fiber, all sales of pesticides used in
16 the production of crops, livestock or poultry for food or fiber,
17 all sales of bedding used in the production of livestock or
18 poultry for food or fiber, all sales of propane or natural gas,
19 electricity or diesel fuel used exclusively for drying
20 agricultural crops, natural gas used in the primary manufacture
21 or processing of fuel ethanol as defined in section 142.028,
22 RSMo, and all sales of farm machinery and equipment, other than
23 airplanes, motor vehicles and trailers. As used in this
24 subdivision, the term "feed additives" means tangible personal
25 property which, when mixed with feed for livestock or poultry, is
26 to be used in the feeding of livestock or poultry. As used in
27 this subdivision, the term "pesticides" includes adjuvants such
28 as crop oils, surfactants, wetting agents and other assorted

1 pesticide carriers used to improve or enhance the effect of a
2 pesticide and the foam used to mark the application of pesticides
3 and herbicides for the production of crops, livestock or poultry.
4 As used in this subdivision, the term "farm machinery and
5 equipment" means new or used farm tractors and such other new or
6 used farm machinery and equipment and repair or replacement parts
7 thereon, and supplies and lubricants used exclusively [for such
8 farm machinery and equipment], solely, and directly for producing
9 crops, raising and feeding livestock, fish, poultry, pheasants,
10 chukar, quail, or for producing milk for ultimate sale at retail
11 and one-half of each purchaser's purchase of diesel fuel therefor
12 which is:

13 (a) Used exclusively for agricultural purposes;

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

16 (c) Used directly in producing farm products to be sold
17 ultimately in processed form or otherwise at retail or in
18 producing farm products to be fed to livestock or poultry to be
19 sold ultimately in processed form at retail;

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

25 (a) "Domestic use" means that portion of metered water
26 service, electricity, electrical current, natural, artificial or
27 propane gas, wood, coal or home heating oil, and in any city not
28 within a county, metered or unmetered water service, which an

1 individual occupant of a residential premises uses for
2 nonbusiness, noncommercial or nonindustrial purposes. Utility
3 service through a single or master meter for residential
4 apartments or condominiums, including service for common areas
5 and facilities and vacant units, shall be deemed to be for
6 domestic use. Each seller shall establish and maintain a system
7 whereby individual purchases are determined as exempt or
8 nonexempt;

9 (b) Regulated utility sellers shall determine whether
10 individual purchases are exempt or nonexempt based upon the
11 seller's utility service rate classifications as contained in
12 tariffs on file with and approved by the Missouri public service
13 commission. Sales and purchases made pursuant to the rate
14 classification "residential" and sales to and purchases made by
15 or on behalf of the occupants of residential apartments or
16 condominiums through a single or master meter, including service
17 for common areas and facilities and vacant units, shall be
18 considered as sales made for domestic use and such sales shall be
19 exempt from sales tax. Sellers shall charge sales tax upon the
20 entire amount of purchases classified as nondomestic use. The
21 seller's utility service rate classification and the provision of
22 service thereunder shall be conclusive as to whether or not the
23 utility must charge sales tax;

24 (c) Each person making domestic use purchases of services
25 or property and who uses any portion of the services or property
26 so purchased for a nondomestic use shall, by the fifteenth day of
27 the fourth month following the year of purchase, and without
28 assessment, notice or demand, file a return and pay sales tax on

1 that portion of nondomestic purchases. Each person making
2 nondomestic purchases of services or property and who uses any
3 portion of the services or property so purchased for domestic
4 use, and each person making domestic purchases on behalf of
5 occupants of residential apartments or condominiums through a
6 single or master meter, including service for common areas and
7 facilities and vacant units, under a nonresidential utility
8 service rate classification may, between the first day of the
9 first month and the fifteenth day of the fourth month following
10 the year of purchase, apply for credit or refund to the director
11 of revenue and the director shall give credit or make refund for
12 taxes paid on the domestic use portion of the purchase. The
13 person making such purchases on behalf of occupants of
14 residential apartments or condominiums shall have standing to
15 apply to the director of revenue for such credit or refund;

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

21 (25) Excise taxes, collected on sales at retail, imposed by
22 Sections 4041, 4061, 4071, 4081, 4091, 4161, 4181, 4251, 4261 and
23 4271 of Title 26, United States Code. The director of revenue
24 shall promulgate rules pursuant to chapter 536, RSMo, to
25 eliminate all state and local sales taxes on such excise taxes;

26 (26) Sales of fuel consumed or used in the operation of
27 ships, barges, or waterborne vessels which are used primarily in
28 or for the transportation of property or cargo, or the conveyance

1 of persons for hire, on navigable rivers bordering on or located
2 in part in this state, if such fuel is delivered by the seller to
3 the purchaser's barge, ship, or waterborne vessel while it is
4 afloat upon such river;

5 (27) All sales made to an interstate compact agency created
6 pursuant to sections 70.370 to 70.430, RSMo, or sections 238.010
7 to 238.100, RSMo, in the exercise of the functions and activities
8 of such agency as provided pursuant to the compact;

9 (28) Computers, computer software and computer security
10 systems purchased for use by architectural or engineering firms
11 headquartered in this state. For the purposes of this
12 subdivision, "headquartered in this state" means the office for
13 the administrative management of at least four integrated
14 facilities operated by the taxpayer is located in the state of
15 Missouri;

16 (29) All livestock sales when either the seller is engaged
17 in the growing, producing or feeding of such livestock, or the
18 seller is engaged in the business of buying and selling,
19 bartering or leasing of such livestock;

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

22 (31) Electrical energy or gas, whether natural, artificial
23 or propane, which is ultimately consumed in connection with the
24 manufacturing of cellular glass products;

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

28 (33) Tangible personal property purchased for use or

1 consumption directly or exclusively in the research and
2 development of prescription pharmaceuticals consumed by humans or
3 animals;

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

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

10 (36) All purchases by a contractor on behalf of an entity
11 located in another state, provided that the entity is authorized
12 to issue a certificate of exemption for purchases to a contractor
13 under the provisions of that state's laws. For purposes of this
14 subdivision, the term "certificate of exemption" shall mean any
15 document evidencing that the entity is exempt from sales and use
16 taxes on purchases pursuant to the laws of the state in which the
17 entity is located. Any contractor making purchases on behalf of
18 such entity shall maintain a copy of the entity's exemption
19 certificate as evidence of the exemption. If the exemption
20 certificate issued by the exempt entity to the contractor is
21 later determined by the director of revenue to be invalid for any
22 reason and the contractor has accepted the certificate in good
23 faith, neither the contractor or the exempt entity shall be
24 liable for the payment of any taxes, interest and penalty due as
25 the result of use of the invalid exemption certificate.
26 Materials shall be exempt from all state and local sales and use
27 taxes when purchased by a contractor for the purpose of
28 fabricating tangible personal property which is used in

1 fulfilling a contract for the purpose of constructing, repairing
2 or remodeling facilities for the following:

3 (a) An exempt entity located in this state, if the entity
4 is one of those entities able to issue project exemption
5 certificates in accordance with the provisions of section
6 144.062; or

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

11 (37) Tangible personal property purchased for use or
12 consumption directly or exclusively in research or
13 experimentation activities performed by life science companies
14 and so certified as such by the director of the department of
15 economic development or the director's designees; except that,
16 the total amount of exemptions certified pursuant to this section
17 shall not exceed one million three hundred thousand dollars in
18 state and local taxes per fiscal year. For purposes of this
19 subdivision, the term "life science companies" means companies
20 whose primary research activities are in agriculture,
21 pharmaceuticals, biomedical or food ingredients, and whose North
22 American Industry Classification System (NAICS) Codes fall under
23 industry 541710 (biotech research or development laboratories),
24 621511 (medical laboratories) or 541940 (veterinary services).
25 The exemption provided by this subdivision shall expire on June
26 30, 2003;

27 (38) All sales or other transfers of tangible personal
28 property to a lessor, who leases the property under a lease of

1 one year or longer executed or in effect at the time of the sale
2 or transfer, to an interstate compact agency created pursuant to
3 sections 70.370 to 70.441, RSMo, or sections 238.010 to 238.100,
4 RSMo.

5 144.049. 1. For purposes of this section, the following
6 terms mean:

7 (1) "Clothing", any article of wearing apparel, including
8 footwear, intended to be worn on or about the human body. The
9 term shall include but not be limited to cloth and other material
10 used to make school uniforms or other school clothing. Items
11 normally sold in pairs shall not be separated to qualify for the
12 exemption. The term shall not include watches, watchbands,
13 jewelry, handbags, handkerchiefs, umbrellas, scarves, ties,
14 headbands, or belt buckles; and

15 (2) "Personal computers", a laptop, desktop, or tower
16 computer system which consists of a central processing unit,
17 random access memory, a storage drive, a display monitor, and a
18 keyboard and devices designed for use in conjunction with a
19 personal computer, such as a disk drive, memory module, compact
20 disk drive, daughterboard, digitalizer, microphone, modem,
21 motherboard, mouse, multimedia speaker, printer, scanner, single-
22 user hardware, single-user operating system, soundcard, or video
23 card;

24 (3) "School supplies", any item normally used by students
25 in a standard classroom for educational purposes, including but
26 not limited to, textbooks, notebooks, paper, writing instruments,
27 crayons, art supplies, rulers, book bags, back packs, handheld
28 calculators, chalk, maps, and globes. The term shall not include

1 watches, radios, CD players, headphones, sporting equipment,
2 portable or desktop telephones, copiers or other office
3 equipment, furniture, or fixtures. School supplies shall also
4 include computer software having a taxable value of two hundred
5 dollars or less.

6 2. There is hereby specifically exempted from state sales
7 tax law all retail sales of any article of clothing having a
8 taxable value of one hundred dollars or less, all retail sales of
9 school supplies not to exceed fifty dollars per purchase, all
10 computer software with a taxable value of two hundred dollars or
11 less, and all retail sales of personal computers or computer
12 peripheral devices not to exceed two thousand dollars, during a
13 three-day period beginning at 12:01 a.m. on the second Friday in
14 August and ending at midnight on the Sunday following.

15 3. Beginning on the effective date of this act, the
16 governing body of any political subdivision may adopt an
17 ordinance to prohibit the provisions of this section from
18 exempting sales that occur within the political subdivision from
19 being subject to the local sales taxes applicable to sales within
20 the political subdivision. Upon adoption of such an ordinance,
21 the governing body of the political subdivision shall provide
22 written notice to the department of revenue of the substance of
23 the ordinance. In the event such notification is not received by
24 the department of revenue prior to the second Friday in July in
25 any given year, the ordinance shall not go into effect prior to
26 the year the notice is received.

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

1 5. The provisions of this section shall expire July 1,
2 2005.

3 144.615. There are specifically exempted from the taxes
4 levied in sections 144.600 to 144.745:

5 (1) Property, the storage, use or consumption of which this
6 state is prohibited from taxing [under] pursuant to the
7 constitution or laws of the United States or of this state;

8 (2) Property, the gross receipts from the sale of which are
9 required to be included in the measure of the tax imposed [under]
10 pursuant to the Missouri sales tax law;

11 (3) Tangible personal property, the sale or other transfer
12 of which, if made in this state, would be exempt from or not
13 subject to the Missouri sales tax [under] pursuant to the
14 provisions of subsections 2 and 3 of section 144.030;

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

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

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

26 (7) Personal and household effects and farm machinery used
27 while an individual was a bona fide resident of another state and
28 who thereafter became a resident of this state, or tangible

1 personal property brought into the state by a nonresident for his
2 own storage, use or consumption while temporarily within the
3 state.

4 144.817. In addition to the exemptions granted pursuant to
5 the provisions of section 144.030, there shall also be
6 specifically exempted from the provisions of the local sales tax
7 law as defined in section 32.085, RSMo, section 238.235, RSMo,
8 and sections 144.010 to 144.525 and 144.600 to 144.745, and from
9 the computation of the tax levied, assessed, or payable pursuant
10 to the local sales tax law as defined in section 32.085, RSMo,
11 section 238.235, RSMo, and sections 144.010 to 144.525 and
12 144.600 to 144.761, purchases of any item of tangible personal
13 property which is, within one year of such purchase, donated
14 without charge to the state of Missouri. The exemption
15 prescribed in this section includes purchases of all items of
16 tangible personal property converted into an item donated as a
17 gift to the state of Missouri.

18 260.830. 1. Any county of the third classification or any
19 county of the fourth classification with more than forty-eight
20 thousand two hundred but less than forty-eight thousand three
21 hundred inhabitants may, by a majority vote of its governing
22 body, impose a landfill fee pursuant to sections 260.830 and
23 260.831, for the benefit of the county. No order or ordinance
24 enacted pursuant to the authority granted by this section shall
25 be effective unless the governing body of the county submits to
26 the qualified voters of the county, at a public election, a
27 proposal to authorize the governing body of the county to impose
28 a fee under the provisions of this section. The ballot of

1 submission shall be in substantially the following form:

2 Shall the county of (insert name of
3 county) impose a landfill fee of (insert
4 amount of fee per ton or volumetric equivalent of solid waste)?

5 YES NO

6 If a majority of the votes cast on the proposal by the qualified
7 voters voting thereon are in favor of the proposal, then the
8 order or ordinance and any amendments thereto shall become
9 effective on the first day of the calendar quarter immediately
10 after such election results are certified. If a majority of the
11 votes cast by the qualified voters voting are opposed to the
12 proposal, then the governing body of the county shall have no
13 power to impose the fee authorized by this section unless and
14 until the governing body of the county shall again have submitted
15 another proposal to authorize the governing body of the county to
16 impose such fee, and the proposal is approved by a majority of
17 the qualified voters voting thereon. If an economic development
18 authority does not exist in a county at the time that a landfill
19 fee is adopted by such county under this section, then the
20 governing body of such county shall establish an economic
21 development authority in the county.

22 2. The landfill fee authorized by such an election may not
23 exceed one dollar and fifty cents per ton or its volumetric
24 equivalent of solid waste accepted, which charge may be in
25 addition to any such fee currently imposed pursuant to the
26 provisions of section 260.330.

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Peter Kinder

Christopher Shoemaker