

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Substitute for Senate Committee Substitute for
2 Senate Bill No. 115, Page 18, Section 143.801, Line 74, by inserting after all of said section and line
3 the following:
4

5 "143.2025. As used in sections 143.2025 to 143.2045, the following terms mean:

6 (1) "Agricultural assets", agricultural land, depreciable agricultural property, crops, or
7 livestock;

8 (2) "Agricultural land", land suitable for use in farming;

9 (3) "Beginning farmer", an individual, partnership, family farm corporation, or limited
10 liability company that:

11 (a) Has not owned or operated a farm or ranch for more than ten years;

12 (b) Does not own a farm or ranch greater than thirty percent of the average size farm in the
13 county as determined by the most current Census for Agriculture;

14 (c) Materially participates in the farming or ranching operation; and

15 (d) Is a resident of this state;

16 (4) "Deduction":

17 (a) For an individual, an amount subtracted from the taxpayer's Missouri adjusted gross
18 income to determine Missouri taxable income for the tax year in which such deduction is claimed;
19 and

20 (b) For a corporation, partnership, shareholder in an S-corporation, or a limited liability
21 company, an amount subtracted from the taxpayer's Federal taxable income to determine Missouri
22 taxable income for the tax year in which such deduction is claimed;

23 (5) "Department", the department of agriculture;

24 (6) "Farming", the same as defined in section 350.010;

25 (7) "Livestock", the same as defined in section 265.300;

26 (8) "Material participation", a beginning farmer involved in an agricultural production
27 operation on a regular, continuous, and substantial basis;

28 (9) "Production items", tools, machinery, or equipment principally used to produce
29 agricultural crops or livestock;

30 (10) "Taxpayer", any individual, firm, a partner in a firm, corporation, partnership,
31 shareholder in an S-corporation, or member of a limited liability company subject to the income tax

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1 imposed under chapter 143.

2 143.2030. 1. For all taxable years beginning on or after January 1, 2016, a taxpayer shall be
3 allowed a deduction in an amount equal to fifty percent of the income derived from the transfer of
4 agricultural assets to a beginning farmer, to the extent that such amounts are included in federal
5 adjusted gross income or federal taxable income when determining the taxpayer's Missouri adjusted
6 gross income.

7 2. To qualify for the agricultural assets transfer agreement deduction authorized by this
8 section, a taxpayer shall meet the following criteria:

9 (1) Be a taxpayer able to acquire or otherwise obtain or lease agricultural land in this state;

10 (2) Execute an agricultural assets transfer agreement with a beginning farmer; and

11 (3) Any other criteria required by the department under a promulgated rule.

12 3. For partnerships, limited liability companies, S corporations, estates, or trusts entitled to a
13 deduction and electing to have pass through taxation, the deduction shall be split among the
14 individuals entitled to earnings from the entity in proportion to the amount of earnings to which they
15 are entitled.

16 4. The agricultural assets transfer agreement required by this section shall provide for the
17 lease of agricultural land located in this state, including any improvements, and may provide for the
18 rental of agricultural equipment. The agreement shall:

19 (1) Include a lease made on a cash basis or on a commodity share basis which includes a
20 share of the crops or livestock produced on the agricultural land;

21 (2) Be in writing;

22 (3) Be for at least seven years; and

23 (4) Not be assignable or transferable and the land subject to the agreement cannot be
24 subleased.

25 5. For an agreement that includes a lease on a cash basis, the taxpayer may claim a deduction
26 equal to fifty percent of the gross amount paid to the taxpayer under the agreement for each tax year
27 that the deduction is allowed.

28 6. For an agreement that includes a lease on a commodity share basis, the taxpayer may
29 claim a deduction equal to fifty percent of the amount paid to the taxpayer from crops or livestock
30 sold under the agreement in which the payment is exclusively made from the sale of crops or
31 livestock.

32 7. The amount of the deduction claimed shall not exceed the amount of the taxpayer's
33 Missouri adjusted gross income or Missouri taxable income for the taxable year for which the
34 deduction is claimed. If the amount of the deduction exceeds the taxpayer's Missouri adjusted gross
35 income or Missouri taxable income for the tax year the deduction is earned, the excess may be
36 carried forward for up to three subsequent tax years to allow the taxpayer to claim such excess
37 deduction.

38 8. A taxpayer shall not claim a deduction under this section unless a deduction certificate
39 issued by the department is attached to the taxpayer's tax return for the tax year for which the
40 deduction is claimed. The department shall review and approve an application for a deduction as
41 provided by rules promulgated by the department. The application shall include a copy of the

1 agricultural assets transfer agreement. The department may approve an application and issue a
2 deduction certificate to a taxpayer who has previously been allowed a deduction under this section.
3 The department may require that the parties to an agricultural assets transfer agreement meet the
4 same qualification as required for an original application. The department shall not approve an
5 application or issue a deduction certificate to a taxpayer for an amount in excess of four hundred
6 thousand dollars.

7 9. A taxpayer or beginning farmer may terminate an agricultural assets transfer agreement as
8 provided in the agreement or by law. The taxpayer shall immediately notify the department of the
9 termination. If the department determines that the taxpayer is not at fault for the termination, the
10 department shall not issue a deduction certificate to the taxpayer for a subsequent tax year based on
11 the approved application. Any prior deduction is allowed as provided in this section. The taxpayer
12 may apply for and be issued another deduction certificate for the same agricultural assets as provided
13 in this section for any remaining tax year for which a certificate was not issued. If the department
14 determines that the taxpayer is at fault for the termination, any prior deduction allowed under this
15 section is disallowed. The amount of the deduction shall be included as income in the taxpayer's
16 next tax year. If a taxpayer does not immediately notify the department of the termination, the
17 taxpayer shall be conclusively deemed at fault for the termination.

18 143.2035. 1. For all taxable years beginning on or after January 1, 2016, a taxpayer shall be
19 allowed a deduction in an amount equal to fifty percent of the income derived from a custom
20 farming contract with a beginning farmer, to the extent that such amounts are included in federal
21 adjusted gross income when determining the taxpayer's Missouri adjusted gross income.

22 2. To qualify for the custom farming contract deduction authorized by this section, a
23 taxpayer shall be a taxpayer able to acquire or otherwise obtain or lease agricultural land in this state
24 and meet any other qualification established by rules promulgated by the department.

25 3. A custom farming contract deduction is allowed only for the amount paid by the taxpayer
26 to a qualified beginning farmer under a custom farming contract as provided in rules promulgated by
27 the department. The contract shall provide for the production of crops located on agricultural land or
28 the production of livestock principally located on agricultural land.

29 4. The custom farming contract shall provide that the taxpayer pay the beginning farmer on a
30 cash basis. The contract shall be in writing and for a term of not more than twelve months. The total
31 cash payment shall equal at least one thousand dollars.

32 5. The taxpayer shall make all management decisions substantially contributing to or
33 affecting the production of crops located on the agricultural land or the production of livestock
34 principally located on the agricultural land. However, nothing in this section prohibits a qualified
35 beginning farmer from regularly or frequently taking part in making day-to-day operational
36 decisions affecting production. The beginning farmer shall provide for all of the following:

37 (1) Production items principally used to produce crops located on the agricultural land or to
38 produce livestock principally located on the agricultural land; and

39 (2) Labor principally used to produce crops located on the agricultural land or to produce
40 livestock principally located on the agricultural land. The beginning farmer shall personally provide
41 such labor on a regular, continuous, and substantial basis.

1 6. A custom farming contract deduction is not allowed if the taxpayer and qualified
2 beginning farmer are related as any of the following:

3 (1) Persons who hold a legal or equitable interest in the same agricultural land, including as
4 individuals or as general partners, limited partners, shareholders, or members in the same business
5 entity;

6 (2) Family members related as spouse, child, stepchild, brother, or sister; or

7 (3) Partners in the same partnership which holds agricultural land, shareholders in the same
8 family farm corporation, or members in the same limited liability company.

9 7. A custom farming contract deduction shall be calculated based on the gross amount paid
10 to the beginning farmer under the custom farming contract. The taxpayer may claim a deduction
11 equal to fifty percent of the gross amount paid to the beginning farmer under the contract for each
12 tax year that the deduction is allowed.

13 8. The amount of the deduction claimed shall not exceed the amount of the taxpayer's
14 Missouri adjusted gross income for the taxable year for which the deduction is claimed. If the
15 amount of the deduction exceeds the taxpayer's Missouri adjusted gross income for the tax year the
16 deduction is earned, the taxpayer may request a deduction certificate be issued by the department for
17 up to three subsequent tax years to allow the taxpayer to claim such excess deduction.

18 9. A taxpayer shall not claim a deduction under this section unless a deduction certificate
19 issued by the department is attached to the taxpayer's tax return of the tax year for which the
20 deduction is claimed. The department shall review and approve an application for a deduction as
21 provided by rules promulgated by the department. The application shall include a copy of the
22 custom farming contract. The department may approve an application and issue a deduction
23 certificate to a taxpayer who has previously been allowed a deduction under this section. The
24 department may require that the parties to the contract provide additional information as determined
25 relevant by the department. The department shall review an application for a deduction certificate
26 which includes the renewal of a contract to determine that the parties to the renewed contract meet
27 the same qualifications as required for an original application. The department shall not approve an
28 application or issue a deduction certificate to a taxpayer for an amount in excess of four hundred
29 thousand dollars.

30 143.2040. 1. The total amount of deductions that may be issued under sections 143.2025 to
31 143.2040 shall not in the aggregate exceed one hundred million dollars in any fiscal year. Of the
32 aggregate amount, two-thirds shall be allocated for the agricultural assets transfer deduction
33 established in section 143.2030 and one-third shall be allocated for the custom farming contract
34 deduction established in section 143.2035. The department may adjust the allocation amounts to
35 ensure maximum utilization of the deductions but in no event shall more than one hundred million
36 dollars in the aggregate be issued under both programs.

37 2. The department of agriculture shall promulgate rules to implement the provisions of
38 sections 143.2025 to 143.2045. Any rule or portion of a rule, as that term is defined in section
39 536.010, that is created under the authority delegated in this section shall become effective only if it
40 complies with and is subject to all of the provisions of chapter 536 and, if applicable, section
41 536.028. This section and chapter 536 are nonseverable, and if any of the powers vested with the

1 general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and
2 annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any
3 rule proposed or adopted after August 28, 2015, shall be invalid and void.

4 143.2045. 1. For all taxable years beginning on or after January 1, 2016, in addition to all
5 other modifications allowed by law, there shall be subtracted from the federal adjusted gross income
6 of an individual taxpayer twenty-five percent of the income realized from the sale of land classified
7 as agricultural and horticultural property sold to a beginning farmer, to the extent that such amount is
8 included in federal adjusted gross income when determining such individual's Missouri adjusted
9 gross income.

10 2. If within seven years of being sold, the property which allowed the taxpayer to receive the
11 deduction in subsection 1 of this section ceases to be classified as agricultural and horticultural
12 property or owned by a beginning farmer, the buyer of such property shall include as income in the
13 year such property changes classifications a portion of the deduction previously received by the
14 seller. The amount such buyer shall include as income shall be equal to the number of years
15 remaining until the land has been sold by the seller for seven years divided by seven and then
16 multiply such fraction by the amount of the deduction received by the taxpayer.

17 3. As used in this section, the following terms shall mean:

18 (1) "Agricultural and horticultural property", the same as defined in section 137.016;

19 (2) "Beginning farmer", the same as defined in section 143.2025.

20 4. The department of revenue may promulgate rules and regulations for the administration of
21 this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created
22 under the authority delegated in this section shall become effective only if it complies with and is
23 subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
24 chapter 536 are nonseverable, and if any of the powers vested with the general assembly pursuant to
25 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
26 held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
27 August 28, 2015, shall be invalid and void.

28 144.030. 1. There is hereby specifically exempted from the provisions of sections 144.010
29 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to sections
30 144.010 to 144.525 such retail sales as may be made in commerce between this state and any other
31 state of the United States, or between this state and any foreign country, and any retail sale which the
32 state of Missouri is prohibited from taxing pursuant to the Constitution or laws of the United States
33 of America, and such retail sales of tangible personal property which the general assembly of the
34 state of Missouri is prohibited from taxing or further taxing by the constitution of this state.

35 2. There are also specifically exempted from the provisions of the local sales tax law as
36 defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.761
37 and from the computation of the tax levied, assessed or payable pursuant to the local sales tax law as
38 defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.745:

39 (1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of such
40 excise tax is refunded pursuant to section 142.824; or upon the sale at retail of fuel to be consumed in
41 manufacturing or creating gas, power, steam, electrical current or in furnishing water to be sold
42 ultimately at retail; or feed for livestock or poultry; or grain to be converted into foodstuffs which are
43 to be sold ultimately in processed form at retail; or seed, limestone or fertilizer which is to be used

1 for seeding, liming or fertilizing crops which when harvested will be sold at retail or will be fed to
2 livestock or poultry to be sold ultimately in processed form at retail; economic poisons registered
3 pursuant to the provisions of the Missouri pesticide registration law (sections 281.220 to 281.310)
4 which are to be used in connection with the growth or production of crops, fruit trees or orchards
5 applied before, during, or after planting, the crop of which when harvested will be sold at retail or
6 will be converted into foodstuffs which are to be sold ultimately in processed form at retail;

7 (2) Materials, manufactured goods, machinery and parts which when used in manufacturing,
8 processing, compounding, mining, producing or fabricating become a component part or ingredient
9 of the new personal property resulting from such manufacturing, processing, compounding, mining,
10 producing or fabricating and which new personal property is intended to be sold ultimately for final
11 use or consumption; and materials, including without limitation, gases and manufactured goods,
12 including without limitation slagging materials and firebrick, which are ultimately consumed in the
13 manufacturing process by blending, reacting or interacting with or by becoming, in whole or in part,
14 component parts or ingredients of steel products intended to be sold ultimately for final use or
15 consumption;

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

19 (4) Motor vehicles registered in excess of fifty-four thousand pounds, and the trailers pulled
20 by such motor vehicles, that are actually used in the normal course of business to haul property on
21 the public highways of the state, and that are capable of hauling loads commensurate with the motor
22 vehicle's registered weight; and the materials, replacement parts, and equipment purchased for use
23 directly upon, and for the repair and maintenance or manufacture of such vehicles. For purposes of
24 this subdivision, "motor vehicle" and "public highway" shall have the meaning as ascribed in section
25 390.020;

26 (5) Replacement machinery, equipment, and parts and the materials and supplies solely
27 required for the installation or construction of such replacement machinery, equipment, and parts,
28 used directly in manufacturing, mining, fabricating or producing a product which is intended to be
29 sold ultimately for final use or consumption; and machinery and equipment, and the materials and
30 supplies required solely for the operation, installation or construction of such machinery and
31 equipment, purchased and used to establish new, or to replace or expand existing, material recovery
32 processing plants in this state. For the purposes of this subdivision, a "material recovery processing
33 plant" means a facility that has as its primary purpose the recovery of materials into a usable product
34 or a different form which is used in producing a new product and shall include a facility or
35 equipment which are used exclusively for the collection of recovered materials for delivery to a
36 material recovery processing plant but shall not include motor vehicles used on highways. For
37 purposes of this section, the terms motor vehicle and highway shall have the same meaning pursuant
38 to section 301.010. Material recovery is not the reuse of materials within a manufacturing process or
39 the use of a product previously recovered. The material recovery processing plant shall qualify
40 under the provisions of this section regardless of ownership of the material being recovered;

41 (6) Machinery and equipment, and parts and the materials and supplies solely required for
42 the installation or construction of such machinery and equipment, purchased and used to establish
43 new or to expand existing manufacturing, mining or fabricating plants in the state if such machinery
44 and equipment is used directly in manufacturing, mining or fabricating a product which is intended
45 to be sold ultimately for final use or consumption;

46 (7) Tangible personal property which is used exclusively in the manufacturing, processing,
47 modification or assembling of products sold to the United States government or to any agency of the
48 United States government;

1 (8) Animals or poultry used for breeding or feeding purposes, or captive wildlife;

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

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

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

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

12 (13) Electrical energy used in the actual primary manufacture, processing, compounding,
13 mining or producing of a product, or electrical energy used in the actual secondary processing or
14 fabricating of the product, or a material recovery processing plant as defined in subdivision (5) of
15 this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical energy so
16 used exceeds ten percent of the total cost of production, either primary or secondary, exclusive of the
17 cost of electrical energy so used or if the raw materials used in such processing contain at least
18 twenty-five percent recovered materials as defined in section 260.200. There shall be a rebuttable
19 presumption that the raw materials used in the primary manufacture of automobiles contain at least
20 twenty-five percent recovered materials. For purposes of this subdivision, "processing" means any
21 mode of treatment, act or series of acts performed upon materials to transform and reduce them to a
22 different state or thing, including treatment necessary to maintain or preserve such processing by the
23 producer at the production facility;

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

26 (15) Machinery, equipment, appliances and devices purchased or leased and used solely for
27 the purpose of preventing, abating or monitoring air pollution, and materials and supplies solely
28 required for the installation, construction or reconstruction of such machinery, equipment, appliances
29 and devices;

30 (16) Machinery, equipment, appliances and devices purchased or leased and used solely for
31 the purpose of preventing, abating or monitoring water pollution, and materials and supplies solely
32 required for the installation, construction or reconstruction of such machinery, equipment, appliances
33 and devices;

34 (17) Tangible personal property purchased by a rural water district;

35 (18) All amounts paid or charged for admission or participation or other fees paid by or other
36 charges to individuals in or for any place of amusement, entertainment or recreation, games or
37 athletic events, including museums, fairs, zoos and planetariums, owned or operated by a
38 municipality or other political subdivision where all the proceeds derived therefrom benefit the
39 municipality or other political subdivision and do not inure to any private person, firm, or
40 corporation, provided, however, that a municipality or other political subdivision may enter into
41 revenue-sharing agreements with private persons, firms, or corporations providing goods or services,
42 including management services, in or for the place of amusement, entertainment or recreation, games
43 or athletic events, and provided further that nothing in this subdivision shall exempt from tax any
44 amounts retained by any private person, firm, or corporation under such revenue-sharing agreement;

45 (19) All sales of insulin and prosthetic or orthopedic devices as defined on January 1, 1980,
46 by the federal Medicare program pursuant to Title XVIII of the Social Security Act of 1965,
47 including the items specified in Section 1862(a)(12) of that act, and also specifically including
48 hearing aids and hearing aid supplies and all sales of drugs which may be legally dispensed by a

1 licensed pharmacist only upon a lawful prescription of a practitioner licensed to administer those
2 items, including samples and materials used to manufacture samples which may be dispensed by a
3 practitioner authorized to dispense such samples and all sales or rental of medical oxygen, home
4 respiratory equipment and accessories, hospital beds and accessories and ambulatory aids, all sales or
5 rental of manual and powered wheelchairs, stairway lifts, Braille writers, electronic Braille
6 equipment and, if purchased or rented by or on behalf of a person with one or more physical or
7 mental disabilities to enable them to function more independently, all sales or rental of scooters,
8 reading machines, electronic print enlargers and magnifiers, electronic alternative and augmentative
9 communication devices, and items used solely to modify motor vehicles to permit the use of such
10 motor vehicles by individuals with disabilities or sales of over-the-counter or nonprescription drugs
11 to individuals with disabilities, and drugs required by the Food and Drug Administration to meet the
12 over-the-counter drug product labeling requirements in 21 CFR 201.66, or its successor, as
13 prescribed by a health care practitioner licensed to prescribe;

14 (20) All sales made by or to religious and charitable organizations and institutions in their
15 religious, charitable or educational functions and activities and all sales made by or to all elementary
16 and secondary schools operated at public expense in their educational functions and activities;

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

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

32 (23) All sales made to any private not-for-profit elementary or secondary school, all sales of
33 feed additives, medications or vaccines administered to livestock or poultry in the production of food
34 or fiber, all sales of pesticides used in the production of crops, livestock or poultry for food or fiber,
35 all sales of bedding used in the production of livestock or poultry for food or fiber, all sales of
36 propane or natural gas, electricity or diesel fuel used exclusively for drying agricultural crops,
37 natural gas used in the primary manufacture or processing of fuel ethanol as defined in section
38 142.028, natural gas, propane, and electricity used by an eligible new generation cooperative or an
39 eligible new generation processing entity as defined in section 348.432, and all sales of farm
40 machinery and equipment, other than airplanes, motor vehicles and trailers, and any freight charges
41 on any exempt item. As used in this subdivision, the term "feed additives" means tangible personal
42 property which, when mixed with feed for livestock or poultry, is to be used in the feeding of
43 livestock or poultry. As used in this subdivision, the term "pesticides" includes adjuvants such as
44 crop oils, surfactants, wetting agents and other assorted pesticide carriers used to improve or enhance
45 the effect of a pesticide and the foam used to mark the application of pesticides and herbicides for the
46 production of crops, livestock or poultry. As used in this subdivision, the term "farm machinery and
47 equipment" means new or used farm tractors and such other new or used farm machinery and
48 equipment and repair or replacement parts thereon and any accessories for and upgrades to such farm

1 machinery and equipment, rotary mowers used exclusively for agricultural purposes, and supplies
 2 and lubricants used exclusively, solely, and directly for producing crops, raising and feeding
 3 livestock, fish, poultry, pheasants, chukar, quail, or for producing milk for ultimate sale at retail,
 4 including field drain tile, and one-half of each purchaser's purchase of diesel fuel therefor which is:

5 (a) Used exclusively for agricultural purposes;

6 (b) Used on land owned or leased for the purpose of producing farm products; and

7 (c) Used directly in producing farm products to be sold ultimately in processed form or
 8 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold
 9 ultimately in processed form at retail;

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

14 (a) "Domestic use" means that portion of metered water service, electricity, electrical
 15 current, natural, artificial or propane gas, wood, coal or home heating oil, and in any city not within
 16 a county, metered or unmetered water service, which an individual occupant of a residential premises
 17 uses for nonbusiness, noncommercial or nonindustrial purposes. Utility service through a single or
 18 master meter for residential apartments or condominiums, including service for common areas and
 19 facilities and vacant units, shall be deemed to be for domestic use. Each seller shall establish and
 20 maintain a system whereby individual purchases are determined as exempt or nonexempt;

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

31 (c) Each person making domestic use purchases of services or property and who uses any
 32 portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day of
 33 the fourth month following the year of purchase, and without assessment, notice or demand, file a
 34 return and pay sales tax on that portion of nondomestic purchases. Each person making nondomestic
 35 purchases of services or property and who uses any portion of the services or property so purchased
 36 for domestic use, and each person making domestic purchases on behalf of occupants of residential
 37 apartments or condominiums through a single or master meter, including service for common areas
 38 and facilities and vacant units, under a nonresidential utility service rate classification may, between
 39 the first day of the first month and the fifteenth day of the fourth month following the year of
 40 purchase, apply for credit or refund to the director of revenue and the director shall give credit or
 41 make refund for taxes paid on the domestic use portion of the purchase. The person making such
 42 purchases on behalf of occupants of residential apartments or condominiums shall have standing to
 43 apply to the director of revenue for such credit or refund;

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

47 (26) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071, 4081,
 48 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of revenue

1 shall promulgate rules pursuant to chapter 536 to eliminate all state and local sales taxes on such
2 excise taxes;

3 (27) Sales of fuel, supplies, or food consumed or used in the operation of ships, barges, or
4 waterborne vessels which are used primarily in or for the transportation of property or cargo, or the
5 conveyance of persons for hire, on navigable rivers bordering on or located in part in this state, if
6 such fuel, supplies, or food is delivered by the seller to the purchaser's barge, ship, or waterborne
7 vessel while it is afloat upon such river;

8 (28) All sales made to an interstate compact agency created pursuant to sections 70.370 to
9 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities of such agency
10 as provided pursuant to the compact;

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

15 (30) All livestock sales when either the seller is engaged in the growing, producing or
16 feeding of such livestock, or the seller is engaged in the business of buying and selling, bartering or
17 leasing of such livestock;

18 (31) All sales of barges which are to be used primarily in the transportation of property or
19 cargo on interstate waterways;

20 (32) Electrical energy or gas, whether natural, artificial or propane, water, or other utilities
21 which are ultimately consumed in connection with the manufacturing of cellular glass products or in
22 any material recovery processing plant as defined in subdivision (5) of this subsection;

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

25 (34) Tangible personal property and utilities purchased for use or consumption directly or
26 exclusively in the research and development of agricultural/biotechnology and plant genomics
27 products and prescription pharmaceuticals consumed by humans or animals;

28 (35) All sales of grain bins for storage of grain for resale;

29 (36) All sales of feed which are developed for and used in the feeding of pets owned by a
30 commercial breeder when such sales are made to a commercial breeder, as defined in section
31 273.325, and licensed pursuant to sections 273.325 to 273.357;

32 (37) All purchases by a contractor on behalf of an entity located in another state, provided
33 that the entity is authorized to issue a certificate of exemption for purchases to a contractor under the
34 provisions of that state's laws. For purposes of this subdivision, the term "certificate of exemption"
35 shall mean any document evidencing that the entity is exempt from sales and use taxes on purchases
36 pursuant to the laws of the state in which the entity is located. Any contractor making purchases on
37 behalf of such entity shall maintain a copy of the entity's exemption certificate as evidence of the
38 exemption. If the exemption certificate issued by the exempt entity to the contractor is later
39 determined by the director of revenue to be invalid for any reason and the contractor has accepted the
40 certificate in good faith, neither the contractor or the exempt entity shall be liable for the payment of
41 any taxes, interest and penalty due as the result of use of the invalid exemption certificate. Materials
42 shall be exempt from all state and local sales and use taxes when purchased by a contractor for the
43 purpose of fabricating tangible personal property which is used in fulfilling a contract for the
44 purpose of constructing, repairing or remodeling facilities for the following:

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

47 (b) An exempt entity located outside the state if the exempt entity is authorized to issue an
48 exemption certificate to contractors in accordance with the provisions of that state's law and the

1 applicable provisions of this section;

2 (38) All sales or other transfers of tangible personal property to a lessor who leases the
3 property under a lease of one year or longer executed or in effect at the time of the sale or other
4 transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections
5 238.010 to 238.100;

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

12 (40) All purchases by a sports complex authority created under section 64.920, and all sales
13 of utilities by such authority at the authority's cost that are consumed in connection with the
14 operation of a sports complex leased to a professional sports team;

15 (41) All materials, replacement parts, and equipment purchased for use directly upon, and
16 for the modification, replacement, repair, and maintenance of aircraft, aircraft power plants, and
17 aircraft accessories;

18 (42) Sales of sporting clays, wobble, skeet, and trap targets to any shooting range or similar
19 places of business for use in the normal course of business and money received by a shooting range
20 or similar places of business from patrons and held by a shooting range or similar place of business
21 for redistribution to patrons at the conclusion of a shooting event.

22 3. Any ruling, agreement, or contract, whether written or oral, express or implied, between a
23 person and this state's executive branch, or any other state agency or department, stating, agreeing, or
24 ruling that such person is not required to collect sales and use tax in this state despite the presence of
25 a warehouse, distribution center, or fulfillment center in this state that is owned or operated by the
26 person or an affiliated person shall be null and void unless it is specifically approved by a majority
27 vote of each of the houses of the general assembly. For purposes of this subsection, an "affiliated
28 person" means any person that is a member of the same controlled group of corporations as defined
29 in Section 1563(a) of the Internal Revenue Code of 1986, as amended, as the vendor or any other
30 entity that, notwithstanding its form of organization, bears the same ownership relationship to the
31 vendor as a corporation that is a member of the same controlled group of corporations as defined in
32 Section 1563(a) of the Internal Revenue Code, as amended."; and

33
34 Further amend said bill, Page 21, Section 205.205, Line 68 by inserting after all of said section and
35 line the following:

36 "262.599. 1. A beginning farmer center is established as a part of the University of Missouri
37 agriculture and natural resources extension program to assist individuals in beginning farming
38 operations. The center shall also assist in facilitating the transition of farming operations from
39 established farmers to beginning farmers, including creating and maintaining an information
40 database inventorying land and facilities available for acquisition, and developing models to increase
41 the number of family farming operations in this state. The objectives of the beginning farmer center
42 shall include, but are not limited to:

43 (1) Providing the coordination of education programs and services for beginning farmer
44 efforts statewide;

1 (2) Assessing the needs of beginning farmers and retiring farmers in order to identify
2 program and service opportunities; and

3 (3) Developing, coordinating, and delivering targeted education to beginning farmers and
4 retiring farm families.

5 2. Programs and services provided by the beginning farmer center shall include, but are not
6 limited to, the development of skills and knowledge in financial management and planning, legal
7 issues, tax laws, technical production and management, leadership, sustainable agriculture, human
8 health, and the environment.

9 3. The beginning farmer center shall submit to the general assembly, annually on or before
10 January first, a report that includes, but is not limited to, recommendations for methods by which
11 more individuals may be encouraged to enter agriculture."; and

12
13 Further amend said bill by amending the title, enacting clause, and intersectional references
14 accordingly.
15