

CCS SS SCS HB 1442 -- LOCAL TAXES

This bill changes the laws regarding local taxes. In its main provisions, the bill:

(1) Authorizes the City of Jefferson City to impose, upon voter approval, a transient guest tax of up to 7% per occupied room per night for funding a convention and visitors bureau to promote the city as a convention, visitor, and tourist center. Currently, the city is allowed to impose a tax of up to 5% per occupied room per night (Section 67.1000, RSMo);

(2) Authorizes Carter County to impose, upon voter approval, a transient guest tax of up to 5% per occupied room per night with 50% of the proceeds to fund law enforcement and 50% to fund tourism (Section 67.1018);

(3) Authorizes the cities of Ashland and Sugar Creek and Montgomery County to impose, upon voter approval, a transient guest tax of between 2% and 5% per occupied room per night for the promotion of tourism (Section 67.1360);

(4) Allows the City of St. Joseph and Buchanan County to use transient guest tax revenue for capital expenditures related to the promotion of tourism and convention facilities. Currently, the tax revenue may only be used for the promotion of tourism and convention facilities (Section 67.1361);

(5) Authorizes real property owners located in the counties of Caldwell, Clinton, Daviess, and DeKalb to petition the governing body of their county to seek voter approval for the creation of an exhibition center and recreational facility district in their county and to impose a 0.25% sales tax for a period of up to 25 years to fund the district (Section 67.2000);

(6) Authorizes the City of St. Joseph to contract with Buchanan County to share transient guest tax revenues to promote tourism and for the construction, maintenance, and improvement of a convention center and recreational facilities (Section 70.220);

(7) Authorizes the City of Grandview to impose, upon voter approval, a transient guest tax of up to 5% per occupied room per night for the promotion of tourism (Section 94.271);

(8) Requires a city that abolishes its general revenue or capital improvement tax to notify the Department of Revenue at least 90 days prior to the effective date of the expiration. The repeal of the tax will become effective December 31 of the year in which the abolishment was approved (Sections 94.510 and 94.577);

(9) Authorizes the City of North Kansas City to impose, upon voter approval, a transient guest tax of up to 5% per occupied room per night to fund tourism and infrastructure improvements (Section 94.832);

(10) Authorizes the City of Raytown to impose, upon voter approval, a transient guest tax of up to 5% per occupied room per night for the promotion, operation, and development of tourism and convention facilities (Section 94.840);

(11) Authorizes the cities of Peculiar, Blue Springs, and Grandview to impose, upon voter approval, a sales tax of up to .5% to fund public safety improvements including equipment, employment expenditures, and facility construction for fire, police, and emergency medical providers (Sections 94.900 and 94.902);

(12) Authorizes the City of Waynesville to impose, upon voter approval, a transient guest tax of up to 3% per occupied room per night for the construction, maintenance, and repair of a multipurpose conference and convention center (Section 94.1011);

(13) Allows the voters of any city, town, or village to impose a property tax of up to one-fourth of one cent on each \$100 assessed valuation on all taxable real property to fund the upkeep and maintenance of cemeteries located within the city, town, or village (Section 137.1040);

(14) Authorizes each party to an appeal that is scheduled to be heard before the State Tax Commission to request one change of the assigned hearing officer by filing a written application to disqualify the officer within 30 days of the assignment (Section 138.431);

(15) Clarifies that certain purchases made for resale are not to be considered as retail for sales and use tax purposes when the subsequent sale is taxed in the state or another state, is for resale, is excluded from tax, is subject to tax but is exempt, or is exempt in another state where the subsequent sale occurs (Section 144.019.1);

(16) Clarifies that operators of amusement parks and places of entertainment or recreation, including games or athletic events, must charge sales taxes on the amount of gross receipts charged for admission, but any subsequent sale of the admissions or seating accommodations will not be subject to the taxes if it was an arms length transaction for fair market value with an unaffiliated entity and clarifies that operators of hotels, motels, taverns, restaurants, drugstores, dining cars, tourist camps, or similar businesses must charge sales taxes on the

amount of gross receipts charged for all rooms, meals, and drinks furnished at the establishment, but any subsequent sale of those same rooms, meals, and drinks is exempt from sales and use taxes if it was an arms length transaction for fair market value with an unaffiliated entity (Sections 144.019.2 and 144.019.3);

(17) Authorizes a state and local sales and use tax exemption for any sale of utilities at cost by a sports complex authority which is ultimately consumed in the operation of a sports complex leased to a professional sports team (Section 144.030); and

(18) Specifies that any state or local tax imposed on transient accommodations will only apply to amounts actually received by the operator of an establishment in which rooms are furnished to the public. Under no circumstances will a travel agent or intermediary be deemed an operator of a hotel, motel, inn, tourist camp, or similar business unless the travel agent or intermediary actually operates the facility (Section 1).

The bill contains an emergency clause for the provisions clarifying sales that are not to be considered as retail for sales and use tax purposes and for the provisions clarifying when certain operators must charge sales taxes.