

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Substitute for Senate Committee Substitute for
2 Senate Bill No. 570, Page 1, Section A, Line 9, by inserting after all of said section and line the
3 following:

4
5 "32.070. 1. This act shall be known and may be cited as the "Utilizing Streamlined Sales
6 and Use Tax Services Act".

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

8 (1) "Central registration system", the central registration provided by the governing board
9 under Article IV of the Streamlined Sales and Use Tax Agreement;

10 (2) "Certified service provider", an agent certified by the governing board to perform the
11 seller's sales and use tax functions, as provided for under the governing board's contract with such
12 providers;

13 (3) "Department", the department of revenue;

14 (4) "Governing board", the Streamlined Sales and Use Tax Agreement's Governing Board,
15 including its various committees that address certified service provider and central registration
16 services and issues.

17 3. The department may register this state with the governing board to participate in the
18 Streamlined Sales and Use Tax Agreement as a nonmember state, and the department is hereby
19 authorized to take all such actions as may be reasonably required to do so. Such actions may
20 include, but are not limited to, the adoption of rules and regulations and the procurement of various
21 goods and services, which may be coordinated jointly with the governing board and with other
22 states. If the department registers this state as a nonmember state, the department shall also
23 complete and periodically update a certificate of compliance and taxability matrix that notes how
24 this state's sales and use tax laws follow and deviate from the Streamlined Sales and Use Tax
25 Agreement requirements.

26 4. The department is hereby authorized to consult, contract, and work jointly with the
27 governing board, and other states as necessary, to allow sellers to use the governing board's certified
28 service providers and central registration system services.

29 5. The department is hereby authorized to collaborate with the governing board to:

30 (1) Establish and provide a certification process to allow certified service providers to
31 receive compensation according to a defined compensation structure; and

32 (2) Enter into any necessary contractual relationships between this state, the governing
33 board, and certified service providers. Such contractual relationships may address:

34 (a) Responsibilities of the governing board, certified service providers, and the sellers that
35 contract with certified service providers relating to the liability for proper collection and remittance
36 of sales and use taxes;

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1 (b) Responsibilities of the governing board, certified service providers, and the sellers that
2 contract with certified service providers, relating to record keeping, auditing, and the protection of
3 taxpayer information confidentiality; and

4 (c) The method and amount of compensation to be provided to certified service providers by
5 this state for the services of such certified service providers to certain sellers.

6 6. The department is hereby authorized to pay any necessary annual dues to the governing
7 board for this state's participation as a nonmember state in the Streamlined Sales and Use Tax
8 Agreement and for the associated privileges and benefits of such participation. Such dues shall not
9 exceed the dues that would be owed to the governing board if this state were deemed a full member
10 state under the Streamlined Sales and Use Tax Agreement.

11 7. If the department registers this state as a nonmember state under subsection 3 of this
12 section, the department shall comply with the governing board's requirements relating to the use of
13 the board's central registration system. The department is hereby explicitly authorized to enter into
14 a contract with the governing board relating to the use of the central registration system; provided
15 that, any such contract shall only impose upon this state such requirements as are consistent with
16 any requirements imposed upon full member states to the Streamlined Sales and Use Tax
17 Agreement.

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

26 32.071. 1. Beginning on the effective date of the utilizing streamlined sales and use tax
27 services act, all revenue generated under the act that exceeds the amount that would have been
28 collected if the act were not effective shall be deposited in the streamlined sales and use tax
29 agreement special fund created in this section and appropriated solely for the approved purposes.
30 The department of revenue shall track and report the collections generated under this act.

31 2. There is hereby created in the state treasury the "Streamlined Sales and Use Tax
32 Agreement Special Fund", which shall consist of moneys collected under this subsection. The state
33 treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state
34 treasurer may approve disbursements. The fund shall be a dedicated fund and, upon appropriation,
35 moneys in the fund shall be transferred only to pay for outstanding transportation bond debt.
36 Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund
37 at the end of the biennium shall not revert to the credit of the general revenue fund. The state
38 treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any
39 interest and moneys earned on such investments shall be credited to the fund.

40 3. Under section 23.253 of the Missouri sunset act:

41 (a) The provisions of this section shall automatically sunset five years after the effective
42 date of this section unless reauthorized by an act of the general assembly;

43 (b) If the provisions of this section are reauthorized, such provisions shall automatically
44 sunset five years after the effective date of their reauthorization; and

45 (c) This section shall terminate on January first of the calendar year immediately following
46 the calendar year in which the provisions of this section are sunset.

47 32.087. 1. Within ten days after the adoption of any ordinance or order in favor of adoption
48 of any local sales tax authorized under the local sales tax law by the voters of a taxing entity, the
49 governing body or official of such taxing entity shall forward to the director of revenue by United

1 States registered mail or certified mail a certified copy of the ordinance or order. [~~The ordinance or~~
2 ~~order shall reflect the effective date thereof.~~]

3 2. Any local sales tax so adopted shall become effective [~~on the first day of the second~~
4 ~~calendar quarter after the director of revenue receives notice of adoption of the local sales tax,~~
5 ~~except~~] as provided in subsection [~~18~~] 19 of this section, and shall be imposed on all transactions on
6 which the Missouri state sales tax is imposed.

7 3. Every retailer within the jurisdiction of one or more taxing entities which has imposed
8 one or more local sales taxes under the local sales tax law shall add all taxes so imposed along with
9 the tax imposed by the sales tax law of the state of Missouri to the sale price and, when added, the
10 combined tax shall constitute a part of the price, and shall be a debt of the purchaser to the retailer
11 until paid, and shall be recoverable at law in the same manner as the purchase price. The combined
12 rate of the state sales tax and all local sales taxes shall be the sum of the rates, multiplying the
13 combined rate times the amount of the sale.

14 4. [~~The brackets required to be established by the director of revenue under the provisions of~~
15 ~~section 144.285 shall be based upon the sum of the combined rate of the state sales tax and all local~~
16 ~~sales taxes imposed under the provisions of the local sales tax law.~~

17 ~~—5.]~~ (1) The ordinance or order imposing a local sales tax under the local sales tax law shall
18 impose a tax upon all transactions upon which the Missouri state sales tax is imposed to the extent
19 and in the manner provided in [~~sections 144.010 to 144.525~~] chapter 144, and the rules and
20 regulations of the director of revenue issued pursuant thereto; except that the rate of the tax shall be
21 the sum of the combined rate of the state sales tax or state highway use tax and all local sales taxes
22 imposed under the provisions of the local sales tax law.

23 (2) Notwithstanding any other provision of law to the contrary, local taxing jurisdictions,
24 except those in which voters have previously approved a local use tax under section 144.757, shall
25 have placed on the ballot on or after the general election in November 2014, but no later than the
26 general election in November 2022, whether to repeal application of the local sales tax to the titling
27 of motor vehicles, trailers, boats, and outboard motors that are subject to state sales tax under
28 section 144.020 and purchased from a source other than a licensed Missouri dealer. The ballot
29 question presented to the local voters shall contain substantially the following language:

30
31 Shall the _____ (local jurisdiction's name) discontinue applying and collecting
32 the local sales tax on the titling of motor vehicles, trailers, boats, and outboard
33 motors that were purchased from a source other than a licensed Missouri dealer?
34 Approval of this measure will result in a reduction of local revenue to provide for
35 vital services for _____ (local jurisdiction's name) and it will place Missouri
36 dealers of motor vehicles, outboard motors, boats, and trailers at a competitive
37 disadvantage to non-Missouri dealers of motor vehicles, outboard motors, boats, and
38 trailers.

39 YES NO

40
41 If you are in favor of the question, place an "X" in the box opposite "YES". If you are
42 opposed to the question, place an "X" in the box opposite "NO".

43
44 (3) If the ballot question set forth in subdivision (2) of this subsection receives a majority of
45 the votes cast in favor of the proposal, or if the local taxing jurisdiction fails to place the ballot
46 question before the voters on or before the general election in November 2022, the local taxing
47 jurisdiction shall cease applying the local sales tax to the titling of motor vehicles, trailers, boats,
48 and outboard motors that were purchased from a source other than a licensed Missouri dealer.

49 (4) In addition to the requirement that the ballot question set forth in subdivision (2) of this

1 subsection be placed before the voters, the governing body of any local taxing jurisdiction that had
 2 previously imposed a local use tax on the use of motor vehicles, trailers, boats, and outboard motors
 3 may, at any time, place a proposal on the ballot at any election to repeal application of the local sales
 4 tax to the titling of motor vehicles, trailers, boats, and outboard motors purchased from a source
 5 other than a licensed Missouri dealer. If a majority of the votes cast by the registered voters voting
 6 thereon are in favor of the proposal to repeal application of the local sales tax to such titling, then
 7 the local sales tax shall no longer be applied to the titling of motor vehicles, trailers, boats, and
 8 outboard motors purchased from a source other than a licensed Missouri dealer. If a majority of the
 9 votes cast by the registered voters voting thereon are opposed to the proposal to repeal application
 10 of the local sales tax to such titling, such application shall remain in effect.

11 (5) In addition to the requirement that the ballot question set forth in subdivision (2) of this
 12 subsection be placed before the voters on or after the general election in November 2014, and on or
 13 before the general election in November 2022, whenever the governing body of any local taxing
 14 jurisdiction imposing a local sales tax on the sale of motor vehicles, trailers, boats, and outboard
 15 motors receives a petition, signed by fifteen percent of the registered voters of such jurisdiction
 16 voting in the last gubernatorial election, and calling for a proposal to be placed on the ballot at any
 17 election to repeal application of the local sales tax to the titling of motor vehicles, trailers, boats, and
 18 outboard motors purchased from a source other than a licensed Missouri dealer, the governing body
 19 shall submit to the voters of such jurisdiction a proposal to repeal application of the local sales tax to
 20 such titling. If a majority of the votes cast by the registered voters voting thereon are in favor of the
 21 proposal to repeal application of the local sales tax to such titling, then the local sales tax shall no
 22 longer be applied to the titling of motor vehicles, trailers, boats, and outboard motors purchased
 23 from a source other than a licensed Missouri dealer. If a majority of the votes cast by the registered
 24 voters voting thereon are opposed to the proposal to repeal application of the local sales tax to such
 25 titling, such application shall remain in effect.

26 (6) Nothing in this subsection shall be construed to authorize the voters of any jurisdiction
 27 to repeal application of any state sales or use tax.

28 (7) If any local sales tax on the titling of motor vehicles, trailers, boats, and outboard motors
 29 purchased from a source other than a licensed Missouri dealer is repealed, such repeal shall take
 30 effect ~~[on the first day of the second calendar quarter after the election]~~ as provided in subsection 19
 31 of this section. If any local sales tax on the titling of motor vehicles, trailers, boats, and outboard
 32 motors purchased from a source other than a licensed Missouri dealer is required to cease to be
 33 applied or collected due to failure of a local taxing jurisdiction to hold an election pursuant to
 34 subdivision (2) of this subsection, such cessation shall take effect on March 1, 2023.

35 (8) Notwithstanding any provision of law to the contrary, if any local sales tax on the titling
 36 of motor vehicles, trailers, boats, and outboard motors purchased from a source other than a licensed
 37 Missouri dealer is repealed after the general election in November 2014, or if the taxing jurisdiction
 38 failed to present the ballot to the voters at a general election on or before November 2022, then the
 39 governing body of such taxing jurisdiction may, at any election subsequent to the repeal or after the
 40 general election in November 2022, if the jurisdiction failed to present the ballot to the voters, place
 41 before the voters the issue of imposing a sales tax on the titling of motor vehicles, trailers, boats, and
 42 outboard motors that are subject to state sales tax under section 144.020 that were purchased from a
 43 source other than a licensed Missouri dealer. The ballot question presented to the local voters shall
 44 contain substantially the following language:

45
 46 Shall the _____ (local jurisdiction's name) apply and collect the local sales tax
 47 on the titling of motor vehicles, trailers, boats, and outboard motors that are subject
 48 to state sales tax under section 144.020 and purchased from a source other than a
 49 licensed Missouri dealer?

1 Approval of this measure will result in an increase of local revenue to provide for
 2 vital services for _____ (local jurisdiction's name), and it will remove a
 3 competitive advantage that non-Missouri dealers of motor vehicles, outboard motors,
 4 boats, and trailers have over Missouri dealers of motor vehicles, outboard motors,
 5 boats, and trailers.

6 YES NO

7
 8 If you are in favor of the question, place an "X" in the box opposite "YES". If you are
 9 opposed to the question, place an "X" in the box opposite "NO".

10
 11 (9) If any local sales tax on the titling of motor vehicles, trailers, boats, and outboard motors
 12 purchased from a source other than a licensed Missouri dealer is adopted, such tax shall take effect
 13 and be imposed ~~[on the first day of the second calendar quarter after the election]~~ as provided in
 14 subsection 19 of this section.

15 ~~[6.]~~ 5. On and after the effective date of any local sales tax imposed under the provisions of
 16 the local sales tax law, the director of revenue shall perform all functions incident to the
 17 administration, collection, enforcement, and operation of the tax, and the director of revenue shall
 18 collect in addition to the sales tax for the state of Missouri all additional local sales taxes authorized
 19 under the authority of the local sales tax law. All local sales taxes imposed under the local sales tax
 20 law together with all taxes imposed under the sales tax law of the state of Missouri shall be collected
 21 together and reported upon such forms and under such administrative rules and regulations as may
 22 be prescribed by the director of revenue.

23 ~~[7.]~~ 6. All applicable provisions contained in ~~[sections 144.010 to 144.525]~~ chapter 144
 24 governing the state sales tax and section 32.057, the uniform confidentiality provision, shall apply to
 25 the collection of any local sales tax imposed under the local sales tax law except as modified by the
 26 local sales tax law.

27 ~~[8.]~~ 7. All exemptions granted to agencies of government, organizations, persons and to the
 28 sale of certain articles and items of tangible personal property and taxable services under ~~[the~~
 29 ~~provisions of sections 144.010 to 144.525]~~ chapter 144, as these sections now read and as they may
 30 hereafter be amended, it being the intent of this general assembly to ensure that the same sales tax
 31 exemptions granted from the state sales tax law also be granted under the local sales tax law, are
 32 hereby made applicable to the imposition and collection of all local sales taxes imposed under the
 33 local sales tax law.

34 ~~[9.]~~ 8. The same sales tax permit, exemption certificate and retail certificate required ~~[by~~
 35 ~~sections 144.010 to 144.525]~~ under chapter 144 for the administration and collection of the state
 36 sales tax shall satisfy the requirements of the local sales tax law, and no additional permit or
 37 exemption certificate or retail certificate shall be required; except that the director of revenue may
 38 prescribe a form of exemption certificate for an exemption from any local sales tax imposed by the
 39 local sales tax law.

40 ~~[10.]~~ 9. All discounts allowed the retailer under the provisions of the state sales tax law for
 41 the collection of and for payment of taxes under the provisions of the state sales tax law are hereby
 42 allowed and made applicable to any local sales tax collected under the provisions of the local sales
 43 tax law.

44 ~~[11.]~~ 10. The penalties provided in section 32.057 and ~~[sections 144.010 to 144.525]~~ chapter
 45 144 for a violation of the provisions of those sections are hereby made applicable to violations of the
 46 provisions of the local sales tax law.

47 ~~[12.-(1)]~~ 11. For the purposes of any local sales tax imposed by an ordinance or order under
 48 the local sales tax law, all sales~~], except the sale of motor vehicles, trailers, boats, and outboard~~
 49 ~~motors required to be titled under the laws of the state of Missouri, shall be deemed to be~~

1 consummated at the place of business of the retailer unless the tangible personal property sold is
 2 delivered by the retailer or his agent to an out-of-state destination. In the event a retailer has more
 3 than one place of business in this state which participates in the sale, the sale shall be deemed to be
 4 consummated at the place of business of the retailer where the initial order for the tangible personal
 5 property is taken, even though the order must be forwarded elsewhere for acceptance, approval of
 6 credit, shipment or billing. A sale by a retailer's agent or employee shall be deemed to be
 7 consummated at the place of business from which he works.

8 ~~———(2) For the purposes of any local sales tax imposed by an ordinance or order under the local~~
 9 ~~sales tax law, the sales tax upon the titling of all motor vehicles, trailers, boats, and outboard motors~~
 10 ~~shall be imposed at the rate in effect at the location of the residence of the purchaser, and remitted to~~
 11 ~~that local taxing entity, and not at the place of business of the retailer, or the place of business from~~
 12 ~~which the retailer's agent or employee works.~~

13 ~~———(3) For the purposes of any local tax imposed by an ordinance or under the local sales tax~~
 14 ~~law on charges for mobile telecommunications services, all taxes of mobile telecommunications~~
 15 ~~service shall be imposed as provided in the Mobile Telecommunications Sourcing Act, 4 U.S.C.~~
 16 ~~Sections 116 through 124, as amended] shall be sourced as provided by sections 144.111 to 144.114.~~

17 [13.] 12. Local sales taxes shall not be imposed on the seller of motor vehicles, trailers,
 18 boats, and outboard motors required to be titled under the laws of the state of Missouri, but shall be
 19 collected from the purchaser by the director of revenue at the time application is made for a
 20 certificate of title, if the address of the applicant is within a taxing entity imposing a local sales tax
 21 under the local sales tax law.

22 [14.] 13. The director of revenue and any of his deputies, assistants and employees who
 23 have any duties or responsibilities in connection with the collection, deposit, transfer, transmittal,
 24 disbursement, safekeeping, accounting, or recording of funds which come into the hands of the
 25 director of revenue under the provisions of the local sales tax law shall enter a surety bond or bonds
 26 payable to any and all taxing entities in whose behalf such funds have been collected under the local
 27 sales tax law in the amount of one hundred thousand dollars for each such tax; but the director of
 28 revenue may enter into a blanket bond covering himself and all such deputies, assistants and
 29 employees. The cost of any premium for such bonds shall be paid by the director of revenue from
 30 the share of the collections under the sales tax law retained by the director of revenue for the benefit
 31 of the state.

32 [15.] 14. The director of revenue shall annually report on his management of each trust fund
 33 which is created under the local sales tax law and administration of each local sales tax imposed
 34 under the local sales tax law. He shall provide each taxing entity imposing one or more local sales
 35 taxes authorized by the local sales tax law with a detailed accounting of the source of all funds
 36 received by him for the taxing entity. Notwithstanding any other provisions of law, the state auditor
 37 shall annually audit each trust fund. A copy of the director's report and annual audit shall be
 38 forwarded to each taxing entity imposing one or more local sales taxes.

39 [16.] 15. Within the boundaries of any taxing entity where one or more local sales taxes
 40 have been imposed, if any person is delinquent in the payment of the amount required to be paid by
 41 him under the local sales tax law or in the event a determination has been made against him for
 42 taxes and penalty under the local sales tax law, the limitation for bringing suit for the collection of
 43 the delinquent tax and penalty shall be the same as that provided in [sections 144.010 to 144.525]
 44 chapter 144. Where the director of revenue has determined that suit must be filed against any
 45 person for the collection of delinquent taxes due the state under the state sales tax law, and where
 46 such person is also delinquent in payment of taxes under the local sales tax law, the director of
 47 revenue shall notify the taxing entity in the event any person fails or refuses to pay the amount of
 48 any local sales tax due so that appropriate action may be taken by the taxing entity.

49 [17.] 16. Where property is seized by the director of revenue under the provisions of any

1 law authorizing seizure of the property of a taxpayer who is delinquent in payment of the tax
 2 imposed by the state sales tax law, and where such taxpayer is also delinquent in payment of any tax
 3 imposed by the local sales tax law, the director of revenue shall permit the taxing entity to join in
 4 any sale of property to pay the delinquent taxes and penalties due the state and to the taxing entity
 5 under the local sales tax law. The proceeds from such sale shall first be applied to all sums due the
 6 state, and the remainder, if any, shall be applied to all sums due such taxing entity.

7 ~~[18.]~~ 17. If a local sales tax has been in effect for at least one year under the provisions of
 8 the local sales tax law and voters approve reimposition of the same local sales tax at the same rate at
 9 an election as provided for in the local sales tax law prior to the date such tax is due to expire, the
 10 tax so reimposed shall become effective ~~[the first day of the first calendar quarter after the director~~
 11 ~~receives a certified copy of the ordinance, order or resolution accompanied by a map clearly~~
 12 ~~showing the boundaries thereof and the results of such election, provided that such ordinance, order~~
 13 ~~or resolution and all necessary accompanying materials are received by the director at least thirty~~
 14 ~~days prior to the expiration of such tax]~~ as provided by subsection 19 of this section. Any
 15 administrative cost or expense incurred by the state as a result of the provisions of this subsection
 16 shall be paid by the city or county reimposing such tax.

17 18. If the boundaries of a city in which a sales or use tax has been imposed are thereafter
 18 changed or altered, the city clerk shall forward to the director of revenue, by United States
 19 registered mail or certified mail, a certified copy of the ordinance adding or detaching territory from
 20 the city within ten days of adoption of the ordinance. The ordinance shall reflect the effective date
 21 of the ordinance and shall be accompanied by a map of the city clearly showing the territory added
 22 or detached from the city boundaries. Upon receipt of the ordinance and map, the tax imposed
 23 under the local sales or use tax law shall be effective in the added territory or abolished in the
 24 detached territory on the first day of the calendar quarter after one hundred twenty days' notice to
 25 sellers.

26 19. (1) The effective date for the imposition, repeal, or rate change of each local sales or
 27 use tax is the first day of the calendar quarter after a minimum of one hundred twenty days' notice to
 28 sellers. In all cases where notice is required to be made to the director of revenue by a local taxing
 29 jurisdiction, such notice shall be made at least one hundred twenty days prior to the effective date
 30 for the imposition, repeal, or rate change of a local sales or use tax.

31 (2) The effective date for any local jurisdiction boundary change for sales or use tax
 32 purposes is the first day of the calendar quarter after a minimum of one hundred twenty days' notice
 33 to sellers.

34 20. (1) For a rate increase, the new rate shall apply to the first billing period starting on or
 35 after the effective date.

36 (2) For a rate decrease, the new rate shall apply to bills rendered on or after the effective
 37 date."; and

38
 39 Further amend said bill, Page 54, Section 144.016, Line 4, by inserting after all of said section and
 40 line the following:

41
 42 "144.020. 1. A tax is hereby levied and imposed for the privilege of titling new and used
 43 motor vehicles, trailers, boats, and outboard motors purchased or acquired for use on the highways
 44 or waters of this state which are required to be titled under the laws of the state of Missouri and,
 45 except as provided in subdivision (9) of this subsection, upon all sellers for the privilege of engaging
 46 in the business of selling tangible personal property or rendering taxable service at retail in this
 47 state. The rate of tax levied and imposed shall be equivalent to four percent of the following
 48 amounts as [follows] described in this section:

49 (1) The purchase price paid or charged upon every retail sale in this state of tangible

1 personal property, excluding motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats
2 and outboard motors required to be titled under the laws of the state of Missouri and subject to tax
3 under subdivision (9) of this subsection, [~~a tax equivalent to four percent of the purchase price paid~~
4 ~~or charged,~~] or in case such sale involves the exchange of property, [~~a tax equivalent to four percent~~
5 ~~of]~~ the consideration paid or charged, including the fair market value of the property exchanged at
6 the time and place of the exchange, except as otherwise provided in section 144.025;

7 (2) [~~A tax equivalent to four percent of]~~ The amount paid for admission and seating
8 accommodations, or fees paid to, or in any place of amusement, entertainment or recreation, games
9 and athletic events, except amounts paid for any instructional class;

10 (3) [~~A tax equivalent to four percent of]~~ The basic rate paid or charged on all sales of
11 electricity or electrical current, water and gas, natural or artificial, to domestic, commercial or
12 industrial consumers;

13 (4) (a) [~~A tax equivalent to four percent on]~~ The basic rate paid or charged on all sales of
14 local and long distance telecommunications service to telecommunications subscribers and to others
15 through equipment of telecommunications subscribers for the transmission of messages and
16 conversations and upon the sale, rental or leasing of all equipment or services pertaining or
17 incidental thereto; except that, the payment made by telecommunications subscribers or others,
18 pursuant to section 144.060, and any amounts paid for access to the internet or interactive computer
19 services shall not be considered as amounts paid for telecommunications services;

20 (b) If local and long distance telecommunications services subject to tax under this
21 subdivision are aggregated with and not separately stated from charges for telecommunications
22 service or other services not subject to tax under this subdivision, including, but not limited to,
23 interstate or international telecommunications services, then the charges for nontaxable services may
24 be subject to taxation unless the telecommunications provider can identify by reasonable and
25 verifiable standards such portion of the charges not subject to such tax from its books and records
26 that are kept in the regular course of business, including, but not limited to, financial statement,
27 general ledgers, invoice and billing systems and reports, and reports for regulatory tariffs and other
28 regulatory matters;

29 (c) A telecommunications provider shall notify the director of revenue of its intention to
30 utilize the standards described in paragraph (b) of this subdivision to determine the charges that are
31 subject to sales tax under this subdivision. Such notification shall be in writing and shall meet
32 standardized criteria established by the department regarding the form and format of such notice;

33 (d) The director of revenue may promulgate and enforce reasonable rules and regulations for
34 the administration and enforcement of the provisions of this subdivision. Any rule or portion of a
35 rule, as that term is defined in section 536.010, that is created under the authority delegated in this
36 section shall become effective only if it complies with and is subject to all of the provisions of
37 chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and
38 if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the
39 effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the
40 grant of rulemaking authority and any rule proposed or adopted after August 28, 2019, shall be
41 invalid and void;

42 (5) [~~A tax equivalent to four percent of]~~ The basic rate paid or charged for all sales of
43 services for transmission of messages of telegraph companies;

44 (6) [~~A tax equivalent to four percent on]~~ The amount of sales or charges for all rooms, meals
45 and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore, dining car,
46 tourist cabin, tourist camp or other place in which rooms, meals or drinks are regularly served to the
47 public. The tax imposed under this subdivision shall not apply to any automatic mandatory gratuity
48 for a large group imposed by a restaurant when such gratuity is reported as employee tip income and
49 the restaurant withholds income tax under section 143.191 on such gratuity;

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

5 (8) ~~[A tax equivalent to four percent of]~~ The amount paid or charged for rental or lease of
 6 tangible personal property, provided that if the lessor or renter of any tangible personal property had
 7 previously purchased the property under the conditions of sale at retail or leased or rented the
 8 property and the tax was paid at the time of purchase, lease or rental, the lessor, sublessor, renter or
 9 subrenter shall not apply or collect the tax on the subsequent lease, sublease, rental or subrental
 10 receipts from that property. The purchase, rental or lease of motor vehicles, trailers, motorcycles,
 11 mopeds, motortricycles, boats, and outboard motors shall be taxed and the tax paid as provided in
 12 this section and section 144.070. In no event shall the rental or lease of boats and outboard motors
 13 be considered a sale, charge, or fee to, for or in places of amusement, entertainment or recreation
 14 nor shall any such rental or lease be subject to any tax imposed to, for, or in such places of
 15 amusement, entertainment or recreation. Rental and leased boats or outboard motors shall be taxed
 16 under the provisions of the sales tax laws as provided under such laws for motor vehicles and
 17 trailers. Tangible personal property which is exempt from the sales or use tax under section 144.030
 18 upon a sale thereof is likewise exempt from the sales or use tax upon the lease or rental thereof;

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

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

27 3. For all fiscal years beginning on or after July 1, 2021, the director of revenue shall reduce
 28 the rate of tax imposed in subsection 1 of this section by one-tenth of one percent if the total amount
 29 of net revenue collected by the state has increased in each of the previous three fiscal years by at
 30 least seventy-five million dollars. No more than one reduction shall occur in a fiscal year and no
 31 more than five total reductions shall occur.

32 144.049. 1. For purposes of this section, the following terms mean:

33 (1) "Clothing", any article of wearing apparel intended to be worn on or about the human
 34 body including, but not limited to, disposable diapers for infants or adults and footwear. The term
 35 shall include, but not be limited to, cloth and other material used to make school uniforms or other
 36 school clothing. Items normally sold in pairs shall not be separated to qualify for the exemption.
 37 The term shall not include watches, watchbands, jewelry, handbags, handkerchiefs, umbrellas,
 38 scarves, ties, headbands, or belt buckles; and

39 (2) "Personal computers", a laptop, desktop, or tower computer system which consists of a
 40 central processing unit, random access memory, a storage drive, a display monitor, and a keyboard
 41 and devices designed for use in conjunction with a personal computer, such as a disk drive, memory
 42 module, compact disk drive, daughterboard, digitizer, microphone, modem, motherboard, mouse,
 43 multimedia speaker, printer, scanner, single-user hardware, single-user operating system, soundcard,
 44 or video card;

45 (3) "School supplies", any item normally used by students in a standard classroom for
 46 educational purposes, including but not limited to textbooks, notebooks, paper, writing instruments,
 47 crayons, art supplies, rulers, book bags, backpacks, handheld calculators, chalk, maps, and globes.
 48 The term shall not include watches, radios, CD players, headphones, sporting equipment, portable or
 49 desktop telephones, copiers or other office equipment, furniture, or fixtures. School supplies shall

1 also include computer software having a taxable value of three hundred fifty dollars or less and any
2 graphing calculator having a taxable value of one hundred fifty dollars or less.

3 2. In each year beginning on or after January 1, 2005, there is hereby specifically exempted
4 from state and local sales tax law all retail sales of any article of clothing having a taxable value of
5 one hundred dollars or less, all retail sales of school supplies not to exceed fifty dollars per
6 purchase, all computer software with a taxable value of three hundred fifty dollars or less, all
7 graphing calculators having a taxable value of one hundred fifty dollars or less, and all retail sales of
8 personal computers or computer peripheral devices not to exceed one thousand five hundred dollars,
9 during a three-day period beginning at 12:01 a.m. on the first Friday in August and ending at
10 midnight on the Sunday following. Where a purchaser and seller are located in two different time
11 zones, the time zone of the seller's location shall determine the authorized exemption period.

12 3. ~~[If the governing body of any political subdivision adopted an ordinance that applied to~~
13 ~~the 2004 sales tax holiday to prohibit the provisions of this section from allowing the sales tax~~
14 ~~holiday to apply to such political subdivision's local sales tax, then, notwithstanding any provision~~
15 ~~of a local ordinance to the contrary, the 2005 sales tax holiday shall not apply to such political~~
16 ~~subdivision's local sales tax. However, any such political subdivision may enact an ordinance to~~
17 ~~allow the 2005 sales tax holiday to apply to its local sales taxes. A political subdivision must notify~~
18 ~~the department of revenue not less than forty-five calendar days prior to the beginning date of the~~
19 ~~sales tax holiday occurring in that year of any ordinance or order rescinding an ordinance or order to~~
20 ~~opt out.~~

21 ~~—4.] This section shall not apply to any sales which take place within the Missouri state~~
22 ~~fairgrounds.~~

23 ~~[5.] 4. This section applies to sales of items bought for personal use only.~~

24 ~~[6. After the 2005 sales tax holiday, any political subdivision may, by adopting an ordinance~~
25 ~~or order, choose to prohibit future annual sales tax holidays from applying to its local sales tax.~~
26 ~~After opting out, the political subdivision may rescind the ordinance or order. The political~~
27 ~~subdivision must notify the department of revenue not less than forty-five calendar days prior to the~~
28 ~~beginning date of the sales tax holiday occurring in that year of any ordinance or order rescinding an~~
29 ~~ordinance or order to opt out.~~

30 ~~—7.] 5. This section may not apply to any retailer when less than two percent of the retailer's~~
31 ~~merchandise offered for sale qualifies for the sales tax holiday. The retailer [shall] may offer a sales~~
32 ~~tax refund in lieu of the sales tax holiday.~~

33 6. A sale of property that is eligible for an exemption under subsection 2 of this section but
34 is purchased under a layaway sale shall only qualify for an exemption if:

35 (1) Final payment on a layaway order is made by, and the property is given to, the purchaser
36 during the exemption period; or

37 (2) The purchaser selects the property and the seller accepts the order for the property
38 during the exemption period, for immediate delivery upon full payment, even if delivery is made
39 after the exemption period.

40 7. The exemption of a bundled transaction shall be calculated as provided by law for all
41 other bundled transactions.

42 8. (1) For any discount offered by a seller that is a reduction of the sales price of the
43 product, the discounted sales price shall determine whether the sales price falls below the price
44 threshold provided in subsection 1 of this section. A coupon that reduces the sales price shall be
45 treated as a discount only if the seller is not reimbursed for the coupon amount by a third party.

46 (2) If a discount applies to the total amount paid by a purchaser rather than to the sales price
47 of a particular product and the purchaser has purchased both exempt property and taxable property,
48 the seller shall allocate the discount based on the total sales prices of the taxable property compared
49 to the total sales prices of all property sold in the same transaction.

1 9. Items that are normally sold as a single unit shall continue to be sold in that manner and
2 shall not be priced separately and sold as individual items.

3 10. Items that are purchased during an exemption period but that are not delivered to the
4 purchaser until after the exemption period due to the item not being in stock shall qualify for an
5 exemption. The provisions of this subsection shall not apply to an item that was delivered during an
6 exemption period but was purchased prior to or after the exemption period.

7 11. (1) If a purchaser purchases an item of eligible property during an exemption period,
8 but later exchanges the item for a similar eligible item after the exemption period, no additional tax
9 shall be due on the new item.

10 (2) If a purchaser purchases an item of eligible property during an exemption period, but
11 later returns the item after the exemption period and receives credit on the purchase of a different
12 nonexempt item, the appropriate sales tax shall be due on the sale of the newly purchased item.

13 (3) If a purchaser purchases an item of eligible property before an exemption period, but
14 during the exemption period returns the item and receives credit on the purchase of a different item
15 of eligible property, no sales tax shall be due on the sale of the new item if the new item is
16 purchased during the exemption period.

17 (4) For a sixty-day period immediately following the end of the exemption period, if a
18 purchaser returns an exempt item, no credit for or refund of sales tax shall be given unless the
19 purchaser provides a receipt or invoice that shows tax was paid, or the seller has sufficient
20 documentation to show that tax was paid on the item being returned.

21 144.054. 1. As used in this section, the following terms mean:

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

25 (2) "Producing" includes, but is not limited to, the production of, including the production
26 and transmission of, telecommunication services;

27 (3) "Product" includes, but is not limited to, telecommunications services;

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

31 2. In addition to all other exemptions granted under this chapter, there is hereby specifically
32 exempted from the provisions of [~~sections 144.010 to 144.525 and 144.600 to 144.761, and from the~~
33 ~~computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and 144.600~~
34 ~~to 144.761]~~ this chapter and the local sales tax law as defined in section 32.085 and from the
35 computation of the tax levied, assessed, or payable under this chapter and the local sales tax law as
36 defined in section 32.085, electrical energy and gas, whether natural, artificial, or propane, water,
37 coal, and energy sources, chemicals, machinery, equipment, and materials used or consumed in the
38 manufacturing, processing, compounding, mining, or producing of any product, or used or
39 consumed in the processing of recovered materials, or used in research and development related to
40 manufacturing, processing, compounding, mining, or producing any product. [The exemptions
41 granted in this subsection shall not apply to local sales taxes as defined in section 32.085 and the
42 provisions of this subsection shall be in addition to any state and local sales tax exemption provided
43 in section 144.030.] The construction and application of this subsection as expressed by the
44 Missouri supreme court in DST Systems, Inc. v. Director of Revenue, 43 S.W.3d 799 (Mo. banc
45 2001); Southwestern Bell Tel. Co. v. Director of Revenue, 78 S.W.3d 763 (Mo. banc 2002); and
46 Southwestern Bell Tel. Co. v. Director of Revenue, 182 S.W.3d 226 (Mo. banc 2005), is hereby
47 affirmed.

48 3. In addition to all other exemptions granted under this chapter, there is hereby specifically
49 exempted from the provisions of [~~sections 144.010 to 144.525 and 144.600 to 144.761, and section~~

1 ~~238.235,]~~ this chapter and the local sales tax law as defined in section 32.085, and from the
 2 computation of the tax levied, assessed, or payable under [~~sections 144.010 to 144.525 and 144.600~~
 3 ~~to 144.761, and section 238.235,]~~ this chapter and the local sales tax law as defined in section
 4 32.085, all utilities, machinery, and equipment used or consumed directly in television or radio
 5 broadcasting and all sales and purchases of tangible personal property, utilities, services, or any
 6 other transaction that would otherwise be subject to the state or local sales or use tax when such
 7 sales are made to or purchases are made by a contractor for use in fulfillment of any obligation
 8 under a defense contract with the United States government, and all sales and leases of tangible
 9 personal property by any county, city, incorporated town, or village, provided such sale or lease is
 10 authorized under chapter 100, and such transaction is certified for sales tax exemption by the
 11 department of economic development, and tangible personal property used for railroad
 12 infrastructure brought into this state for processing, fabrication, or other modification for use outside
 13 the state in the regular course of business.

14 4. In addition to all other exemptions granted under this chapter, there is hereby specifically
 15 exempted from the provisions of [~~sections 144.010 to 144.525 and 144.600 to 144.761, and section~~
 16 ~~238.235,]~~ this chapter and the local sales tax law as defined in section 32.085, and from the
 17 computation of the tax levied, assessed, or payable under [~~sections 144.010 to 144.525 and 144.600~~
 18 ~~to 144.761, and section 238.235,]~~ this chapter and the local sales tax law as defined in section
 19 32.085, all sales and purchases of tangible personal property, utilities, services, or any other
 20 transaction that would otherwise be subject to the state or local sales or use tax when such sales are
 21 made to or purchases are made by a private partner for use in completing a project under sections
 22 227.600 to 227.669.

23 5. In addition to all other exemptions granted under this chapter, there is hereby specifically
 24 exempted from the provisions of [~~sections 144.010 to 144.525 and 144.600 to 144.761, and section~~
 25 ~~238.235,]~~ this chapter and the local sales tax law as defined in section 32.085, and from the
 26 computation of the tax levied, assessed, or payable under [~~sections 144.010 to 144.525 and 144.600~~
 27 ~~to 144.761, and section 238.235,]~~ this chapter and the local sales tax law as defined in section
 28 32.085, all materials, manufactured goods, machinery and parts, electrical energy and gas, whether
 29 natural, artificial or propane, water, coal and other energy sources, chemicals, soaps, detergents,
 30 cleaning and sanitizing agents, and other ingredients and materials inserted by commercial or
 31 industrial laundries to treat, clean, and sanitize textiles in facilities which process at least five
 32 hundred pounds of textiles per hour and at least sixty thousand pounds per week.

33 144.060. 1. It shall be the duty of every person making any purchase or receiving any
 34 service upon which a tax is imposed by sections 144.010 to 144.510 to pay, to the extent possible
 35 under the provisions of section 144.285, the amount of such tax to the person making such sale or
 36 rendering such service. Any person who shall willfully and intentionally refuse to pay such tax shall
 37 be guilty of a misdemeanor. The provisions of this section shall not apply to any person making any
 38 purchase or sale of a motor vehicle subject to sales tax as provided by the Missouri sales tax law,
 39 unless such person making the sale is a motor vehicle dealer authorized to collect and remit sales tax
 40 pursuant to subsection 10 of section 144.070.

41 2. A purchaser shall be relieved from any additional tax, interest, additions, or penalties for
 42 failure to collect and remit the proper amount of tax owed on a purchase subject to tax under this
 43 chapter if:

44 (1) A purchaser's seller or a certified service provider relied on erroneous data provided by
 45 the director on tax rates, boundaries, taxing jurisdiction assignments, or in the taxability matrix
 46 created under section 144.638;

47 (2) A purchaser using a database created under section 144.637 received erroneous data
 48 provided by the director on tax rates, boundaries, or taxing jurisdiction assignments; or

49 (3) A purchaser relied on erroneous data provided by the director in the taxability matrix

1 created under section 144.638.

2 144.079. 1. The provisions of section 144.080 notwithstanding, the director shall
 3 promulgate rules to allow for the issuance of direct-pay permits to purchasers. Purchasers holding
 4 such a permit shall be permitted to purchase goods and services that are subject to sales tax under
 5 this chapter without remitting payment of the tax to the seller at the time of purchase. Such
 6 purchaser shall make a determination of the amount of tax owed and shall report and remit such
 7 amount directly to the taxing jurisdiction.

8 2. The director shall promulgate rules to implement the provisions of this section. Such
 9 rules shall include an application process for the issuance of a permit created under this section.
 10 Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the
 11 authority delegated in this section shall become effective only if it complies with and is subject to all
 12 of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536
 13 are nonseverable, and if any of the powers vested with the general assembly pursuant to chapter 536
 14 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held
 15 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after the
 16 effective date of this act shall be invalid and void.

17 144.080. 1. Every person receiving any payment or consideration upon the sale of property
 18 or rendering of service, subject to the tax imposed [by the provisions of sections 144.010 to
 19 144.525] under this chapter, is exercising the taxable privilege of selling the property or rendering
 20 the service at retail and is subject to the tax levied in section 144.020. The person shall be
 21 responsible not only for the collection of the amount of the tax imposed on the sale or service to the
 22 extent possible under the provisions of section 144.285, but shall, on or before the last day of the
 23 month following each calendar quarterly period of three months, file a return with the director of
 24 revenue showing the person's gross receipts and the amount of tax levied in section 144.020 for the
 25 preceding quarter, and shall remit to the director of revenue, with the return, the taxes levied in
 26 section 144.020, except as provided in [subsections] subsection 2 [and 3] of this section. The
 27 director of revenue may promulgate rules or regulations changing the filing and payment
 28 requirements of sellers, but shall not require any seller to file and pay more frequently than required
 29 in this section.

30 2. [Where the aggregate amount levied and imposed upon a seller by section 144.020 is in
 31 excess of two hundred fifty dollars for either the first or second month of a calendar quarter, the
 32 seller shall file a return and pay such aggregate amount for such months to the director of revenue
 33 by the twentieth day of the succeeding month.

34 —3.] Where the aggregate amount levied and imposed upon a seller by section 144.020 is less
 35 than forty-five dollars in a calendar quarter, the director of revenue shall by regulation permit the
 36 seller to file a return for a calendar year. The return shall be filed and the taxes paid on or before
 37 January thirty-first of the succeeding year.

38 [4.] 3. The seller of any property or the person rendering any service, subject to the tax
 39 imposed [by sections 144.010 to 144.525] under this chapter, shall collect the tax from the purchaser
 40 of such property or the recipient of the service to the extent possible under the provisions of section
 41 144.285, but the seller's inability to collect any part or all of the tax does not relieve the seller of the
 42 obligation to pay to the state the tax imposed by section 144.020; except that the collection of the
 43 tax imposed [by sections 144.010 to 144.525] under this chapter on motor vehicles and trailers shall
 44 be made as provided in sections 144.070 and 144.440.

45 [5.] 4. Any person may advertise or hold out or state to the public or to any customer
 46 directly that the tax or any part thereof imposed [by sections 144.010 to 144.525] under this chapter,
 47 and required to be collected by the person, will be assumed or absorbed by the person, provided that
 48 the amount of tax assumed or absorbed shall be stated on any invoice or receipt for the property sold
 49 or service rendered. Any person violating any of the provisions of this section shall be guilty of a

1 misdemeanor. This subsection shall not apply to any retailer prohibited from collecting and
2 remitting sales tax under section 66.630.

3 144.082. 1. The director of revenue shall participate in the central registration system
4 described under section 32.070 and shall allow sellers in this state to register with such system at no
5 cost to such sellers.

6 2. By registering, the seller agrees to collect and remit sales and use taxes for all taxable
7 sales in this state. Withdrawal or revocation of this state from the agreement shall not relieve a
8 seller of its responsibility to remit taxes previously or subsequently collected on behalf of this state.

9 3. If the seller has a requirement to register prior to registering under the agreement, such
10 seller shall obtain a retail sales license under section 144.083 and register under section 144.650.

11 4. Registration with the central registration system and the collection of sales and use taxes
12 in this state shall not be used as the sole factor in determining whether the seller has nexus with this
13 state for any tax at any time.

14 144.111. 1. (1) All retail sales in this state, excluding leases and rentals, of tangible
15 personal property or digital goods shall be sourced to the location where the order is received by the
16 seller.

17 (2) This subsection shall apply only if:

18 (a) The location where the order is received by the seller and the location where the
19 purchaser receives the product are both in this state;

20 (b) The location where receipt of the product occurs is determined in accordance with
21 subsection 2 of this section; and

22 (c) At the time the order is received, the record-keeping system of the seller used to
23 calculate the proper amount of sales or use tax to be imposed captures the location where the order
24 is received.

25 (3) If the sale is sourced under this section to the location where the order is received by the
26 seller, only the sales or use tax for the location where the order is received by the seller may be
27 levied. No additional sales or use tax based on the location where the product is delivered to the
28 purchaser shall be levied on that sale. The purchaser shall not be entitled to any refund if the
29 combined state and local rate or rates at the location where the product is received by the purchaser
30 is lower than the rate where the order is received by the seller.

31 (4) A purchaser shall have no additional liability to the state for tax, penalty, or interest on a
32 sale for which the purchaser remits tax to the seller in the amount invoiced by the seller if such
33 invoice amount is calculated at either the rate applicable to the location where receipt by the
34 purchaser occurs or at the rate applicable to the location where the order is received by the seller. A
35 purchaser may rely on a written representation by the seller as to the location where the order for
36 such sale was received by the seller. If the purchaser does not have a written representation by the
37 seller as to the location where the order for such sale was received by the seller, the purchaser may
38 use a location indicated by a business address for the seller that is available from the business
39 records of the purchaser that are maintained in the ordinary course of the purchaser's business to
40 determine the rate applicable to the location where the order was received.

41 (5) "The location where the order is received by or on behalf of the seller" means the
42 physical location of a seller or third party such as an established outlet, office location, or automated
43 order receipt system operated by or on behalf of the seller where an order is initially received by or
44 on behalf of the seller and not where the order may be subsequently accepted, completed, or
45 fulfilled. An order is "received" when all of the information from the purchaser necessary to
46 determine whether the order can be accepted has been received by or on behalf of the seller. The
47 location from which a product is shipped shall not be used in determining the location where the
48 order is received by the seller.

49 (6) If taxable services are sold with tangible personal property or digital products under a

1 single contract or in the same transaction, are billed on the same billing statement or statements,
2 and, because of the application of this section, would be sourced to different jurisdictions, this
3 subsection shall apply to determine the source for tax.

4 2. Except as provided under section 144.112, if the location where the order is received by
5 the seller and the location where the product is received by the purchaser or the purchaser's donee,
6 as designated by the purchaser, are in different states, the retail sale, excluding any lease or rental, of
7 a product shall be sourced as follows:

8 (1) If the product is received by the purchaser at a business location of the seller, the sale
9 shall be sourced to such business location;

10 (2) If the product is not received by the purchaser at a business location of the seller, the sale
11 shall be sourced to the location where the purchaser or the purchaser's donee, as designated by the
12 purchaser, receives the product, including the location indicated by instructions for delivery to the
13 purchaser or donee, as known to the seller;

14 (3) If subdivisions (1) and (2) of this subsection do not apply, the sale shall be sourced to the
15 location indicated by an address for the purchaser that is available from the business records of the
16 seller that are maintained in the ordinary course of the seller's business if use of this address shall
17 not constitute bad faith;

18 (4) If subdivisions (1) to (3) of this subsection do not apply, the sale shall be sourced to the
19 location indicated by an address for the purchaser obtained during the consummation of the sale,
20 including the address of a purchaser's payment instrument, if no other address is available and if use
21 of this address shall not constitute bad faith; and

22 (5) If subdivisions (1) to (4) of this subsection do not apply, including the circumstances in
23 which the seller is without sufficient information to apply the previous rules, the location shall be
24 determined by the address from which tangible personal property was shipped, from which the
25 digital good or computer software delivered electronically was first available for transmission from
26 the seller, or from which the service was provided, disregarding for these purposes any location that
27 merely provided for the digital transfer of the product sold.

28 3. Notwithstanding subsections 1 and 2 of this section, all sales of motor vehicles, trailers,
29 semitrailers, watercraft, outboard motors, and aircraft that do not qualify as transportation
30 equipment shall be sourced to the address of the owner thereof.

31 4. The lease or rental of tangible personal property, other than property identified in
32 subsection 2 or 3 of this section, shall be sourced as follows:

33 (1) For a lease or rental that requires recurring periodic payments, the first periodic payment
34 is sourced the same as a retail sale in accordance with the provisions of subsection 1 of this section.
35 Periodic payments made subsequent to the first payment are sourced to the primary property
36 location for each period covered by the payment. The primary property location shall be as
37 indicated by an address for the property provided by the lessee that is available to the lessor from its
38 records maintained in the ordinary course of business if use of this address shall not constitute bad
39 faith. The property location shall not be altered by intermittent use at different locations, such as
40 use of business property that accompanies employees on business trips and service calls;

41 (2) For a lease or rental that does not require recurring periodic payments, the payment is
42 sourced the same as a retail sale in accordance with the provisions of subsection 2 of this section;
43 and

44 (3) This subsection shall not affect the imposition or computation of sales or use tax on
45 leases or rentals based on a lump sum or accelerated basis or on the acquisition of property for lease.

46 5. The lease or rental of motor vehicles, trailers, semitrailers, or aircraft that do not qualify
47 as transportation equipment shall be sourced as follows:

48 (1) For a lease or rental that requires recurring periodic payments, each periodic payment is
49 sourced to the primary property location. The primary property location shall be as indicated by an

1 address for the property provided by the lessee that is available to the lessor from its records
 2 maintained in the ordinary course of business if use of such address does not constitute bad faith.
 3 Such location shall not be altered by intermittent use at different locations;

4 (2) For a lease or rental that does not require recurring periodic payments, the payment is
 5 sourced the same as a retail sale in accordance with the provisions of subsection 1 of this section;
 6 and

7 (3) This subsection shall not affect the imposition or computation of sales or use tax on
 8 leases or rentals based on a lump sum or accelerated basis or on the acquisition of property for lease.

9 6. The retail sale, including lease or rental, of transportation equipment shall be sourced the
 10 same as a retail sale in accordance with the provisions of subsection 1 of this section,
 11 notwithstanding the exclusion of lease or rental in subsection 2 of this section.

12 144.112. 1. The retail sale of a product shall be sourced in accordance with section 144.111.
 13 The provisions of section 144.111 shall apply regardless of the characterization of a product as
 14 tangible personal property, a digital good, or a service. The provisions of section 144.111 shall
 15 apply only to determine a seller's obligation to pay or collect and remit sales or use tax with respect
 16 to the seller's retail sale of a product. The provisions of this subsection shall not affect the
 17 obligation of a purchaser or lessee to remit tax on the use of the product to the taxing jurisdictions of
 18 that use.

19 2. Section 144.111 shall not apply to sales or use taxes levied on the following:

20 (1) Retail sales or transfers of watercraft, modular homes, manufactured homes, or mobile
 21 homes; and

22 (2) Telecommunications services and ancillary services.

23 144.113. 1. (1) A purchaser of advertising and promotional direct mail may provide the
 24 seller with:

25 (a) A direct-pay permit;

26 (b) An agreement certificate of exemption claiming direct mail or other written statement
 27 approved, authorized, or accepted by the state; or

28 (c) Information showing the jurisdictions to which the advertising and promotional direct
 29 mail is to be delivered to recipients.

30 (2) If the purchaser provides the permit, certificate, or statement referred to in paragraph (a)
 31 or (b) of subdivision (1) of subsection 1 of this section, the seller, in the absence of bad faith, is
 32 relieved of all obligations to collect, pay, or remit any tax on any transaction involving advertising
 33 and promotional direct mail to which the permit, certificate, or statement applies. The purchaser
 34 shall source the sale to the jurisdictions to which the advertising and promotional direct mail is to be
 35 delivered to the recipients and shall report and pay any applicable tax due.

36 (3) If the purchaser provides the seller information showing the jurisdictions to which the
 37 advertising and promotional direct mail is to be delivered to recipients, the seller shall source the
 38 sale to the jurisdictions to which the advertising and promotional direct mail is to be delivered and
 39 shall collect and remit the applicable tax. In the absence of bad faith, the seller is relieved of any
 40 further obligation to collect any additional tax on the sale of advertising and promotional direct mail
 41 if the seller has sourced the sale according to the delivery information provided by the purchaser.

42 (4) If the purchaser does not provide the seller with any of the items listed in paragraph (a),
 43 (b), or (c) of subdivision (1) of subsection 1 of this section, the sale shall be sourced according to
 44 subdivision (5) of subsection 2 of section 144.111. The state to which the advertising and
 45 promotional direct mail is delivered may disallow credit for tax paid on sales sourced under this
 46 subdivision.

47 (5) Notwithstanding the provisions of section 144.111, this subsection shall apply to sales of
 48 advertising and promotional direct mail.

49 2. (1) Except as otherwise provided in this subsection, sales of other direct mail shall be

1 sourced in accordance with subdivision (3) of subsection 2 of section 144.111.

2 (2) A purchaser of other direct mail may provide the seller with either:

3 (a) A direct-pay permit; or

4 (b) An agreement certificate of exemption claiming direct mail or other written statement
5 approved, authorized, or accepted by the state.

6 (3) If the purchaser provides the permit, certificate, or statement referred to in paragraph (a)
7 or (b) of subdivision (2) of this subsection, the seller, in the absence of bad faith, is relieved of all
8 obligations to collect, pay, or remit any tax on any transaction involving other direct mail to which
9 the permit, certificate, or statement applies. Notwithstanding subdivision (1) of this subsection, the
10 sale shall be sourced to the jurisdictions to which the other direct mail is to be delivered to the
11 recipients, and the purchaser shall report and pay applicable tax due.

12 (4) Notwithstanding section 144.111, this subsection shall apply to sales of other direct mail.

13 3. (1) (a) This section shall apply to a transaction characterized under state law as the sale
14 of services only if the service is an integral part of the production and distribution of printed
15 material that meets the definition of direct mail.

16 (b) This section shall not apply to any transaction that includes the development of billing
17 information or the provision of any data processing service that is more than incidental, regardless
18 of whether advertising and promotional direct mail is included in the same mailing.

19 (2) If a transaction is a bundled transaction that includes advertising and promotional direct
20 mail, this section shall apply only if the primary purpose of the transaction is the sale of products or
21 services that meet the definition of advertising and promotional direct mail.

22 (3) Nothing in this section shall limit any purchaser's:

23 (a) Obligation for sales or use tax to any state to which the direct mail is delivered;

24 (b) Right under local, state, federal, or constitutional law to a credit for sales or use taxes
25 legally due and paid to other jurisdictions; or

26 (c) Right to a refund of sales or use taxes overpaid to any jurisdiction.

27 (4) This section shall apply for purposes of uniformly sourcing direct mail transactions and
28 shall not impose requirements on states regarding the taxation of products that meet the definition of
29 direct mail or to the application of sales for resale or other exemptions.

30 144.114. 1. Except for the defined telecommunications services under subsection 3 of this
31 section, the sale of telecommunications service sold on a call-by-call basis shall be sourced to:

32 (1) Each level of taxing jurisdiction where the call originates and terminates in that
33 jurisdiction; or

34 (2) Each level of taxing jurisdiction where the call either originates or terminates and where
35 the service address is also located.

36 2. Except for the defined telecommunications services under subsection 3 of this section, a
37 sale of telecommunications services sold on a basis other than a call-by-call basis is sourced to the
38 customer's place of primary use.

39 3. The sale of the following telecommunications services shall be sourced to each level of
40 taxing jurisdiction as follows:

41 (1) A sale of mobile telecommunications services other than air-to-ground radiotelephone
42 service and prepaid calling service is sourced to the customer's place of primary use, as required
43 under the Mobile Telecommunications Sourcing Act;

44 (2) A sale of post-paid calling service is sourced to the origination point of the
45 telecommunications signal as first identified by either:

46 (a) The seller's telecommunications system; or

47 (b) Information received by the seller from its service provider, where the system used to
48 transport such signals is not that of the seller;

49 (3) A sale of prepaid calling service or a sale of a prepaid wireless calling service is sourced

1 in accordance with section 144.111; provided, however, in the case of a sale of prepaid wireless
 2 calling service, the rule provided in subdivision (5) of subsection 2 of section 144.111 shall include
 3 as an option the location associated with the mobile telephone number; and

4 (4) A sale of a private communication service is sourced as follows:

5 (a) Service for a separate charge related to a customer channel termination point is sourced
 6 to each level of jurisdiction where such customer channel termination point is located;

7 (b) Service where all customer termination points are located entirely within one jurisdiction
 8 or level of jurisdiction is sourced to such jurisdiction where the customer channel termination points
 9 are located;

10 (c) Service for segments of a channel between two customer channel termination points
 11 located in different jurisdictions and for which segments of a channel are separately charged is
 12 sourced fifty percent to each level of jurisdiction where the customer channel termination points are
 13 located; and

14 (d) Service for segments of a channel located in more than one jurisdiction or level of
 15 jurisdiction and for which segments are not separately billed is sourced to each jurisdiction based on
 16 the percentage determined by dividing the number of customer channel termination points in such
 17 jurisdiction by the total number of customer channel termination points.

18 4. The sale of internet access service is sourced to the customer's place of primary use.

19 5. The sale of ancillary service is sourced to the customer's place of primary use.

20 144.140. 1. From every remittance to the director of revenue made on or before the date
 21 when the same becomes due, the person required to remit the same shall be entitled to deduct and
 22 retain an amount equal to two percent thereof.

23 2. If the department of revenue registers this state under section 32.070 to participate in the
 24 streamlined sales and use tax agreement as a nonmember state, the director shall provide a monetary
 25 allowance from the taxes collected to each of the following:

26 (1) A certified service provider, in accordance with the agreement and under the terms of the
 27 contract signed with the provider;

28 (2) Any vendor registered under the agreement that selects a certified automated system to
 29 perform part of its sales or use tax functions; and

30 (3) Any vendor registered under the agreement that uses a proprietary system to calculate
 31 taxes due and has entered into a performance agreement with states that are members of the
 32 streamlined sales and use tax agreement.

33 3. Any vendor receiving an allowance under subsection 2 of this section shall not be entitled
 34 simultaneously to deduct the allowance provided for in subsection 1 of this section.

35 144.190. 1. If a tax has been incorrectly computed by reason of a clerical error or mistake
 36 on the part of the director of revenue, such fact shall be set forth in the records of the director of
 37 revenue, and the amount of the overpayment shall be credited on any taxes then due from the person
 38 legally obligated to remit the tax under chapter 144, and the balance shall be refunded to the person
 39 legally obligated to remit the tax, such person's administrators or executors, as provided for in
 40 section 144.200.

41 2. If any tax, penalty or interest has been paid more than once, or has been erroneously or
 42 illegally collected, or has been erroneously or illegally computed, such sum shall be credited on any
 43 taxes then due from the person legally obligated to remit the tax under chapter 144, and the balance,
 44 with interest as determined by section 32.065, shall be refunded to the person legally obligated to
 45 remit the tax, but no such credit or refund shall be allowed unless duplicate copies of a claim for
 46 refund are filed within ten years from date of overpayment.

47 3. Every claim for refund must be in writing and signed by the applicant, and must state the
 48 specific grounds upon which the claim is founded. Any refund or any portion thereof which is
 49 erroneously made, and any credit or any portion thereof which is erroneously allowed, may be

1 recovered in any action brought by the director of revenue against the person legally obligated to
2 remit the tax. In the event that a tax has been illegally imposed against a person legally obligated to
3 remit the tax, the director of revenue shall authorize the cancellation of the tax upon the director's
4 record.

5 4. Notwithstanding the provisions of section 32.057, a purchaser that originally paid sales or
6 use tax to a vendor or seller may submit a refund claim directly to the director of revenue for such
7 sales or use taxes paid to such vendor or seller and remitted to the director, provided no sum shall be
8 refunded more than once, any such claim shall be subject to any offset, defense, or other claim the
9 director otherwise would have against either the purchaser or vendor or seller, and such claim for
10 refund is accompanied by either:

11 (1) A notarized assignment of rights statement by the vendor or seller to the purchaser
12 allowing the purchaser to seek the refund on behalf of the vendor or seller. An assignment of rights
13 statement shall contain the Missouri sales or use tax registration number of the vendor or seller, a
14 list of the transactions covered by the assignment, the tax periods and location for which the original
15 sale was reported to the director of revenue by the vendor or seller, and a notarized statement signed
16 by the vendor or seller affirming that the vendor or seller has not received a refund or credit, will not
17 apply for a refund or credit of the tax collected on any transactions covered by the assignment, and
18 authorizes the director to amend the seller's return to reflect the refund; or

19 (2) In the event the vendor or seller fails or refuses to provide an assignment of rights
20 statement within sixty days from the date of such purchaser's written request to the vendor or seller,
21 or the purchaser is not able to locate the vendor or seller or the vendor or seller is no longer in
22 business, the purchaser may provide the director a notarized statement confirming the efforts that
23 have been made to obtain an assignment of rights from the vendor or seller. Such statement shall
24 contain a list of the transactions covered by the assignment, the tax periods and location for which
25 the original sale was reported to the director of revenue by the vendor or seller.

26
27 The director shall not require such vendor, seller, or purchaser to submit amended returns for refund
28 claims submitted under the provisions of this subsection. Notwithstanding the provisions of section
29 32.057, if the seller is registered with the director for collection and remittance of sales tax, the
30 director shall notify the seller at the seller's last known address of the claim for refund. If the seller
31 objects to the refund within thirty days of the date of the notice, the director shall not pay the refund.
32 If the seller agrees that the refund is warranted or fails to respond within thirty days, the director
33 may issue the refund and amend the seller's return to reflect the refund. For purposes of section
34 32.069, the refund claim shall not be considered to have been filed until the seller agrees that the
35 refund is warranted or thirty days after the date the director notified the seller and the seller failed to
36 respond.

37 5. Notwithstanding the provisions of section 32.057, when a vendor files a refund claim on
38 behalf of a purchaser and such refund claim is denied by the director, notice of such denial and the
39 reason for the denial shall be sent by the director to the vendor and each purchaser whose name and
40 address is submitted with the refund claim form filed by the vendor. A purchaser shall be entitled to
41 appeal the denial of the refund claim within sixty days of the date such notice of denial is mailed by
42 the director as provided in section 144.261. The provisions of this subsection shall apply to all
43 refund claims filed after August 28, 2012. The provisions of this subsection allowing a purchaser to
44 appeal the director's decision to deny a refund claim shall also apply to any refund claim denied by
45 the director on or after January 1, 2007, if an appeal of the denial of the refund claim is filed by the
46 purchaser no later than September 28, 2012, and if such claim is based solely on the issue of the
47 exemption of the electronic transmission or delivery of computer software.

48 6. Notwithstanding the provisions of this section, the director of revenue shall authorize
49 direct-pay agreements to purchasers which have annual purchases in excess of seven hundred fifty

1 thousand dollars pursuant to rules and regulations adopted by the director of revenue. For the
2 purposes of such direct-pay agreements, the taxes authorized under chapters 66, 67, 70, 92, 94, 162,
3 190, 238, 321, and 644 shall be remitted based upon the location of the place of business of the
4 purchaser.

5 7. Special rules applicable to error corrections requested by customers of mobile
6 telecommunications service are as follows:

7 (1) For purposes of this subsection, the terms "customer", "home service provider", "place
8 of primary use", "electronic database", and "enhanced zip code" shall have the same meanings as
9 defined in the Mobile Telecommunications Sourcing Act incorporated by reference in section
10 144.013;

11 (2) Notwithstanding the provisions of this section, if a customer of mobile
12 telecommunications services believes that the amount of tax, the assignment of place of primary use
13 or the taxing jurisdiction included on a billing is erroneous, the customer shall notify the home
14 service provider, in writing, within three years from the date of the billing statement. The customer
15 shall include in such written notification the street address for the customer's place of primary use,
16 the account name and number for which the customer seeks a correction of the tax assignment, a
17 description of the error asserted by the customer and any other information the home service
18 provider reasonably requires to process the request;

19 (3) Within sixty days of receiving the customer's notice, the home service provider shall
20 review its records and the electronic database or enhanced zip code to determine the customer's
21 correct taxing jurisdiction. If the home service provider determines that the review shows that the
22 amount of tax, assignment of place of primary use or taxing jurisdiction is in error, the home service
23 provider shall correct the error and, at its election, either refund or credit the amount of tax
24 erroneously collected to the customer for a period of up to three years from the last day of the home
25 service provider's sixty-day review period. If the home service provider determines that the review
26 shows that the amount of tax, the assignment of place of primary use or the taxing jurisdiction is
27 correct, the home service provider shall provide a written explanation of its determination to the
28 customer.

29 8. For all refund claims submitted to the department of revenue on or after September 1,
30 2003, notwithstanding any provision of this section to the contrary, if a person legally obligated to
31 remit the tax levied under chapter 144 has received a refund of such taxes for a specific issue and
32 submits a subsequent claim for refund of such taxes on the same issue for a tax period beginning on
33 or after the date the original refund check issued to such person, no refund shall be allowed. This
34 subsection shall not apply and a refund shall be allowed if the refund claim is filed by a purchaser
35 under the provisions of subsection 4 of this section, the refund claim is for use tax remitted by the
36 purchaser, or an additional refund claim is filed by a person legally obligated to remit the tax due to
37 any of the following:

38 (1) Receipt of additional information or an exemption certificate from the purchaser of the
39 item at issue;

40 (2) A decision of a court of competent jurisdiction or the administrative hearing
41 commission; or

42 (3) Changes in regulations or policy by the department of revenue.

43 9. Notwithstanding any provision of law to the contrary, the director of revenue shall
44 respond to a request for a binding letter ruling filed in accordance with section 536.021 within sixty
45 days of receipt of such request. If the director of revenue fails to respond to such letter ruling
46 request within sixty days of receipt by the director, the director of revenue shall be barred from
47 pursuing collection of any assessment of sales or use tax with respect to the issue which is the
48 subject of the letter ruling request. For purposes of this subsection, the term "letter ruling" means a
49 written interpretation of law by the director to a specific set of facts provided by a specific taxpayer

1 or his or her agent.

2 10. If any tax was paid more than once, was incorrectly collected, or was incorrectly
3 computed, such sum shall be credited on any taxes then due from the person legally obligated to
4 remit the tax under chapter 144 against any deficiency or tax due discovered through an audit of the
5 person by the department of revenue through adjustment during the same tax filing period for which
6 the audit applied.

7 11. A cause of action against the seller by a purchaser for a tax erroneously or illegally
8 collected under this chapter shall not accrue until a purchaser has provided written notice to the
9 seller and the seller has had sixty days to respond. Such notice to the seller shall contain the
10 information necessary to determine the validity of the request. A seller shall be presumed to have a
11 reasonable business practice if, in the collection of such tax, the seller uses a provider or a system
12 certified by the director and has remitted to the state all tax collected less any deductions, credits, or
13 allowances.

14 144.212. 1. In addition to all other provisions of law provided for exemptions, if an
15 exemption is claimed by a purchaser:

16 (1) The seller shall obtain identifying information of the purchaser and the reason for
17 claiming a tax exemption at the time of the purchase;

18 (2) A purchaser shall not be required to provide a signature to claim an exemption from tax
19 unless a paper exemption certificate is used;

20 (3) The seller shall use the standard form for claiming an exemption electronically
21 prescribed by the director of revenue and acceptable to the streamlined sales and use tax governing
22 board;

23 (4) The seller shall obtain the same information for proof of a claimed exemption regardless
24 of the medium in which the transaction occurred;

25 (5) The seller shall maintain proper records of exempt transactions and provide such records
26 to the director of revenue or the director's designee upon request; and

27 (6) In the case of drop shipment sales, a third-party vendor such as a drop shipper may claim
28 a resale exemption based on an exemption certificate provided by its customer or any other
29 acceptable information available to the third-party vendor evidencing qualification for a resale
30 exemption, regardless of whether the customer is registered to collect and remit sales and use tax in
31 the state where the sale is sourced.

32 2. (1) Sellers that comply with the requirements of this section shall be relieved from
33 collecting and remitting tax otherwise applicable if it is determined that the purchaser improperly
34 claimed an exemption, and such purchaser shall be liable for the nonpayment of tax. Relief from
35 liability provided under this section shall not apply to a seller who fraudulently fails to collect tax; to
36 a seller who solicits purchasers to participate in the unlawful claim of an exemption; to a seller who
37 accepts an exemption certificate, if the purchaser claims an entity-based exemption if the subject of
38 the transaction sought to be covered by the exemption certificate is actually received by the
39 purchaser at a location operated by the seller and the state in which that location resides provides an
40 exemption certificate that clearly and affirmatively indicates that the claimed exemption is not
41 available in such state; or to a seller who accepts an exemption certificate claiming multiple points
42 of use for tangible personal property other than computer software for which an exemption claiming
43 multiple points of use is not permitted.

44 (2) A seller shall be relieved from collecting and remitting tax otherwise applicable if the
45 seller obtains a fully completed exemption certificate or captures the relevant data elements required
46 under the agreement within ninety days after the date of sale.

47 (3) If a seller fails to obtain an exemption certificate or all relevant data elements as
48 provided in this subsection, the seller may, within one hundred twenty days after a request for
49 substantiation by the director of revenue or the director's designee, either prove that the transaction

1 was not subject to tax by other means or obtain a fully completed exemption certificate from the
2 purchaser, taken in good faith.

3 3. Nothing in this section shall affect the ability of the director of revenue or the director's
4 designee to require purchasers to update exemption certificate information or to reapply with the
5 state to claim certain exemptions.

6 4. Notwithstanding the provisions of subsection 2 of this section to the contrary, the director
7 shall relieve a seller of the tax otherwise applicable if the seller obtains a blanket exemption
8 certificate for a purchaser with which the seller has a recurring business relationship. The director
9 shall not request from the seller renewal of blanket certificates or updates of exemption certificate
10 information or data elements if there is a recurring business relationship between the purchaser and
11 seller. For purposes of this section, a recurring business relationship exists if a period of no more
12 than twelve months elapses between sales transactions.

13 144.600. 1. This law may be cited as the "Compensating Use Tax Law".

14 2. All provisions in sections 144.010 to 144.527 with respect to sales into this state by out-
15 of-state sellers shall apply to the compensating use tax law.

16 144.605. The following words and phrases as used in sections 144.600 to 144.745 mean and
17 include:

18 (1) "Calendar quarter", the period of three consecutive calendar months ending on March
19 thirty-first, June thirtieth, September thirtieth or December thirty-first;

20 (2) "Certified service provider" or "CSP", an agent certified by the department of revenue to
21 perform all the seller's sales and use tax functions, other than the seller's obligation to remit tax on
22 its own purchases;

23 (3) "Engages in business activities within this state" includes:

24 (a) Maintaining or having a franchisee or licensee operating under the seller's trade name in
25 this state if the franchisee or licensee is required to collect sales tax pursuant to sections 144.010 to
26 144.525;

27 (b) Soliciting sales or taking orders by sales agents or traveling representatives;

28 (c) A vendor is presumed to engage in business activities within this state if any person,
29 other than a common carrier acting in its capacity as such, that has substantial nexus with this state:

30 a. Sells a similar line of products as the vendor and does so under the same or a similar
31 business name;

32 b. Maintains an office, distribution facility, warehouse, or storage place, or similar place of
33 business in the state to facilitate the delivery of property or services sold by the vendor to the
34 vendor's customers;

35 c. Delivers, installs, assembles, or performs maintenance services for the vendor's customers
36 within the state;

37 d. Facilitates the vendor's delivery of property to customers in the state by allowing the
38 vendor's customers to pick up property sold by the vendor at an office, distribution facility,
39 warehouse, storage place, or similar place of business maintained by the person in the state; or

40 e. Conducts any other activities in the state that are significantly associated with the
41 vendor's ability to establish and maintain a market in the state for the sales;

42 (d) The presumption in paragraph (c) of this subdivision may be rebutted by demonstrating
43 that the person's activities in the state are not significantly associated with the vendor's ability to
44 establish or maintain a market in this state for the vendor's sales;

45 (e) Notwithstanding paragraph (c) of this subdivision, a vendor shall be presumed to engage
46 in business activities within this state if the vendor enters into an agreement with one or more
47 residents of this state under which the resident, for a commission or other consideration, directly or
48 indirectly refers potential customers, whether by a link on an internet website, an in-person oral
49 presentation, telemarketing, or otherwise, to the vendor, if the cumulative gross receipts from sales

1 by the vendor to customers in the state who are referred to the vendor by all residents with this type
 2 of an agreement with the vendor is in excess of ten thousand dollars during the preceding twelve
 3 months;

4 (f) The presumption in paragraph (e) of this subdivision may be rebutted by submitting
 5 proof that the residents with whom the vendor has an agreement did not engage in any activity
 6 within the state that was significantly associated with the vendor's ability to establish or maintain the
 7 vendor's market in the state during the preceding twelve months. Such proof may consist of sworn
 8 written statements from all of the residents with whom the vendor has an agreement stating that they
 9 did not engage in any solicitation in the state on behalf of the vendor during the preceding year
 10 provided that such statements were provided and obtained in good faith; and

11 (g) a. Beginning January 1, 2021, a vendor also engages in business activities within this
 12 state if the cumulative gross receipts from the vendor's sales of tangible personal property and
 13 digital goods and services to purchasers for the purpose of storage, use, or consumption in this state
 14 equal one hundred thousand dollars in either the current or previous calendar year, as described
 15 under subparagraphs b. and c. of this paragraph;

16 b. If the cumulative gross receipts from a vendor's sales of tangible personal property and
 17 digital goods and services met the requirements under subparagraph a. of this paragraph for the
 18 previous calendar year, such vendor shall collect and remit applicable use tax throughout the current
 19 calendar year and for as long thereafter as the vendor is engaged in business activities in this state,
 20 as provided under this paragraph, or otherwise maintains a substantial nexus with this state; and

21 c. If the cumulative gross receipts from the vendor's sales of tangible personal property and
 22 digital goods and services did not meet the requirements under subparagraph a. of this paragraph for
 23 the previous calendar year, such vendor shall collect and remit applicable use tax beginning on the
 24 first day of the first month that is at least thirty days after the specific date during the current
 25 calendar year on which such vendor first met the requirements under subparagraph a. of this
 26 paragraph for the current calendar year, and such vendor shall continue to collect and remit such
 27 applicable use tax for as long thereafter as the vendor is engaged in business activities in this state,
 28 as provided under this paragraph, or otherwise maintains a substantial nexus with this state;

29 ~~[(3)]~~ (4) "Maintains a place of business in this state" includes maintaining, occupying, or
 30 using, permanently or temporarily, directly or indirectly, by whatever name called, an office, place
 31 of distribution, sales or sample room or place, warehouse or storage place, or other place of business
 32 in this state, whether owned or operated by the vendor or by any other person other than a common
 33 carrier acting in its capacity as such;

34 ~~[(4)]~~ (5) "Person", any individual, firm, copartnership, joint venture, association,
 35 corporation, municipal or private, and whether organized for profit or not, state, county, political
 36 subdivision, state department, commission, board, bureau or agency, except the state transportation
 37 department, estate, trust, business trust, receiver or trustee appointed by the state or federal court,
 38 syndicate, or any other group or combination acting as a unit, and the plural as well as the singular
 39 number;

40 ~~[(5)]~~ (6) "Purchase", the acquisition of the ownership of, or title to, tangible personal
 41 property, through a sale, as defined herein, for the purpose of storage, use or consumption in this
 42 state;

43 ~~[(6)]~~ (7) "Purchaser", any person who is the recipient for a valuable consideration of any
 44 sale of tangible personal property acquired for use, storage or consumption in this state;

45 ~~[(7)]~~ (8) "Sale", any transfer, barter or exchange of the title or ownership of tangible
 46 personal property, or the right to use, store or consume the same, for a consideration paid or to be
 47 paid, and any transaction whether called leases, rentals, bailments, loans, conditional sales or
 48 otherwise, and notwithstanding that the title or possession of the property or both is retained for
 49 security. For the purpose of this law the place of delivery of the property to the purchaser, user,

1 storer or consumer is deemed to be the place of sale, whether the delivery be by the vendor or by
 2 common carriers, private contractors, mails, express, agents, salesmen, solicitors, hawkers,
 3 representatives, consignors, peddlers, canvassers or otherwise;

4 ~~[(8)]~~ (9) "Sales price", the consideration including the charges for services, except charges
 5 incident to the extension of credit, paid or given, or contracted to be paid or given, by the purchaser
 6 to the vendor for the tangible personal property, including any services that are a part of the sale,
 7 valued in money, whether paid in money or otherwise, and any amount for which credit is given to
 8 the purchaser by the vendor, without any deduction therefrom on account of the cost of the property
 9 sold, the cost of materials used, labor or service cost, losses or any other expenses whatsoever,
 10 except that cash discounts allowed and taken on sales shall not be included and "sales price" shall
 11 not include the amount charged for property returned by customers upon rescission of the contract
 12 of sales when the entire amount charged therefor is refunded either in cash or credit or the amount
 13 charged for labor or services rendered in installing or applying the property sold, the use, storage or
 14 consumption of which is taxable pursuant to sections 144.600 to 144.745. The sales price shall not
 15 include usual and customary delivery charges that are separately stated. In determining the amount
 16 of tax due pursuant to sections 144.600 to 144.745, any charge incident to the extension of credit
 17 shall be specifically exempted;

18 ~~[(9)]~~ (10) "Selling agent", every person acting as a representative of a principal, when such
 19 principal is not registered with the director of revenue of the state of Missouri for the collection of
 20 the taxes imposed pursuant to sections 144.010 to 144.525 or sections 144.600 to 144.745 and who
 21 receives compensation by reason of the sale of tangible personal property of the principal, if such
 22 property is to be stored, used, or consumed in this state;

23 ~~[(10)]~~ (11) "Storage", any keeping or retention in this state of tangible personal property
 24 purchased from a vendor, except property for sale or property that is temporarily kept or retained in
 25 this state for subsequent use outside the state;

26 ~~[(11)]~~ (12) "Tangible personal property", all items subject to the Missouri sales tax as
 27 provided in subdivisions (1) and (3) of subsection 1 of section 144.020;

28 ~~[(12)]~~ (13) "Taxpayer", any person remitting the tax or who should remit the tax levied by
 29 sections 144.600 to 144.745;

30 ~~[(13)]~~ (14) "Use", the exercise of any right or power over tangible personal property
 31 incident to the ownership or control of that property, except that it does not include the temporary
 32 storage of property in this state for subsequent use outside the state, or the sale of the property in the
 33 regular course of business;

34 ~~[(14)]~~ (15) "Vendor", every person engaged in making sales of tangible personal property by
 35 mail order, by advertising, by agent or peddling tangible personal property, soliciting or taking
 36 orders for sales of tangible personal property, for storage, use or consumption in this state, all
 37 salesmen, solicitors, hawkers, representatives, consignees, peddlers or canvassers, as agents of the
 38 dealers, distributors, consignors, supervisors, principals or employers under whom they operate or
 39 from whom they obtain the tangible personal property sold by them, and every person who
 40 maintains a place of business in this state, maintains a stock of goods in this state, or engages in
 41 business activities within this state and every person who engages in this state in the business of
 42 acting as a selling agent for persons not otherwise vendors as defined in this subdivision.
 43 Irrespective of whether they are making sales on their own behalf or on behalf of the dealers,
 44 distributors, consignors, supervisors, principals or employers, they must be regarded as vendors and
 45 the dealers, distributors, consignors, supervisors, principals or employers must be regarded as
 46 vendors for the purposes of sections 144.600 to 144.745.

47 144.637. 1. The director of revenue shall provide and maintain a database that describes
 48 boundary changes for all taxing jurisdictions and the effective dates of such changes for the use of
 49 vendors collecting the tax imposed under sections 144.600 to 144.745.

1 2. For the identification of counties and cities, codes corresponding to the rates shall be
2 provided according to Federal Information Processing Standards (FIPS) as developed by the
3 National Institute of Standards and Technology. For the identification of all other jurisdictions,
4 codes corresponding to the rates shall be in a format determined by the director.

5 3. The director of revenue shall provide and maintain address-based boundary database
6 records for assigning taxing jurisdictions and associated rates. The database records shall meet the
7 requirements developed under the federal Mobile Telecommunications Sourcing Act, 4 U.S.C.
8 Section 119(a). If a vendor is unable to determine the applicable rate and jurisdiction after using an
9 address-based database record after exercising due diligence, the vendor may apply the nine-digit
10 zip code designation applicable to a purchase. If a nine-digit zip code designation is not available
11 for a street address or if a vendor is unable to determine the nine-digit zip code designation
12 applicable to a purchase after exercising due diligence to determine the designation, the vendor may
13 apply the rate for the five-digit zip code area. For the purposes of this section, there shall be a
14 rebuttable presumption that a vendor has exercised due diligence if the vendor has attempted to
15 determine the tax rate and jurisdiction by utilizing software approved by the director and makes the
16 assignment from the address and zip code information applicable to the purchase. The director of
17 revenue may also elect to certify address-based databases provided by a third party; provided that,
18 such databases shall be in the same approved format as the database records under this section and
19 shall meet the requirements developed under the federal Mobile Telecommunications Sourcing Act,
20 4 U.S.C. Section 119(a). If the director certifies an address-based database provided by a third
21 party, a vendor may use such database in place of the database records provided for in this
22 subsection.

23 4. The electronic databases provided for in subsections 1 to 3 of this section shall be in a
24 downloadable format as determined by the director of revenue. The databases may be directly
25 provided by the director or provided by a third party as designated by the director. The database
26 provided by the director shall be provided at no cost to users of the database. The provisions of
27 subsection 3 of this section shall not apply if the purchaser receives the purchased product at the
28 business location of the vendor.

29 5. No vendor shall be liable for reliance upon erroneous data provided by the director of
30 revenue on tax rates, boundaries, or taxing jurisdiction assignments.

31 144.638. 1. The director of revenue shall provide and maintain a taxability matrix. The
32 entries in the taxability matrix shall be provided and maintained in a database that is in a
33 downloadable format.

34 2. The director of revenue shall provide reasonable notice of changes in the taxability of the
35 products or services listed in the taxability matrix.

36 3. A seller or CSP shall be relieved from liability to this state or any local taxing jurisdiction
37 for having charged and collected the incorrect amount of state or local sales or use tax resulting
38 from such seller's or CSP's reliance on erroneous data provided or approved by the director of
39 revenue in the taxability matrix, and a seller shall be relieved from liability for erroneous returns
40 made by a CSP on behalf of the seller.

41 144.752. 1. For the purposes of this section, the following terms shall mean:

42 (1) "Marketplace facilitator", a person that:

43 (a) Facilitates a retail sale by a marketplace seller by listing or advertising for sale by the
44 marketplace seller, in any forum, tangible personal property or services that are subject to tax under
45 this chapter; and

46 (b) Either directly or indirectly through agreements or arrangements with third parties
47 collecting payment from the purchaser and transmitting such payment to the marketplace seller
48 regardless of whether the marketplace facilitator receives compensation or other consideration in
49 exchange for its services.

1
2 A "marketplace facilitator" is a seller and shall comply with the provisions of this chapter. A
3 "marketplace facilitator" shall not include a person who provides internet advertising services or
4 product listing, who does not collect payment from the purchaser and transmit payment to the
5 marketplace seller, and who does not include a person with respect to the provision of travel agency
6 services or the operation of a marketplace or that portion of a marketplace that enables consumers to
7 receive travel agency services. For the purposes of this subdivision, "travel agency services" means
8 facilitating, for a commission, fee, or other consideration, vacation or travel packages; rental car or
9 other travel reservations; tickets for domestic or foreign travel by air, rail, ship, bus, or other
10 medium of transportation; or hotel or other lodging accommodations;

11 (2) "Marketplace seller", a seller that makes sales through any electronic marketplace
12 operated by a marketplace facilitator;

13 (3) "Person", any individual, firm, copartnership, joint venture, association, corporation,
14 municipal or private, whether organized for profit or not; state, county, political subdivision, state
15 department, commission, board, bureau, or agency, except the department of transportation; estate,
16 trust, business trust, receiver or trustee appointed by the state or federal court; syndicate; or any
17 other group or combination acting as a unit;

18 (4) "Purchaser", any person who is the recipient for a valuable consideration of any sale of
19 tangible personal property acquired for use, storage, or consumption in this state;

20 (5) "Retail sale", the same meaning as defined under sections 144.010 and 144.011,
21 excluding motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats, and outboard motors
22 required to be titled under the laws of the state and subject to tax under subdivision (9) of subsection
23 1 of section 144.020;

24 (6) "Seller", a person selling or furnishing tangible personal property or rendering services
25 on the receipts from which a tax is imposed under section 144.020.

26 2. (1) By no later than January 1, 2021, marketplace facilitators that reach the threshold
27 provided in paragraph (g) of subdivision (3) of section 144.605 shall register with the department to
28 collect and remit sales and use tax, as applicable, on sales made through the marketplace facilitator's
29 marketplace by or on behalf of a marketplace seller that are purchased in or delivered into the state,
30 whether by the marketplace facilitator or another person, and regardless of whether the marketplace
31 seller for whom sales are facilitated possesses a retail sales license or would have been required to
32 collect sales or use tax had the sale not been facilitated by the marketplace facilitator. Such retail
33 sales shall include those made directly by the marketplace facilitator and shall also include those
34 retail sales made by marketplace sellers through the marketplace facilitator's marketplace. The
35 collection and reporting requirements of this subsection shall not apply to retail sales other than
36 those made through a marketplace facilitator's marketplace. Nothing in this section shall be
37 construed to limit or prohibit the ability of a marketplace facilitator and a marketplace seller to enter
38 into agreements regarding the fulfillment of the requirements of this chapter.

39 (2) All taxable sales made through a marketplace facilitator's marketplace by or on behalf of
40 a marketplace seller shall be deemed to be consummated at the location in this state to which the
41 item is shipped or delivered, or at which possession is taken by the purchaser.

42 3. Marketplace facilitators that are required to collect sales and use tax under this section
43 shall report and remit the tax separately from any sales and use tax collected by the marketplace
44 facilitator, or by affiliates of the marketplace facilitator, that the marketplace facilitator would have
45 been required to collect and remit under the provisions of this chapter prior to January 1, 2021.
46 Such tax shall be reported and remitted on a marketplace facilitator return to be developed and
47 published by the department. Marketplace facilitators shall maintain records of all sales delivered to
48 a location in the state, including copies of invoices showing the purchaser, address, purchase
49 amount, and sales and use tax collected. Such records shall be made available for review and

1 inspection upon request by the department.

2 4. Marketplace facilitators who properly collect and remit to the department in a timely
3 manner sales and use tax on sales in accordance with the provisions of this section by or on behalf
4 of marketplace sellers shall be eligible for any discount provided under this chapter.

5 5. A marketplace facilitator shall provide the purchaser with a statement or invoice showing
6 that the sales or use tax was collected and shall be remitted on the purchaser's behalf.

7 6. Any taxpayer who remits sales or use tax under this section shall be entitled to refunds or
8 credits to the same extent and in the same manner provided for in section 144.190 for taxes
9 collected and remitted under this section. Nothing in this section shall relieve a purchaser of the
10 obligation to remit sales or use tax for any retail sale taxable under this chapter for which a
11 marketplace facilitator or marketplace seller does not collect and remit the sales or use tax.

12 7. Except as provided under subsections 8 to 10 of this section, marketplace facilitators shall
13 be subject to the penalty provisions, procedures, and reporting requirements provided under the
14 provisions of this chapter.

15 8. No class action shall be brought against a marketplace facilitator in any court in this state
16 on behalf of purchasers arising from or in any way related to an overpayment of sales or use tax
17 collected on retail sales facilitated by a marketplace facilitator, regardless of whether that claim is
18 characterized as a tax refund claim. Nothing in this subsection shall affect a purchaser's right to
19 seek a refund as provided under section 144.190.

20 9. An audit performed by the department under this chapter shall only be performed on a
21 marketplace facilitator for sales made by marketplace sellers but facilitated by the marketplace
22 facilitator. The department shall not audit a marketplace seller for sales facilitated by a marketplace
23 facilitator except to the extent a marketplace facilitator seeks relief from liability under the
24 provisions of paragraph (a) of subdivision (1) of subsection 10 of this section.

25 10. (1) A marketplace facilitator shall be relieved from liability under this section for the
26 failure to collect and remit the correct amount of sales or use tax on retail sales facilitated for
27 marketplace sellers under the following circumstances:

28 (a) To the extent that the marketplace facilitator demonstrates to the satisfaction of the
29 department that the error was due to insufficient or incorrect information given to the marketplace
30 facilitator by the marketplace seller; provided, however, that a marketplace facilitator shall not be
31 relieved of liability under this paragraph if the marketplace facilitator and the marketplace seller are
32 affiliated;

33 (b) To the extent that the marketplace facilitator demonstrates to the satisfaction of the
34 department that:

35 a. The marketplace facilitator is not the seller and that the marketplace facilitator and
36 marketplace seller are not affiliated;

37 b. The retail sale was facilitated for a marketplace seller through a marketplace operated by
38 the marketplace facilitator; and

39 c. The failure to collect and remit the correct amount of sales or use tax was due to an error
40 other than an error in sourcing the sale under the provisions of this chapter.

41 (2) The relief from liability provided under subdivision (1) of this subsection shall not
42 exceed the following percentage of the total sales and use tax due on retail sales facilitated by a
43 marketplace facilitator for marketplace sellers and sourced to this state during a calendar year,
44 which such retail sales shall not include retail sales made directly by the marketplace facilitator or
45 affiliates of the marketplace facilitator:

46 (a) For retail sales made or facilitated during the 2021 calendar year, four percent;

47 (b) For retail sales made or facilitated during the 2022 calendar year, two percent;

48 (c) For retail sales made or facilitated during the 2023 calendar year, one percent; and

49 (d) For retail sales made or facilitated for all years beginning on or after January 1, 2024,

1 zero percent.

2 (3) To the extent that a marketplace facilitator is relieved of liability for the collection of
3 sales and use tax under this subsection, the marketplace seller for whom the marketplace facilitator
4 has made or facilitated the sale shall also be relieved of liability under this subsection.

5 (4) The department shall determine the manner in which a marketplace facilitator or
6 marketplace seller shall apply for and claim the relief from liability provided for under this
7 subsection.

8 11. For the purposes of this section, a marketplace facilitator shall not include a third-party
9 financial institution appointed by a merchant or a marketplace facilitator to handle various forms of
10 payment transactions, such as processing credit cards and debit cards, and whose sole activity with
11 respect to marketplace sales is to facilitate the payment transactions between two parties.

12 144.757. 1. Any county or municipality, except municipalities within a county having a
13 charter form of government with a population in excess of nine hundred thousand, may, by a
14 majority vote of its governing body, impose a local use tax if a local sales tax is imposed as defined
15 in section 32.085 at a rate equal to the rate of the local sales tax in effect in such county or
16 municipality; provided, however, that no ordinance or order enacted pursuant to sections 144.757 to
17 144.761 shall be effective unless the governing body of the county or municipality submits to the
18 voters thereof at a municipal, county or state general, primary or special election a proposal to
19 authorize the governing body of the county or municipality to impose a local use tax pursuant to
20 sections 144.757 to 144.761. Municipalities within a county having a charter form of government
21 with a population in excess of nine hundred thousand may, upon voter approval received pursuant to
22 paragraph (b) of subdivision (2) of subsection 2 of this section, impose a local use tax at the same
23 rate as the local municipal sales tax with the revenues from all such municipal use taxes to be
24 distributed pursuant to subsection 4 of section 94.890. The municipality shall within thirty days of
25 the approval of the use tax imposed pursuant to paragraph (b) of subdivision (2) of subsection 2 of
26 this section select one of the distribution options permitted in subsection 4 of section 94.890 for
27 distribution of all municipal use taxes.

28 2. (1) The ballot of submission, except for counties and municipalities described in
29 subdivisions (2) and (3) of this subsection, shall contain substantially the following language:

30 Shall the _____ (county or municipality's name) impose a local use tax at the same
31 rate as the total local sales tax rate, [~~currently _____ (insert percent),~~] provided that
32 if the local sales tax rate is reduced or raised by voter approval, the local use tax rate
33 shall also be reduced or raised by the same action? [~~A use tax return shall not be~~
34 ~~required to be filed by persons whose purchases from out-of-state vendors do not in~~
35 ~~total exceed two thousand dollars in any calendar year.] Approval of this question
36 will eliminate the disparity in tax rates collected by local and out-of-state sellers by
37 imposing the same rate on all sellers.~~

38 YES NO

39 If you are in favor of the question, place an "X" in the box opposite "YES". If you
40 are opposed to the question, place an "X" in the box opposite "NO".

41 (2) (a) The ballot of submission in a county having a charter form of government with a
42 population in excess of nine hundred thousand shall contain substantially the following language:

43 For the purposes of enhancing county and municipal public safety, parks, and job
44 creation and enhancing local government services, shall the county be authorized to
45 collect a local use tax equal to the total of the existing county sales tax rate [~~of (insert~~
46 ~~tax rate)], provided that if the county sales tax is repealed, reduced or raised by voter~~
47 approval, the local use tax rate shall also be repealed, reduced or raised by the same
48 voter action? Fifty percent of the revenue shall be used by the county throughout the
49 county for improving and enhancing public safety, park improvements, and job

1 creation, and fifty percent shall be used for enhancing local government services. The
 2 county shall be required to make available to the public an audited comprehensive
 3 financial report detailing the management and use of the countywide portion of the
 4 funds each year.

5 A use tax is the equivalent of a sales tax on purchases from out-of-state sellers by in-
 6 state buyers and on certain taxable business transactions. [~~A use tax return shall not~~
 7 ~~be required to be filed by persons whose purchases from out-of-state vendors do not~~
 8 ~~in total exceed two thousand dollars in any calendar year.] Approval of this question
 9 will eliminate the disparity in tax rates collected by local and out-of-state sellers by
 10 imposing the same rate on all sellers.~~

11 YES NO

12 If you are in favor of the question, place an "X" in the box opposite "YES". If you are
 13 opposed to the question, place an "X" in the box opposite "NO".

14 (b) The ballot of submission in a municipality within a county having a charter form of
 15 government with a population in excess of nine hundred thousand shall contain substantially the
 16 following language:

17 Shall the municipality be authorized to impose a local use tax at the same rate as the
 18 local sales tax by a vote of the governing body, provided that if any local sales tax is
 19 repealed, reduced or raised by voter approval, the respective local use tax shall also
 20 be repealed, reduced or raised by the same action? [~~A use tax return shall not be~~
 21 ~~required to be filed by persons whose purchases from out-of-state vendors do not in~~
 22 ~~total exceed two thousand dollars in any calendar year.] Approval of this question
 23 will eliminate the disparity in tax rates collected by local and out-of-state sellers by
 24 imposing the same rate on all sellers.~~

25 YES NO

26 If you are in favor of the question, place an "X" in the box opposite "YES". If you are
 27 opposed to the question, place an "X" in the box opposite "NO".

28 (3) The ballot of submission in any city not within a county shall contain substantially the
 29 following language:

30 Shall the _____ (city name) impose a local use tax at the same rate as the local sales
 31 tax, [~~currently at a rate of _____ (insert percent)] which includes the capital
 32 improvements sales tax and the transportation tax, provided that if any local sales tax
 33 is repealed, reduced or raised by voter approval, the respective local use tax shall also
 34 be repealed, reduced or raised by the same action? [~~A use tax return shall not be~~
 35 ~~required to be filed by persons whose purchases from out-of-state vendors do not in~~
 36 ~~total exceed two thousand dollars in any calendar year.] Approval of this question
 37 will eliminate the disparity in tax rates collected by local and out-of-state sellers by
 38 imposing the same rate on all sellers.~~~~

39 YES NO

40 If you are in favor of the question, place an "X" in the box opposite "YES". If you are
 41 opposed to the question, place an "X" in the box opposite "NO".

42 (4) If any of such ballots are submitted on August 6, 1996, and if a majority of the votes cast
 43 on the proposal by the qualified voters voting thereon are in favor of the proposal, then the
 44 ordinance or order and any amendments thereto shall be in effect October 1, 1996, provided the
 45 director of revenue receives notice of adoption of the local use tax on or before August 16, 1996. If
 46 any of such ballots are submitted after December 31, 1996, and if a majority of the votes cast on the
 47 proposal by the qualified voters voting thereon are in favor of the proposal, then the ordinance or
 48 order and any amendments thereto shall be in effect on the first day of the calendar quarter which
 49 begins at least forty-five days after the director of revenue receives notice of adoption of the local

1 use tax. If a majority of the votes cast by the qualified voters voting are opposed to the proposal,
 2 then the governing body of the county or municipality shall have no power to impose the local use
 3 tax as herein authorized unless and until the governing body of the county or municipality shall
 4 again have submitted another proposal to authorize the governing body of the county or
 5 municipality to impose the local use tax and such proposal is approved by a majority of the qualified
 6 voters voting thereon.

7 3. The local use tax may be imposed at the same rate as the local sales tax then currently in
 8 effect in the county or municipality upon all transactions which are subject to the taxes imposed
 9 pursuant to sections 144.600 to 144.745 within the county or municipality adopting such tax;
 10 provided, however, that if any local sales tax is repealed or the rate thereof is reduced or raised by
 11 voter approval, the local use tax rate shall also be deemed to be repealed, reduced or raised by the
 12 same action repealing, reducing or raising the local sales tax.

13 4. For purposes of sections 144.757 to 144.761, the use tax may be referred to or described
 14 as the equivalent of a sales tax on purchases made from out-of-state sellers by in-state buyers and on
 15 certain intrabusiness transactions. Such a description shall not change the classification, form or
 16 subject of the use tax or the manner in which it is collected."; and
 17

18 Further amend said bill, Page 78, Section 135.710, Line 117, by inserting after all of said section
 19 and line the following:
 20

21 ~~"[144.1000. Sections 144.1000 to 144.1015 shall be known as and referred to~~
 22 ~~as the "Simplified Sales and Use Tax Administration Act".]~~

23 ~~[144.1003. As used in sections 144.1000 to 144.1015, the following terms~~
 24 ~~shall mean:~~

25 ~~(1) "Agreement", the streamlined sales and use tax agreement;~~

26 ~~(2) "Certified automated system", software certified jointly by the states that are~~
 27 ~~signatories to the agreement to calculate the tax imposed by each jurisdiction on a~~
 28 ~~transaction, determine the amount of tax to remit to the appropriate state and~~
 29 ~~maintain a record of the transaction;~~

30 ~~(3) "Certified service provider", an agent certified jointly by the states that are~~
 31 ~~signatories to the agreement to perform all of the seller's sales tax functions;~~

32 ~~(4) "Person", an individual, trust, estate, fiduciary, partnership, limited liability~~
 33 ~~company, limited liability partnership, corporation or any other legal entity;~~

34 ~~(5) "Sales tax", any sales tax levied pursuant to this chapter, section 32.085, or any~~
 35 ~~other sales tax authorized by statute and levied by this state or its political~~
 36 ~~subdivisions;~~

37 ~~(6) "Seller", any person making sales, leases or rentals of personal property or~~
 38 ~~services;~~

39 ~~(7) "State", any state of the United States and the District of Columbia;~~

40 ~~(8) "Use tax", the use tax levied pursuant to this chapter.]~~

41 ~~[144.1006. For the purposes of reviewing and, if necessary, amending the~~
 42 ~~agreement embodying the simplification recommendations contained in section~~
 43 ~~144.1015, the state may enter into multistate discussions. For purposes of such~~
 44 ~~discussions, the state shall be represented by seven delegates, one of whom shall be~~
 45 ~~appointed by the governor, two members appointed by the speaker of the house of~~
 46 ~~representatives, one member appointed by the minority leader of the house of~~
 47 ~~representatives, two members appointed by the president pro tempore of the senate~~
 48 ~~and one member appointed by the minority leader of the senate. The delegates need~~
 49 ~~not be members of the general assembly and at least one of the delegates appointed~~

1 by the speaker of the house of representatives and one member appointed by the
 2 president pro tempore of the senate shall be from the private sector and represent the
 3 interests of Missouri businesses. The delegates shall recommend to the committees
 4 responsible for reviewing tax issues in the senate and the house of representatives
 5 each year any amendment of state statutes required to be substantially in compliance
 6 with the agreement. Such delegates shall make a written report by the fifteenth day
 7 of January each year regarding the status of the multistate discussions and upon final
 8 adoption of the terms of the sales and use tax agreement by the multistate body.]

9 [144.1009. No provision of the agreement authorized by sections 144.1000 to
 10 144.1015 in whole or in part invalidates or amends any provision of the law of this
 11 state. Implementation of any condition of this agreement in this state, whether
 12 adopted before, at, or after membership of this state in the agreement, must be by
 13 action of the general assembly. Such report shall be delivered to the governor, the
 14 secretary of state, the president pro tempore of the senate and the speaker of the
 15 house of representatives and shall simultaneously be made publicly available by the
 16 secretary of state to any person requesting a copy.]

17 [144.1012. Unless five of the seven delegates agree, the delegates shall not
 18 enter into or vote for any streamlined sales and use tax agreement that:

- 19 (1) Requires adoption of a definition of any term that would cause any item or
 20 transaction that is now excluded or exempted from sales or use tax to become subject
 21 to sales or use tax;
- 22 (2) Requires the state of Missouri to fully exempt or fully apply sales taxes to the
 23 sale of food or any other item;
- 24 (3) Restricts the ability of local governments under statutes in effect on August 28,
 25 2002, to enact one or more local taxes on one or more items without application of
 26 the tax to all sales within the taxing jurisdiction, however, restriction of any such
 27 taxes allowed by statutes effective after August 28, 2002, may be supported;
- 28 (4) Provides for adoption of any uniform rate structure that would result in a tax
 29 increase for any Missouri taxpayer;
- 30 (5) Affects the sourcing of sales tax transactions; or
- 31 (6) Prohibits limitations or thresholds on the application of sales and use tax rates or
 32 prohibits any current sales or use tax exemption in the state of Missouri, including
 33 exemptions that are based on the value of the transaction or item.]

34 [144.1015. In addition to the requirements of section 144.1012, the delegates
 35 should consider the following features when deciding whether or not to enter into any
 36 streamlined sales and use tax agreement:

- 37 (1) The agreement should address the limitation of the number of state rates over
 38 time;
- 39 (2) The agreement should establish uniform standards for administration of exempt
 40 sales and the form used for filing sales and use tax returns and remittances;
- 41 (3) The agreement should require the state to provide a central, electronic
 42 registration system that allows a seller to register to collect and remit sales and use
 43 taxes for all signatory states;
- 44 (4) The agreement should provide that registration with the central registration
 45 system and the collection of sales and use taxes in the signatory states will not be
 46 used as a factor in determining whether the seller has nexus with a state for any tax;
- 47 (5) The agreement should provide for reduction of the burdens of complying with
 48 local sales and use taxes through the following so long as they do not conflict with
 49 the provisions of section 144.1012:

- 1 ~~(a) Restricting variances between the state and local tax bases;~~
 2 ~~(b) Requiring states to administer any sales and use taxes levied by local~~
 3 ~~jurisdictions within the state so that sellers collecting and remitting these taxes will~~
 4 ~~not have to register or file returns with, remit funds to, or be subject to independent~~
 5 ~~audits from local taxing jurisdictions;~~
 6 ~~(c) Restricting the frequency of changes in the local sales and use tax rates and~~
 7 ~~setting effective dates for the application of local jurisdictional boundary changes to~~
 8 ~~local sales and use taxes; and~~
 9 ~~(d) Providing notice of changes in local sales and use tax rates and of changes in the~~
 10 ~~boundaries of local taxing jurisdictions;~~
 11 ~~(6) The agreement should outline any monetary allowances that are to be provided~~
 12 ~~by the states to sellers or certified service providers. The agreement must allow for a~~
 13 ~~joint public and private sector study of the compliance cost on sellers and certified~~
 14 ~~service providers to collect sales and use taxes for state and local governments under~~
 15 ~~various levels of complexity to be completed by July 1, 2003;~~
 16 ~~(7) The agreement should require each state to certify compliance with the terms of~~
 17 ~~the agreement prior to joining and to maintain compliance, under the laws of the~~
 18 ~~member state, with all provisions of the agreement while a member, only if the~~
 19 ~~agreement and any amendment thereto complies with the provisions of section~~
 20 ~~144.1012;~~
 21 ~~(8) The agreement should require each state to adopt a uniform policy for certified~~
 22 ~~service providers that protects the privacy of consumers and maintains the~~
 23 ~~confidentiality of tax information; and~~
 24 ~~(9) The agreement should provide for the appointment of an advisory council of~~
 25 ~~private sector representatives and an advisory council of nonmember state~~
 26 ~~representatives to consult with in the administration of the agreement.];" and~~

27
 28 Further amend said bill and page, Section C, Line 4, by inserting after all of said section and line the
 29 following:

30
 31 "Section D. The provisions of sections 32.070, 32.071, 32.087, 144.020, 144.049, 144.054,
 32 144.060, 144.079, 144.080, 144.082, 144.111, 144.112, 144.113, 144.114, 144.140, 144.190,
 33 144.212, 144.600, 144.605, 144.637, 144.638, 144.752, and 144.757 of section A of this act shall
 34 become effective on January 1, 2021."; and

35
 36 Further amend said bill by amending the title, enacting clause, and intersectional references
 37 accordingly.