

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By

1 AMEND House Bill No. 440, Page 1, In the Title, Line 3, by deleting the words, "payment of sales  
2 tax" and inserting in lieu thereof the word, "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 32.115. 1. The department of revenue shall grant a tax credit, to be applied in the following

Action Taken \_\_\_\_\_ Date \_\_\_\_\_

1 order until used, against:

2 (1) The annual tax on gross premium receipts of insurance companies in chapter 148;

3 (2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section  
4 148.030;

5 (3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030;

6 (4) The tax on other financial institutions in chapter 148;

7 (5) The corporation franchise tax in chapter 147;

8 (6) The state income tax in chapter 143; and

9 (7) The annual tax on gross receipts of express companies in chapter 153.

10 2. For proposals approved pursuant to section 32.110:

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

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

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

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

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

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

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

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

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

14 3. For proposals approved pursuant to section 32.111:

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

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

39 (3) In the case of owner-occupied affordable housing units, the qualifying owner occupant  
40 shall, before the end of the first year in which credits are claimed, certify to the commission that the  
41 occupant is income eligible during the preceding two years, and at the time of the initial purchase

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

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

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

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

26 100.850. 1. The approved company shall remit to the board a job development assessment  
27 fee, not to exceed five percent of the gross wages of each eligible employee whose job was created as  
28 a result of the economic development project, or not to exceed ten percent if the economic  
29 development project is located within a distressed community as defined in section 135.530, for the  
30 purpose of retiring bonds which fund the economic development project.

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

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

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

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

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

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

12           135.020. 1. A credit for property taxes shall be allowed for the amount provided in section  
13 135.030. If the amount allowable as a credit exceeds the income tax reduced by other credits, then  
14 the excess shall be considered an overpayment of the income tax.

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

17           135.352. 1. A taxpayer owning an interest in a qualified Missouri project shall, subject to  
18 the limitations provided under the provisions of [subsection] subsections 3 and 4 of this section, be  
19 allowed a state tax credit, whether or not allowed a federal tax credit, to be termed the Missouri  
20 low-income housing tax credit, if the commission issues an eligibility statement for that project.

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

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

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

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

40           [5.] 6. All or any portion of Missouri tax credits issued in accordance with the provisions of  
41 sections 135.350 to 135.362 may be allocated to parties who are eligible pursuant to the provisions

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

5 [6.] 7. In the event that recapture of Missouri low-income housing tax credits is required  
 6 pursuant to subsection 2 of section 135.355, any statement submitted to the director as provided in  
 7 this section shall include the proportion of the state credit required to be recaptured, the identity of  
 8 each taxpayer subject to the recapture and the amount of credit previously allocated to such taxpayer.

9 [7.] 8. The director of the department may promulgate rules and regulations necessary to  
 10 administer the provisions of this section. No rule or portion of a rule promulgated pursuant to the  
 11 authority of this section shall become effective unless it has been promulgated pursuant to the  
 12 provisions of section 536.024.

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

15 135.750. 1. As used in this section, the following terms mean:

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

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

24 (a) News or current events programming;

25 (b) Talk show;

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

28 (d) Sports event or sports program;

29 (e) Gala presentation or awards show;

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

31 (g) Political ad;

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

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

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

39 (b) Compensation and wages paid by the production company on which the production  
 40 company remitted withholding payments to the department of revenue under chapter 143. For  
 41 purposes of this section, compensation and wages shall not include any amounts paid to a highly

1 compensated individual;

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

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

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

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

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

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

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

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

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

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

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

If the Missouri taxable income is: The tax is:

|   |                                       |
|---|---------------------------------------|
| Not over \$1,000.00 . . . . .                         | 1 1/2% of the Missouri taxable income |
| Over \$1,000 but not over \$2,000 over \$1,000        | \$15 plus 2% of excess                |
| Over \$2,000 but not over \$3,000 over \$2,000        | \$35 plus 2 1/2% of excess            |
| Over \$3,000 but not over \$4,000 over \$3,000        | \$60 plus 3% of excess                |
| Over \$4,000 but not over \$5,000 over \$4,000        | \$90 plus 3 1/2% of excess            |
| Over \$5,000 but not over \$6,000 over \$5,000        | \$125 plus 4% of excess               |
| Over \$6,000 but not over \$7,000 excess over \$6,000 | \$165 plus 4 1/2% of                  |
| Over \$7,000 but not over \$8,000 over \$7,000        | \$210 plus 5% of excess               |
| Over \$8,000 but not over \$9,000 excess over \$8,000 | \$260 plus 5 1/2% of                  |
| Over \$9,000 . . . . .                                | \$315 plus 6% of excess over \$9,000  |

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

3. (1) Beginning with the 2017 calendar year, the top rate of tax under subsection 1 of this section may be reduced over a period of years. Each reduction in the top rate of tax shall be by



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

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

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

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

14 [3.] 4. Beginning with the 2017 calendar year, the brackets of Missouri taxable income  
15 identified in subsection 1 of this section shall be adjusted annually by the percent increase in  
16 inflation. The director shall publish such brackets annually beginning on or after October 1, 2016.  
17 Modifications to the brackets shall take effect on January first of each calendar year and shall apply  
18 to tax years beginning on or after the effective date of the new brackets.

19 [4.] 5. As used in this section, the following terms mean:

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

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

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

27 144.010. 1. The following words, terms, and phrases when used in sections 144.010 to  
28 144.525 have the meanings ascribed to them in this section, except when the context indicates a  
29 different meaning:

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

33 (2) "Business" includes any activity engaged in by any person, or caused to be engaged in by  
34 him, with the object of gain, benefit or advantage, either direct or indirect, and the classification of  
35 which business is of such character as to be subject to the terms of sections 144.010 to 144.525. A  
36 person is "engaging in business" in this state for purposes of sections 144.010 to 144.525 if such  
37 person "engages in business in this state" or "maintains a place of business in this state" under section  
38 144.605. The isolated or occasional sale of tangible personal property, service, substance, or thing,  
39 by a person not engaged in such business, does not constitute engaging in business within the  
40 meaning of sections 144.010 to 144.525 unless the total amount of the gross receipts from such sales,  
41 exclusive of receipts from the sale of tangible personal property by persons which property is sold in

1 the course of the partial or complete liquidation of a household, farm or nonbusiness enterprise,  
2 exceeds three thousand dollars in any calendar year. The provisions of this subdivision shall not be  
3 construed to make any sale of property which is exempt from sales tax or use tax on June 1, 1977,  
4 subject to that tax thereafter;

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

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

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

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

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

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

40 (9) "Research or experimentation activities" are the development of an experimental or pilot  
41 model, plant process, formula, invention or similar property, and the improvement of existing

1 property of such type. Research or experimentation activities do not include activities such as  
2 ordinary testing or inspection of materials or products for quality control, efficiency surveys,  
3 advertising promotions or research in connection with literary, historical or similar projects;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 2. For purposes of the taxes imposed under sections 144.010 to 144.525, and any other  
24 provisions of law pertaining to sales or use taxes which incorporate the provisions of sections  
25 144.010 to 144.525 by reference, the term "manufactured homes" shall have the same meaning given  
26 it in section 700.010.

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

28 144.011. 1. For purposes of sections 144.010 to 144.525 and 144.600 to 144.748, and the  
29 taxes imposed thereby, the definition of "retail sale" or "sale at retail" shall not be construed to  
30 include any of the following:

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

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

37 (3) The transfer of tangible personal property to a corporation solely in exchange for its  
38 stock or securities;

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

41 (5) The transfer of tangible personal property to a partnership solely in exchange for a

1 partnership interest therein;

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

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

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

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

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

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

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

26 (a) A transfer which involves the delivery of the document known as the "Manufacturer's  
27 Statement of Origin" to a person other than a manufactured home dealer, as defined in section  
28 700.010, for purposes of allowing such person to obtain a title to the manufactured home from the  
29 department of revenue of this state or the appropriate agency or officer of any other state;

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

33 (c) The first transfer which occurs after December 31, 1985, if the tax imposed by sections  
34 144.010 to 144.525 was not paid on any transfer of the same manufactured home which occurred  
35 before December 31, 1985; or

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

37 (a) Fraternal beneficiaries societies, or domestic fraternal societies, orders or associations  
38 operating under the lodge system a substantial part of the activities of which are devoted to religious,  
39 charitable, scientific, literary, educational or fraternal purposes; or

40 (b) Posts or organizations of past or present members of the Armed Forces of the United  
41 States or an auxiliary unit or society of, or a trust or foundation for, any such post or organization

1 substantially all of the members of which are past or present members of the Armed Forces of the  
2 United States or who are cadets, spouses, widows, or widowers of past or present members of the  
3 Armed Forces of the United States, no part of the net earnings of which inures to the benefit of any  
4 private shareholder or individual.

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

10 144.014. 1. Notwithstanding other provisions of law to the contrary, beginning October 1,  
11 1997, and ending December 31, 2015, the tax levied and imposed pursuant to sections 144.010 to  
12 144.525 and sections 144.600 to 144.746 on all retail sales of food shall be at the rate of one percent.  
13 The revenue derived from the one percent rate pursuant to this section shall be deposited by the state  
14 treasurer in the school district trust fund and shall be distributed as provided in section 144.701.

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

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

26 144.020. 1. A tax is hereby levied and imposed for the privilege of titling new and used  
27 motor vehicles, trailers, boats, and outboard motors purchased or acquired for use on the highways  
28 or waters of this state which are required to be titled under the laws of the state of Missouri and,  
29 except as provided in subdivision (9) of this subsection, upon all sellers for the privilege of engaging  
30 in the business of selling tangible personal property or rendering taxable service at retail in this state.  
31 The rate of tax shall be as follows:

32 (1) Upon every retail sale in this state of tangible personal property, excluding motor  
33 vehicles, trailers, motorcycles, mopeds, motortricycles, boats and outboard motors required to be  
34 titled under the laws of the state of Missouri and subject to tax under subdivision (9) of this  
35 subsection, a tax equivalent to four percent of the purchase price paid or charged, or in case such sale  
36 involves the exchange of property, a tax equivalent to four percent of the consideration paid or  
37 charged, including the fair market value of the property exchanged at the time and place of the  
38 exchange, except as otherwise provided in section 144.025;

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

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

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

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

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

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

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

35 (9) A tax equivalent to four percent of the purchase price, as defined in section 144.070, of  
36 new and used motor vehicles, trailers, boats, and outboard motors purchased or acquired for use on  
37 the highways or waters of this state which are required to be registered under the laws of the state of  
38 Missouri. This tax is imposed on the person titling such property, and shall be paid according to the  
39 procedures in section 144.440.

40 2. All tickets sold which are sold under the provisions of sections 144.010 to 144.525 which  
41 are subject to the sales tax shall have printed, stamped or otherwise endorsed thereon, the words

1 "This ticket is subject to a sales tax."

2 144.030. 1. There is hereby specifically exempted from the provisions of sections 144.010  
3 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to sections  
4 144.010 to 144.525 such retail sales as may be made in commerce between this state and any other  
5 state of the United States, or between this state and any foreign country, and any retail sale which the  
6 state of Missouri is prohibited from taxing pursuant to the Constitution or laws of the United States  
7 of America, and such retail sales of tangible personal property which the general assembly of the  
8 state of Missouri is prohibited from taxing or further taxing by the constitution of this state.

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

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

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

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

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



1 390.020;

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

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

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

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

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

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

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

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

36 (13) Electrical energy used in the actual primary manufacture, processing, compounding,  
37 mining or producing of a product, or electrical energy used in the actual secondary processing or  
38 fabricating of the product, or a material recovery processing plant as defined in subdivision (5) of  
39 this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical energy so  
40 used exceeds ten percent of the total cost of production, either primary or secondary, exclusive of the  
41 cost of electrical energy so used or if the raw materials used in such processing contain at least

1 twenty-five percent recovered materials as defined in section 260.200. There shall be a rebuttable  
2 presumption that the raw materials used in the primary manufacture of automobiles contain at least  
3 twenty-five percent recovered materials. For purposes of this subdivision, "processing" means any  
4 mode of treatment, act or series of acts performed upon materials to transform and reduce them to a  
5 different state or thing, including treatment necessary to maintain or preserve such processing by the  
6 producer at the production facility;

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

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

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

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

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

29 (19) All sales of insulin and prosthetic or orthopedic devices as defined on January 1, 1980,  
30 by the federal Medicare program pursuant to Title XVIII of the Social Security Act of 1965,  
31 including the items specified in Section 1862(a)(12) of that act, and also specifically including  
32 hearing aids and hearing aid supplies and all sales of drugs which may be legally dispensed by a  
33 licensed pharmacist only upon a lawful prescription of a practitioner licensed to administer those  
34 items, including samples and materials used to manufacture samples which may be dispensed by a  
35 practitioner authorized to dispense such samples and all sales or rental of medical oxygen, home  
36 respiratory equipment and accessories, hospital beds and accessories and ambulatory aids, all sales or  
37 rental of manual and powered wheelchairs, stairway lifts, Braille writers, electronic Braille  
38 equipment and, if purchased or rented by or on behalf of a person with one or more physical or  
39 mental disabilities to enable them to function more independently, all sales or rental of scooters,  
40 reading machines, electronic print enlargers and magnifiers, electronic alternative and augmentative  
41 communication devices, and items used solely to modify motor vehicles to permit the use of such

1 motor vehicles by individuals with disabilities or sales of over-the-counter or nonprescription drugs  
2 to individuals with disabilities, and drugs required by the Food and Drug Administration to meet the  
3 over-the-counter drug product labeling requirements in 21 CFR 201.66, or its successor, as  
4 prescribed by a health care practitioner licensed to prescribe;

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

8 (21) All sales of aircraft to common carriers for storage or for use in interstate commerce  
9 and all sales made by or to not-for-profit civic, social, service or fraternal organizations, including  
10 fraternal organizations which have been declared tax-exempt organizations pursuant to Section  
11 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or charitable  
12 functions and activities and all sales made to eleemosynary institutions, and all sales made to penal  
13 institutions prior to December 31, 2015, and all sales made to industries of the state, and all sales  
14 made to any private not-for-profit institution of higher education not otherwise excluded pursuant to  
15 subdivision (20) of this subsection or any institution of higher education supported by public funds,  
16 and all sales made to a state relief agency in the exercise of relief functions and activities;

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

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

1 livestock, fish, poultry, pheasants, chukar, quail, or for producing milk for ultimate sale at retail,  
2 including field drain tile, and one-half of each purchaser's purchase of diesel fuel therefor which is:

3 (a) Used exclusively for agricultural purposes;

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

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

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

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

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

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

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

4 (26) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071, 4081,  
5 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of revenue  
6 shall promulgate rules pursuant to chapter 536 to eliminate all state and local sales taxes on such  
7 excise taxes;

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

13 (28) All sales made to an interstate compact agency created pursuant to sections 70.370 to  
14 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities of such agency  
15 as provided pursuant to the compact;

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

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

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

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

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

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

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

35 (36) All sales of feed which are developed for and used in the feeding of pets owned by a  
36 commercial breeder when such sales are made to a commercial breeder, as defined in section  
37 273.325, and licensed pursuant to sections 273.325 to 273.357;

38 (37) All purchases by a contractor on behalf of an entity located in another state, provided  
39 that the entity is authorized to issue a certificate of exemption for purchases to a contractor under the  
40 provisions of that state's laws. For purposes of this subdivision, the term "certificate of exemption"  
41 shall mean any document evidencing that the entity is exempt from sales and use taxes on purchases

1 pursuant to the laws of the state in which the entity is located. Any contractor making purchases on  
2 behalf of such entity shall maintain a copy of the entity's exemption certificate as evidence of the  
3 exemption. If the exemption certificate issued by the exempt entity to the contractor is later  
4 determined by the director of revenue to be invalid for any reason and the contractor has accepted the  
5 certificate in good faith, neither the contractor or the exempt entity shall be liable for the payment of  
6 any taxes, interest and penalty due as the result of use of the invalid exemption certificate. Materials  
7 shall be exempt from all state and local sales and use taxes when purchased by a contractor for the  
8 purpose of fabricating tangible personal property which is used in fulfilling a contract for the  
9 purpose of constructing, repairing or remodeling facilities for the following:

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

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

15 (38) All sales or other transfers of tangible personal property to a lessor who leases the  
16 property under a lease of one year or longer executed or in effect at the time of the sale or other  
17 transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections  
18 238.010 to 238.100;

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

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

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

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

37 3. Any ruling, agreement, or contract, whether written or oral, express or implied, between a  
38 person and this state's executive branch, or any other state agency or department, stating, agreeing, or  
39 ruling that such person is not required to collect sales and use tax in this state despite the presence of  
40 a warehouse, distribution center, or fulfillment center in this state that is owned or operated by the  
41 person or an affiliated person shall be null and void unless it is specifically approved by a majority

1 vote of each of the houses of the general assembly. For purposes of this subsection, an "affiliated  
2 person" means any person that is a member of the same controlled group of corporations as defined  
3 in Section 1563(a) of the Internal Revenue Code of 1986, as amended, as the vendor or any other  
4 entity that, notwithstanding its form of organization, bears the same ownership relationship to the  
5 vendor as a corporation that is a member of the same controlled group of corporations as defined in  
6 Section 1563(a) of the Internal Revenue Code, as amended.

7 144.037. In addition to the exemptions granted under the provisions of section 144.030,  
8 there is hereby specifically exempted from the provisions of sections 66.600 to 66.635, sections  
9 67.500 to 67.545, sections 67.671 to 67.685, sections 67.700 to 67.729, sections 92.400 to 92.420,  
10 sections 94.500 to 94.570, sections 94.600 to 94.655, sections 94.700 to 94.755, and sections  
11 144.010 to 144.510 and 144.600 to 144.745, and from the computation of the tax levied, assessed or  
12 payable under sections 66.600 to 66.635, sections 67.500 to 67.545, sections 67.671 to 67.685,  
13 sections 67.700 to 67.729, sections 92.400 to 92.420, sections 94.500 to 94.570, sections 94.600 to  
14 94.655, sections 94.700 to 94.755, and sections 144.010 to 144.510 and 144.600 to 144.745, all sales  
15 at retail made through the use of federal food stamp coupons. The provisions of this section shall  
16 expire on December 31, 2015.

17 144.039. In addition to the exemptions granted under the provisions of section 144.030,  
18 there shall also be specifically exempted from the provisions of sections 66.600 to 66.635, sections  
19 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,  
20 67.782, sections 92.400 to 92.420, sections 94.500 to 94.570, 94.600 to 94.655, 94.700 to 94.755,  
21 and sections 144.010 to 144.510 and 144.600 to 144.745 and from the computation of the tax levied,  
22 assessed or payable under sections 66.600 to 66.635, sections 67.500 to 67.545, 67.547, 67.581,  
23 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,  
24 sections 94.500 to 94.570, 94.600 to 94.655, 94.700 to 94.755, and sections 144.010 to 144.510 and  
25 144.600 to 144.745, purchases of all tangible personal property made by, or on behalf of, a state  
26 senator or state representative if such purchases are made from funds in such state senator's or state  
27 representative's state expense account. The provisions of this section shall expire on December 31,  
28 2015.

29 144.044. 1. As used in this section, the following terms mean:

30 (1) "Sale of a modular unit", a transfer of a modular unit as defined in section 700.010; (2)  
31 "Sale of a new manufactured home", a transfer of a manufactured home, as defined in section  
32 700.010, which involves the delivery of the document known as the manufacturer's statement of  
33 origin to a person other than a manufactured home dealer, as dealer is defined in section 700.010, for  
34 purposes of allowing such person to obtain a title to the manufactured home from the department of  
35 revenue of this state or the appropriate agency or officer of any other state.

36 2. In the event of the sale of a new manufactured home, forty percent of the purchase price,  
37 as defined in section 700.320, shall be considered the sale of a service and not the sale of tangible  
38 personal property. In addition to the exemptions granted under the provisions of section 144.030, the  
39 sale of services as defined in this section shall be specifically exempted from the provisions of  
40 sections 238.235 and 238.410, the local sales tax law as defined in section 32.085, sections 144.010  
41 to 144.525 and 144.600 to 144.745, and from the computation of the tax levied, assessed or payable

1 under sections 238.235 and 238.410, the local sales tax law as defined in section 32.085, sections  
2 144.010 to 144.525 and 144.600 to 144.745, and section 238.235.

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

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

14 144.045. 1. Notwithstanding any other provision of law to the contrary, the department of  
15 revenue shall not consider the transfer for consideration of court transcripts, depositions, compressed  
16 transcripts, exhibits, computer disks containing any such item, or copies of any such item which are  
17 prepared by a court reporter as tangible personal property, but rather as a nontaxable service for  
18 purposes of administrative interpretation. [In addition, the department of revenue shall, for purposes  
19 of administrative interpretation, consider as nontaxable any machinery or equipment meeting the  
20 definition of "farm machinery" under subdivision (23) of subsection 2 of section 144.030, whether or  
21 not such machinery or equipment is attached to a vehicle or real property.]

22 2. In addition to the exemptions granted under the provisions of section 144.030, there shall  
23 also be specifically exempted from the provisions of sections 144.010 to 144.525, sections 144.600  
24 to 144.748, section 238.235, and from the provisions of any local sales tax law, as defined in section  
25 32.085, and from the computation of the tax levied, assessed or payable under sections 144.010 to  
26 144.525, sections 144.600 to 144.748, section 238.235, and under any local sales tax law, as defined  
27 in section 32.085, all sales of court transcripts, depositions, compressed transcripts, exhibits,  
28 computer disks containing any such item, and all copies of any such item, which are prepared by a  
29 court reporter.

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

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

35 144.054. 1. As used in this section, the following terms mean:

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

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



1           2. In addition to all other exemptions granted under this chapter, there is hereby specifically  
2 exempted from the provisions of sections 144.010 to 144.525 and 144.600 to 144.761, and from the  
3 computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to  
4 144.761, electrical energy and gas, whether natural, artificial, or propane, water, coal, and energy  
5 sources, chemicals, machinery, equipment, and materials used or consumed in the manufacturing,  
6 processing, compounding, mining, or producing of any product, or used or consumed in the  
7 processing of recovered materials, or used in research and development related to manufacturing,  
8 processing, compounding, mining, or producing any product. The exemptions granted in this  
9 subsection shall not apply to local sales taxes as defined in section 32.085 and the provisions of this  
10 subsection shall be in addition to any state and local sales tax exemption provided in section 144.030.

11           3. In addition to all other exemptions granted under this chapter, there is hereby specifically  
12 exempted from the provisions of sections 144.010 to 144.525 and 144.600 to 144.761, and section  
13 238.235, and the local sales tax law as defined in section 32.085, and from the computation of the tax  
14 levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and section  
15 238.235, and the local sales tax law as defined in section 32.085, all utilities, machinery, and  
16 equipment used or consumed directly in television or radio broadcasting and all sales and purchases  
17 of tangible personal property, utilities, services, or any other transaction that would otherwise be  
18 subject to the state or local sales or use tax when such sales are made to or purchases are made by a  
19 contractor for use in fulfillment of any obligation under a defense contract with the United States  
20 government prior to December 31, 2015, and all sales and leases of tangible personal property by  
21 any county, city, incorporated town, or village, made prior to December 31, 2015, provided such sale  
22 or lease is authorized under chapter 100, and such transaction is certified for sales tax exemption by  
23 the department of economic development, and tangible personal property used for railroad  
24 infrastructure brought into this state for processing, fabrication, or other modification for use outside  
25 the state in the regular course of business.

26           4. In addition to all other exemptions granted under this chapter, there is hereby specifically  
27 exempted from the provisions of sections 144.010 to 144.525 and 144.600 to 144.761, and section  
28 238.235, and the local sales tax law as defined in section 32.085, and from the computation of the tax  
29 levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and section  
30 238.235, and the local sales tax law as defined in section 32.085, all sales and purchases of tangible  
31 personal property, utilities, services, or any other transaction that would otherwise be subject to the  
32 state or local sales or use tax when such sales are made to or purchases are made by a private partner  
33 for use in completing a project under sections 227.600 to 227.669.

34           144.057. In addition to the exemptions granted under this chapter, there shall also be  
35 specifically exempted from state and local sales and use taxes defined, levied, or calculated under  
36 section 32.085, sections 144.010 to 144.525, sections 144.600 to 144.761, or section 238.235, all  
37 tangible personal property included on the United States munitions list, as provided in 22 CFR  
38 121.1, sold to or purchased by any foreign government or agency or instrumentality of such foreign  
39 government which is used for a governmental purpose. The provisions of this section shall expire on  
40 December 31, 2015.

41           144.062. 1. With respect to exempt sales at retail of tangible personal property and materials

1 for the purpose of constructing, repairing or remodeling facilities for:

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

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

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

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

11 (5) Any authority exempt from taxation under subdivision (40) of subsection 2 of section  
12 144.030; or

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

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

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

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

37 (3) The date the contract is entered into, which is the earliest date materials may be  
38 purchased for the project on a tax-exempt basis;

39 (4) The estimated project completion date; and

40 (5) The certificate expiration date.

41 Such certificate is renewable for a given project at the option of the exempt entity, only for the

1 purpose of revising the certificate expiration date as necessary to complete the project.

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

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

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

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

35 Further amend said bill, Page 2, Section 144.080, Line 37, by inserting after all of said section and  
 36 line the following:

37 "144.518. 1. In addition to the exemptions granted pursuant to section 144.030, there is  
 38 hereby specifically exempted from the provisions of sections 144.010 to 144.525, sections 144.600  
 39 to 144.761, sections 190.335 to 190.337, section 238.235, section 238.236, section 238.410, section  
 40 321.242, section 573.505, section 644.032, and any local sales tax law as defined in section 32.085,  
 41 and from the computation of the tax levied, assessed or payable pursuant to sections 144.010 to

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

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

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

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

30 144.526. 1. This section shall be known and may be cited as the "Show Me Green Sales Tax  
31 Holiday".

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

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

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

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

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

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

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

9           253.550. 1. Any taxpayer incurring costs and expenses for the rehabilitation of eligible  
10 property, which is a certified historic structure or structure in a certified historic district, may, subject  
11 to the provisions of this section and section 253.559, receive a credit against the taxes imposed  
12 pursuant to chapters 143 and 148, except for sections 143.191 to 143.265, on such taxpayer in an  
13 amount equal to twenty-five percent of the total costs and expenses of rehabilitation incurred after  
14 January 1, 1998, which shall include, but not be limited to, qualified rehabilitation expenditures as  
15 defined under section 47(c)(2)(A) of the Internal Revenue Code of 1986, as amended, and the related  
16 regulations thereunder, provided the rehabilitation costs associated with rehabilitation and the  
17 expenses exceed fifty percent of the total basis in the property and the rehabilitation meets standards  
18 consistent with the standards of the Secretary of the United States Department of the Interior for  
19 rehabilitation as determined by the state historic preservation officer of the Missouri department of  
20 natural resources.

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

41           3. For all applications for tax credits approved on or after January 1, 2010, no more than two

1 hundred fifty thousand dollars in tax credits may be issued for eligible costs and expenses incurred in  
 2 the rehabilitation of an eligible property which is a nonincome producing single-family,  
 3 owner-occupied residential property and is either a certified historic structure or a structure in a  
 4 certified historic district.

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

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

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

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

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

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

20 262.250. 1. The commission may charge a fee on any entry to be paid at the time of entry.  
 21 All animals and articles must be entered in their proper classes and no other. The director shall  
 22 determine all questions of classification.

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

26 313.821. 1. In addition to the exemptions granted under the provisions of section 144.030,  
 27 there shall also be specifically exempted from the provisions of sections 66.600 to 66.635, sections  
 28 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  
 29 67.782, sections 92.400 to 92.420, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to  
 30 94.755, and sections 144.010 to 144.510 and 144.600 to 144.745, and from the computation of the  
 31 tax levied, assessed or payable under sections 66.600 to 66.635, sections 67.500 to 67.545, 67.547,  
 32 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  
 33 to 92.420, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, and sections 144.010  
 34 to 144.510 and 144.600 to 144.745, any state or local admission fees imposed upon excursion  
 35 gambling boat operators to be collected from each passenger boarding such excursion gambling  
 36 boats. The provisions of this subsection shall expire on December 31, 2015.

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

40 447.708. 1. For eligible projects, the director of the department of economic development,  
 41 with notice to the directors of the departments of natural resources and revenue, and subject to the

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

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

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

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

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

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

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

38 (7) For the purpose of meeting the new job requirement prescribed in subdivisions (1), (2)  
39 and (3) of this subsection, it shall be required that at least ten new jobs be created and maintained  
40 during the taxpayer's tax period for which the credits are earned, in the case of an eligible project that  
41 does not replace a similar facility in Missouri. "New job" means a person who was not previously

1 employed by the taxpayer or related taxpayer within the twelve-month period immediately preceding  
2 the time the person was employed by that taxpayer to work at, or in connection with, the eligible  
3 project on a full-time basis. "Full-time basis" means the employee works an average of at least  
4 thirty-five hours per week during the taxpayer's tax period for which the tax credits are earned. For  
5 the purposes of this section, related taxpayer has the same meaning as defined in subdivision (9) of  
6 section 135.100;

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

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

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

41 (11) For the purpose of this section, "new qualified investment" means new business facility



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

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

8 3. (1) The director of the department of economic development, with the approval of the  
9 director of the department of natural resources, may, in addition to the tax credits allowed in  
10 subsection 1 of this section, grant a remediation tax credit to the applicant for up to one hundred  
11 percent of the costs of materials, supplies, equipment, labor, professional engineering, consulting and  
12 architectural fees, permitting fees and expenses, demolition, asbestos abatement, and direct utility  
13 charges for performing the voluntary remediation activities for the preexisting hazardous substance  
14 contamination and releases, including, but not limited to, the costs of performing operation and  
15 maintenance of the remediation equipment at the property beyond the year in which the systems and  
16 equipment are built and installed at the eligible project and the costs of performing the voluntary  
17 remediation activities over a period not in excess of four tax years following the taxpayer's tax year  
18 in which the system and equipment were first put into use at the eligible project, provided the  
19 remediation activities are the subject of a plan submitted to, and approved by, the director of natural  
20 resources pursuant to sections 260.565 to 260.575. The tax credit may also include up to one  
21 hundred percent of the costs of demolition that are not directly part of the remediation activities,  
22 provided that the demolition is on the property where the voluntary remediation activities are  
23 occurring, the demolition is necessary to accomplish the planned use of the facility where the  
24 remediation activities are occurring, and the demolition is part of a redevelopment plan approved by  
25 the municipal or county government and the department of economic development. The demolition  
26 may occur on an adjacent property if the project is located in a municipality which has a population  
27 less than twenty thousand and the above conditions are otherwise met. The adjacent property shall  
28 independently qualify as abandoned or underutilized. The amount of the credit available for  
29 demolition not associated with remediation cannot exceed the total amount of credits approved for  
30 remediation including demolition required for remediation.

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

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

41 (4) The project facility shall be projected to create at least ten new jobs or at least

1 twenty-five retained jobs, or a combination thereof, as determined by the department of economic  
2 development, to be eligible for tax credits pursuant to this section.

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

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

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

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

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

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

1 operate any other facilities besides the eligible project in Missouri; or twenty-five percent of the total  
2 business income if the taxpayer operates, in addition to the eligible facility, any other facilities in  
3 Missouri. In no case shall a taxpayer operating more than one eligible project in Missouri be allowed  
4 to offset more than twenty-five percent of the taxpayer's business income in any tax period. That  
5 portion of the taxpayer's income attributed to the eligible project as referenced in subdivision (1) of  
6 this subsection, for which the credits allowed in sections 135.110 and 135.225 and subsection 3 of  
7 this section, may apply, shall be determined in the same manner as prescribed in subdivision [(6)] (7)  
8 of section 135.100. That portion of the taxpayer's franchise tax attributed to the eligible project for  
9 which the remediation tax credit may offset, shall be determined in the same manner as prescribed in  
10 paragraph (a) of subdivision [(6)] (7) of section 135.100.

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

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

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

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

41 11. For the purpose of the state tax benefits described in this section, in the case of a

1 corporation described in section 143.471 or partnership, in computing Missouri's tax liability, such  
2 state benefits shall be allowed to the following:

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

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

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

9 620.1881. 1. The department of economic development shall respond within thirty days to a  
10 company who provides a notice of intent with either an approval or a rejection of the notice of intent.  
11 The department shall give preference to qualified companies and projects targeted at an area of the  
12 state which has recently been classified as a disaster area by the federal government. Failure to  
13 respond on behalf of the department of economic development shall result in the notice of intent  
14 being deemed an approval for the purposes of this section. A qualified company who is provided an  
15 approval for a project shall be allowed a benefit as provided in this program in the amount and  
16 duration provided in this section. A qualified company may receive additional periods for  
17 subsequent new jobs at the same facility after the full initial period if the minimum thresholds are  
18 met as set forth in sections 620.1875 to 620.1890. There is no limit on the number of periods a  
19 qualified company may participate in the program, as long as the minimum thresholds are achieved  
20 and the qualified company provides the department with the required reporting and is in proper  
21 compliance for this program or other state programs. A qualified company may elect to file a notice  
22 of intent to start a new project period concurrent with an existing project period if the minimum  
23 thresholds are achieved and the qualified company provides the department with the required  
24 reporting and is in proper compliance for this program and other state programs; however, the  
25 qualified company may not receive any further benefit under the original approval for jobs created  
26 after the date of the new notice of intent, and any jobs created before the new notice of intent may  
27 not be included as new jobs for the purpose of benefit calculation in relation to the new approval.  
28 When a qualified company has filed and received approval of a notice of intent and subsequently  
29 files another notice of intent, the department shall apply the definition of project facility under  
30 subdivision (19) of section 620.1878 to the new notice of intent as well as all previously approved  
31 notices of intent and shall determine the application of the definitions of new job, new payroll,  
32 project facility base employment, and project facility base payroll accordingly.

33 2. Notwithstanding any provision of law to the contrary, any qualified company that is  
34 awarded benefits under this program may not simultaneously receive tax credits or exemptions under  
35 sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, or sections 135.900 to  
36 135.906 at the same project facility. The benefits available to the company under any other state  
37 programs for which the company is eligible and which utilize withholding tax from the new jobs of  
38 the company must first be credited to the other state program before the withholding retention level  
39 applicable under the Missouri quality jobs act will begin to accrue. These other state programs  
40 include, but are not limited to, the Missouri works jobs training program under sections 620.800 to  
41 620.809, the real property tax increment allocation redevelopment act, sections 99.800 to 99.865, or

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

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

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

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

40 (3) High impact projects: in exchange for the consideration provided by the new tax  
41 revenues and other economic stimuli that will be generated by the new jobs created by the program,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

41 13. If any provision of sections 620.1875 to 620.1890 or application thereof to any person or

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

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

8  
9 Further amend said bill by amending the title, enacting clause, and intersectional references  
10 accordingly.