

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for House Bill No. 325, Page 1, In the Title, Lines 2-3, by
2 deleting the words, "the bring jobs home act" and inserting in lieu thereof the words, "taxation"; and
3

4 Further amend said bill, page, Section A, Line 2, by inserting after all of said line and section the
5 following:

6 "32.110. 1. Any business firm which engages in the activities of providing physical
7 revitalization, economic development, job training or education for individuals, community services,
8 or crime prevention in the state of Missouri shall receive a tax credit as provided in section 32.115 if
9 the director of the department of economic development annually approves the proposal of the
10 business firm; except that, no proposal shall be approved which does not have the endorsement of the
11 agency of local government within the area in which the business firm is engaging in such activities
12 which has adopted an overall community or neighborhood development plan that the proposal is
13 consistent with such plan. The proposal shall set forth the program to be conducted, the
14 neighborhood area to be served, why the program is needed, the estimated amount to be contributed
15 to the program and the plans for implementing the program. If, in the opinion of the director of the
16 department of economic development, a business firm's contribution can more consistently with the
17 purposes of sections 32.100 to 32.125 be made through contributions to a neighborhood organization
18 as defined in subdivision (13) of section 32.105, tax credits may be allowed as provided in section
19 32.115. The director of the department of economic development is hereby authorized to
20 promulgate rules and regulations for establishing criteria for evaluating such proposals by business
21 firms for approval or disapproval and for establishing priorities for approval or disapproval of such
22 proposals by business firms with the assistance and approval of the director of the department of
23 revenue. The total amount of tax credit granted for programs approved pursuant to sections 32.100
24 to 32.125 shall not exceed fourteen million dollars in fiscal year 1999 and twenty-six million dollars
25 in fiscal year 2000, and any subsequent fiscal year, except as otherwise provided for proposals
26 approved pursuant to section 32.111, 32.112 or 32.117. All tax credits authorized pursuant to the
27 provisions of sections 32.100 to 32.125 may be used as a state match to secure additional federal
28 funding.

29 2. No new tax credits shall be authorized under the provisions of this section after December
30 31, 2015.

31
Action Taken _____ Date _____

1 32.115. 1. The department of revenue shall grant a tax credit, to be applied in the following
2 order until used, against:

- 3 (1) The annual tax on gross premium receipts of insurance companies in chapter 148;
4 (2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section
5 148.030;
6 (3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030;
7 (4) The tax on other financial institutions in chapter 148;
8 (5) The corporation franchise tax in chapter 147;
9 (6) The state income tax in chapter 143; and
10 (7) The annual tax on gross receipts of express companies in chapter 153.

11 2. For proposals approved pursuant to section 32.110:

12 (1) The amount of the tax credit shall not exceed fifty percent of the total amount contributed
13 during the taxable year by the business firm or, in the case of a financial institution, where
14 applicable, during the relevant income period in programs approved pursuant to section 32.110;

15 (2) Except as provided in subsection 2 or 5 of this section, a tax credit of up to seventy
16 percent may be allowed for contributions to programs where activities fall within the scope of
17 special program priorities as defined with the approval of the governor in regulations promulgated
18 by the director of the department of economic development;

19 (3) Except as provided in subsection 2 or 5 of this section, the tax credit allowed for
20 contributions to programs located in any community shall be equal to seventy percent of the total
21 amount contributed where such community is a city, town or village which has fifteen thousand or
22 less inhabitants as of the last decennial census and is located in a county which is either located in:

23 (a) An area that is not part of a standard metropolitan statistical area;

24 (b) A standard metropolitan statistical area but such county has only one city, town or village
25 which has more than fifteen thousand inhabitants; or

26 (c) A standard metropolitan statistical area and a substantial number of persons in such
27 county derive their income from agriculture. Such community may also be in an unincorporated
28 area in such county as provided in subdivision (1), (2) or (3) of this subsection. Except in no case
29 shall the total economic benefit of the combined federal and state tax savings to the taxpayer exceed
30 the amount contributed by the taxpayer during the tax year;

31 (4) Such tax credit allocation, equal to seventy percent of the total amount contributed, shall
32 not exceed four million dollars in fiscal year 1999 and six million dollars in fiscal year 2000 and any
33 subsequent fiscal year. When the maximum dollar limit on the seventy percent tax credit allocation
34 is committed, the tax credit allocation for such programs shall then be equal to fifty percent credit of
35 the total amount contributed. Regulations establishing special program priorities are to be
36 promulgated during the first month of each fiscal year and at such times during the year as the public
37 interest dictates. Such credit shall not exceed two hundred and fifty thousand dollars annually except
38 as provided in subdivision (5) of this subsection. No tax credit shall be approved for any bank, bank
39 and trust company, insurance company, trust company, national bank, savings association, or
40 building and loan association for activities that are a part of its normal course of business. Any tax
41 credit not used in the period the contribution was made may be carried over the next five succeeding

1 calendar or fiscal years until the full credit has been claimed. Except as otherwise provided for
2 proposals approved pursuant to section 32.111, 32.112 or 32.117, in no event shall the total amount
3 of all other tax credits allowed pursuant to sections 32.100 to 32.125 exceed thirty-two million
4 dollars in any one fiscal year, of which six million shall be credits allowed pursuant to section
5 135.460. If six million dollars in credits are not approved, then the remaining credits may be used
6 for programs approved pursuant to sections 32.100 to 32.125. No new tax credits shall be authorized
7 under the provisions of sections 32.110 and 135.460 after December 31, 2015;

8 (5) The credit may exceed two hundred fifty thousand dollars annually and shall not be
9 limited if community services, crime prevention, education, job training, physical revitalization or
10 economic development, as defined by section 32.105, is rendered in an area defined by federal or
11 state law as an impoverished, economically distressed, or blighted area or as a neighborhood
12 experiencing problems endangering its existence as a viable and stable neighborhood, or if the
13 community services, crime prevention, education, job training, physical revitalization or economic
14 development is limited to impoverished persons.

15 3. For proposals approved pursuant to section 32.111:

16 (1) The amount of the tax credit shall not exceed fifty-five percent of the total amount
17 invested in affordable housing assistance activities or market rate housing in distressed communities
18 as defined in section 135.530 by a business firm. Whenever such investment is made in the form of
19 an equity investment or a loan, as opposed to a donation alone, tax credits may be claimed only
20 where the loan or equity investment is accompanied by a donation which is eligible for federal
21 income tax charitable deduction, and where the total value of the tax credits herein plus the value of
22 the federal income tax charitable deduction is less than or equal to the value of the donation. Any tax
23 credit not used in the period for which the credit was approved may be carried over the next ten
24 succeeding calendar or fiscal years until the full credit has been allowed. If the affordable housing
25 units or market rate housing units in distressed communities for which a tax is claimed are within a
26 larger structure, parts of which are not the subject of a tax credit claim, then expenditures applicable
27 to the entire structure shall be reduced on a prorated basis in proportion to the ratio of the number of
28 square feet devoted to the affordable housing units or market rate housing units in distressed
29 communities, for purposes of determining the amount of the tax credit. The total amount of tax
30 credit granted for programs approved pursuant to section 32.111 for the fiscal year beginning July 1,
31 1991, shall not exceed two million dollars, to be increased by no more than two million dollars each
32 succeeding fiscal year, until the total tax credits that may be approved reaches ten million dollars in
33 any fiscal year;

34 (2) For any year during the compliance period indicated in the land use restriction
35 agreement, the owner of the affordable housing rental units for which a credit is being claimed shall
36 certify to the commission that all tenants renting claimed units are income eligible for affordable
37 housing units and that the rentals for each claimed unit are in compliance with the provisions of
38 sections 32.100 to 32.125. The commission is authorized, in its discretion, to audit the records and
39 accounts of the owner to verify such certification;

40 (3) In the case of owner-occupied affordable housing units, the qualifying owner occupant
41 shall, before the end of the first year in which credits are claimed, certify to the commission that the

1 occupant is income eligible during the preceding two years, and at the time of the initial purchase
2 contract, but not thereafter. The qualifying owner occupant shall further certify to the commission,
3 before the end of the first year in which credits are claimed, that during the compliance period
4 indicated in the land use restriction agreement, the cost of the affordable housing unit to the occupant
5 for the claimed unit can reasonably be projected to be in compliance with the provisions of sections
6 32.100 to 32.125. Any succeeding owner occupant acquiring the affordable housing unit during the
7 compliance period indicated in the land use restriction agreement shall make the same certification;

8 (4) If at any time during the compliance period the commission determines a project for
9 which a proposal has been approved is not in compliance with the applicable provisions of sections
10 32.100 to 32.125 or rules promulgated therefor, the commission may within one hundred fifty days
11 of notice to the owner either seek injunctive enforcement action against the owner, or seek legal
12 damages against the owner representing the value of the tax credits, or foreclose on the lien in the
13 land use restriction agreement, selling the project at a public sale, and paying to the owner the
14 proceeds of the sale, less the costs of the sale and less the value of all tax credits allowed herein. The
15 commission shall remit to the director of revenue the portion of the legal damages collected or the
16 sale proceeds representing the value of the tax credits. However, except in the event of intentional
17 fraud by the taxpayer, the proposal's certificate of eligibility for tax credits shall not be revoked.

18 4. For proposals approved pursuant to section 32.112, the amount of the tax credit shall not
19 exceed fifty-five percent of the total amount contributed to a neighborhood organization by business
20 firms. Any tax credit not used in the period for which the credit was approved may be carried over
21 the next ten succeeding calendar or fiscal years until the full credit has been allowed. The total
22 amount of tax credit granted for programs approved pursuant to section 32.112 shall not exceed one
23 million dollars for each fiscal year.

24 5. The total amount of tax credits used for market rate housing in distressed communities
25 pursuant to sections 32.100 to 32.125 shall not exceed thirty percent of the total amount of all tax
26 credits authorized pursuant to sections 32.111 and 32.112.

27 100.850. 1. The approved company shall remit to the board a job development assessment
28 fee, not to exceed five percent of the gross wages of each eligible employee whose job was created as
29 a result of the economic development project, or not to exceed ten percent if the economic
30 development project is located within a distressed community as defined in section 135.530, for the
31 purpose of retiring bonds which fund the economic development project.

32 2. Any approved company remitting an assessment as provided in subsection 1 of this
33 section shall make its payroll books and records available to the board at such reasonable times as the
34 board shall request and shall file with the board documentation respecting the assessment as the
35 board may require.

36 3. Any assessment remitted pursuant to subsection 1 of this section shall cease on the date
37 the bonds are retired.

38 4. Any approved company which has paid an assessment for debt reduction shall be allowed
39 a tax credit equal to the amount of the assessment. The tax credit may be claimed against taxes
40 otherwise imposed by chapters 143 and 148, except withholding taxes imposed under the provisions
41 of sections 143.191 to 143.265, which were incurred during the tax period in which the assessment

1 was made.

2 5. In no event shall the aggregate amount of tax credits authorized by subsection 4 of this
3 section exceed twenty-five million dollars annually. Of such amount, nine hundred fifty thousand
4 dollars shall be reserved for an approved project for a world headquarters of a business whose
5 primary function is tax return preparation that is located in any home rule city with more than four
6 hundred thousand inhabitants and located in more than one county, which amount reserved shall end
7 in the year of the final maturity of the certificates issued for such approved project.

8 6. The director of revenue shall issue a refund to the approved company to the extent that the
9 amount of credits allowed in subsection 4 of this section exceeds the amount of the approved
10 company's income tax.

11 7. No new tax credits shall be authorized under the provisions of this section after December
12 31, 2015.

13 135.020. 1. A credit for property taxes shall be allowed for the amount provided in section
14 135.030. If the amount allowable as a credit exceeds the income tax reduced by other credits, then
15 the excess shall be considered an overpayment of the income tax.

16 2. No new tax credits shall be authorized under the provisions of sections 135.010 to
17 135.030 after December 31, 2015.

18 135.352. 1. A taxpayer owning an interest in a qualified Missouri project shall, subject to
19 the limitations provided under the provisions of [subsection] subsections 3 and 4 of this section, be
20 allowed a state tax credit, whether or not allowed a federal tax credit, to be termed the Missouri
21 low-income housing tax credit, if the commission issues an eligibility statement for that project.

22 2. For qualified Missouri projects placed in service after January 1, 1997, the Missouri
23 low-income housing tax credit available to a project shall be such amount as the commission shall
24 determine is necessary to ensure the feasibility of the project, up to an amount equal to the federal
25 low-income housing tax credit for a qualified Missouri project, for a federal tax period, and such
26 amount shall be subtracted from the amount of state tax otherwise due for the same tax period.

27 3. No more than six million dollars in tax credits shall be authorized each fiscal year for
28 projects financed through tax-exempt bond issuance. The total amount of tax credits eligible to be
29 awarded for projects that are financed through tax exempt bond issuance shall be reduced for each
30 year for ten years in equal amounts beginning with the 2017 fiscal year until the total amount of tax
31 credits authorized is thirty million dollars.

32 4. The total amount of tax credits eligible to be awarded for projects that are not financed
33 through tax exempt bond issuance shall be reduced each year for ten years in equal amounts
34 beginning with the 2017 fiscal year until the total amount of tax credits authorized is one hundred
35 five million dollars.

36 5. The Missouri low-income housing tax credit shall be taken against the taxes and in the
37 order specified pursuant to section 32.115. The credit authorized by this section shall not be
38 refundable. Any amount of credit that exceeds the tax due for a taxpayer's taxable year may be
39 carried back to any of the taxpayer's three prior taxable years or carried forward to any of the
40 taxpayer's five subsequent taxable years.

41 [5.] 6. All or any portion of Missouri tax credits issued in accordance with the provisions of

1 sections 135.350 to 135.362 may be allocated to parties who are eligible pursuant to the provisions
2 of subsection 1 of this section. Beginning January 1, 1995, for qualified projects which began on or
3 after January 1, 1994, an owner of a qualified Missouri project shall certify to the director the
4 amount of credit allocated to each taxpayer. The owner of the project shall provide to the director
5 appropriate information so that the low-income housing tax credit can be properly allocated.

6 [6.] 7. In the event that recapture of Missouri low-income housing tax credits is required
7 pursuant to subsection 2 of section 135.355, any statement submitted to the director as provided in
8 this section shall include the proportion of the state credit required to be recaptured, the identity of
9 each taxpayer subject to the recapture and the amount of credit previously allocated to such taxpayer.

10 [7.] 8. The director of the department may promulgate rules and regulations necessary to
11 administer the provisions of this section. No rule or portion of a rule promulgated pursuant to the
12 authority of this section shall become effective unless it has been promulgated pursuant to the
13 provisions of section 536.024.

14 9. No new tax credits shall be authorized under the provisions of sections 135.350 to
15 135.362 after December 31, 2030.

16 135.750. 1. As used in this section, the following terms mean:

17 (1) "Highly compensated individual", any individual who receives compensation in excess of
18 one million dollars in connection with a single qualified film production project;

19 (2) "Qualified film production project", any film, video, commercial, or television
20 production, as approved by the department of economic development and the office of the Missouri
21 film commission, that is under thirty minutes in length with an expected in-state expenditure budget
22 in excess of fifty thousand dollars, or that is over thirty minutes in length with an expected in-state
23 expenditure budget in excess of one hundred thousand dollars. Regardless of the production costs,
24 "qualified film production project" shall not include any:

25 (a) News or current events programming;

26 (b) Talk show;

27 (c) Production produced primarily for industrial, corporate, or institutional purposes, and for
28 internal use;

29 (d) Sports event or sports program;

30 (e) Gala presentation or awards show;

31 (f) Infomercial or any production that directly solicits funds;

32 (g) Political ad;

33 (h) Production that is considered obscene, as defined in section 573.010;

34 (3) "Qualifying expenses", the sum of the total amount spent in this state for the following
35 by a production company in connection with a qualified film production project:

36 (a) Goods and services leased or purchased by the production company. For goods with a
37 purchase price of twenty-five thousand dollars or more, the amount included in qualifying expenses
38 shall be the purchase price less the fair market value of the goods at the time the production is
39 completed;

40 (b) Compensation and wages paid by the production company on which the production
41 company remitted withholding payments to the department of revenue under chapter 143. For

1 purposes of this section, compensation and wages shall not include any amounts paid to a highly
2 compensated individual;

3 (4) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding
4 withholding tax imposed by sections 143.191 to 143.265, or otherwise due under chapter 148;

5 (5) "Taxpayer", any individual, partnership, or corporation as described in section 143.441,
6 143.471, or section 148.370 that is subject to the tax imposed in chapter 143, excluding withholding
7 tax imposed by sections 143.191 to 143.265, or the tax imposed in chapter 148 or any charitable
8 organization which is exempt from federal income tax and whose Missouri unrelated business
9 taxable income, if any, would be subject to the state income tax imposed under chapter 143.

10 2. For all taxable years beginning on or after January 1, 1999, but ending on or before
11 December 31, 2007, a taxpayer shall be granted a tax credit for up to fifty percent of the amount of
12 investment in production or production-related activities in any film production project with an
13 expected in-state expenditure budget in excess of three hundred thousand dollars. For all taxable
14 years beginning on or after January 1, 2008, a taxpayer shall be allowed a tax credit for up to
15 thirty-five percent of the amount of qualifying expenses in a qualified film production project. Each
16 film production company shall be limited to one qualified film production project per year.
17 Activities qualifying a taxpayer for the tax credit pursuant to this subsection shall be approved by the
18 office of the Missouri film commission and the department of economic development.

19 3. Taxpayers shall apply for the film production tax credit by submitting an application to the
20 department of economic development, on a form provided by the department. As part of the
21 application, the expected in-state expenditures of the qualified film production project shall be
22 documented. In addition, the application shall include an economic impact statement, showing the
23 economic impact from the activities of the film production project. Such economic impact statement
24 shall indicate the impact on the region of the state in which the film production or production-related
25 activities are located and on the state as a whole.

26 4. For all taxable years ending on or before December 31, 2007, tax credits certified pursuant
27 to subsection 2 of this section shall not exceed one million dollars per taxpayer per year, and shall
28 not exceed a total for all tax credits certified of one million five hundred thousand dollars per year.
29 For all taxable years beginning on or after January 1, 2008, tax credits certified under subsection 1 of
30 this section shall not exceed a total for all tax credits certified of four million five hundred thousand
31 dollars per year. Taxpayers may carry forward unused credits for up to five tax periods, provided all
32 such credits shall be claimed within ten tax periods following the tax period in which the film
33 production or production-related activities for which the credits are certified by the department
34 occurred.

35 5. Notwithstanding any provision of law to the contrary, any taxpayer may sell, assign,
36 exchange, convey or otherwise transfer tax credits allowed in subsection 2 of this section. The
37 taxpayer acquiring the tax credits may use the acquired credits to offset the tax liabilities otherwise
38 imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or
39 chapter 148. Unused acquired credits may be carried forward for up to five tax periods, provided all
40 such credits shall be claimed within ten tax periods following the tax period in which the film
41 production or production-related activities for which the credits are certified by the department

1 occurred.

2 6. [Under section 23.253 of the Missouri sunset act:

3 (1) The provisions of the new program authorized under this section shall automatically
4 sunset six years after November 28, 2007, unless reauthorized by an act of the general assembly; and

5 (2) If such program is reauthorized, the program authorized under this section shall
6 automatically sunset twelve years after the effective date of the reauthorization of this section; and

7 (3) This section shall terminate on September first of the calendar year immediately
8 following the calendar year in which the program authorized under this section is sunset.] No new
9 tax credits shall be authorized under the provisions of this section after December 31, 2015.

10 143.011. 1. A tax is hereby imposed for every taxable year on the Missouri taxable income
11 of every resident. The tax shall be determined by applying the tax table or the rate provided in
12 section 143.021, which is based upon the following rates:

13 If the Missouri taxable income is: The tax is:

14	Not over \$1,000.00	1 1/2% of the Missouri
15	taxable income	
16	Over \$1,000 but not over \$2,000	\$15 plus 2% of excess
17	over \$1,000	
18	Over \$2,000 but not over \$3,000	\$35 plus 2 1/2% of excess
19	over \$2,000	
20	Over \$3,000 but not over \$4,000	\$60 plus 3% of excess
21	over \$3,000	
22	Over \$4,000 but not over \$5,000	\$90 plus 3 1/2% of excess
23	over \$4,000	
24	Over \$5,000 but not over \$6,000	\$125 plus 4% of excess
25	over \$5,000	
26	Over \$6,000 but not over \$7,000	\$165 plus 4 1/2% of
27	excess over \$6,000	
28	Over \$7,000 but not over \$8,000	\$210 plus 5% of excess
29	over \$7,000	
30	Over \$8,000 but not over \$9,000	\$260 plus 5 1/2% of
31	excess over \$8,000	
32	Over \$9,000	\$315 plus 6% of excess
33	over \$9,000	

34 2. Beginning with the 2016 calendar year, the department of revenue shall calculate the
35 amount of additional tax revenue resulting from this act after any revenue reduction required in
36 subsection 3 of this section. The director of the department of revenue shall, by rule, adjust the tax
37 brackets under subsection 1 of this section to offset any additional tax revenue so as to produce a
38 revenue neutral effect. The resulting rates of tax shall be rounded to the nearest tenth of a percent.
39 The director shall notify the revisor of statutes of any changes to the tax tables of subsection 1 of this
40 section for updating as appropriate.

41 3. (1) Beginning with the 2017 calendar year, the top rate of tax under subsection 1 of this

1 section may be reduced over a period of years. Each reduction in the top rate of tax shall be by
 2 one-tenth of a percent and no more than one reduction shall occur in a calendar year. The top rate of
 3 tax shall not be reduced below [five] three and one-half percent. Reductions in the rate of tax shall
 4 take effect on January first of a calendar year and such reduced rates shall continue in effect until the
 5 next reduction occurs.

6 (2) A reduction in the rate of tax shall only occur if the amount of net general revenue
 7 collected in the previous fiscal year exceeds the highest amount of net general revenue collected in
 8 any of the three fiscal years prior to such fiscal year by at least one hundred fifty million dollars.

9 (3) Any modification of tax rates under this subsection shall only apply to tax years that
 10 begin on or after a modification takes effect.

11 (4) The director of the department of revenue shall, by rule, adjust the tax tables under
 12 subsection 1 of this section to effectuate the provisions of this subsection. [The bracket for income
 13 subject to the top rate of tax shall be eliminated once the top rate of tax has been reduced to five and
 14 one-half of a percent.]

15 [3.] 4. Beginning with the 2017 calendar year, the brackets of Missouri taxable income
 16 identified in subsection 1 of this section shall be adjusted annually by the percent increase in
 17 inflation. The director shall publish such brackets annually beginning on or after October 1, 2016.
 18 Modifications to the brackets shall take effect on January first of each calendar year and shall apply
 19 to tax years beginning on or after the effective date of the new brackets.

20 [4.] 5. As used in this section, the following terms mean:

21 (1) "CPI", the Consumer Price Index for All Urban Consumers for the United States as
 22 reported by the Bureau of Labor Statistics, or its successor index;

23 (2) "CPI for the preceding calendar year", the average of the CPI as of the close of the twelve
 24 month period ending on August thirty-first of such calendar year;

25 (3) "Percent increase in inflation", the percentage, if any, by which the CPI for the preceding
 26 calendar year exceeds the CPI for the year beginning September 1, 2014, and ending August 31,
 27 2015."; and

28
 29 Further amend said bill, Page 4, Section 143.1100, Line 102, by inserting after all of said section and
 30 line the following:

31 "144.010. 1. The following words, terms, and phrases when used in sections 144.010 to
 32 144.525 have the meanings ascribed to them in this section, except when the context indicates a
 33 different meaning:

34 (1) "Admission" includes seats and tables, reserved or otherwise, and other similar
 35 accommodations and charges made therefor and amount paid for admission, exclusive of any
 36 admission tax imposed by the federal government or by sections 144.010 to 144.525;

37 (2) "Business" includes any activity engaged in by any person, or caused to be engaged in by
 38 him, with the object of gain, benefit or advantage, either direct or indirect, and the classification of
 39 which business is of such character as to be subject to the terms of sections 144.010 to 144.525. A
 40 person is "engaging in business" in this state for purposes of sections 144.010 to 144.525 if such
 41 person "engages in business in this state" or "maintains a place of business in this state" under section

1 144.605. The isolated or occasional sale of tangible personal property, service, substance, or thing,
2 by a person not engaged in such business, does not constitute engaging in business within the
3 meaning of sections 144.010 to 144.525 unless the total amount of the gross receipts from such sales,
4 exclusive of receipts from the sale of tangible personal property by persons which property is sold in
5 the course of the partial or complete liquidation of a household, farm or nonbusiness enterprise,
6 exceeds three thousand dollars in any calendar year. The provisions of this subdivision shall not be
7 construed to make any sale of property which is exempt from sales tax or use tax on June 1, 1977,
8 subject to that tax thereafter;

9 (3) "Captive wildlife", includes but is not limited to exotic partridges, gray partridge,
10 northern bobwhite quail, ring-necked pheasant, captive waterfowl, captive white-tailed deer, captive
11 elk, and captive furbearers held under permit issued by the Missouri department of conservation for
12 hunting purposes. The provisions of this subdivision shall not apply to sales tax on a harvested
13 animal;

14 (4) "Gross receipts", except as provided in section 144.012, means the total amount of the
15 sale price of the sales at retail including any services other than charges incident to the extension of
16 credit that are a part of such sales made by the businesses herein referred to, capable of being valued
17 in money, whether received in money or otherwise; except that, the term "gross receipts" shall not
18 include the sale price of property returned by customers when the full sale price thereof is refunded
19 either in cash or by credit. In determining any tax due under sections 144.010 to 144.525 on the
20 gross receipts, charges incident to the extension of credit shall be specifically exempted. For the
21 purposes of sections 144.010 to 144.525 the total amount of the sale price above mentioned shall be
22 deemed to be the amount received. It shall also include the lease or rental consideration where the
23 right to continuous possession or use of any article of tangible personal property is granted under a
24 lease or contract and such transfer of possession would be taxable if outright sale were made and, in
25 such cases, the same shall be taxable as if outright sale were made and considered as a sale of such
26 article, and the tax shall be computed and paid by the lessee upon the rentals paid;

27 (5) "Livestock", cattle, calves, sheep, swine, ratite birds, including but not limited to, ostrich
28 and emu, aquatic products as defined in section 277.024, llamas, alpaca, buffalo, elk documented as
29 obtained from a legal source and not from the wild, goats, horses, other equine, or rabbits raised in
30 confinement for human consumption;

31 (6) "Motor vehicle leasing company" shall be a company obtaining a permit from the
32 director of revenue to operate as a motor vehicle leasing company. Not all persons renting or leasing
33 trailers or motor vehicles need to obtain such a permit; however, no person failing to obtain such a
34 permit may avail itself of the optional tax provisions of subsection 5 of section 144.070, as
35 hereinafter provided;

36 (7) "Person" includes any individual, firm, copartnership, joint adventure, association,
37 corporation, municipal or private, and whether organized for profit or not, state, county, political
38 subdivision, state department, commission, board, bureau or agency, except the state transportation
39 department, estate, trust, business trust, receiver or trustee appointed by the state or federal court,
40 syndicate, or any other group or combination acting as a unit, and the plural as well as the singular
41 number;

1 (8) "Purchaser" means a person who purchases tangible personal property or to whom are
2 rendered services, receipts from which are taxable under sections 144.010 to 144.525;

3 (9) "Research or experimentation activities" are the development of an experimental or pilot
4 model, plant process, formula, invention or similar property, and the improvement of existing
5 property of such type. Research or experimentation activities do not include activities such as
6 ordinary testing or inspection of materials or products for quality control, efficiency surveys,
7 advertising promotions or research in connection with literary, historical or similar projects;

8 (10) "Sale" or "sales" includes installment and credit sales, and the exchange of properties as
9 well as the sale thereof for money, every closed transaction constituting a sale, and means any
10 transfer, exchange or barter, conditional or otherwise, in any manner or by any means whatsoever, of
11 tangible personal property for valuable consideration and the rendering, furnishing or selling for a
12 valuable consideration any of the substances, things and services herein designated and defined as
13 taxable under the terms of sections 144.010 to 144.525;

14 (11) "Sale at retail" means any transfer made by any person engaged in business as defined
15 herein of the ownership of, or title to, tangible personal property to the purchaser, for use or
16 consumption and not for resale in any form as tangible personal property, for a valuable
17 consideration; except that, for the purposes of sections 144.010 to 144.525 and the tax imposed
18 thereby:

19 (i) purchases of tangible personal property made by duly licensed physicians, dentists,
20 optometrists and veterinarians and used in the practice of their professions shall be deemed to be
21 purchases for use or consumption and not for resale; and

22 (ii) the selling of computer printouts, computer output or microfilm or microfiche and
23 computer-assisted photo compositions to a purchaser to enable the purchaser to obtain for his or her
24 own use the desired information contained in such computer printouts, computer output on
25 microfilm or microfiche and computer-assisted photo compositions shall be considered as the sale of
26 a service and not as the sale of tangible personal property. The provisions of this item shall expire on
27 December 31, 2015.

28 Where necessary to conform to the context of sections 144.010 to 144.525 and the tax
29 imposed thereby, the term "sale at retail" shall be construed to embrace:

30 (a) Sales of admission tickets, cash admissions, charges and fees to or in places of
31 amusement, entertainment and recreation, games and athletic events;

32 (b) Sales of electricity, electrical current, water and gas, natural or artificial, to domestic,
33 commercial or industrial consumers;

34 (c) Sales of local and long distance telecommunications service to telecommunications
35 subscribers and to others through equipment of telecommunications subscribers for the transmission
36 of messages and conversations, and the sale, rental or leasing of all equipment or services pertaining
37 or incidental thereto;

38 (d) Sales of service for transmission of messages by telegraph companies;

39 (e) Sales or charges for all rooms, meals and drinks furnished at any hotel, motel, tavern,
40 inn, restaurant, eating house, drugstore, dining car, tourist camp, tourist cabin, or other place in
41 which rooms, meals or drinks are regularly served to the public;

1 (f) Sales of tickets by every person operating a railroad, sleeping car, dining car, express car,
2 boat, airplane, and such buses and trucks as are licensed by the division of motor carrier and railroad
3 safety of the department of economic development of Missouri, engaged in the transportation of
4 persons for hire;

5 (12) "Seller" means a person selling or furnishing tangible personal property or rendering
6 services, on the receipts from which a tax is imposed pursuant to section 144.020;

7 (13) The noun "tax" means either the tax payable by the purchaser of a commodity or service
8 subject to tax, or the aggregate amount of taxes due from the vendor of such commodities or services
9 during the period for which he or she is required to report his or her collections, as the context may
10 require;

11 (14) "Telecommunications service", for the purpose of this chapter, the transmission of
12 information by wire, radio, optical cable, coaxial cable, electronic impulses, or other similar means.
13 As used in this definition, "information" means knowledge or intelligence represented by any form
14 of writing, signs, signals, pictures, sounds, or any other symbols. Telecommunications service does
15 not include the following if such services are separately stated on the customer's bill or on records of
16 the seller maintained in the ordinary course of business:

17 (a) Access to the internet, access to interactive computer services or electronic publishing
18 services, except the amount paid for the telecommunications service used to provide such access;

19 (b) Answering services and one-way paging services;

20 (c) Private mobile radio services which are not two-way commercial mobile radio services
21 such as wireless telephone, personal communications services or enhanced specialized mobile radio
22 services as defined pursuant to federal law; or

23 (d) Cable or satellite television or music services; and

24 (15) "Product which is intended to be sold ultimately for final use or consumption" means
25 tangible personal property, or any service that is subject to state or local sales or use taxes, or any tax
26 that is substantially equivalent thereto, in this state or any other state.

27 2. For purposes of the taxes imposed under sections 144.010 to 144.525, and any other
28 provisions of law pertaining to sales or use taxes which incorporate the provisions of sections
29 144.010 to 144.525 by reference, the term "manufactured homes" shall have the same meaning given
30 it in section 700.010.

31 3. Sections 144.010 to 144.525 may be known and quoted as the "Sales Tax Law".

32 144.011. 1. For purposes of sections 144.010 to 144.525 and 144.600 to 144.748, and the
33 taxes imposed thereby, the definition of "retail sale" or "sale at retail" shall not be construed to
34 include any of the following:

35 (1) The transfer by one corporation of substantially all of its tangible personal property to
36 another corporation pursuant to a merger or consolidation effected under the laws of the state of
37 Missouri or any other jurisdiction;

38 (2) The transfer of tangible personal property incident to the liquidation or cessation of a
39 taxpayer's trade or business, conducted in proprietorship, partnership or corporate form, except to the
40 extent any transfer is made in the ordinary course of the taxpayer's trade or business;

41 (3) The transfer of tangible personal property to a corporation solely in exchange for its

1 stock or securities;

2 (4) The transfer of tangible personal property to a corporation by a shareholder as a
3 contribution to the capital of the transferee corporation;

4 (5) The transfer of tangible personal property to a partnership solely in exchange for a
5 partnership interest therein;

6 (6) The transfer of tangible personal property by a partner as a contribution to the capital of
7 the transferee partnership;

8 (7) The transfer of tangible personal property by a corporation to one or more of its
9 shareholders as a dividend, return of capital, distribution in the partial or complete liquidation of the
10 corporation or distribution in redemption of the shareholder's interest therein;

11 (8) The transfer of tangible personal property by a partnership to one or more of its partners
12 as a current distribution, return of capital or distribution in the partial or complete liquidation of the
13 partnership or of the partner's interest therein;

14 (9) The transfer of reusable containers used in connection with the sale of tangible personal
15 property contained therein for which a deposit is required and refunded on return. The provisions of
16 this subdivision shall expire on December 31, 2015;

17 (10) The purchase by persons operating eating or food service establishments, of items of a
18 nonreusable nature which are furnished to the customers of such establishments with or in
19 conjunction with the retail sales of their food or beverage. Such items shall include, but not be
20 limited to, wrapping or packaging materials and nonreusable paper, wood, plastic and aluminum
21 articles such as containers, trays, napkins, dishes, silverware, cups, bags, boxes, straws, sticks and
22 toothpicks;

23 (11) The purchase by persons operating hotels, motels or other transient accommodation
24 establishments, of items of a nonreusable nature which are furnished to the guests in the guests'
25 rooms of such establishments and such items are included in the charge made for such
26 accommodations. Such items shall include, but not be limited to, soap, shampoo, tissue and other
27 toiletries and food or confectionery items offered to the guests without charge. The provisions of
28 this subdivision shall expire on December 31, 2015;

29 (12) The transfer of a manufactured home other than:

30 (a) A transfer which involves the delivery of the document known as the "Manufacturer's
31 Statement of Origin" to a person other than a manufactured home dealer, as defined in section
32 700.010, for purposes of allowing such person to obtain a title to the manufactured home from the
33 department of revenue of this state or the appropriate agency or officer of any other state;

34 (b) A transfer which involves the delivery of a "Repossessed Title" to a resident of this state
35 if the tax imposed by sections 144.010 to 144.525 was not paid on the transfer of the manufactured
36 home described in paragraph (a) of this subdivision;

37 (c) The first transfer which occurs after December 31, 1985, if the tax imposed by sections
38 144.010 to 144.525 was not paid on any transfer of the same manufactured home which occurred
39 before December 31, 1985; or

40 (13) Charges for initiation fees or dues to:

41 (a) Fraternal beneficiaries societies, or domestic fraternal societies, orders or associations

1 operating under the lodge system a substantial part of the activities of which are devoted to religious,
2 charitable, scientific, literary, educational or fraternal purposes; or

3 (b) Posts or organizations of past or present members of the Armed Forces of the United
4 States or an auxiliary unit or society of, or a trust or foundation for, any such post or organization
5 substantially all of the members of which are past or present members of the Armed Forces of the
6 United States or who are cadets, spouses, widows, or widowers of past or present members of the
7 Armed Forces of the United States, no part of the net earnings of which inures to the benefit of any
8 private shareholder or individual.

9 2. The assumption of liabilities of the transferor by the transferee incident to any of the
10 transactions enumerated in the above subdivisions (1) to (8) of subsection 1 of this section shall not
11 disqualify the transfer from the exclusion described in this section, where such liability assumption is
12 related to the property transferred and where the assumption does not have as its principal purpose
13 the avoidance of Missouri sales or use tax.

14 144.014. 1. Notwithstanding other provisions of law to the contrary, beginning October 1,
15 1997, and ending December 31, 2015, the tax levied and imposed pursuant to sections 144.010 to
16 144.525 and sections 144.600 to 144.746 on all retail sales of food shall be at the rate of one percent.
17 The revenue derived from the one percent rate pursuant to this section shall be deposited by the state
18 treasurer in the school district trust fund and shall be distributed as provided in section 144.701.

19 2. For the purposes of this section, the term "food" shall include only those products and
20 types of food for which food stamps may be redeemed pursuant to the provisions of the Federal Food
21 Stamp Program as contained in 7 U.S.C. Section 2012, as that section now reads or as it may be
22 amended hereafter, and shall include food dispensed by or through vending machines. For the
23 purpose of this section, except for vending machine sales, the term "food" shall not include food or
24 drink sold by any establishment where the gross receipts derived from the sale of food prepared by
25 such establishment for immediate consumption on or off the premises of the establishment
26 constitutes more than eighty percent of the total gross receipts of that establishment, regardless of
27 whether such prepared food is consumed on the premises of that establishment, including, but not
28 limited to, sales of food by any restaurant, fast food restaurant, delicatessen, eating house, or cafe.

29 3. The provisions of this section shall expire on December 31, 2015.

30 144.020. 1. A tax is hereby levied and imposed for the privilege of titling new and used
31 motor vehicles, trailers, boats, and outboard motors purchased or acquired for use on the highways
32 or waters of this state which are required to be titled under the laws of the state of Missouri and,
33 except as provided in subdivision (9) of this subsection, upon all sellers for the privilege of engaging
34 in the business of selling tangible personal property or rendering taxable service at retail in this state.
35 The rate of tax shall be as follows:

36 (1) Upon every retail sale in this state of tangible personal property, excluding motor
37 vehicles, trailers, motorcycles, mopeds, motortricycles, boats and outboard motors required to be
38 titled under the laws of the state of Missouri and subject to tax under subdivision (9) of this
39 subsection, a tax equivalent to four percent of the purchase price paid or charged, or in case such sale
40 involves the exchange of property, a tax equivalent to four percent of the consideration paid or
41 charged, including the fair market value of the property exchanged at the time and place of the

1 exchange, except as otherwise provided in section 144.025;

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

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

8 (4) A tax equivalent to four percent on the basic rate paid or charged on all sales of local and
9 long distance telecommunications service to telecommunications subscribers and to others through
10 equipment of telecommunications subscribers for the transmission of messages and conversations
11 and upon the sale, rental or leasing of all equipment or services pertaining or incidental thereto;
12 except that, the payment made by telecommunications subscribers or others, pursuant to section
13 144.060, and any amounts paid for access to the internet or interactive computer services shall not be
14 considered as amounts paid for telecommunications services prior to December 31, 2015;

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

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

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

25 (8) A tax equivalent to four percent of the amount paid or charged for rental or lease of
26 tangible personal property, provided that if the lessor or renter of any tangible personal property had
27 previously purchased the property under the conditions of "sale at retail" or leased or rented the
28 property and the tax was paid at the time of purchase, lease or rental, the lessor, sublessor, renter or
29 subrenter shall not apply or collect the tax on the subsequent lease, sublease, rental or subrental
30 receipts from that property. The purchase, rental or lease of motor vehicles, trailers, motorcycles,
31 mopeds, motortricycles, boats, and outboard motors shall be taxed and the tax paid as provided in
32 this section and section 144.070. In no event shall the rental or lease of boats and outboard motors
33 be considered a sale, charge, or fee to, for or in places of amusement, entertainment or recreation nor
34 shall any such rental or lease be subject to any tax imposed to, for, or in such places of amusement,
35 entertainment or recreation. Rental and leased boats or outboard motors shall be taxed under the
36 provisions of the sales tax laws as provided under such laws for motor vehicles and trailers. Tangible
37 personal property which is exempt from the sales or use tax under section 144.030 upon a sale
38 thereof is likewise exempt from the sales or use tax upon the lease or rental thereof;

39 (9) A tax equivalent to four percent of the purchase price, as defined in section 144.070, of
40 new and used motor vehicles, trailers, boats, and outboard motors purchased or acquired for use on
41 the highways or waters of this state which are required to be registered under the laws of the state of

1 Missouri. This tax is imposed on the person titling such property, and shall be paid according to the
2 procedures in section 144.440.

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

6 144.030. 1. There is hereby specifically exempted from the provisions of sections 144.010
7 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to sections
8 144.010 to 144.525 such retail sales as may be made in commerce between this state and any other
9 state of the United States, or between this state and any foreign country, and any retail sale which the
10 state of Missouri is prohibited from taxing pursuant to the Constitution or laws of the United States
11 of America, and such retail sales of tangible personal property which the general assembly of the
12 state of Missouri is prohibited from taxing or further taxing by the constitution of this state.

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

17 (1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of such
18 excise tax is refunded pursuant to section 142.824; or upon the sale at retail of fuel to be consumed in
19 manufacturing or creating gas, power, steam, electrical current or in furnishing water to be sold
20 ultimately at retail; or feed for livestock or poultry; or grain to be converted into foodstuffs which are
21 to be sold ultimately in processed form at retail; or seed, limestone or fertilizer which is to be used
22 for seeding, liming or fertilizing crops which when harvested will be sold at retail or will be fed to
23 livestock or poultry to be sold ultimately in processed form at retail; economic poisons registered
24 pursuant to the provisions of the Missouri pesticide registration law (sections 281.220 to 281.310)
25 which are to be used in connection with the growth or production of crops, fruit trees or orchards
26 applied before, during, or after planting, the crop of which when harvested will be sold at retail or
27 will be converted into foodstuffs which are to be sold ultimately in processed form at retail;

28 (2) Materials, manufactured goods, machinery and parts which when used in manufacturing,
29 processing, compounding, mining, producing or fabricating become a component part or ingredient
30 of the new personal property resulting from such manufacturing, processing, compounding, mining,
31 producing or fabricating and which new personal property is intended to be sold ultimately for final
32 use or consumption; and materials, including without limitation, gases and manufactured goods,
33 including without limitation slagging materials and firebrick, which are ultimately consumed in the
34 manufacturing process by blending, reacting or interacting with or by becoming, in whole or in part,
35 component parts or ingredients of steel products intended to be sold ultimately for final use or
36 consumption;

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

40 (4) Motor vehicles registered in excess of fifty-four thousand pounds, and the trailers pulled
41 by such motor vehicles, that are actually used in the normal course of business to haul property on

1 the public highways of the state, and that are capable of hauling loads commensurate with the motor
2 vehicle's registered weight; and the materials, replacement parts, and equipment purchased for use
3 directly upon, and for the repair and maintenance or manufacture of such vehicles. For purposes of
4 this subdivision, "motor vehicle" and "public highway" shall have the meaning as ascribed in section
5 390.020;

6 (5) Replacement machinery, equipment, and parts and the materials and supplies solely
7 required for the installation or construction of such replacement machinery, equipment, and parts,
8 used directly in manufacturing, mining, fabricating or producing a product which is intended to be
9 sold ultimately for final use or consumption; and machinery and equipment, and the materials and
10 supplies required solely for the operation, installation or construction of such machinery and
11 equipment, purchased and used to establish new, or to replace or expand existing, material recovery
12 processing plants in this state. For the purposes of this subdivision, a "material recovery processing
13 plant" means a facility that has as its primary purpose the recovery of materials into a usable product
14 or a different form which is used in producing a new product and shall include a facility or
15 equipment which are used exclusively for the collection of recovered materials for delivery to a
16 material recovery processing plant but shall not include motor vehicles used on highways. For
17 purposes of this section, the terms motor vehicle and highway shall have the same meaning pursuant
18 to section 301.010. Material recovery is not the reuse of materials within a manufacturing process or
19 the use of a product previously recovered. The material recovery processing plant shall qualify
20 under the provisions of this section regardless of ownership of the material being recovered;

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

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

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

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

33 (10) The rentals of films, records or any type of sound or picture transcriptions for public
34 commercial display. The provisions of this subdivision shall expire on December 31, 2015;

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

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

40 (13) Electrical energy used in the actual primary manufacture, processing, compounding,
41 mining or producing of a product, or electrical energy used in the actual secondary processing or

1 fabricating of the product, or a material recovery processing plant as defined in subdivision (5) of
2 this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical energy so
3 used exceeds ten percent of the total cost of production, either primary or secondary, exclusive of the
4 cost of electrical energy so used or if the raw materials used in such processing contain at least
5 twenty-five percent recovered materials as defined in section 260.200. There shall be a rebuttable
6 presumption that the raw materials used in the primary manufacture of automobiles contain at least
7 twenty-five percent recovered materials. For purposes of this subdivision, "processing" means any
8 mode of treatment, act or series of acts performed upon materials to transform and reduce them to a
9 different state or thing, including treatment necessary to maintain or preserve such processing by the
10 producer at the production facility;

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

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

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

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

22 (18) All amounts paid or charged for admission or participation or other fees paid by or other
23 charges to individuals in or for any place of amusement, entertainment or recreation, games or
24 athletic events, including museums, fairs, zoos and planetariums, owned or operated by a
25 municipality or other political subdivision where all the proceeds derived therefrom benefit the
26 municipality or other political subdivision and do not inure to any private person, firm, or
27 corporation, provided, however, that a municipality or other political subdivision may enter into
28 revenue-sharing agreements with private persons, firms, or corporations providing goods or services,
29 including management services, in or for the place of amusement, entertainment or recreation, games
30 or athletic events, and provided further that nothing in this subdivision shall exempt from tax any
31 amounts retained by any private person, firm, or corporation under such revenue-sharing agreement.
32 The provisions of this subdivision shall expire on December 31, 2015;

33 (19) All sales of insulin and prosthetic or orthopedic devices as defined on January 1, 1980,
34 by the federal Medicare program pursuant to Title XVIII of the Social Security Act of 1965,
35 including the items specified in Section 1862(a)(12) of that act, and also specifically including
36 hearing aids and hearing aid supplies and all sales of drugs which may be legally dispensed by a
37 licensed pharmacist only upon a lawful prescription of a practitioner licensed to administer those
38 items, including samples and materials used to manufacture samples which may be dispensed by a
39 practitioner authorized to dispense such samples and all sales or rental of medical oxygen, home
40 respiratory equipment and accessories, hospital beds and accessories and ambulatory aids, all sales or
41 rental of manual and powered wheelchairs, stairway lifts, Braille writers, electronic Braille

1 equipment and, if purchased or rented by or on behalf of a person with one or more physical or
2 mental disabilities to enable them to function more independently, all sales or rental of scooters,
3 reading machines, electronic print enlargers and magnifiers, electronic alternative and augmentative
4 communication devices, and items used solely to modify motor vehicles to permit the use of such
5 motor vehicles by individuals with disabilities or sales of over-the-counter or nonprescription drugs
6 to individuals with disabilities, and drugs required by the Food and Drug Administration to meet the
7 over-the-counter drug product labeling requirements in 21 CFR 201.66, or its successor, as
8 prescribed by a health care practitioner licensed to prescribe;

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

12 (21) All sales of aircraft to common carriers for storage or for use in interstate commerce
13 and all sales made by or to not-for-profit civic, social, service or fraternal organizations, including
14 fraternal organizations which have been declared tax-exempt organizations pursuant to Section
15 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or charitable
16 functions and activities and all sales made to eleemosynary institutions, and all sales made to penal
17 institutions prior to December 31, 2015, and all sales made to industries of the state, and all sales
18 made to any private not-for-profit institution of higher education not otherwise excluded pursuant to
19 subdivision (20) of this subsection or any institution of higher education supported by public funds,
20 and all sales made to a state relief agency in the exercise of relief functions and activities;

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

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

1 equipment" means new or used farm tractors and such other new or used farm machinery and
2 equipment and repair or replacement parts thereon and any accessories for and upgrades to such farm
3 machinery and equipment, rotary mowers used exclusively for agricultural purposes, and supplies
4 and lubricants used exclusively, solely, and directly for producing crops, raising and feeding
5 livestock, fish, poultry, pheasants, chukar, quail, or for producing milk for ultimate sale at retail,
6 including field drain tile, and one-half of each purchaser's purchase of diesel fuel therefor which is:

7 (a) Used exclusively for agricultural purposes;

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

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

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

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

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

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

1 purchase, apply for credit or refund to the director of revenue and the director shall give credit or
2 make refund for taxes paid on the domestic use portion of the purchase. The person making such
3 purchases on behalf of occupants of residential apartments or condominiums shall have standing to
4 apply to the director of revenue for such credit or refund;

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

8 (26) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071, 4081,
9 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of revenue
10 shall promulgate rules pursuant to chapter 536 to eliminate all state and local sales taxes on such
11 excise taxes;

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

17 (28) All sales made to an interstate compact agency created pursuant to sections 70.370 to
18 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities of such agency
19 as provided pursuant to the compact;

20 (29) Computers, computer software and computer security systems purchased for use by
21 architectural or engineering firms headquartered in this state. For the purposes of this subdivision,
22 "headquartered in this state" means the office for the administrative management of at least four
23 integrated facilities operated by the taxpayer is located in the state of Missouri. The provisions of
24 this subdivision shall expire on December 31, 2015;

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

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

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

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

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

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

39 (36) All sales of feed which are developed for and used in the feeding of pets owned by a
40 commercial breeder when such sales are made to a commercial breeder, as defined in section
41 273.325, and licensed pursuant to sections 273.325 to 273.357;

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

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

16 (b) An exempt entity located outside the state if the exempt entity is authorized to issue an
17 exemption certificate to contractors in accordance with the provisions of that state's law and the
18 applicable provisions of this section;

19 (38) All sales or other transfers of tangible personal property to a lessor who leases the
20 property under a lease of one year or longer executed or in effect at the time of the sale or other
21 transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections
22 238.010 to 238.100;

23 (39) Sales of tickets to any collegiate athletic championship event that is held in a facility
24 owned or operated by a governmental authority or commission, a quasi-governmental agency, a state
25 university or college or by the state or any political subdivision thereof, including a municipality, and
26 that is played on a neutral site and may reasonably be played at a site located outside the state of
27 Missouri. For purposes of this subdivision, "neutral site" means any site that is not located on the
28 campus of a conference member institution participating in the event. The provisions of this
29 subdivision shall expire on December 31, 2015;

30 (40) All purchases by a sports complex authority created under section 64.920, and all sales
31 of utilities by such authority at the authority's cost that are consumed in connection with the
32 operation of a sports complex leased to a professional sports team. The provisions of this
33 subdivision shall expire on December 31, 2015;

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

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

41 3. Any ruling, agreement, or contract, whether written or oral, express or implied, between a

1 person and this state's executive branch, or any other state agency or department, stating, agreeing, or
2 ruling that such person is not required to collect sales and use tax in this state despite the presence of
3 a warehouse, distribution center, or fulfillment center in this state that is owned or operated by the
4 person or an affiliated person shall be null and void unless it is specifically approved by a majority
5 vote of each of the houses of the general assembly. For purposes of this subsection, an "affiliated
6 person" means any person that is a member of the same controlled group of corporations as defined
7 in Section 1563(a) of the Internal Revenue Code of 1986, as amended, as the vendor or any other
8 entity that, notwithstanding its form of organization, bears the same ownership relationship to the
9 vendor as a corporation that is a member of the same controlled group of corporations as defined in
10 Section 1563(a) of the Internal Revenue Code, as amended.

11 144.037. In addition to the exemptions granted under the provisions of section 144.030,
12 there is hereby specifically exempted from the provisions of sections 66.600 to 66.635, sections
13 67.500 to 67.545, sections 67.671 to 67.685, sections 67.700 to 67.729, sections 92.400 to 92.420,
14 sections 94.500 to 94.570, sections 94.600 to 94.655, sections 94.700 to 94.755, and sections
15 144.010 to 144.510 and 144.600 to 144.745, and from the computation of the tax levied, assessed or
16 payable under sections 66.600 to 66.635, sections 67.500 to 67.545, sections 67.671 to 67.685,
17 sections 67.700 to 67.729, sections 92.400 to 92.420, sections 94.500 to 94.570, sections 94.600 to
18 94.655, sections 94.700 to 94.755, and sections 144.010 to 144.510 and 144.600 to 144.745, all sales
19 at retail made through the use of federal food stamp coupons. The provisions of this section shall
20 expire on December 31, 2015.

21 144.039. In addition to the exemptions granted under the provisions of section 144.030,
22 there shall also be specifically exempted from the provisions of sections 66.600 to 66.635, sections
23 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739,
24 67.782, sections 92.400 to 92.420, sections 94.500 to 94.570, 94.600 to 94.655, 94.700 to 94.755,
25 and sections 144.010 to 144.510 and 144.600 to 144.745 and from the computation of the tax levied,
26 assessed or payable under sections 66.600 to 66.635, sections 67.500 to 67.545, 67.547, 67.581,
27 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, 67.782, sections 92.400 to 92.420,
28 sections 94.500 to 94.570, 94.600 to 94.655, 94.700 to 94.755, and sections 144.010 to 144.510 and
29 144.600 to 144.745, purchases of all tangible personal property made by, or on behalf of, a state
30 senator or state representative if such purchases are made from funds in such state senator's or state
31 representative's state expense account. The provisions of this section shall expire on December 31,
32 2015.

33 144.044. 1. As used in this section, the following terms mean:

34 (1) "Sale of a modular unit", a transfer of a modular unit as defined in section 700.010; (2)
35 "Sale of a new manufactured home", a transfer of a manufactured home, as defined in section
36 700.010, which involves the delivery of the document known as the manufacturer's statement of
37 origin to a person other than a manufactured home dealer, as dealer is defined in section 700.010, for
38 purposes of allowing such person to obtain a title to the manufactured home from the department of
39 revenue of this state or the appropriate agency or officer of any other state.

40 2. In the event of the sale of a new manufactured home, forty percent of the purchase price,
41 as defined in section 700.320, shall be considered the sale of a service and not the sale of tangible

1 personal property. In addition to the exemptions granted under the provisions of section 144.030, the
2 sale of services as defined in this section shall be specifically exempted from the provisions of
3 sections 238.235 and 238.410, the local sales tax law as defined in section 32.085, sections 144.010
4 to 144.525 and 144.600 to 144.745, and from the computation of the tax levied, assessed or payable
5 under sections 238.235 and 238.410, the local sales tax law as defined in section 32.085, sections
6 144.010 to 144.525 and 144.600 to 144.745, and section 238.235.

7 3. In the event of the sale of a new modular unit, forty percent of the retail sale of the unit or
8 forty percent of the manufacturer's sales price of the unit if the manufacturer makes a sale to a
9 consumer that is not a retail sale, plus any carrier charge and freight charges shall be considered the
10 sale of a service and sixty percent shall be the retail sale of tangible personal property. In addition to
11 the exemptions granted under the provisions of section 144.030, the sale of services as defined in this
12 section shall be specifically exempted from the provisions of sections 238.235 and 238.410, the local
13 sales tax law as defined in section 32.085, sections 144.010 to 144.525 and 144.600 to 144.745, and
14 from the computation of the tax levied, assessed, or payable under sections 238.235 and 238.410, the
15 local sales tax law as defined in section 32.085, sections 144.010 to 144.525 and 144.600 to 144.745,
16 and section 238.235.

17 4. The provisions of this section shall expire on December 31, 2015.

18 144.045. 1. Notwithstanding any other provision of law to the contrary, the department of
19 revenue shall not consider the transfer for consideration of court transcripts, depositions, compressed
20 transcripts, exhibits, computer disks containing any such item, or copies of any such item which are
21 prepared by a court reporter as tangible personal property, but rather as a nontaxable service for
22 purposes of administrative interpretation. [In addition, the department of revenue shall, for purposes
23 of administrative interpretation, consider as nontaxable any machinery or equipment meeting the
24 definition of "farm machinery" under subdivision (23) of subsection 2 of section 144.030, whether or
25 not such machinery or equipment is attached to a vehicle or real property.]

26 2. In addition to the exemptions granted under the provisions of section 144.030, there shall
27 also be specifically exempted from the provisions of sections 144.010 to 144.525, sections 144.600
28 to 144.748, section 238.235, and from the provisions of any local sales tax law, as defined in section
29 32.085, and from the computation of the tax levied, assessed or payable under sections 144.010 to
30 144.525, sections 144.600 to 144.748, section 238.235, and under any local sales tax law, as defined
31 in section 32.085, all sales of court transcripts, depositions, compressed transcripts, exhibits,
32 computer disks containing any such item, and all copies of any such item, which are prepared by a
33 court reporter.

34 3. The provisions of subsections 1 and 2 of this section shall expire on December 31, 2015.

35 4. The department of revenue shall, for purposes of administrative interpretation, consider as
36 nontaxable any machinery or equipment meeting the definition of "farm machinery" under
37 subdivision (23) of subsection 2 of section 144.030, whether or not such machinery or equipment is
38 attached to a vehicle or real property.

39 144.054. 1. As used in this section, the following terms mean:

40 (1) "Processing", any mode of treatment, act, or series of acts performed upon materials to
41 transform or reduce them to a different state or thing, including treatment necessary to maintain or

1 preserve such processing by the producer at the production facility;

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

5 2. In addition to all other exemptions granted under this chapter, there is hereby specifically
6 exempted from the provisions of sections 144.010 to 144.525 and 144.600 to 144.761, and from the
7 computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to
8 144.761, electrical energy and gas, whether natural, artificial, or propane, water, coal, and energy
9 sources, chemicals, machinery, equipment, and materials used or consumed in the manufacturing,
10 processing, compounding, mining, or producing of any product, or used or consumed in the
11 processing of recovered materials, or used in research and development related to manufacturing,
12 processing, compounding, mining, or producing any product. The exemptions granted in this
13 subsection shall not apply to local sales taxes as defined in section 32.085 and the provisions of this
14 subsection shall be in addition to any state and local sales tax exemption provided in section 144.030.

15 3. In addition to all other exemptions granted under this chapter, there is hereby specifically
16 exempted from the provisions of sections 144.010 to 144.525 and 144.600 to 144.761, and section
17 238.235, and the local sales tax law as defined in section 32.085, and from the computation of the tax
18 levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and section
19 238.235, and the local sales tax law as defined in section 32.085, all utilities, machinery, and
20 equipment used or consumed directly in television or radio broadcasting and all sales and purchases
21 of tangible personal property, utilities, services, or any other transaction that would otherwise be
22 subject to the state or local sales or use tax when such sales are made to or purchases are made by a
23 contractor for use in fulfillment of any obligation under a defense contract with the United States
24 government prior to December 31, 2015, and all sales and leases of tangible personal property by
25 any county, city, incorporated town, or village, made prior to December 31, 2015, provided such sale
26 or lease is authorized under chapter 100, and such transaction is certified for sales tax exemption by
27 the department of economic development, and tangible personal property used for railroad
28 infrastructure brought into this state for processing, fabrication, or other modification for use outside
29 the state in the regular course of business.

30 4. In addition to all other exemptions granted under this chapter, there is hereby specifically
31 exempted from the provisions of sections 144.010 to 144.525 and 144.600 to 144.761, and section
32 238.235, and the local sales tax law as defined in section 32.085, and from the computation of the tax
33 levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and section
34 238.235, and the local sales tax law as defined in section 32.085, all sales and purchases of tangible
35 personal property, utilities, services, or any other transaction that would otherwise be subject to the
36 state or local sales or use tax when such sales are made to or purchases are made by a private partner
37 for use in completing a project under sections 227.600 to 227.669.

38 144.057. In addition to the exemptions granted under this chapter, there shall also be
39 specifically exempted from state and local sales and use taxes defined, levied, or calculated under
40 section 32.085, sections 144.010 to 144.525, sections 144.600 to 144.761, or section 238.235, all
41 tangible personal property included on the United States munitions list, as provided in 22 CFR

1 121.1, sold to or purchased by any foreign government or agency or instrumentality of such foreign
2 government which is used for a governmental purpose. The provisions of this section shall expire on
3 December 31, 2015.

4 144.062. 1. With respect to exempt sales at retail of tangible personal property and materials
5 for the purpose of constructing, repairing or remodeling facilities for:

6 (1) A county, other political subdivision or instrumentality thereof exempt from taxation
7 under subdivision (10) of Section 39 of Article III of the Constitution of Missouri; or

8 (2) An organization sales to which are exempt from taxation under the provisions of
9 subdivision (20) of subsection 2 of section 144.030; or

10 (3) Any institution of higher education supported by public funds or any private
11 not-for-profit institution of higher education, exempt from taxation under subdivision (21) of
12 subsection 2 of section 144.030; or

13 (4) Any private not-for-profit elementary or secondary school exempt from taxation under
14 subdivision (23) of subsection 2 of section 144.030; or

15 (5) Any authority exempt from taxation under subdivision (40) of subsection 2 of section
16 144.030; or

17 (6) After June 30, 2007, but before December 31, 2015, the department of transportation or
18 the state highways and transportation commission; hereinafter collectively referred to as exempt
19 entities, such exemptions shall be allowed for such purchases if the purchases are related to the
20 entities' exempt functions and activities. In addition, the sales shall not be rendered nonexempt nor
21 shall any material supplier or contractor be obligated to pay, collect or remit sales tax with respect to
22 such purchases made by or on behalf of an exempt entity due to such purchases being billed to or
23 paid for by a contractor or the exempt entity contracting with any entity to render any services in
24 relation to such purchases, including but not limited to selection of materials, ordering, pickup,
25 delivery, approval on delivery, taking of delivery, transportation, storage, assumption of risk of loss
26 to materials or providing warranties on materials as specified by contract, use of materials or other
27 purchases for construction of the building or other facility, providing labor, management services,
28 administrative services, design or technical services or advice to the exempt entity, whether or not
29 the contractor or other entity exercises dominion or control in any other manner over the materials in
30 conjunction with services or labor provided to the exempt entity.

31 2. When any exempt entity contracts for the purpose of constructing, repairing or remodeling
32 facilities, and purchases of tangible personal property and materials to be incorporated into or
33 consumed in the construction of the project are to be made on a tax-exempt basis, such entity shall
34 furnish to the contractor an exemption certificate authorizing such purchases for the construction,
35 repair or remodeling project. The form and content of such project exemption certificate shall be
36 approved by the director of revenue. The project exemption certificate shall include but not be
37 limited to:

38 (1) The exempt entity's name, address, Missouri tax identification number and signature of
39 authorized representative;

40 (2) The project location, description, and unique identification number;

41 (3) The date the contract is entered into, which is the earliest date materials may be

1 purchased for the project on a tax-exempt basis;

2 (4) The estimated project completion date; and

3 (5) The certificate expiration date.

4 Such certificate is renewable for a given project at the option of the exempt entity, only for the
5 purpose of revising the certificate expiration date as necessary to complete the project.

6 3. The contractor shall furnish the certificate prescribed in subsection 2 of this section to all
7 subcontractors, and any contractor purchasing materials shall present such certificate to all material
8 suppliers as authorization to purchase, on behalf of the exempt entity, all tangible personal property
9 and materials to be incorporated into or consumed in the construction of that project and no other on
10 a tax-exempt basis. Such suppliers shall execute to the purchasing contractor invoices bearing the
11 name of the exempt entity and the project identification number. Nothing in this section shall be
12 deemed to exempt the purchase of any construction machinery, equipment or tools used in
13 constructing, repairing or remodeling facilities for the exempt entity. All invoices for all personal
14 property and materials purchased under a project exemption certificate shall be retained by the
15 purchasing contractor for a period of five years and shall be subject to audit by the director of
16 revenue.

17 4. Any excess resalable tangible personal property or materials which were purchased for the
18 project by a contractor under a project exemption certificate but which were not incorporated into or
19 consumed in the construction of the project shall either be returned to the supplier for credit or the
20 appropriate sales or use tax on such excess property or materials shall be reported on a return and
21 paid by such contractor not later than the due date of the contractor's Missouri sales or use tax return
22 following the month in which it was determined that the materials were not to be used in the project.

23 5. No contractor or material supplier shall, upon audit, be required to pay tax on tangible
24 personal property and materials incorporated into or consumed in the construction of the project due
25 to the failure of the exempt entity to revise the certificate expiration date as necessary to complete
26 any work required by the contract. If it is determined that tax is owed on such property and materials
27 due to the failure of the exempt entity to revise such certificate expiration date, the exempt entity
28 shall be liable for the tax owed.

29 6. If an entity issues exemption certificates for the purchase of tangible personal property
30 and materials which are incorporated into or consumed in the construction of its project and such
31 entity is found not to have had the authority granted by this section to issue such exemption
32 certificates, then such entity shall be liable for the tax owed on such personal property and materials.
33 In addition, if an entity which does have the authority granted by this section to issue exemption
34 certificates issues such certificates for the purchase of tangible personal property and materials which
35 are incorporated into or consumed in the construction of a project, or part of a project, which is
36 found not to be related to such entity's exempt functions and activities, then such entity shall be
37 liable for the tax owed on such personal property and materials.

38 144.518. 1. In addition to the exemptions granted pursuant to section 144.030, there is
39 hereby specifically exempted from the provisions of sections 144.010 to 144.525, sections 144.600
40 to 144.761, sections 190.335 to 190.337, section 238.235, section 238.236, section 238.410, section
41 321.242, section 573.505, section 644.032, and any local sales tax law as defined in section 32.085,

1 and from the computation of the tax levied, assessed or payable pursuant to sections 144.010 to
 2 144.525, sections 144.600 to 144.761, sections 190.335 to 190.337, section 238.235, section
 3 238.236, section 238.410, section 321.242, section 573.505, section 644.032, and any local sales tax
 4 law as defined in section 32.085, coin-operated amusement devices and parts for such devices
 5 purchased prior to September 1, 2007, where sales tax is paid on the gross receipts derived from the
 6 use of such devices. The provisions of this subsection shall expire on December 31, 2015.

7 2. Beginning September 1, 2007, in addition to any other exemption provided by law, there
 8 is hereby specifically exempted from the provisions of sections 144.010 to 144.525, sections 144.600
 9 to 144.761, sections 190.335 to 190.337, section 238.235, section 238.236, section 238.410, section
 10 321.242, section 573.505, section 644.032, and any local sales tax law as defined in section 32.085,
 11 and from the computation of the tax levied, assessed, or payable pursuant to sections 144.010 to
 12 144.525, sections 144.600 to 144.761, sections 190.335 to 190.337, section 238.235, section
 13 238.236, section 238.410, section 321.242, section 573.505, section 644.032, and any local sales tax
 14 law as defined in section 32.085, amounts paid for the temporary use of a coin-operated amusement
 15 device. The provisions of this subsection shall expire on December 31, 2015.

16 3. As used in this section, "coin-operated amusement device" means a device accepting
 17 payment or items representing payments to allow one or more users temporary use of the device for
 18 entertainment or amusement purposes. Examples of coin-operated amusement devices include, but
 19 are not limited to, video games, pinball games, table games such as billiards and air hockey, and
 20 redemption games such as the claw and skee ball that may award prizes of tangible personal
 21 property.

22 4. In addition to any other exemptions provided by law, there is hereby specifically
 23 exempted from the provisions of sections 144.010 to 144.525, sections 144.600 to 144.761, sections
 24 190.335 to 190.337, section 238.235, section 238.236, section 238.410, section 321.242, section
 25 573.505, section 644.032, and any local sales tax law as defined in section 32.085, and from the
 26 computation of the tax levied, assessed, or payable pursuant to sections 144.010 to 144.525, sections
 27 144.600 to 144.761, sections 190.335 to 190.337, section 238.235, section 238.236, section 238.410,
 28 section 321.242, section 573.505, section 644.032, and any local sales tax law as defined in section
 29 32.085, vending machines or parts for vending machines used in a commercial vending business
 30 where sales tax is paid on the gross receipts derived from such vending machines.

31 144.526. 1. This section shall be known and may be cited as the "Show Me Green Sales Tax
 32 Holiday".

33 2. For purposes of this section, the following terms mean:

34 (1) "Appliance", clothes washers and dryers, water heaters, trash compactors, dishwashers,
 35 conventional ovens, ranges, stoves, air conditioners, furnaces, refrigerators and freezers; and

36 (2) "Energy star certified", any appliance approved by both the United States Environmental
 37 Protection Agency and the United States Department of Energy as eligible to display the energy star
 38 label, as amended from time to time.

39 3. In each year beginning on or after January 1, 2009, there is hereby specifically exempted
 40 from state sales tax law all retail sales of any energy star certified new appliance, up to one thousand
 41 five hundred dollars per appliance, during a seven-day period beginning at 12:01 a.m. on April

1 nineteenth and ending at midnight on April twenty-fifth.

2 4. A political subdivision may allow the sales tax holiday under this section to apply to its
3 local sales taxes by enacting an ordinance to that effect. Any such political subdivision shall notify
4 the department of revenue not less than forty-five calendar days prior to the beginning date of the
5 sales tax holiday occurring in that year of any such ordinance or order.

6 5. This section may not apply to any retailer when less than two percent of the retailer's
7 merchandise offered for sale qualifies for the sales tax holiday. The retailer shall offer a sales tax
8 refund in lieu of the sales tax holiday.

9 6. The provisions of this section shall expire on December 31, 2015.

10 253.550. 1. Any taxpayer incurring costs and expenses for the rehabilitation of eligible
11 property, which is a certified historic structure or structure in a certified historic district, may, subject
12 to the provisions of this section and section 253.559, receive a credit against the taxes imposed
13 pursuant to chapters 143 and 148, except for sections 143.191 to 143.265, on such taxpayer in an
14 amount equal to twenty-five percent of the total costs and expenses of rehabilitation incurred after
15 January 1, 1998, which shall include, but not be limited to, qualified rehabilitation expenditures as
16 defined under section 47(c)(2)(A) of the Internal Revenue Code of 1986, as amended, and the related
17 regulations thereunder, provided the rehabilitation costs associated with rehabilitation and the
18 expenses exceed fifty percent of the total basis in the property and the rehabilitation meets standards
19 consistent with the standards of the Secretary of the United States Department of the Interior for
20 rehabilitation as determined by the state historic preservation officer of the Missouri department of
21 natural resources.

22 2. During the period beginning on January 1, 2010, but ending on or after June 30, 2010, the
23 department of economic development shall not approve applications for tax credits under the
24 provisions of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed seventy million
25 dollars, increased by any amount of tax credits for which approval shall be rescinded under the
26 provisions of section 253.559. For each fiscal year beginning on or after July 1, 2010, but ending on
27 or before June 30, 2016, the department of economic development shall not approve applications for
28 tax credits under the provisions of subsections 3 and 8 of section 253.559 which, in the aggregate,
29 exceed one hundred forty million dollars, increased by any amount of tax credits for which approval
30 shall be rescinded under the provisions of section 253.559. The total amount of tax credits eligible
31 to be awarded under the provisions of subsections 3 and 8 of section 253.559 shall be reduced each
32 year for ten years in equal amounts beginning with the 2017 fiscal year until the total amount of tax
33 credits eligible to be awarded is one hundred twenty million dollars, increased by any amount of tax
34 credits for which approval shall be rescinded under the provisions of section 253.559. The
35 limitations provided under this subsection shall not apply to applications approved under the
36 provisions of subsection 3 of section 253.559 for projects to receive less than two hundred
37 seventy-five thousand dollars in tax credits. The total amount of tax credits eligible to be awarded
38 under the provisions of section 253.559 for projects to receive less than two hundred seventy-five
39 thousand dollars in tax credits shall be reduced each year for ten years in equal amounts beginning
40 with the 2017 fiscal year until the total amount of tax credits eligible to be awarded is twenty million
41 dollars.

1 3. For all applications for tax credits approved on or after January 1, 2010, no more than two
2 hundred fifty thousand dollars in tax credits may be issued for eligible costs and expenses incurred in
3 the rehabilitation of an eligible property which is a nonincome producing single-family,
4 owner-occupied residential property and is either a certified historic structure or a structure in a
5 certified historic district.

6 4. The limitations on tax credit authorization provided under the provisions of subsections 2
7 and 3 of this section shall not apply to:

8 (1) Any application submitted by a taxpayer, which has received approval from the
9 department prior to January 1, 2010; or

10 (2) Any taxpayer applying for tax credits, provided under this section, which, on or before
11 January 1, 2010, has filed an application with the department evidencing that such taxpayer:

12 (a) Has incurred costs and expenses for an eligible property which exceed the lesser of five
13 percent of the total project costs or one million dollars and received an approved Part I from the
14 Secretary of the United States Department of Interior; or

15 (b) Has received certification, by the state historic preservation officer, that the rehabilitation
16 plan meets the standards consistent with the standards of the Secretary of the United States
17 Department of the Interior, and the rehabilitation costs and expenses associated with such
18 rehabilitation shall exceed fifty percent of the total basis in the property.

19 5. No new tax credits shall be authorized under the provisions of sections 253.545 to
20 253.559 after December 31, 2030.

21 262.250. 1. The commission may charge a fee on any entry to be paid at the time of entry.
22 All animals and articles must be entered in their proper classes and no other. The director shall
23 determine all questions of classification.

24 2. In addition to any exemption in chapter 144, no sales taxes shall be levied and collected on
25 any entry fee or charge authorized in this section. The provisions of this subsection shall expire on
26 December 31, 2015.

27 313.821. 1. In addition to the exemptions granted under the provisions of section 144.030,
28 there shall also be specifically exempted from the provisions of sections 66.600 to 66.635, sections
29 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and
30 67.782, sections 92.400 to 92.420, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to
31 94.755, and sections 144.010 to 144.510 and 144.600 to 144.745, and from the computation of the
32 tax levied, assessed or payable under sections 66.600 to 66.635, sections 67.500 to 67.545, 67.547,
33 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, sections 92.400
34 to 92.420, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, and sections 144.010
35 to 144.510 and 144.600 to 144.745, any state or local admission fees imposed upon excursion
36 gambling boat operators to be collected from each passenger boarding such excursion gambling
37 boats. The provisions of this subsection shall expire on December 31, 2015.

38 2. Nothing in this section shall exempt from the taxes referenced in subsection 1 of this
39 section any fees of admission voluntarily charged by excursion boat gambling operators to
40 passengers boarding such excursion gambling boats.

41 447.708. 1. For eligible projects, the director of the department of economic development,

1 with notice to the directors of the departments of natural resources and revenue, and subject to the
2 other provisions of sections 447.700 to 447.718, may not create a new enterprise zone but may
3 decide that a prospective operator of a facility being remedied and renovated pursuant to sections
4 447.700 to 447.718 may receive the tax credits and exemptions pursuant to sections 135.100 to
5 135.150 and sections 135.200 to 135.257. The tax credits allowed pursuant to this subsection shall
6 be used to offset the tax imposed by chapter 143, excluding withholding tax imposed by sections
7 143.191 to 143.265, or the tax otherwise imposed by chapter 147, or the tax otherwise imposed by
8 chapter 148. For purposes of this subsection:

9 (1) For receipt of the ad valorem tax abatement pursuant to section 135.215, the eligible
10 project must create at least ten new jobs or retain businesses which supply at least twenty-five
11 existing jobs. The city, or county if the eligible project is not located in a city, must provide ad
12 valorem tax abatement of at least fifty percent for a period not less than ten years and not more than
13 twenty-five years;

14 (2) For receipt of the income tax exemption pursuant to section 135.220 and tax credit for
15 new or expanded business facilities pursuant to sections 135.100 to 135.150, and 135.225, the
16 eligible project must create at least ten new jobs or retain businesses which supply at least
17 twenty-five existing jobs, or combination thereof. For purposes of sections 447.700 to 447.718, the
18 tax credits described in section 135.225 are modified as follows: the tax credit shall be four hundred
19 dollars per employee per year, an additional four hundred dollars per year for each employee
20 exceeding the minimum employment thresholds of ten and twenty-five jobs for new and existing
21 businesses, respectively, an additional four hundred dollars per year for each person who is a person
22 difficult to employ as defined by section 135.240, and investment tax credits at the same amounts
23 and levels as provided in subdivision (4) of subsection 1 of section 135.225;

24 (3) For eligibility to receive the income tax refund pursuant to section 135.245, the eligible
25 project must create at least ten new jobs or retain businesses which supply at least twenty-five
26 existing jobs, or combination thereof, and otherwise comply with the provisions of section 135.245
27 for application and use of the refund and the eligibility requirements of this section;

28 (4) The eligible project operates in compliance with applicable environmental laws and
29 regulations, including permitting and registration requirements, of this state as well as the federal
30 and local requirements;

31 (5) The eligible project operator shall file such reports as may be required by the director of
32 economic development or the director's designee;

33 (6) The taxpayer may claim the state tax credits authorized by this subsection and the state
34 income exemption for a period not in excess of ten consecutive tax years. For the purpose of this
35 section, "taxpayer" means an individual proprietorship, partnership or corporation described in
36 section 143.441 or 143.471 who operates an eligible project. The director shall determine the
37 number of years the taxpayer may claim the state tax credits and the state income exemption based
38 on the projected net state economic benefits attributed to the eligible project;

39 (7) For the purpose of meeting the new job requirement prescribed in subdivisions (1), (2)
40 and (3) of this subsection, it shall be required that at least ten new jobs be created and maintained
41 during the taxpayer's tax period for which the credits are earned, in the case of an eligible project that

1 does not replace a similar facility in Missouri. "New job" means a person who was not previously
2 employed by the taxpayer or related taxpayer within the twelve-month period immediately preceding
3 the time the person was employed by that taxpayer to work at, or in connection with, the eligible
4 project on a full-time basis. "Full-time basis" means the employee works an average of at least
5 thirty-five hours per week during the taxpayer's tax period for which the tax credits are earned. For
6 the purposes of this section, related taxpayer has the same meaning as defined in subdivision (9) of
7 section 135.100;

8 (8) For the purpose of meeting the existing job retention requirement, if the eligible project
9 replaces a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax
10 period in which the tax credits are earned, it shall be required that at least twenty-five existing jobs
11 be retained at, and in connection with the eligible project, on a full-time basis during the taxpayer's
12 tax period for which the credits are earned. "Retained job" means a person who was previously
13 employed by the taxpayer or related taxpayer, at a facility similar to the eligible project that closed
14 elsewhere in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned,
15 within the tax period immediately preceding the time the person was employed by the taxpayer to
16 work at, or in connection with, the eligible project on a full-time basis. "Full-time basis" means the
17 employee works an average of at least thirty-five hours per week during the taxpayer's tax period for
18 which the tax credits are earned;

19 (9) In the case where an eligible project replaces a similar facility that closed elsewhere in
20 Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, the owner
21 and operator of the eligible project shall provide the director with a written statement explaining the
22 reason for discontinuing operations at the closed facility. The statement shall include a comparison
23 of the activities performed at the closed facility prior to the date the facility ceased operating, to the
24 activities performed at the eligible project, and a detailed account describing the need and rationale
25 for relocating to the eligible project. If the director finds the relocation to the eligible project
26 significantly impaired the economic stability of the area in which the closed facility was located, and
27 that such move was detrimental to the overall economic development efforts of the state, the director
28 may deny the taxpayer's request to claim tax benefits;

29 (10) Notwithstanding any provision of law to the contrary, for the purpose of this section, the
30 number of new jobs created and maintained, the number of existing jobs retained, and the value of
31 new qualified investment used at the eligible project during any tax year shall be determined by
32 dividing by twelve, in the case of jobs, the sum of the number of individuals employed at the eligible
33 project, or in the case of new qualified investment, the value of new qualified investment used at the
34 eligible project, on the last business day of each full calendar month of the tax year. If the eligible
35 project is in operation for less than the entire tax year, the number of new jobs created and
36 maintained, the number of existing jobs retained, and the value of new qualified investment created
37 at the eligible project during any tax year shall be determined by dividing the sum of the number of
38 individuals employed at the eligible project, or in the case of new qualified investment, the value of
39 new qualified investment used at the eligible project, on the last business day of each full calendar
40 month during the portion of the tax year during which the eligible project was in operation, by the
41 number of full calendar months during such period;

1 (11) For the purpose of this section, "new qualified investment" means new business facility
2 investment as defined and as determined in subdivision (7) of section 135.100 which is used at and in
3 connection with the eligible project. "New qualified investment" shall not include small tools,
4 supplies and inventory. "Small tools" means tools that are portable and can be hand held.

5 2. The determination of the director of economic development pursuant to subsection 1 of
6 this section shall not affect requirements for the prospective purchaser to obtain the approval of the
7 granting of real property tax abatement by the municipal or county government where the eligible
8 project is located.

9 3. (1) The director of the department of economic development, with the approval of the
10 director of the department of natural resources, may, in addition to the tax credits allowed in
11 subsection 1 of this section, grant a remediation tax credit to the applicant for up to one hundred
12 percent of the costs of materials, supplies, equipment, labor, professional engineering, consulting and
13 architectural fees, permitting fees and expenses, demolition, asbestos abatement, and direct utility
14 charges for performing the voluntary remediation activities for the preexisting hazardous substance
15 contamination and releases, including, but not limited to, the costs of performing operation and
16 maintenance of the remediation equipment at the property beyond the year in which the systems and
17 equipment are built and installed at the eligible project and the costs of performing the voluntary
18 remediation activities over a period not in excess of four tax years following the taxpayer's tax year
19 in which the system and equipment were first put into use at the eligible project, provided the
20 remediation activities are the subject of a plan submitted to, and approved by, the director of natural
21 resources pursuant to sections 260.565 to 260.575. The tax credit may also include up to one
22 hundred percent of the costs of demolition that are not directly part of the remediation activities,
23 provided that the demolition is on the property where the voluntary remediation activities are
24 occurring, the demolition is necessary to accomplish the planned use of the facility where the
25 remediation activities are occurring, and the demolition is part of a redevelopment plan approved by
26 the municipal or county government and the department of economic development. The demolition
27 may occur on an adjacent property if the project is located in a municipality which has a population
28 less than twenty thousand and the above conditions are otherwise met. The adjacent property shall
29 independently qualify as abandoned or underutilized. The amount of the credit available for
30 demolition not associated with remediation cannot exceed the total amount of credits approved for
31 remediation including demolition required for remediation.

32 (2) The amount of remediation tax credits issued shall be limited to the least amount
33 necessary to cause the project to occur, as determined by the director of the department of economic
34 development.

35 (3) The director may, with the approval of the director of natural resources, extend the tax
36 credits allowed for performing voluntary remediation maintenance activities, in increments of
37 three-year periods, not to exceed five consecutive three-year periods. The tax credits allowed in this
38 subsection shall be used to offset the tax imposed by chapter 143, excluding withholding tax imposed
39 by sections 143.191 to 143.265, or the tax otherwise imposed by chapter 147, or the tax otherwise
40 imposed by chapter 148. The remediation tax credit may be taken in the same tax year in which the
41 tax credits are received or may be taken over a period not to exceed twenty years.

1 (4) The project facility shall be projected to create at least ten new jobs or at least
2 twenty-five retained jobs, or a combination thereof, as determined by the department of economic
3 development, to be eligible for tax credits pursuant to this section.

4 (5) No more than seventy-five percent of earned remediation tax credits may be issued when
5 the remediation costs were paid, and the remaining percentage may be issued when the department
6 of natural resources issues a letter of completion letter or covenant not to sue following completion
7 of the voluntary remediation activities. It shall not include any costs associated with ongoing
8 operational environmental compliance of the facility or remediation costs arising out of spills, leaks,
9 or other releases arising out of the ongoing business operations of the facility. In the event the
10 department of natural resources issues a letter of completion for a portion of a property, an impacted
11 media such as soil or groundwater, or for a site or a portion of a site improvement, a prorated amount
12 of the remaining percentage may be released based on the percentage of the total site receiving a
13 letter of completion.

14 4. In the exercise of the sound discretion of the director of the department of economic
15 development or the director's designee, the tax credits and exemptions described in this section may
16 be terminated, suspended or revoked, if the eligible project fails to continue to meet the conditions
17 set forth in this section. In making such a determination, the director shall consider the severity of
18 the condition violation, actions taken to correct the violation, the frequency of any condition
19 violations and whether the actions exhibit a pattern of conduct by the eligible facility owner and
20 operator. The director shall also consider changes in general economic conditions and the
21 recommendation of the director of the department of natural resources, or his or her designee,
22 concerning the severity, scope, nature, frequency and extent of any violations of the environmental
23 compliance conditions. The taxpayer or person claiming the tax credits or exemptions may appeal
24 the decision regarding termination, suspension or revocation of any tax credit or exemption in
25 accordance with the procedures outlined in subsections 4 [to 6] and 5 of section 135.250. The
26 director of the department of economic development shall notify the directors of the departments of
27 natural resources and revenue of the termination, suspension or revocation of any tax credits as
28 determined in this section or pursuant to the provisions of section 447.716.

29 5. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax
30 credits, exemptions or refund otherwise allowed in subdivisions (2), (3) and (4) of subsection 1 of
31 this section and the tax credits otherwise allowed in section 135.110, or the tax credits, exemptions
32 and refund otherwise allowed in sections 135.215, 135.220, 135.225 and 135.245, respectively, for
33 the same facility for the same tax period.

34 6. The total amount of the tax credits allowed in subsection 1 of this section may not exceed
35 the greater of:

36 (1) That portion of the taxpayer's income attributed to the eligible project; or

37 (2) One hundred percent of the total business' income tax if the eligible facility does not
38 replace a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax
39 period in which the tax credits are earned, and further provided the taxpayer does not operate any
40 other facilities besides the eligible project in Missouri; fifty percent of the total business' income tax
41 if the eligible facility replaces a similar facility that closed elsewhere in Missouri prior to the end of

1 the taxpayer's tax period in which the credits are earned, and further provided the taxpayer does not
2 operate any other facilities besides the eligible project in Missouri; or twenty-five percent of the total
3 business income if the taxpayer operates, in addition to the eligible facility, any other facilities in
4 Missouri. In no case shall a taxpayer operating more than one eligible project in Missouri be allowed
5 to offset more than twenty-five percent of the taxpayer's business income in any tax period. That
6 portion of the taxpayer's income attributed to the eligible project as referenced in subdivision (1) of
7 this subsection, for which the credits allowed in sections 135.110 and 135.225 and subsection 3 of
8 this section, may apply, shall be determined in the same manner as prescribed in subdivision [(6)] (7)
9 of section 135.100. That portion of the taxpayer's franchise tax attributed to the eligible project for
10 which the remediation tax credit may offset, shall be determined in the same manner as prescribed in
11 paragraph (a) of subdivision [(6)] (7) of section 135.100.

12 7. Taxpayers claiming the state tax benefits allowed in subdivisions (2) and (3) of subsection
13 1 of this section shall be required to file all applicable tax credit applications, forms and schedules
14 prescribed by the director during the taxpayer's tax period immediately after the tax period in which
15 the eligible project was first put into use. Otherwise, the taxpayer's right to claim such state tax
16 benefits shall be forfeited. Unused business facility and enterprise zone tax credits shall not be
17 carried forward but shall be initially claimed for the tax period during which the eligible project was
18 first capable of being used, and during any applicable subsequent tax periods.

19 8. Taxpayers claiming the remediation tax credit allowed in subsection 3 of this section shall
20 be required to file all applicable tax credit applications, forms and schedules prescribed by the
21 director during the taxpayer's tax period immediately after the tax period in which the eligible
22 project was first put into use, or during the taxpayer's tax period immediately after the tax period in
23 which the voluntary remediation activities were performed.

24 9. The recipient of remediation tax credits, for the purpose of this subsection referred to as
25 assignor, may assign, sell or transfer, in whole or in part, the remediation tax credit allowed in
26 subsection 3 of this section to any other person, for the purpose of this subsection referred to as
27 assignee. To perfect the transfer, the assignor shall provide written notice to the director of the
28 assignor's intent to transfer the tax credits to the assignee, the date the transfer is effective, the
29 assignee's name, address and the assignee's tax period and the amount of tax credits to be transferred.
30 The number of tax periods during which the assignee may subsequently claim the tax credits shall
31 not exceed twenty tax periods, less the number of tax periods the assignor previously claimed the
32 credits before the transfer occurred.

33 10. In the case where an operator and assignor of an eligible project has been certified to
34 claim state tax benefits allowed in subdivisions (2) and (3) of subsection 1 of this section, and sells
35 or otherwise transfers title of the eligible project to another taxpayer or assignee who continues the
36 same or substantially similar operations at the eligible project, the director shall allow the assignee to
37 claim the credits for a period of time to be determined by the director; except that, the total number
38 of tax periods the tax credits may be earned by the assignor and the assignee shall not exceed ten. To
39 perfect the transfer, the assignor shall provide written notice to the director of the assignor's intent to
40 transfer the tax credits to the assignee, the date the transfer is effective, the assignee's name, address,
41 and the assignee's tax period, and the amount of tax credits to be transferred.

1 11. For the purpose of the state tax benefits described in this section, in the case of a
2 corporation described in section 143.471 or partnership, in computing Missouri's tax liability, such
3 state benefits shall be allowed to the following:

4 (1) The shareholders of the corporation described in section 143.471;

5 (2) The partners of the partnership. The credit provided in this subsection shall be
6 apportioned to the entities described in subdivisions (1) and (2) of this subsection in proportion to
7 their share of ownership on the last day of the taxpayer's tax period.

8 12. No new tax credits shall be authorized under the provisions of this section after
9 December 31, 2015.

10 620.1881. 1. The department of economic development shall respond within thirty days to a
11 company who provides a notice of intent with either an approval or a rejection of the notice of intent.
12 The department shall give preference to qualified companies and projects targeted at an area of the
13 state which has recently been classified as a disaster area by the federal government. Failure to
14 respond on behalf of the department of economic development shall result in the notice of intent
15 being deemed an approval for the purposes of this section. A qualified company who is provided an
16 approval for a project shall be allowed a benefit as provided in this program in the amount and
17 duration provided in this section. A qualified company may receive additional periods for
18 subsequent new jobs at the same facility after the full initial period if the minimum thresholds are
19 met as set forth in sections 620.1875 to 620.1890. There is no limit on the number of periods a
20 qualified company may participate in the program, as long as the minimum thresholds are achieved
21 and the qualified company provides the department with the required reporting and is in proper
22 compliance for this program or other state programs. A qualified company may elect to file a notice
23 of intent to start a new project period concurrent with an existing project period if the minimum
24 thresholds are achieved and the qualified company provides the department with the required
25 reporting and is in proper compliance for this program and other state programs; however, the
26 qualified company may not receive any further benefit under the original approval for jobs created
27 after the date of the new notice of intent, and any jobs created before the new notice of intent may
28 not be included as new jobs for the purpose of benefit calculation in relation to the new approval.
29 When a qualified company has filed and received approval of a notice of intent and subsequently
30 files another notice of intent, the department shall apply the definition of project facility under
31 subdivision (19) of section 620.1878 to the new notice of intent as well as all previously approved
32 notices of intent and shall determine the application of the definitions of new job, new payroll,
33 project facility base employment, and project facility base payroll accordingly.

34 2. Notwithstanding any provision of law to the contrary, any qualified company that is
35 awarded benefits under this program may not simultaneously receive tax credits or exemptions under
36 sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, or sections 135.900 to
37 135.906 at the same project facility. The benefits available to the company under any other state
38 programs for which the company is eligible and which utilize withholding tax from the new jobs of
39 the company must first be credited to the other state program before the withholding retention level
40 applicable under the Missouri quality jobs act will begin to accrue. These other state programs
41 include, but are not limited to, the Missouri works jobs training program under sections 620.800 to

1 620.809, the real property tax increment allocation redevelopment act, sections 99.800 to 99.865, or
2 the Missouri downtown and rural economic stimulus act under sections 99.915 to 99.980. If any
3 qualified company also participates in the Missouri works jobs training program in sections 620.800
4 to 620.809, the company shall retain no withholding tax, but the department shall issue a refundable
5 tax credit for the full amount of benefit allowed under this subdivision. The calendar year annual
6 maximum amount of tax credits which may be issued to a qualifying company that also participates
7 in the new job training program shall be increased by an amount equivalent to the withholding tax
8 retained by that company under the new jobs training program. However, if the combined benefits
9 of the quality jobs program and the new jobs training program exceed the projected state benefit of
10 the project, as determined by the department of economic development through a cost-benefit
11 analysis, the increase in the maximum tax credits shall be limited to the amount that would not cause
12 the combined benefits to exceed the projected state benefit. Any taxpayer who is awarded benefits
13 under this program who knowingly hires individuals who are not allowed to work legally in the
14 United States shall immediately forfeit such benefits and shall repay the state an amount equal to any
15 state tax credits already redeemed and any withholding taxes already retained.

16 3. The types of projects and the amount of benefits to be provided are:

17 (1) Small and expanding business projects: in exchange for the consideration provided by
18 the new tax revenues and other economic stimuli that will be generated by the new jobs created by
19 the program, a qualified company may retain an amount equal to the withholding tax as calculated
20 under subdivision (33) of section 620.1878 from the new jobs that would otherwise be withheld and
21 remitted by the qualified company under the provisions of sections 143.191 to 143.265 for a period
22 of three years from the date the required number of new jobs were created if the average wage of the
23 new payroll equals or exceeds the county average wage or for a period of five years from the date the
24 required number of new jobs were created if the average wage of the new payroll equals or exceeds
25 one hundred twenty percent of the county average wage;

26 (2) Technology business projects: in exchange for the consideration provided by the new tax
27 revenues and other economic stimuli that will be generated by the new jobs created by the program,
28 a qualified company may retain an amount equal to a maximum of five percent of new payroll for a
29 period of five years from the date the required number of jobs were created from the withholding tax
30 of the new jobs that would otherwise be withheld and remitted by the qualified company under the
31 provisions of sections 143.191 to 143.265 if the average wage of the new payroll equals or exceeds
32 the county average wage. An additional one-half percent of new payroll may be added to the five
33 percent maximum if the average wage of the new payroll in any year exceeds one hundred twenty
34 percent of the county average wage in the county in which the project facility is located, plus an
35 additional one-half percent of new payroll may be added if the average wage of the new payroll in
36 any year exceeds one hundred forty percent of the average wage in the county in which the project
37 facility is located. The department shall issue a refundable tax credit for any difference between the
38 amount of benefit allowed under this subdivision and the amount of withholding tax retained by the
39 company, in the event the withholding tax is not sufficient to provide the entire amount of benefit
40 due to the qualified company under this subdivision;

41 (3) High impact projects: in exchange for the consideration provided by the new tax

1 revenues and other economic stimuli that will be generated by the new jobs created by the program,
2 a qualified company may retain an amount from the withholding tax of the new jobs that would
3 otherwise be withheld and remitted by the qualified company under the provisions of sections
4 143.191 to 143.265, equal to three percent of new payroll for a period of five years from the date the
5 required number of jobs were created if the average wage of the new payroll equals or exceeds the
6 county average wage of the county in which the project facility is located. For high-impact projects
7 in a facility located within two adjacent counties, the new payroll shall equal or exceed the higher
8 county average wage of the adjacent counties. The percentage of payroll allowed under this
9 subdivision shall be three and one-half percent of new payroll if the average wage of the new payroll
10 in any year exceeds one hundred twenty percent of the county average wage in the county in which
11 the project facility is located. The percentage of payroll allowed under this subdivision shall be four
12 percent of new payroll if the average wage of the new payroll in any year exceeds one hundred forty
13 percent of the county average wage in the county in which the project facility is located. An
14 additional one percent of new payroll may be added to these percentages if local incentives equal
15 between ten percent and twenty-four percent of the new direct local revenue; an additional two
16 percent of new payroll is added to these percentages if the local incentives equal between twenty-five
17 percent and forty-nine percent of the new direct local revenue; or an additional three percent of
18 payroll is added to these percentages if the local incentives equal fifty percent or more of the new
19 direct local revenue. The department shall issue a refundable tax credit for any difference between
20 the amount of benefit allowed under this subdivision and the amount of withholding tax retained by
21 the company, in the event the withholding tax is not sufficient to provide the entire amount of benefit
22 due to the qualified company under this subdivision;

23 (4) Job retention projects: a qualified company may receive a tax credit for the retention of
24 jobs in this state, provided the qualified company and the project meets all of the following
25 conditions:

26 (a) For each of the twenty-four months preceding the year in which application for the
27 program is made the qualified company must have maintained at least one thousand full-time
28 employees at the employer's site in the state at which the jobs are based, and the average wage of
29 such employees must meet or exceed the county average wage;

30 (b) The qualified company retained at the project facility the level of full-time employees
31 that existed in the taxable year immediately preceding the year in which application for the program
32 is made;

33 (c) The qualified company is considered to have a significant statewide effect on the
34 economy, and has been determined to represent a substantial risk of relocation from the state by the
35 quality jobs advisory task force established in section 620.1887; provided, however, until such time
36 as the initial at-large members of the quality jobs advisory task force are appointed, this
37 determination shall be made by the director of the department of economic development;

38 (d) The qualified company in the project facility will cause to be invested a minimum of
39 seventy million dollars in new investment prior to the end of two years or will cause to be invested a
40 minimum of thirty million dollars in new investment prior to the end of two years and maintain an
41 annual payroll of at least seventy million dollars during each of the years for which a credit is

1 claimed; and

2 (e) The local taxing entities shall provide local incentives of at least fifty percent of the new
3 direct local revenues created by the project over a ten-year period.

4 The quality jobs advisory task force may recommend to the department of economic development
5 that appropriate penalties be applied to the company for violating the agreement. The amount of the
6 job retention credit granted may be equal to up to fifty percent of the amount of withholding tax
7 generated by the full-time jobs at the project facility for a period of five years. The calendar year
8 annual maximum amount of tax credit that may be issued to any qualified company for a job
9 retention project or combination of job retention projects shall be seven hundred fifty thousand
10 dollars per year, but the maximum amount may be increased up to one million dollars if such action
11 is proposed by the department and approved by the quality jobs advisory task force established in
12 section 620.1887; provided, however, until such time as the initial at-large members of the quality
13 jobs advisory task force are appointed, this determination shall be made by the director of the
14 department of economic development. In considering such a request, the task force shall rely on
15 economic modeling and other information supplied by the department when requesting the increased
16 limit on behalf of the job retention project. In no event shall the total amount of all tax credits issued
17 for the entire job retention program under this subdivision exceed three million dollars annually.
18 Notwithstanding the above, no tax credits shall be issued for job retention projects approved by the
19 department after August 30, 2013;

20 (5) Small business job retention and flood survivor relief: a qualified company may receive
21 a tax credit under sections 620.1875 to 620.1890 for the retention of jobs and flood survivor relief in
22 this state for each job retained over a three-year period, provided that:

23 (a) The qualified company did not receive any state or federal benefits, incentives, or tax
24 relief or abatement in locating its facility in a flood plain;

25 (b) The qualified company and related companies have fewer than one hundred employees at
26 the time application for the program is made;

27 (c) The average wage of the qualified company's and related companies' employees must
28 meet or exceed the county average wage;

29 (d) All of the qualified company's and related companies' facilities are located in this state;

30 (e) The facilities at the primary business site in this state have been directly damaged by
31 floodwater rising above the level of a five hundred year flood at least two years, but fewer than eight
32 years, prior to the time application is made;

33 (f) The qualified company made significant efforts to protect the facilities prior to any
34 impending danger from rising floodwaters;

35 (g) For each year it receives tax credits under sections 620.1875 to 620.1890, the qualified
36 company and related companies retained, at the company's facilities in this state, at least the level of
37 full-time, year-round employees that existed in the taxable year immediately preceding the year in
38 which application for the program is made; and

39 (h) In the years it receives tax credits under sections 620.1875 to 620.1890, the company
40 cumulatively invests at least two million dollars in capital improvements in facilities and equipment
41 located at such facilities that are not located within a five hundred year flood plain as designated by

1 the Federal Emergency Management Agency, and amended from time to time. The amount of the
2 small business job retention and flood survivor relief credit granted may be equal to up to one
3 hundred percent of the amount of withholding tax generated by the full-time jobs at the project
4 facility for a period of three years. The calendar year annual maximum amount of tax credit that
5 may be issued to any qualified company for a small business job retention and survivor relief project
6 shall be two hundred fifty thousand dollars per year, but the maximum amount may be increased up
7 to five hundred thousand dollars if such action is proposed by the department and approved by the
8 quality jobs advisory task force established in section 620.1887. In considering such a request, the
9 task force shall rely on economic modeling and other information supplied by the department when
10 requesting an increase in the limit on behalf of the small business job retention and flood survivor
11 relief project. In no event shall the total amount of all tax credits issued for the entire small business
12 job retention and flood survivor relief program under this subdivision exceed five hundred thousand
13 dollars annually. Notwithstanding the provisions of this subdivision to the contrary, no tax credits
14 shall be issued for small business job retention and flood survivor relief projects approved by the
15 department after August 30, 2010.

16 4. The qualified company shall provide an annual report of the number of jobs and such
17 other information as may be required by the department to document the basis for the benefits of this
18 program. The department may withhold the approval of any benefits until it is satisfied that proper
19 documentation has been provided, and shall reduce the benefits to reflect any reduction in full-time
20 employees or new payroll. Upon approval by the department, the qualified company may begin the
21 retention of the withholding taxes when it reaches the minimum number of new jobs and the average
22 wage exceeds the county average wage. Tax credits, if any, may be issued upon satisfaction by the
23 department that the qualified company has exceeded the county average wage and the minimum
24 number of new jobs. In such annual report, if the average wage is below the county average wage,
25 the qualified company has not maintained the employee insurance as required, or if the number of
26 new jobs is below the minimum, the qualified company shall not receive tax credits or retain the
27 withholding tax for the balance of the benefit period. In the case of a qualified company that initially
28 filed a notice of intent and received an approval from the department for high-impact benefits and
29 the minimum number of new jobs in an annual report is below the minimum for high-impact
30 projects, the company shall not receive tax credits for the balance of the benefit period but may
31 continue to retain the withholding taxes if it otherwise meets the requirements of a small and
32 expanding business under this program.

33 5. The maximum calendar year annual tax credits issued for the entire program shall not
34 exceed eighty million dollars. Notwithstanding any provision of law to the contrary, the maximum
35 annual tax credits authorized under section 135.535 are hereby reduced from ten million dollars to
36 eight million dollars, with the balance of two million dollars transferred to this program. There shall
37 be no limit on the amount of withholding taxes that may be retained by approved companies under
38 this program.

39 6. The department shall allocate the annual tax credits based on the date of the approval,
40 reserving such tax credits based on the department's best estimate of new jobs and new payroll of the
41 project, and the other factors in the determination of benefits of this program. However, the annual

1 issuance of tax credits is subject to the annual verification of the actual new payroll. The allocation
2 of tax credits for the period assigned to a project shall expire if, within two years from the date of
3 commencement of operations, or approval if applicable, the minimum thresholds have not been
4 achieved. The qualified company may retain authorized amounts from the withholding tax under
5 this section once the minimum new jobs thresholds are met for the duration of the project period. No
6 benefits shall be provided under this program until the qualified company meets the minimum new
7 jobs thresholds. In the event the qualified company does not meet the minimum new job threshold,
8 the qualified company may submit a new notice of intent or the department may provide a new
9 approval for a new project of the qualified company at the project facility or other facilities.

10 7. For a qualified company with flow-through tax treatment to its members, partners, or
11 shareholders, the tax credit shall be allowed to members, partners, or shareholders in proportion to
12 their share of ownership on the last day of the qualified company's tax period.

13 8. Tax credits may be claimed against taxes otherwise imposed by chapters 143 and 148, and
14 may not be carried forward but shall be claimed within one year of the close of the taxable year for
15 which they were issued, except as provided under subdivision (4) of subsection 3 of this section.

16 9. Tax credits authorized by this section may be transferred, sold, or assigned by filing a
17 notarized endorsement thereof with the department that names the transferee, the amount of tax
18 credit transferred, and the value received for the credit, as well as any other information reasonably
19 requested by the department.

20 10. Prior to the issuance of tax credits, the department shall verify through the department of
21 revenue, or any other state department, that the tax credit applicant does not owe any delinquent
22 income, sales, or use tax or interest or penalties on such taxes, or any delinquent fees or assessments
23 levied by any state department and through the department of insurance, financial institutions and
24 professional registration that the applicant does not owe any delinquent insurance taxes. Such
25 delinquency shall not affect the authorization of the application for such tax credits, except that at
26 issuance credits shall be first applied to the delinquency and any amount issued shall be reduced by
27 the applicant's tax delinquency. If the department of revenue or the department of insurance,
28 financial institutions and professional registration, or any other state department, concludes that a
29 taxpayer is delinquent after June fifteenth but before July first of any year and the application of tax
30 credits to such delinquency causes a tax deficiency on behalf of the taxpayer to arise, then the
31 taxpayer shall be granted thirty days to satisfy the deficiency in which interest, penalties, and
32 additions to tax shall be tolled. After applying all available credits toward a tax delinquency, the
33 administering agency shall notify the appropriate department and that department shall update the
34 amount of outstanding delinquent tax owed by the applicant. If any credits remain after satisfying all
35 insurance, income, sales, and use tax delinquencies, the remaining credits shall be issued to the
36 applicant, subject to the restrictions of other provisions of law.

37 11. Except as provided under subdivision (4) of subsection 3 of this section, the director of
38 revenue shall issue a refund to the qualified company to the extent that the amount of credits allowed
39 in this section exceeds the amount of the qualified company's income tax.

40 12. An employee of a qualified company will receive full credit for the amount of tax
41 withheld as provided in section 143.211.

1 13. If any provision of sections 620.1875 to 620.1890 or application thereof to any person or
2 circumstance is held invalid, the invalidity shall not affect other provisions or application of these
3 sections which can be given effect without the invalid provisions or application, and to this end, the
4 provisions of sections 620.1875 to 620.1890 are hereby declared severable.

5 14. The provisions of this section shall expire on December 31, 2027. The total amount of
6 tax credits eligible to be awarded under subsection 5 of this section shall be reduced each year for ten
7 years in equal amounts beginning with the 2017 fiscal year until no tax credits are eligible to be
8 awarded under this section."; and

9
10 Further amend said bill by amending the title, enacting clause, and intersectional references
11 accordingly.