

HB 1670 -- SALES TAX EXEMPTION FOR POLLUTION CONTROLS

SPONSOR: Cooper (120)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Ways and Means by a vote of 7 to 0.

This bill removes the required certification by the Director of the Department of Natural Resources before a sales and use tax exemption applies when purchasing or leasing machinery, equipment, appliances, and devices used solely to prevent, abate, or monitor water or air pollution and any materials and supplies used in the installation, construction, or reconstruction of the machinery, equipment, appliances, and devices.

FISCAL NOTE: No impact on state funds in FY 2009, FY 2010, and FY 2011.

PROPOSERS: Supporters say that the bill covers pollution control devices that are tax exempt but must be certified under the Department of Natural Resources before the Department of Revenue will refund the tax. The bill makes the equipment tax exempt at the time of purchase instead of applying for the refund. The certification of air and water pollution control equipment as a requirement for the sales tax exemption is unnecessary and unproductive. The equipment is specialized so that it can only be used for water and air pollution control and is required by the federal Environmental Protection Agency. Senate Bill 30 from last year expanded sales tax exemptions so that these devices may already be exempt from state taxes, but not the local taxes. The bill will result in a small savings to the state and a great reduction in administrative difficulty for taxpayers.

Testifying for the bill were Representative Cooper (120); Taxpayers Research Institute of Missouri; Associated Industries of Missouri; Missouri Chamber of Commerce and Industry; and Missouri Agribusiness Association.

OPPOSERS: There was no opposition voiced to the committee.