

FIRST REGULAR SESSION

HOUSE BILL NO. 1126

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES WALTON (Sponsor), ROORDA, BLAND, CASEY, VILLA,
LEMBKE, JONES (117), WALLACE, STEVENSON AND MCGHEE (Co-sponsors).

Read 1st time March 14, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

2054L.011

AN ACT

To repeal section 143.183, RSMo, and to enact in lieu thereof one new section relating to the professional athletes and entertainers tax.

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

Section A. Section 143.183, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.183, to read as follows:

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

(1) "Nonresident entertainer", a person residing or registered as a corporation outside this state who, for compensation, performs any vocal, instrumental, musical, comedy, dramatic, dance or other performance in this state before a live audience and any other person traveling with and performing services on behalf of a nonresident entertainer, including a nonresident entertainer who is paid compensation for providing entertainment as an independent contractor, a partnership that is paid compensation for entertainment provided by nonresident entertainers, a corporation that is paid compensation for entertainment provided by nonresident entertainers, or any other entity that is paid compensation for entertainment provided by nonresident entertainers;

(2) "Nonresident member of a professional athletic team", a professional athletic team member who resides outside this state, including any active player, any player on the disabled list if such player is in uniform on the day of the game at the site of the game, and any other person traveling with and performing services on behalf of a professional athletic team;

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.

15 (3) "Personal service income" includes exhibition and regular season salaries and wages,
16 guaranteed payments, strike benefits, deferred payments, severance pay, bonuses, and any other
17 type of compensation paid to the nonresident entertainer or nonresident member of a professional
18 athletic team, but does not include prizes, bonuses or incentive money received from competition
19 in a livestock, equine or rodeo performance, exhibition or show;

20 (4) "Professional athletic team" includes, but is not limited to, any professional baseball,
21 basketball, football, soccer and hockey team.

22 2. Any person, venue, or entity who pays compensation to a nonresident entertainer shall
23 deduct and withhold from such compensation as a prepayment of tax an amount equal to two
24 percent of the total compensation if the amount of compensation is in excess of three hundred
25 dollars paid to the nonresident entertainer.

26 3. Any person, venue, or entity required to deduct and withhold tax pursuant to
27 subsection 2 of this section shall, for each calendar quarter, on or before the last day of the month
28 following the close of such calendar quarter, remit the taxes withheld in such form or return as
29 prescribed by the director of revenue and pay over to the director of revenue or to a depository
30 designated by the director of revenue the taxes so required to be deducted and withheld.

31 4. Any person, venue, or entity subject to this section shall be considered an employer
32 for purposes of section 143.191, and shall be subject to all penalties, interest, and additions to
33 tax provided in this chapter for failure to comply with this section.

34 5. Notwithstanding other provisions of this chapter to the contrary, the commissioner of
35 administration, for all taxable years beginning on or after January 1, 1999, but none after
36 December 31, 2015, shall annually estimate the amount of state income tax revenues collected
37 pursuant to this chapter which are received from nonresident members of professional athletic
38 teams and nonresident entertainers. For fiscal year 2000, and for each subsequent fiscal year for
39 a period of sixteen years, [sixty] **fifty** percent of the annual estimate of taxes generated from the
40 nonresident entertainer and professional athletic team income tax shall be allocated annually to
41 the Missouri arts council trust fund, and shall be transferred from the general revenue fund to the
42 Missouri arts council trust fund established in section 185.100, RSMo, and any amount
43 transferred shall be in addition to such agency's budget base for each fiscal year.
44 [Notwithstanding other provisions of this section, the Missouri arts council shall not be
45 appropriated more than ten million dollars in any fiscal year.] The director shall by rule establish
46 the method of determining the portion of personal service income of such persons that is
47 allocable to Missouri.

48 6. Notwithstanding the provisions of sections 186.050 to 186.067, RSMo, to the
49 contrary, the commissioner of administration, for all taxable years beginning on or after January
50 1, 1999, but for none after December 31, 2015, shall estimate annually the amount of state

51 income tax revenues collected pursuant to this chapter which are received from nonresident
52 members of professional athletic teams and nonresident entertainers. For fiscal year 2000, and
53 for each subsequent fiscal year for a period of sixteen years, ten percent of the annual estimate
54 of taxes generated from the nonresident entertainer and professional athletic team income tax
55 shall be allocated annually to the Missouri humanities council trust fund, and shall be transferred
56 from the general revenue fund to the Missouri humanities council trust fund established in
57 section 186.055, RSMo, and any amount transferred shall be in addition to such agency's budget
58 base for each fiscal year.

59 7. Notwithstanding other provisions of section 182.812, RSMo, to the contrary, the
60 commissioner of administration, for all taxable years beginning on or after January 1, 1999, but
61 for none after December 31, 2015, shall estimate annually the amount of state income tax
62 revenues collected pursuant to this chapter which are received from nonresident members of
63 professional athletic teams and nonresident entertainers. For fiscal year 2000, and for each
64 subsequent fiscal year for a period of sixteen years, ten percent of the annual estimate of taxes
65 generated from the nonresident entertainer and professional athletic team income tax shall be
66 allocated annually to the Missouri state library networking fund, and shall be transferred from
67 the general revenue fund to the secretary of state for distribution to public libraries for
68 acquisition of library materials as established in section 182.812, RSMo, and any amount
69 transferred shall be in addition to such agency's budget base for each fiscal year.

70 8. Notwithstanding other provisions of section 185.200, RSMo, to the contrary, the
71 commissioner of administration, for all taxable years beginning on or after January 1, 1999, but
72 for none after December 31, 2015, shall estimate annually the amount of state income tax
73 revenues collected pursuant to this chapter which are received from nonresident members of
74 professional athletic teams and nonresident entertainers. For fiscal year 2000, and for each
75 subsequent fiscal year for a period of sixteen years, ten percent of the annual estimate of taxes
76 generated from the nonresident entertainer and professional athletic team income tax shall be
77 allocated annually to the Missouri public television broadcasting corporation special fund, and
78 shall be transferred from the general revenue fund to the Missouri public television broadcasting
79 corporation special fund established in section 185.200, RSMo, and any amount transferred shall
80 be in addition to such agency's budget base for each fiscal year; provided, however, that
81 twenty-five percent of such allocation shall be used for grants to public radio stations which were
82 qualified by the corporation for public broadcasting as of November 1, 1996. Such grants shall
83 be distributed to each of such public radio stations in this state after receipt of the station's
84 certification of operating and programming expenses for the prior fiscal year. Certification shall
85 consist of the most recent fiscal year financial statement submitted by a station to the corporation
86 for public broadcasting. The grants shall be divided into two categories, an annual basic service

87 grant and an operating grant. The basic service grant shall be equal to thirty-five percent of the
88 total amount and shall be divided equally among the public radio stations receiving grants. The
89 remaining amount shall be distributed as an operating grant to the stations on the basis of the
90 proportion that the total operating expenses of the individual station in the prior fiscal year bears
91 to the aggregate total of operating expenses for the same fiscal year for all Missouri public radio
92 stations which are receiving grants.

93 9. Notwithstanding other provisions of section 253.402, RSMo, to the contrary, the
94 commissioner of administration, for all taxable years beginning on or after January 1, 1999, but
95 for none after December 31, 2015, shall estimate annually the amount of state income tax
96 revenues collected pursuant to this chapter which are received from nonresident members of
97 professional athletic teams and nonresident entertainers. For fiscal year 2000, and for each
98 subsequent fiscal year for a period of sixteen years, ten percent of the annual estimate of taxes
99 generated from the nonresident entertainer and professional athletic team income tax shall be
100 allocated annually to the Missouri department of natural resources Missouri historic preservation
101 revolving fund, and shall be transferred from the general revenue fund to the Missouri
102 department of natural resources Missouri historic preservation revolving fund established in
103 section 253.402, RSMo, and any amount transferred shall be in addition to such agency's budget
104 base for each fiscal year. As authorized pursuant to subsection 2 of section 30.953, RSMo, it is
105 the intention and desire of the general assembly that the state treasurer convey, to the Missouri
106 investment trust on January 1, 1999, up to one hundred percent of the balances of the Missouri
107 arts council trust fund established pursuant to section 185.100, RSMo, and the Missouri
108 humanities council trust fund established pursuant to section 186.055, RSMo. The funds shall
109 be reconveyed to the state treasurer by the investment trust as follows: the Missouri arts council
110 trust fund, no earlier than January 2, 2009; and the Missouri humanities council trust fund, no
111 earlier than January 2, 2009.

112 **10. Notwithstanding other provisions of section 9.162, RSMo, to the contrary, the**
113 **commissioner of administration, for all taxable years beginning on or after January 1,**
114 **2007, but for none after December 31, 2015, shall estimate annually the amount of state**
115 **income tax revenues collected pursuant to this chapter which are received from**
116 **nonresident members of professional athletic teams and nonresident entertainers. For**
117 **fiscal year 2008, and for each subsequent fiscal year for a period of seven years, the greater**
118 **of two million dollars or ten percent of the annual estimate of taxes generated from the**
119 **nonresident entertainer and professional athletic team income tax shall be allocated**
120 **annually to the Missouri juneteenth heritage and jazz festival and memorial, and shall be**
121 **transferred from the general revenue fund to the fund for the Missouri juneteenth heritage**
122 **and jazz festival and memorial established in section 9.161, RSMo, and any amount**

123 transferred shall be in addition to other appropriations by the general assembly. For any
124 fiscal year in which the minimum allocation is less than two million dollars, additional
125 funds from the Missouri art council as provided in subsection 5 of this section shall be
126 distributed to the fund for the juneteenth heritage and jazz festival and memorial to
127 maintain the two million dollar minimum allocation.

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