

HOUSE _____ AMENDMENT NO. ____

Offered By

1 AMEND House Committee Substitute for Senate Committee Substitute for Senate Bill No. 82,
2 Section A., Page 2, Line 15 by inserting after all of said line the following:

3
4 "135.552. 1. As used in this section, the following terms mean:

5 (1) "Qualifying motor vehicle", any new self-propelled vehicle not operated exclusively
6 upon tracks, except farm tractors, that is assembled and sold in this state on or after January 1,
7 2008;

8 (2) "Tax credit", a credit against the tax otherwise due under chapter 143, RSMo,
9 excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or otherwise due
10 under chapter 147, 148, or 153, RSMo;

11 (3) "Taxpayer", any individual or entity subject to the tax imposed in chapter 143, RSMo,
12 excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or the tax imposed in
13 chapter 147, 148, or 153, RSMo.

14 2. For all taxable years beginning on or after January 1, 2008, a taxpayer shall be allowed
15 a tax credit for the purchase of a qualifying motor vehicle. The tax credit amount shall be equal to
16 the amount of state sales tax paid on such qualifying motor vehicle. If the amount of the tax credit
17 issued exceeds the amount of the taxpayer's state tax liability for the tax year for which the credit
18 is claimed, the difference shall be refundable. No tax credit granted under this section shall be
19 transferred, sold, or assigned.

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1 3. This section shall not be construed to prohibit the levy of any local sales tax, as defined
2 in section 32.085, RSMo, on any sales of new motor vehicles assembled and sold in the state on
3 or after January 1, 2008. In the event that any political subdivision has enacted a local sales tax
4 on such sales, the political subdivision may, by order or ordinance, exempt such sales from the
5 local sales tax law.

6 4. The department of revenue may promulgate rules to implement the provisions of this
7 section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is
8 created under the authority delegated in this section shall become effective only if it complies with
9 and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028,
10 RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested
11 with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date,
12 or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of
13 rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and
14 void.

15 5. Under section 23.253, RSMo, of the Missouri Sunset Act:

16 (1) The provisions of the new program authorized under this section shall automatically
17 sunset on December thirty-first six years after the effective date of this section unless reauthorized
18 by an act of the general assembly; and

19 (2) If such program is reauthorized, the program authorized under this section shall
20 automatically sunset on December thirty-first twelve years after the effective date of the
21 reauthorization of this section; and

22 (3) This section shall terminate on September first of the calendar year immediately
23 following the calendar year in which the program authorized under this section is sunset.

24 144.030. 1. There is hereby specifically exempted from the provisions of sections
25 144.010 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to
26 sections 144.010 to 144.525 such retail sales as may be made in commerce between this state and
27 any other state of the United States, or between this state and any foreign country, and any retail
28 sale which the state of Missouri is prohibited from taxing pursuant to the Constitution or laws of

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1 the United States of America, and such retail sales of tangible personal property which the general
2 assembly of the state of Missouri is prohibited from taxing or further taxing by the constitution of
3 this state.

4 2. There are also specifically exempted from the provisions of the local sales tax law as
5 defined in section 32.085, RSMo, section 238.235, RSMo, and sections 144.010 to 144.525 and
6 144.600 to 144.761 and from the computation of the tax levied, assessed or payable pursuant to
7 the local sales tax law as defined in section 32.085, RSMo, section 238.235, RSMo, and sections
8 144.010 to 144.525 and 144.600 to 144.745:

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

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

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1 sold ultimately for final use or consumption;

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

5 (4) Replacement machinery, equipment, and parts and the materials and supplies solely
6 required for the installation or construction of such replacement machinery, equipment, and parts,
7 used directly in manufacturing, mining, fabricating or producing a product which is intended to be
8 sold ultimately for final use or consumption; and machinery and equipment, and the materials and
9 supplies required solely for the operation, installation or construction of such machinery and
10 equipment, purchased and used to establish new, or to replace or expand existing, material
11 recovery processing plants in this state. For the purposes of this subdivision, a "material recovery
12 processing plant" means a facility that has as its primary purpose the recovery of materials into a
13 useable product or a different form which is used in producing a new product and shall include a
14 facility or equipment which are used exclusively for the collection of recovered materials for
15 delivery to a material recovery processing plant but shall not include motor vehicles used on
16 highways. For purposes of this section, the terms "motor vehicle" and "highway" shall have the
17 same meaning pursuant to section 301.010, RSMo. Material recovery is not the reuse of materials
18 within a manufacturing process or the use of a product previously recovered. The material
19 recovery processing plant shall qualify under the provisions of this section regardless of
20 ownership of the material being recovered;

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

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

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

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

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

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

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

13 (12) Electrical energy used in the actual primary manufacture, processing, compounding,
14 mining or producing of a product, or electrical energy used in the actual secondary processing or
15 fabricating of the product, or a material recovery processing plant as defined in subdivision (4) of
16 this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical energy
17 so used exceeds ten percent of the total cost of production, either primary or secondary, exclusive
18 of the cost of electrical energy so used or if the raw materials used in such processing contain at
19 least twenty-five percent recovered materials as defined in section 260.200, RSMo. There shall be
20 a rebuttable presumption that the raw materials used in the primary manufacture of automobiles
21 contain at least twenty-five percent recovered materials. For purposes of this subdivision,
22 "processing" means any mode of treatment, act or series of acts performed upon materials to
23 transform and reduce them to a different state or thing, including treatment necessary to maintain
24 or preserve such processing by the producer at the production facility;

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

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

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

5 (15) Machinery, equipment, appliances and devices purchased or leased and used solely
6 for the purpose of preventing, abating or monitoring water pollution, and materials and supplies
7 solely required for the installation, construction or reconstruction of such machinery, equipment,
8 appliances and devices, and so certified as such by the director of the department of natural
9 resources, except that any action by the director pursuant to this subdivision may be appealed to
10 the Missouri clean water commission which may uphold or reverse such action;

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

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

18 (18) All sales of insulin and prosthetic or orthopedic devices as defined on January 1,
19 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of 1965,
20 including the items specified in Section 1862(a)(12) of that act, and also specifically including
21 hearing aids and hearing aid supplies and all sales of drugs which may be legally dispensed by a
22 licensed pharmacist only upon a lawful prescription of a practitioner licensed to administer those
23 items, including samples and materials used to manufacture samples which may be dispensed by a
24 practitioner authorized to dispense such samples and all sales of medical oxygen, home
25 respiratory equipment and accessories, hospital beds and accessories and ambulatory aids, all sales
26 of manual and powered wheelchairs, stairway lifts, Braille writers, electronic Braille equipment
27 and, if purchased by or on behalf of a person with one or more physical or mental disabilities to
28 enable them to function more independently, all sales of scooters, reading machines, electronic

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1 print enlargers and magnifiers, electronic alternative and augmentative communication devices,
2 and items used solely to modify motor vehicles to permit the use of such motor vehicles by
3 individuals with disabilities or sales of over-the-counter or nonprescription drugs to individuals
4 with disabilities;

5 (19) All sales made by or to religious and charitable organizations and institutions in their
6 religious, charitable or educational functions and activities and all sales made by or to all
7 elementary and secondary schools operated at public expense in their educational functions and
8 activities;

9 (20) All sales of aircraft to common carriers for storage or for use in interstate commerce
10 and all sales made by or to not-for-profit civic, social, service or fraternal organizations, including
11 fraternal organizations which have been declared tax-exempt organizations pursuant to Section
12 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or charitable
13 functions and activities and all sales made to eleemosynary and penal institutions and industries of
14 the state, and all sales made to any private not-for-profit institution of higher education not
15 otherwise excluded pursuant to subdivision (19) of this subsection or any institution of higher
16 education supported by public funds, and all sales made to a state relief agency in the exercise of
17 relief functions and activities;

18 (21) All ticket sales made by benevolent, scientific and educational associations which are
19 formed to foster, encourage, and promote progress and improvement in the science of agriculture
20 and in the raising and breeding of animals, and by nonprofit summer theater organizations if such
21 organizations are exempt from federal tax pursuant to the provisions of the Internal Revenue Code
22 and all admission charges and entry fees to the Missouri state fair or any fair conducted by a
23 county agricultural and mechanical society organized and operated pursuant to sections 262.290 to
24 262.530, RSMo;

25 (22) All sales made to any private not-for-profit elementary or secondary school, all sales
26 of feed additives, medications or vaccines administered to livestock or poultry in the production
27 of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for
28 food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber,

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1 all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying agricultural
2 crops, natural gas used in the primary manufacture or processing of fuel ethanol as defined in
3 section 142.028, RSMo, natural gas, propane, and electricity used by an eligible new generation
4 cooperative or an eligible new generation processing entity as defined in section 348.432, RSMo,
5 and all sales of farm machinery and equipment, other than airplanes, motor vehicles and trailers.
6 As used in this subdivision, the term "feed additives" means tangible personal property which,
7 when mixed with feed for livestock or poultry, is to be used in the feeding of livestock or poultry.
8 As used in this subdivision, the term "pesticides" includes adjuvants such as crop oils, surfactants,
9 wetting agents and other assorted pesticide carriers used to improve or enhance the effect of a
10 pesticide and the foam used to mark the application of pesticides and herbicides for the production
11 of crops, livestock or poultry. As used in this subdivision, the term "farm machinery and
12 equipment" means new or used farm tractors and such other new or used farm machinery and
13 equipment and repair or replacement parts thereon, and supplies and lubricants used exclusively,
14 solely, and directly for producing crops, raising and feeding livestock, fish, poultry, pheasants,
15 chukar, quail, or for producing milk for ultimate sale at retail, including field drain tile, and
16 one-half of each purchaser's purchase of diesel fuel therefor which is:

- 17 (a) Used exclusively for agricultural purposes;
- 18 (b) Used on land owned or leased for the purpose of producing farm products; and
- 19 (c) Used directly in producing farm products to be sold ultimately in processed form or
20 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold
21 ultimately in processed form at retail;

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

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

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

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

16 (c) Each person making domestic use purchases of services or property and who uses any
17 portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day
18 of the fourth month following the year of purchase, and without assessment, notice or demand,
19 file a return and pay sales tax on that portion of nondomestic purchases. Each person making
20 nondomestic purchases of services or property and who uses any portion of the services or
21 property so purchased for domestic use, and each person making domestic purchases on behalf of
22 occupants of residential apartments or condominiums through a single or master meter, including
23 service for common areas and facilities and vacant units, under a nonresidential utility service rate
24 classification may, between the first day of the first month and the fifteenth day of the fourth
25 month following the year of purchase, apply for credit or refund to the director of revenue and the
26 director shall give credit or make refund for taxes paid on the domestic use portion of the
27 purchase. The person making such purchases on behalf of occupants of residential apartments or
28 condominiums shall have standing to apply to the director of revenue for such credit or refund;

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

4 (25) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071,
5 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of
6 revenue shall promulgate rules pursuant to chapter 536, RSMo, to eliminate all state and local
7 sales taxes on such excise taxes;

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

13 (27) All sales made to an interstate compact agency created pursuant to sections 70.370 to
14 70.441, RSMo, or sections 238.010 to 238.100, RSMo, in the exercise of the functions and
15 activities of such agency as provided pursuant to the compact;

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

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

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

25 (31) Electrical energy or gas, whether natural, artificial or propane, water, or other utilities
26 which are ultimately consumed in connection with the manufacturing of cellular glass products or
27 in any material recovery processing plant as defined in subdivision (4) of subsection 2 of this
28 section;

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

3 (33) Tangible personal property purchased for use or consumption directly or exclusively
4 in the research and development of prescription pharmaceuticals consumed by humans or animals;

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

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

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

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

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

28 (37) Tangible personal property purchased for use or consumption directly or exclusively

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1 in research or experimentation activities performed by life science companies and so certified as
2 such by the director of the department of economic development or the director's designees;
3 except that, the total amount of exemptions certified pursuant to this section shall not exceed one
4 million three hundred thousand dollars in state and local taxes per fiscal year. For purposes of this
5 subdivision, the term "life science companies" means companies whose primary research
6 activities are in agriculture, pharmaceuticals, biomedical or food ingredients, and whose North
7 American Industry Classification System (NAICS) Codes fall under industry 541710 (biotech
8 research or development laboratories), 621511 (medical laboratories) or 541940 (veterinary
9 services). The exemption provided by this subdivision shall expire on June 30, 2003;

10 (38) All sales or other transfers of tangible personal property to a lessor who leases the
11 property under a lease of one year or longer executed or in effect at the time of the sale or other
12 transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441, RSMo, or
13 sections 238.010 to 238.100, RSMo; and

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

20
21 Further amend said bill by amending the title, enacting clause, and intersectional references
22 accordingly.

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