

FIRST REGULAR SESSION

HOUSE BILL NO. 408

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES KOENIG (Sponsor), DAVIS, LANT, CURTMAN, WHITE,
BURLISON, McNARY, SCHOELLER AND HIGDON (Co-sponsor).

0098L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 143.071, 144.020, and 147.010, RSMo, and to enact in lieu thereof three new sections relating to taxation.

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

Section A. Sections 143.071, 144.020, and 147.010, RSMo, are repealed and three new
2 sections enacted in lieu thereof, to be known as sections 143.071, 144.020, and 147.010, to read
3 as follows:

143.071. 1. [For all tax years beginning before September 1, 1993, a tax is hereby
2 imposed upon the Missouri taxable income of corporations in an amount equal to five percent
3 of Missouri taxable income.

4 2.] For all tax years beginning on or after September 1, 1993, **and ending on or before**
5 **December 31, 2011**, a tax is hereby imposed upon the Missouri taxable income of corporations
6 in an amount equal to six and one-fourth percent of Missouri taxable income.

7 **2. For all tax years beginning on or after January 1, 2012, a tax is hereby imposed**
8 **upon the Missouri taxable income of corporations in an amount equal to three and one-**
9 **eighth percent of Missouri taxable income.**

144.020. 1. A tax is hereby levied and imposed upon all sellers for the privilege of
2 engaging in the business of selling tangible personal property or rendering taxable service at
3 retail in this state. The rate of tax shall be as follows:

4 (1) Upon every retail sale in this state of tangible personal property, including but not
5 limited to motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats and outboard
6 motors, a tax equivalent to four percent of the purchase price paid or charged, or in case such sale

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

7 involves the exchange of property, a tax equivalent to four percent of the consideration paid or
8 charged, including the fair market value of the property exchanged at the time and place of the
9 exchange, except as otherwise provided in section 144.025;

10 (2) A tax equivalent to four percent of the amount paid for admission and seating
11 accommodations, or fees paid to, or in any place of amusement, entertainment or recreation,
12 games and athletic events;

13 (3) A tax equivalent to four percent of the basic rate paid or charged on all sales of
14 electricity or electrical current, water and gas, natural or artificial, to domestic, commercial or
15 industrial consumers;

16 (4) A tax equivalent to four percent on the basic rate paid or charged on all sales of local
17 and long distance telecommunications service to telecommunications subscribers and to others
18 through equipment of telecommunications subscribers for the transmission of messages and
19 conversations and upon the sale, rental or leasing of all equipment or services pertaining or
20 incidental thereto; except that, the payment made by telecommunications subscribers or others,
21 pursuant to section 144.060, and any amounts paid for access to the Internet or interactive
22 computer services shall not be considered as amounts paid for telecommunications services;

23 (5) A tax equivalent to four percent of the basic rate paid or charged for all sales of
24 services for transmission of messages of telegraph companies;

25 (6) A tax equivalent to four percent on the amount of sales or charges for all rooms,
26 meals and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore,
27 dining car, tourist cabin, tourist camp or other place in which rooms, meals or drinks are
28 regularly served to the public;

29 (7) A tax equivalent to four percent of the amount paid or charged for intrastate tickets
30 by every person operating a railroad, sleeping car, dining car, express car, boat, airplane and such
31 buses and trucks as are licensed by the division of motor carrier and railroad safety of the
32 department of economic development of Missouri, engaged in the transportation of persons for
33 hire;

34 (8) A tax equivalent to four percent of the amount paid or charged for rental or lease of
35 tangible personal property, provided that if the lessor or renter of any tangible personal property
36 had previously purchased the property under the conditions of "sale at retail" [as defined in
37 subdivision (8) of section 144.010] or leased or rented the property and the tax was paid at the
38 time of purchase, lease or rental, the lessor, sublessor, renter or subrenter shall not apply or
39 collect the tax on the subsequent lease, sublease, rental or subrental receipts from that property.
40 The purchase, rental or lease of motor vehicles, trailers, motorcycles, mopeds, motortricycles,
41 boats, and outboard motors shall be taxed and the tax paid as provided in this section and section
42 144.070. In no event shall the rental or lease of boats and outboard motors be considered a sale,

43 charge, or fee to, for or in places of amusement, entertainment or recreation nor shall any such
44 rental or lease be subject to any tax imposed to, for, or in such places of amusement,
45 entertainment or recreation. Rental and leased boats or outboard motors shall be taxed under the
46 provisions of the sales tax laws as provided under such laws for motor vehicles and trailers.
47 Tangible personal property which is exempt from the sales or use tax under section 144.030 upon
48 a sale thereof is likewise exempt from the sales or use tax upon the lease or rental thereof.

49 2. All tickets sold which are sold under the provisions of sections 144.010 to 144.525
50 which are subject to the sales tax shall have printed, stamped or otherwise endorsed thereon, the
51 words "This ticket is subject to a sales tax."

52 **3. Beginning July 1, 2012, in addition to the tax imposed under subsection 1 of this**
53 **section, a tax is hereby levied and imposed upon all sellers for the privilege of engaging in**
54 **the business of selling tangible personal property or rendering taxable service at retail in**
55 **this state. The additional rate of tax shall be .4939%, and revenues from such additional**
56 **tax shall be deposited in the state general revenue fund.**

147.010. 1. [For the transitional year defined in subsection 4 of this section and each
2 taxable year beginning on or after January 1, 1980, but before January 1, 2000, every corporation
3 organized pursuant to or subject to chapter 351 or pursuant to any other law of this state shall,
4 in addition to all other fees and taxes now required or paid, pay an annual franchise tax to the
5 state of Missouri equal to one-twentieth of one percent of the par value of its outstanding shares
6 and surplus if its outstanding shares and surplus exceed two hundred thousand dollars, or if the
7 outstanding shares of such corporation or any part thereof consist of shares without par value,
8 then, in that event, for the purpose contained in this section, such shares shall be considered as
9 having a value of five dollars per share unless the actual value of such shares exceeds five dollars
10 per share, in which case the tax shall be levied and collected on the actual value and the surplus
11 if the actual value and the surplus exceed two hundred thousand dollars. If such corporation
12 employs a part of its outstanding shares in business in another state or country, then such
13 corporation shall pay an annual franchise tax equal to one-twentieth of one percent of its
14 outstanding shares and surplus employed in this state if its outstanding shares and surplus
15 employed in this state two hundred thousand dollars, and for the purposes of sections 147.010
16 to 147.120, such corporation shall be deemed to have employed in this state that proportion of
17 its entire outstanding shares and surplus that its property and assets employed in this state bears
18 to all its property and assets wherever located. A foreign corporation engaged in business in this
19 state, whether pursuant to a certificate of authority issued pursuant to chapter 351 or not, shall
20 be subject to this section. Any corporation whose outstanding shares and surplus as calculated
21 in this subsection does not exceed two hundred thousand dollars shall state that fact on the
22 annual report form prescribed by the secretary of state. For all taxable years beginning on or after

23 January 1, 2000, but ending before December 31, 2009, the annual franchise tax shall be equal
24 to one-thirtieth of one percent of the corporation's outstanding shares and surplus if the
25 outstanding shares and surplus exceed one million dollars. Any corporation whose outstanding
26 shares and surplus do not exceed one million dollars shall state that fact on the annual report
27 form prescribed by the director of revenue.] For taxable years beginning on or after January 1,
28 2010, **but ending on or before December 31, 2012**, the annual franchise tax shall be equal to
29 one-thirtieth of one percent of the corporation's outstanding shares and surplus if the outstanding
30 shares and surplus exceed ten million dollars, and any corporation whose outstanding shares and
31 surplus do not exceed ten million dollars shall state that fact on the annual report form prescribed
32 by the director of revenue. **For all tax years beginning on or after January 1, 2013, no**
33 **annual franchise tax shall be imposed under this section.**

34 2. Sections 147.010 to 147.120 shall not apply to corporations not organized for profit,
35 nor to corporations organized pursuant to the provisions of chapter 349, nor to express
36 companies, which now pay an annual tax on their gross receipts in this state, nor to insurance
37 companies, which are subject to an annual tax on their premium receipts in this state, nor to state,
38 district, county, town and farmers' mutual companies now organized or that may be hereafter
39 organized pursuant to any of the laws of this state, organized for the sole purpose of writing fire,
40 lightning, windstorm, tornado, cyclone, hail and plate glass and mutual automobile insurance and
41 for the purpose of paying any loss incurred by any member by assessment, nor to any mutual
42 insurance corporation not having shares, nor to a company or association organized to transact
43 business of life or accident insurance on the assessment plan for the purpose of mutual protection
44 and benefit to its members and the payment of stipulated sums of moneys to the family, heirs,
45 executors, administrators or assigns of the deceased member, nor to foreign life, fire, accident,
46 surety, liability, steam boiler, tornado, health, or other kind of insurance company of whatever
47 nature coming within the provisions of section 147.050 and doing business in this state, nor to
48 savings and loan associations and domestic and foreign regulated investment companies as
49 defined by Section 170 of the Act of Congress commonly known as the Revenue Act of 1942,
50 nor to electric and telephone corporations organized pursuant to chapter 351 and chapter 392
51 prior to January 1, 1980, which have been declared tax-exempt organizations pursuant to Section
52 501(c) of the Internal Revenue Code of 1986, nor for taxable years beginning after December 31,
53 1986, to banking institutions subject to the annual franchise tax imposed by sections 148.010 to
54 148.110; but bank deposits shall be considered as funds of the individual depositor left for
55 safekeeping and shall not be considered in computing the amount of tax collectible pursuant to
56 the provisions of sections 147.010 to 147.120.

57 3. A corporation's taxable year for purposes of sections 147.010 to 147.120 shall be its
58 taxable year as provided in section 143.271.

59 4. A corporation's transitional year for the purposes of sections 147.010 to 147.120 shall
60 be its taxable year which includes parts of each of the years 1979 and 1980.

61 5. The franchise tax payable for a corporation's transitional year shall be computed by
62 multiplying the amount otherwise due for that year by a fraction, the numerator of which is the
63 number of months between January 1, 1980, and the end of the taxable year and the denominator
64 of which is twelve. The franchise tax payable, if a corporation's taxable year is changed as
65 provided in section 143.271, shall be similarly computed pursuant to regulations prescribed by
66 the director of revenue.

67 6. All franchise reports and franchise taxes shall be returned to the director of revenue.
68 All checks and drafts remitted for payment of franchise taxes shall be made payable to the
69 director of revenue.

70 7. Pursuant to section 32.057, the director of revenue shall maintain the confidentiality
71 of all franchise tax reports returned to the director.

72 8. The director of the department of revenue shall honor all existing agreements between
73 taxpayers and the director of the department of revenue.

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