

FIRST REGULAR SESSION

HOUSE BILL NO. 740

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES FUNDERBURK (Sponsor), NOLTE,
FRANZ AND SCHARNHORST (Co-sponsors).

1901L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 144.054, RSMo, and to enact in lieu thereof one new section relating to sales tax exemptions for various industries and political subdivisions.

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

Section A. Section 144.054, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.054, to read as follows:

144.054. 1. As used in this section, the following terms mean:

(1) **"Manufacturing, processing, compounding, mining, or producing", includes all testing, installing, calibrating, maintaining, repairing, restoring, and all other activities essential to manufacturing, processing, compounding, mining, or producing. The definition in this subdivision is intended to clarify the exemptions from sales and use tax as originally enacted in this section;**

(2) "Processing", any mode of treatment, act, or series of acts performed upon materials to transform or reduce them to a different state or thing, including treatment necessary to maintain or preserve such processing by the producer at the production facility;

[(2)] (3) "Recovered materials", those materials which have been diverted or removed from the solid waste stream for sale, use, reuse, or recycling, whether or not they require subsequent separation and processing.

2. In addition to all other exemptions granted under this chapter, there is hereby specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to 144.761, and from the computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to 144.761, electrical energy and gas, whether natural, artificial, or

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.

17 propane, water, coal, and energy sources, chemicals, machinery, equipment, and materials used
18 or consumed in the manufacturing, processing, compounding, mining, or producing of any
19 product, or used or consumed in the processing of recovered materials, or used in research and
20 development related to manufacturing, processing, compounding, mining, or producing any
21 product. The exemptions granted in this subsection shall not apply to local sales taxes as defined
22 in section 32.085 and the provisions of this subsection shall be in addition to any state and local
23 sales tax exemption provided in section 144.030.

24 3. In addition to all other exemptions granted under this chapter, there is hereby
25 specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to
26 144.761, and section 238.235, and the local sales tax law as defined in section 32.085, and from
27 the computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and
28 144.600 to 144.761, and section 238.235, and the local sales tax law as defined in section 32.085,
29 all utilities, machinery, and equipment used or consumed directly in television or radio
30 broadcasting and all sales and purchases of tangible personal property, utilities, services, or any
31 other transaction that would otherwise be subject to the state or local sales or use tax when such
32 sales are made to or purchases are made by a contractor for use in fulfillment of any obligation
33 under a defense contract with the United States government, and all sales and leases of tangible
34 personal property by any county, city, incorporated town, or village, provided such sale or lease
35 is authorized under chapter 100, and such transaction is certified for sales tax exemption by the
36 department of economic development, and tangible personal property used for railroad
37 infrastructure brought into this state for processing, fabrication, or other modification for use
38 outside the state in the regular course of business.

39 4. In addition to all other exemptions granted under this chapter, there is hereby
40 specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to
41 144.761, and section 238.235, and the local sales tax law as defined in section 32.085, and from
42 the computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and
43 144.600 to 144.761, and section 238.235, and the local sales tax law as defined in section 32.085,
44 all sales and purchases of tangible personal property, utilities, services, or any other transaction
45 that would otherwise be subject to the state or local sales or use tax when such sales are made
46 to or purchases are made by a private partner for use in completing a project under sections
47 227.600 to 227.669.