FIRST REGULAR SESSION

HOUSE BILL NO. 695

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BRATTIN.

1651H.01I D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 144.021, RSMo, and to enact in lieu thereof one new section relating to notice of sales tax modifications.

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

Section A. Section 144.021, RSMo, is repealed and one new section enacted in lieu
2 thereof, to be known as section 144.021, to read as follows:

144.021. **1.** The purpose and intent of sections 144.010 to 144.510 is to impose a tax
2 upon the privilege of engaging in the business, in this state, of selling tangible personal property
3 and those services listed in section 144.020 and for the privilege of titling new and used motor
4 vehicles, trailers, boats, and outboard motors purchased or acquired for use on the highways or
5 waters of this state which are required to be registered under the laws of the state of Missouri.
6 Except as otherwise provided, the primary tax burden is placed upon the seller making the
7 taxable sales of property or service and is levied at the rate provided for in section 144.020.
8 Excluding subdivision (9) of subsection 1 of section 144.020 and sections 144.070, 144.440 and
9 144.450, the extent to which a seller is required to collect the tax from the purchaser of the
10 taxable property or service is governed by section 144.285 and in no way affects sections
11 144.080 and 144.100, which require all sellers to report to the director of revenue their "gross
12 receipts", defined herein to mean the aggregate amount of the sales price of all sales at retail, and
13 remit tax at four percent of their gross receipts.

14 **2. If any item of tangible personal property or service determined to be taxable**
15 **under sections 144.010 to 144.510 is modified by a decision of:**

16 **(1) The director of revenue;**

17 **(2) The administrative hearing commission; 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.

(3) A court of competent jurisdiction;

which changes which items of tangible personal property or services are taxable, all affected sellers shall be notified by the department of revenue before such modification shall take effect for such sellers. Failure of the department of revenue to notify a seller shall relieve such seller of liability for taxes that would be due under the modification until the seller is notified. The waiver of liability for taxes under this subsection shall only apply to sellers actively selling the type of tangible personal property or service affected by the decision on the date the decision is made or handed down and shall not apply to any seller that has previously remitted tax on the tangible personal property or taxable services subject to the decision or to any seller that had prior notice that the seller shall collect and remit the tax.

3. The notification required by subsection 2 of this section shall be delivered by United States mail or electronic mail. The department of revenue shall update its website with information regarding modifications in sales tax law but such updates shall not constitute a notification required by subsection 2 of this section.

4. Any changes to which items of tangible personal property or services are taxable which result from either subdivision (1) or (2) of subsection 2 of this section shall be submitted to the joint committee on administrative rules for review prior to taking effect.

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