

FIRST REGULAR SESSION

SENATE BILL NO. 661

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CALLAHAN.

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

TERRY L. SPIELER, Secretary.

2530S.011

AN ACT

To repeal section 144.030, RSMo, and to enact in lieu thereof four new sections relating to tax incentives for secondary mining uses.

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

Section A. Section 144.030, RSMo, is repealed and four new sections enacted in lieu thereof, to be known as sections 135.567, 135.568, 135.569, and 144.030, to read as follows:

135.567. 1. This section shall be known and may be cited as the "Secondary Mining Use Tax Credit Program".

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

(1) "Department", the department of revenue;

(2) "Director", the director of the department of revenue;

(3) "Eligible costs", expenses incurred by a taxpayer for the utilization of existing mines for secondary uses including, but not limited to, architectural, engineering, site preparation, advertising, and legal fees;

(4) "Existing mine for secondary use", a mine with usable secondary space of one million or more square feet;

(5) "Notice of intent", a form developed by the department of economic development, completed by the taxpayer and submitted to the department which states the taxpayer's intent to utilize an existing mine for secondary use;

(6) "Tax liability", the tax due under chapters 143, 147, or 148, RSMo, other than taxes withheld under sections 143.191 to 143.265, RSMo;

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

19 (7) "Taxpayer", a person, firm, a partner in a firm, corporation,
20 or a shareholder in an S corporation doing business in the state of
21 Missouri and subject to the state income tax imposed by the provisions
22 of chapter 143, RSMo, or a corporation subject to the annual
23 corporation franchise tax imposed by the provisions of chapter 147,
24 RSMo, or an insurance company paying an annual tax on its gross
25 premium receipts in this state, or an insurance company organized to
26 do business on a not-for-profit basis, or other financial institution
27 paying taxes to the state of Missouri or any political subdivision of this
28 state under the provisions of chapter 148, RSMo, or an individual
29 subject to the state income tax imposed by the provisions of chapter
30 143, RSMo.

31 3. If any taxpayer incurs eligible costs for the utilization of an
32 existing mine for secondary use, such taxpayer shall receive a tax
33 credit against such taxpayer's Missouri income tax liability in an
34 amount equal to the lesser of one hundred percent of such costs or one
35 hundred thousand dollars, provided the taxpayer has received an
36 approval from the department of economic development. Tax credits
37 issued under this subsection are not refundable, but may be carried
38 forward five years until the credit is fully used. Tax credits issued in
39 accordance with this section may be transferred, sold or assigned by
40 notarized endorsement thereof which names the transferee.

41 4. In no event shall the aggregate amount of all tax credits
42 allowed under this section exceed one million dollars per fiscal year.

43 5. In order to receive tax credits under this section, a taxpayer
44 shall first file a notice of intent with the department of economic
45 development. The department shall issue approval based upon the
46 merit of the application and grant preference to those applications
47 which the department of economic development deems to possess a
48 likelihood of positive economic impact. The department of economic
49 development shall respond within thirty days to a company who
50 provides a notice of intent with either a proposal or a rejection of the
51 notice of intent. Failure to respond on behalf of the department of
52 economic development shall result in the notice of intent being deemed
53 a proposal for the purposes of this section. A taxpayer who is provided
54 a proposal for a project shall be allowed a benefit as provided in this
55 program in the amount and duration provided in this section. A

56 taxpayer shall claim a credit allowed by this section at the time such
57 taxpayer files his or her Missouri income tax return, provided that such
58 return is filed in a timely manner.

59 6. The department may promulgate such rules or regulations as
60 are necessary to administer the provisions of this section. Any rule or
61 portion of a rule, as that term is defined in section 536.010, RSMo, that
62 is created under the authority delegated in this section shall become
63 effective only if it complies with and is subject to all of the provisions
64 of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This
65 section and chapter 536, RSMo, are nonseverable and if any of the
66 powers vested with the general assembly pursuant to chapter 536,
67 RSMo, to review, to delay the effective date, or to disapprove and annul
68 a rule are subsequently held unconstitutional, then the grant of
69 rulemaking authority and any rule proposed or adopted after August
70 28, 2007, shall be invalid and void.

71 7. The provisions of this section shall apply to all tax years
72 beginning on or after January 1, 2008.

73 8. The provisions of this section shall not apply to section 23.253,
74 RSMo, of the Missouri sunshine act.

135.568. 1. This section shall be known and may be cited as the
2 "Business Relocation for Secondary Mine Use Tax Credit Program".

3 2. As used in this section, the following terms mean:

- 4 (1) "Department", the department of revenue;
- 5 (2) "Director", the director of the department of revenue;
- 6 (3) "Eligible costs", expenses incurred by a taxpayer in relocating
7 to an existing mine for use of the mine other than mining;
- 8 (4) "Existing mine for secondary use", a mine with usable
9 secondary space of one million or more square feet;
- 10 (5) "Notice of intent", a form developed by the department of
11 economic development, completed by the taxpayer and submitted to the
12 department which states the taxpayer's intent to relocate a business to
13 an existing mine for secondary use;
- 14 (6) "Tax liability", the tax due under chapters 143, 147, or 148,
15 RSMo, other than taxes withheld under sections 143.191 to 143.265,
16 RSMo;
- 17 (7) "Taxpayer", a person, firm, a partner in a firm, corporation,
18 or a shareholder in an S corporation doing business in the state of

19 Missouri and subject to the state income tax imposed by the provisions
20 of chapter 143, RSMo, or a corporation subject to the annual
21 corporation franchise tax imposed by the provisions of chapter 147,
22 RSMo, or an insurance company paying an annual tax on its gross
23 premium receipts in this state, or an insurance company organized to
24 do business on a not-for-profit basis, or other financial institution
25 paying taxes to the state of Missouri, or any political subdivision of this
26 state under the provisions of chapter 148, RSMo, or an individual
27 subject to the state income tax imposed by the provisions of chapter
28 143, RSMo.

29 3. If any taxpayer incurs eligible costs for the relocation of a
30 business into an existing mine for purposes other than mining, such
31 taxpayer shall receive a tax credit against such taxpayer's Missouri
32 income tax liability in an amount equal to the lesser of fifty percent of
33 such costs or ten thousand dollars. Tax credits issued under this
34 subsection are not refundable, but may be carried forward five years
35 until used. Tax credits issued in accordance with this section may be
36 transferred, sold or assigned by notarized endorsement thereof which
37 names the transferee.

38 4. In no event shall the aggregate amount of all tax credits
39 allowed under this section exceed one hundred thousand dollars per
40 fiscal year.

41 5. In order to receive tax credits under this section, a taxpayer
42 shall first file a notice of intent with the department of economic
43 development. The department shall issue approval based upon the
44 merit of the application and grant preference to those applications
45 which the department of economic development deems to possess a
46 likelihood of positive economic impact. The department of economic
47 development shall respond within thirty days to a company who
48 provides a notice of intent with either a proposal or a rejection of the
49 notice of intent. Failure to respond on behalf of the department of
50 economic development shall result in the notice of intent being deemed
51 a proposal for the purposes of this section. A taxpayer who is provided
52 a proposal for a project shall be allowed a benefit as provided in this
53 program in the amount and duration provided in this section. A
54 taxpayer shall claim a credit allowed by this section at the time such
55 taxpayer files his or her Missouri income tax return, provided that such

56 return is filed within six months after purchasing the vehicle.

57 6. The department may promulgate such rules or regulations as
58 are necessary to administer the provisions of this section. Any rule or
59 portion of a rule, as that term is defined in section 536.010, RSMo, that
60 is created under the authority delegated in this section shall become
61 effective only if it complies with and is subject to all of the provisions
62 of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This
63 section and chapter 536, RSMo, are nonseverable and if any of the
64 powers vested with the general assembly pursuant to chapter 536,
65 RSMo, to review, to delay the effective date, or to disapprove and annul
66 a rule are subsequently held unconstitutional, then the grant of
67 rulemaking authority and any rule proposed or adopted after August
68 28, 2007, shall be invalid and void.

69 7. The provisions of this section shall apply to all tax years
70 beginning on or after January 1, 2008.

71 8. The provisions of this section shall not apply to section 23.253,
72 RSMo, of the Missouri sunshine act.

 135.569. 1. This section shall be known and may be cited as the
2 "The Abandoned Mine Safety Tax Credit Program".

3 2. As used in this section, the following terms mean:

4 (1) "Department", the department of revenue;

5 (2) "Director", the director of the department of revenue;

6 (3) "Eligible costs", expenses incurred by a taxpayer in
7 implementing safety measures in abandoned mines including but not
8 limited to the purchase of safety equipment and devices, architectural
9 fees, engineering fees, site preparation, and excavation;

10 (4) "Tax liability", the tax due under chapters 143, 147, or 148,
11 RSMo, other than taxes withheld under sections 143.191 to 143.265,
12 RSMo;

13 (5) "Taxpayer", a person, firm, a partner in a firm, corporation,
14 or a shareholder in an S corporation doing business in the state of
15 Missouri and subject to the state income tax imposed by the provisions
16 of chapter 143, RSMo, or a corporation subject to the annual
17 corporation franchise tax imposed by the provisions of chapter 147,
18 RSMo, or an insurance company paying an annual tax on its gross
19 premium receipts in this state, or an insurance company organized to
20 do business on a not-for-profit basis, or other financial institution

21 paying taxes to the state of Missouri or any political subdivision of this
22 state under the provisions of chapter 148, RSMo, or an individual
23 subject to the state income tax imposed by the provisions of chapter
24 143, RSMo.

25 3. If any taxpayer incurs eligible costs for the implementation of
26 safety measures in an abandoned mine, such taxpayer shall receive a
27 tax credit against such taxpayer's Missouri income tax liability in an
28 amount equal to the lesser of fifty percent of such costs or fifty
29 thousand dollars. Tax credits issued under this subsection are not
30 refundable, but may be carried forward five years until used. Tax
31 credits issued in accordance with this section may be transferred, sold
32 or assigned by notarized endorsement thereof which names the
33 transferee.

34 4. In no event shall the aggregate amount of all tax credits
35 allowed under this section exceed five hundred thousand dollars per
36 fiscal year. The tax credits issued under this section will be on a first-
37 come, first-served filing basis.

38 5. A taxpayer shall claim a credit allowed by this section at the
39 time such taxpayer files his or her Missouri income tax return,
40 provided that such return is filed within six months after purchasing
41 the vehicle.

42 6. The department may promulgate such rules or regulations as
43 are necessary to administer the provisions of this section. Any rule or
44 portion of a rule, as that term is defined in section 536.010, RSMo, that
45 is created under the authority delegated in this section shall become
46 effective only if it complies with and is subject to all of the provisions
47 of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This
48 section and chapter 536, RSMo, are nonseverable and if any of the
49 powers vested with the general assembly pursuant to chapter 536,
50 RSMo, to review, to delay the effective date, or to disapprove and annul
51 a rule are subsequently held unconstitutional, then the grant of
52 rulemaking authority and any rule proposed or adopted after August
53 28, 2007, shall be invalid and void.

54 7. The provisions of this section shall apply to all tax years
55 beginning on or after January 1, 2008.

56 8. The provisions of this section shall not apply to section 23.253,
57 RSMo, of the Missouri sunshine act.

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

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

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

30 (2) Materials, manufactured goods, machinery and parts which when used
31 in manufacturing, processing, compounding, mining, producing or fabricating
32 become a component part or ingredient of the new personal property resulting
33 from such manufacturing, processing, compounding, mining, producing or
34 fabricating and which new personal property is intended to be sold ultimately for
35 final use or consumption; and materials, including without limitation, gases and
36 manufactured goods, including without limitation, slagging materials and

37 firebrick, which are ultimately consumed in the manufacturing process by
38 blending, reacting or interacting with or by becoming, in whole or in part,
39 component parts or ingredients of steel products intended to be sold ultimately
40 for final use or consumption;

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

45 (4) Replacement machinery, equipment, and parts and the materials and
46 supplies solely required for the installation or construction of such replacement
47 machinery, equipment, and parts, used directly in manufacturing, mining,
48 fabricating or producing a product which is intended to be sold ultimately for
49 final use or consumption; and machinery and equipment, and the materials and
50 supplies required solely for the operation, installation or construction of such
51 machinery and equipment, purchased and used to establish new, or to replace or
52 expand existing, material recovery processing plants in this state. For the
53 purposes of this subdivision, a "material recovery processing plant" means a
54 facility that has as its primary purpose the recovery of materials into a useable
55 product or a different form which is used in producing a new product and shall
56 include a facility or equipment which are used exclusively for the collection of
57 recovered materials for delivery to a material recovery processing plant but shall
58 not include motor vehicles used on highways. For purposes of this section, the
59 terms "motor vehicle" and "highway" shall have the same meaning pursuant to
60 section 301.010, RSMo. Material recovery is not the reuse of materials within a
61 manufacturing process or the use of a product previously recovered. The material
62 recovery processing plant shall qualify under the provisions of this section
63 regardless of ownership of the material being recovered;

64 (5) Machinery and equipment, and parts and the materials and supplies
65 solely required for the installation or construction of such machinery and
66 equipment, purchased and used to establish new or to expand existing
67 manufacturing, mining or fabricating plants in the state if such machinery and
68 equipment is used directly in manufacturing, mining or fabricating a product
69 which is intended to be sold ultimately for final use or consumption;

70 (6) Tangible personal property which is used exclusively in the
71 manufacturing, processing, modification or assembling of products sold to the
72 United States government or to any agency of the United States government;

73 (7) Animals or poultry used for breeding or feeding purposes;

74 (8) Newsprint, ink, computers, photosensitive paper and film, toner,
75 printing plates and other machinery, equipment, replacement parts and supplies
76 used in producing newspapers published for dissemination of news to the general
77 public;

78 (9) The rentals of films, records or any type of sound or picture
79 transcriptions for public commercial display;

80 (10) Pumping machinery and equipment used to propel products delivered
81 by pipelines engaged as common carriers;

82 (11) Railroad rolling stock for use in transporting persons or property in
83 interstate commerce and motor vehicles licensed for a gross weight of twenty-four
84 thousand pounds or more or trailers used by common carriers, as defined in
85 section 390.020, RSMo, solely in the transportation of persons or property in
86 interstate commerce;

87 (12) Electrical energy used in the actual primary manufacture, processing,
88 compounding, mining or producing of a product, or electrical energy used in the
89 actual secondary processing or fabricating of the product, or a material recovery
90 processing plant as defined in subdivision (4) of this subsection, in facilities
91 owned or leased by the taxpayer, if the total cost of electrical energy so used
92 exceeds ten percent of the total cost of production, either primary or secondary,
93 exclusive of the cost of electrical energy so used or if the raw materials used in
94 such processing contain at least twenty-five percent recovered materials as
95 defined in section 260.200, RSMo. For purposes of this subdivision, "processing"
96 means any mode of treatment, act or series of acts performed upon materials to
97 transform and reduce them to a different state or thing, including treatment
98 necessary to maintain or preserve such processing by the producer at the
99 production facility;

100 (13) Anodes which are used or consumed in manufacturing, processing,
101 compounding, mining, producing or fabricating and which have a useful life of
102 less than one year;

103 (14) Machinery, equipment, appliances and devices purchased or leased
104 and used solely for the purpose of preventing, abating or monitoring air pollution,
105 and materials and supplies solely required for the installation, construction or
106 reconstruction of such machinery, equipment, appliances and devices, and so
107 certified as such by the director of the department of natural resources, except
108 that any action by the director pursuant to this subdivision may be appealed to

109 the air conservation commission which may uphold or reverse such action;

110 (15) Machinery, equipment, appliances and devices purchased or leased
111 and used solely for the purpose of preventing, abating or monitoring water
112 pollution, and materials and supplies solely required for the installation,
113 construction or reconstruction of such machinery, equipment, appliances and
114 devices, and so certified as such by the director of the department of natural
115 resources, except that any action by the director pursuant to this subdivision may
116 be appealed to the Missouri clean water commission which may uphold or reverse
117 such action;

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

119 (17) All amounts paid or charged for admission or participation or other
120 fees paid by or other charges to individuals in or for any place of amusement,
121 entertainment or recreation, games or athletic events, including museums, fairs,
122 zoos and planetariums, owned or operated by a municipality or other political
123 subdivision where all the proceeds derived therefrom benefit the municipality or
124 other political subdivision and do not inure to any private person, firm, or
125 corporation;

126 (18) All sales of insulin and prosthetic or orthopedic devices as defined on
127 January 1, 1980, by the federal Medicare program pursuant to Title XVIII of the
128 Social Security Act of 1965, including the items specified in Section 1862(a)(12)
129 of that act, and also specifically including hearing aids and hearing aid supplies
130 and all sales of drugs which may be legally dispensed by a licensed pharmacist
131 only upon a lawful prescription of a practitioner licensed to administer those
132 items, including samples and materials used to manufacture samples which may
133 be dispensed by a practitioner authorized to dispense such samples and all sales
134 of medical oxygen, home respiratory equipment and accessories, hospital beds and
135 accessories and ambulatory aids, all sales of manual and powered wheelchairs,
136 stairway lifts, Braille writers, electronic Braille equipment and, if purchased by
137 or on behalf of a person with one or more physical or mental disabilities to enable
138 them to function more independently, all sales of scooters, reading machines,
139 electronic print enlargers and magnifiers, electronic alternative and augmentative
140 communication devices, and items used solely to modify motor vehicles to permit
141 the use of such motor vehicles by individuals with disabilities or sales of
142 over-the-counter or nonprescription drugs to individuals with disabilities;

143 (19) All sales made by or to religious and charitable organizations and
144 institutions in their religious, charitable or educational functions and activities

145 and all sales made by or to all elementary and secondary schools operated at
146 public expense in their educational functions and activities;

147 (20) All sales of aircraft to common carriers for storage or for use in
148 interstate commerce and all sales made by or to not-for-profit civic, social, service
149 or fraternal organizations, including fraternal organizations which have been
150 declared tax-exempt organizations pursuant to Section 501(c)(8) or (10) of the
151 1986 Internal Revenue Code, as amended, in their civic or charitable functions
152 and activities and all sales made to eleemosynary and penal institutions and
153 industries of the state, and all sales made to any private not-for-profit institution
154 of higher education not otherwise excluded pursuant to subdivision (19) of this
155 subsection or any institution of higher education supported by public funds, and
156 all sales made to a state relief agency in the exercise of relief functions and
157 activities;

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

166 (22) All sales made to any private not-for-profit elementary or secondary
167 school, all sales of feed additives, medications or vaccines administered to
168 livestock or poultry in the production of food or fiber, all sales of pesticides used
169 in the production of crops, livestock or poultry for food or fiber, all sales of
170 bedding used in the production of livestock or poultry for food or fiber, all sales
171 of propane or natural gas, electricity or diesel fuel used exclusively for drying
172 agricultural crops, natural gas used in the primary manufacture or processing of
173 fuel ethanol as defined in section 142.028, RSMo, natural gas, propane, and
174 electricity used by an eligible new generation cooperative or an eligible new
175 generation processing entity as defined in section 348.432, RSMo, and all sales
176 of farm machinery and equipment, other than airplanes, motor vehicles and
177 trailers. As used in this subdivision, the term "feed additives" means tangible
178 personal property which, when mixed with feed for livestock or poultry, is to be
179 used in the feeding of livestock or poultry. As used in this subdivision, the term
180 "pesticides" includes adjuvants such as crop oils, surfactants, wetting agents and

181 other assorted pesticide carriers used to improve or enhance the effect of a
182 pesticide and the foam used to mark the application of pesticides and herbicides
183 for the production of crops, livestock or poultry. As used in this subdivision, the
184 term "farm machinery and equipment" means new or used farm tractors and such
185 other new or used farm machinery and equipment and repair or replacement
186 parts thereon, and supplies and lubricants used exclusively, solely, and directly
187 for producing crops, raising and feeding livestock, fish, poultry, pheasants,
188 chukar, quail, or for producing milk for ultimate sale at retail, including field
189 drain tile, and one-half of each purchaser's purchase of diesel fuel therefor which
190 is:

191 (a) Used exclusively for agricultural purposes;

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

194 (c) Used directly in producing farm products to be sold ultimately in
195 processed form or otherwise at retail or in producing farm products to be fed to
196 livestock or poultry to be sold ultimately in processed form at retail;

197 (23) Except as otherwise provided in section 144.032, all sales of metered
198 water service, electricity, electrical current, natural, artificial or propane gas,
199 wood, coal or home heating oil for domestic use and in any city not within a
200 county, all sales of metered or unmetered water service for domestic use;

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

210 (b) Regulated utility sellers shall determine whether individual purchases
211 are exempt or nonexempt based upon the seller's utility service rate
212 classifications as contained in tariffs on file with and approved by the Missouri
213 public service commission. Sales and purchases made pursuant to the rate
214 classification "residential" and sales to and purchases made by or on behalf of the
215 occupants of residential apartments or condominiums through a single or master
216 meter, including service for common areas and facilities and vacant units, shall

217 be considered as sales made for domestic use and such sales shall be exempt from
218 sales tax. Sellers shall charge sales tax upon the entire amount of purchases
219 classified as nondomestic use. The seller's utility service rate classification and
220 the provision of service thereunder shall be conclusive as to whether or not the
221 utility must charge sales tax;

222 (c) Each person making domestic use purchases of services or property
223 and who uses any portion of the services or property so purchased for a
224 nondomestic use shall, by the fifteenth day of the fourth month following the year
225 of purchase, and without assessment, notice or demand, file a return and pay
226 sales tax on that portion of nondomestic purchases. Each person making
227 nondomestic purchases of services or property and who uses any portion of the
228 services or property so purchased for domestic use, and each person making
229 domestic purchases on behalf of occupants of residential apartments or
230 condominiums through a single or master meter, including service for common
231 areas and facilities and vacant units, under a nonresidential utility service rate
232 classification may, between the first day of the first month and the fifteenth day
233 of the fourth month following the year of purchase, apply for credit or refund to
234 the director of revenue and the director shall give credit or make refund for taxes
235 paid on the domestic use portion of the purchase. The person making such
236 purchases on behalf of occupants of residential apartments or condominiums shall
237 have standing to apply to the director of revenue for such credit or refund;

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

242 (25) Excise taxes, collected on sales at retail, imposed by Sections 4041,
243 4061, 4071, 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United
244 States Code. The director of revenue shall promulgate rules pursuant to chapter
245 536, RSMo, to eliminate all state and local sales taxes on such excise taxes;

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

252 (27) All sales made to an interstate compact agency created pursuant to

253 sections 70.370 to 70.441, RSMo, or sections 238.010 to 238.100, RSMo, in the
254 exercise of the functions and activities of such agency as provided pursuant to the
255 compact;

256 (28) Computers, computer software and computer security systems
257 purchased for use by architectural or engineering firms headquartered in this
258 state. For the purposes of this subdivision, "headquartered in this state" means
259 the office for the administrative management of at least four integrated facilities
260 operated by the taxpayer is located in the state of Missouri;

261 (29) All livestock sales when either the seller is engaged in the growing,
262 producing or feeding of such livestock, or the seller is engaged in the business of
263 buying and selling, bartering or leasing of such livestock;

264 (30) All sales of barges which are to be used primarily in the
265 transportation of property or cargo on interstate waterways;

266 (31) Electrical energy or gas, whether natural, artificial or propane, water,
267 or other utilities which are ultimately consumed in connection with the
268 manufacturing of cellular glass products or in any material recovery processing
269 plant as defined in subdivision (4) of subsection 2 of this section;

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

273 (33) Tangible personal property purchased for use or consumption directly
274 or exclusively in the research and development of prescription pharmaceuticals
275 consumed by humans or animals;

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

277 (35) All sales of feed which are developed for and used in the feeding of
278 pets owned by a commercial breeder when such sales are made to a commercial
279 breeder, as defined in section 273.325, RSMo, and licensed pursuant to sections
280 273.325 to 273.357, RSMo;

281 (36) All purchases by a contractor on behalf of an entity located in another
282 state, provided that the entity is authorized to issue a certificate of exemption for
283 purchases to a contractor under the provisions of that state's laws. For purposes
284 of this subdivision, the term "certificate of exemption" shall mean any document
285 evidencing that the entity is exempt from sales and use taxes on purchases
286 pursuant to the laws of the state in which the entity is located. Any contractor
287 making purchases on behalf of such entity shall maintain a copy of the entity's
288 exemption certificate as evidence of the exemption. If the exemption certificate

289 issued by the exempt entity to the contractor is later determined by the director
290 of revenue to be invalid for any reason and the contractor has accepted the
291 certificate in good faith, neither the contractor or the exempt entity shall be liable
292 for the payment of any taxes, interest and penalty due as the result of use of the
293 invalid exemption certificate. Materials shall be exempt from all state and local
294 sales and use taxes when purchased by a contractor for the purpose of fabricating
295 tangible personal property which is used in fulfilling a contract for the purpose
296 of constructing, repairing or remodeling facilities for the following:

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

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

303 (37) Tangible personal property purchased for use or consumption directly
304 or exclusively in research or experimentation activities performed by life science
305 companies and so certified as such by the director of the department of economic
306 development or the director's designees; except that, the total amount of
307 exemptions certified pursuant to this section shall not exceed one million three
308 hundred thousand dollars in state and local taxes per fiscal year. For purposes
309 of this subdivision, the term "life science companies" means companies whose
310 primary research activities are in agriculture, pharmaceuticals, biomedical or food
311 ingredients, and whose North American Industry Classification System (NAICS)
312 Codes fall under industry 541710 (biotech research or development laboratories),
313 621511 (medical laboratories) or 541940 (veterinary services). The exemption
314 provided by this subdivision shall expire on June 30, 2003;

315 (38) All sales or other transfers of tangible personal property to a lessor
316 who leases the property under a lease of one year or longer executed or in effect
317 at the time of the sale or other transfer to an interstate compact agency created
318 pursuant to sections 70.370 to 70.441, RSMo, or sections 238.010 to 238.100,
319 RSMo; [and]

320 (39) Sales of tickets to any collegiate athletic championship event that is
321 held in a facility owned or operated by a governmental authority or commission,
322 a quasi-governmental agency, a state university or college or by the state or any
323 political subdivision thereof, including a municipality, and that is played on a
324 neutral site and may reasonably be played at a site located outside the state of

325 Missouri. For purposes of this subdivision, "neutral site" means any site that is
326 not located on the campus of a conference member institution participating in the
327 event;

328 **(40) The sale of equipment to businesses relocating to an existing**
329 **mine for purposes other than mining if such equipment will actually be**
330 **permanently placed in the mine; and**

331 **(41) Electrical energy or gas, whether natural, artificial or**
332 **propane, water, or other utilities including telecommunication services**
333 **which are ultimately consumed in connection with a business**
334 **relocating to an existing mine for purposes other than mining.**

Unofficial

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Bill

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