

SENATE SUBSTITUTE  
FOR  
SENATE BILL NO. 123  
AN ACT

To repeal section 32.087, RSMo, and to enact in lieu thereof one new section relating to local sales taxes.

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

Section A. Section 32.087, RSMo, is repealed and one new  
2 section enacted in lieu thereof, to be known as section 32.087,  
3 to read as follows:

32.087. 1. Within ten days after the adoption of any  
2 ordinance or order in favor of adoption of any local sales  
3 tax authorized under the local sales tax law by the voters  
4 of a taxing entity, the governing body or official of such  
5 taxing entity shall forward to the director of revenue by  
6 United States registered mail or certified mail a certified  
7 copy of the ordinance or order. The ordinance or order  
8 shall reflect the effective date thereof.

9 2. Any local sales tax so adopted shall become  
10 effective on the first day of the second calendar quarter  
11 after the director of revenue receives notice of adoption of  
12 the local sales tax, except as provided in subsection 18 of  
13 this section, and shall be imposed on all transactions on  
14 which the Missouri state sales tax is imposed.

15 3. (1) Every retailer within the jurisdiction of one  
16 or more taxing entities which has imposed one or more local  
17 sales taxes under the local sales tax law shall add all  
18 taxes so imposed along with the tax imposed by the sales tax  
19 law of the state of Missouri to the sale price and, when  
20 added, the combined tax shall constitute a part of the  
21 price, and shall be a debt of the purchaser to the retailer  
22 until paid, and shall be recoverable at law in the same

23 manner as the purchase price. The combined rate of the  
24 state sales tax and all local sales taxes shall be the sum  
25 of the rates, multiplying the combined rate times the amount  
26 of the sale.

27 (2) In addition to any local sales tax imposed or  
28 authorized under the local sales tax law as of January 1,  
29 2022, any taxing jurisdiction may impose one or more sales  
30 taxes on all retail sales made in such taxing jurisdiction  
31 which are subject to taxation under the provisions of  
32 chapter 144 for any purpose designated by the taxing  
33 jurisdiction in its ballot of submission to its voters;  
34 provided, however, that no sales tax shall be effective  
35 unless the governing body of the taxing jurisdiction submits  
36 to the voters of the taxing jurisdiction, at a state general  
37 election, a proposal to authorize the taxing jurisdiction to  
38 impose a tax under the provisions of this subsection. The  
39 taxes authorized by this subsection shall be in addition to  
40 any and all other sales taxes allowed by law.

41 (3) The ballot of submission shall contain, but need  
42 not be limited to, the following language:

43 Shall ..... (taxing jurisdiction's name)  
44 impose a sales tax at the rate of ..... (insert  
45 amount) for the purpose of ..... (insert  
46 purpose)?

47  YES  NO

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

51 If a majority of the votes cast on the proposal by the  
52 qualified voters voting thereon are in favor of the  
53 proposal, then the sales tax shall be in effect. If a

54 majority of the votes cast by the qualified voters voting  
55 are opposed to the proposal, then the governing body of the  
56 taxing jurisdiction shall have no power to impose the sales  
57 tax authorized by this subsection unless and until the  
58 governing body of the taxing jurisdiction shall again have  
59 submitted another proposal to authorize it to impose the  
60 sales tax under the provisions of this subsection and such  
61 proposal is approved by a majority of the qualified voters  
62 voting thereon.

63 (4) Sales taxes imposed or authorized under the local  
64 sales tax law as of January 1, 2022, and under the  
65 provisions of this subsection shall not exceed the following  
66 amounts:

67 (a) For local sales taxes imposed by a taxing entity  
68 that is incorporated as a city, town, or village, the total  
69 combined rate shall not exceed five percent;

70 (b) For local sales taxes imposed by a county,  
71 excluding cities not within a county, the total combined  
72 rate shall not exceed five percent;

73 (c) For local sales taxes imposed by all taxing  
74 jurisdictions other than those described in paragraphs (a)  
75 and (b) of this subdivision, the total combined rate of  
76 sales taxes in any given taxing jurisdiction shall not  
77 exceed three and one-fourth percent. For the purposes of  
78 this paragraph, local sales taxes imposed by taxing entities  
79 described in paragraphs (a) and (b) of this subdivision in a  
80 given taxing jurisdiction shall not be included in the  
81 calculation of the total combined rate of sales taxes under  
82 this paragraph.

83 (5) For the purposes of subdivision (4) of this  
84 subsection, no transient guest tax or convention and tourism  
85 tax, including sections 92.325 to 92.340, shall be  
86 considered a local sales tax under the local sales tax law.

87           (6) (a) In any election in which more than one sales  
88 tax levy is approved by the voters, and the passage of such  
89 levies results in a combined rate of sales tax in excess of  
90 the limits provided for under subdivision (4) of this  
91 subsection, only the sales tax levy receiving the most votes  
92 shall become effective, provided such levy does not result  
93 in a combined rate of sales tax in excess of the limits  
94 provided for under subdivision (4) of this subsection.

95           (b) No taxing jurisdiction with a combined rate of  
96 sales tax in excess of the rates provided in subdivision (4)  
97 of this subsection as of August 28, 2021, shall be required  
98 to reduce or repeal any such sales tax rate.

99           4. The brackets required to be established by the  
100 director of revenue under the provisions of section 144.285  
101 shall be based upon the sum of the combined rate of the  
102 state sales tax and all local sales taxes imposed under the  
103 provisions of the local sales tax law.

104           5. (1) The ordinance or order imposing a local sales  
105 tax under the local sales tax law shall impose a tax upon  
106 all transactions upon which the Missouri state sales tax is  
107 imposed to the extent and in the manner provided in sections  
108 144.010 to 144.525, and the rules and regulations of the  
109 director of revenue issued pursuant thereto; except that the  
110 rate of the tax shall be the sum of the combined rate of the  
111 state sales tax or state highway use tax and all local sales  
112 taxes imposed under the provisions of the local sales tax  
113 law.

114           (2) Notwithstanding any other provision of law to the  
115 contrary, local taxing jurisdictions, except those in which  
116 voters have approved a local use tax under section 144.757,  
117 shall have placed on the ballot on or after the general  
118 election in November 2014, but no later than the general  
119 election in November 2022, whether to repeal application of

120 the local sales tax to the titling of motor vehicles,  
121 trailers, boats, and outboard motors that are subject to  
122 state sales tax under section 144.020 and purchased from a  
123 source other than a licensed Missouri dealer. The ballot  
124 question presented to the local voters shall contain  
125 substantially the following language:

126 Shall the \_\_\_\_\_ (local jurisdiction's name)  
127 discontinue applying and collecting the local  
128 sales tax on the titling of motor vehicles,  
129 trailers, boats, and outboard motors that were  
130 purchased from a source other than a licensed  
131 Missouri dealer?

132 Approval of this measure will result in a  
133 reduction of local revenue to provide for vital  
134 services for \_\_\_\_\_ (local jurisdiction's name)  
135 and it will place Missouri dealers of motor  
136 vehicles, outboard motors, boats, and trailers at  
137 a competitive disadvantage to non-Missouri dealers  
138 of motor vehicles, outboard motors, boats, and  
139 trailers.

140  YES  NO

141 If you are in favor of the question, place an "X"  
142 in the box opposite "YES". If you are opposed to  
143 the question, place an "X" in the box opposite  
144 "NO".

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

154           (4) In addition to the requirement that the ballot  
155 question set forth in subdivision (2) of this subsection be  
156 placed before the voters, the governing body of any local  
157 taxing jurisdiction that had previously imposed a local use  
158 tax on the use of motor vehicles, trailers, boats, and  
159 outboard motors may, at any time, place a proposal on the  
160 ballot at any election to repeal application of the local  
161 sales tax to the titling of motor vehicles, trailers, boats,  
162 and outboard motors purchased from a source other than a  
163 licensed Missouri dealer. If a majority of the votes cast  
164 by the registered voters voting thereon are in favor of the  
165 proposal to repeal application of the local sales tax to  
166 such titling, then the local sales tax shall no longer be  
167 applied to the titling of motor vehicles, trailers, boats,  
168 and outboard motors purchased from a source other than a  
169 licensed Missouri dealer. If a majority of the votes cast  
170 by the registered voters voting thereon are opposed to the  
171 proposal to repeal application of the local sales tax to  
172 such titling, such application shall remain in effect.

173           (5) In addition to the requirement that the ballot  
174 question set forth in subdivision (2) of this subsection be  
175 placed before the voters on or after the general election in  
176 November 2014, and on or before the general election in  
177 November 2022, whenever the governing body of any local  
178 taxing jurisdiction imposing a local sales tax on the sale  
179 of motor vehicles, trailers, boats, and outboard motors  
180 receives a petition, signed by fifteen percent of the  
181 registered voters of such jurisdiction voting in the last  
182 gubernatorial election, and calling for a proposal to be  
183 placed on the ballot at any election to repeal application  
184 of the local sales tax to the titling of motor vehicles,  
185 trailers, boats, and outboard motors purchased from a source  
186 other than a licensed Missouri dealer, the governing body

187 shall submit to the voters of such jurisdiction a proposal  
188 to repeal application of the local sales tax to such  
189 titling. If a majority of the votes cast by the registered  
190 voters voting thereon are in favor of the proposal to repeal  
191 application of the local sales tax to such titling, then the  
192 local sales tax shall no longer be applied to the titling of  
193 motor vehicles, trailers, boats, and outboard motors  
194 purchased from a source other than a licensed Missouri  
195 dealer. If a majority of the votes cast by the registered  
196 voters voting thereon are opposed to the proposal to repeal  
197 application of the local sales tax to such titling, such  
198 application shall remain in effect.

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

202 (7) If any local sales tax on the titling of motor  
203 vehicles, trailers, boats, and outboard motors purchased  
204 from a source other than a licensed Missouri dealer is  
205 repealed, such repeal shall take effect on the first day of  
206 the second calendar quarter after the election. If any  
207 local sales tax on the titling of motor vehicles, trailers,  
208 boats, and outboard motors purchased from a source other  
209 than a licensed Missouri dealer is required to cease to be  
210 applied or collected due to failure of a local taxing  
211 jurisdiction to hold an election pursuant to subdivision (2)  
212 of this subsection, such cessation shall take effect on  
213 March 1, 2023.

214 (8) Notwithstanding any provision of law to the  
215 contrary, if any local sales tax on the titling of motor  
216 vehicles, trailers, boats, and outboard motors purchased  
217 from a source other than a licensed Missouri dealer is  
218 repealed after the general election in November 2014, or if  
219 the taxing jurisdiction failed to present the ballot to the

220 voters at a general election on or before November 2022,  
221 then the governing body of such taxing jurisdiction may, at  
222 any election subsequent to the repeal or after the general  
223 election in November 2022, if the jurisdiction failed to  
224 present the ballot to the voters, place before the voters  
225 the issue of imposing a sales tax on the titling of motor  
226 vehicles, trailers, boats, and outboard motors that are  
227 subject to state sales tax under section 144.020 that were  
228 purchased from a source other than a licensed Missouri  
229 dealer. The ballot question presented to the local voters  
230 shall contain substantially the following language:

231       Shall the \_\_\_\_\_ (local jurisdiction's name)  
232       apply and collect the local sales tax on the  
233       titling of motor vehicles, trailers, boats, and  
234       outboard motors that are subject to state sales  
235       tax under section 144.020 and purchased from a  
236       source other than a licensed Missouri dealer?

237       Approval of this measure will result in an  
238       increase of local revenue to provide for vital  
239       services for \_\_\_\_\_ (local jurisdiction's  
240       name), and it will remove a competitive advantage  
241       that non-Missouri dealers of motor vehicles,  
242       outboard motors, boats, and trailers have over  
243       Missouri dealers of motor vehicles, outboard  
244       motors, boats, and trailers.

245                                YES                                NO

246       If you are in favor of the question, place an "X"  
247       in the box opposite "YES". If you are opposed to  
248       the question, place an "X" in the box opposite  
249       "NO".

250       (9) If any local sales tax on the titling of motor  
251       vehicles, trailers, boats, and outboard motors purchased  
252       from a source other than a licensed Missouri dealer is  
253       adopted, such tax shall take effect and be imposed on the  
254       first day of the second calendar quarter after the election.



255           6. On and after the effective date of any local sales  
256 tax imposed under the provisions of the local sales tax law,  
257 the director of revenue shall perform all functions incident  
258 to the administration, collection, enforcement, and  
259 operation of the tax, and the director of revenue shall  
260 collect in addition to the sales tax for the state of  
261 Missouri all additional local sales taxes authorized under  
262 the authority of the local sales tax law. All local sales  
263 taxes imposed under the local sales tax law together with  
264 all taxes imposed under the sales tax law of the state of  
265 Missouri shall be collected together and reported upon such  
266 forms and under such administrative rules and regulations as  
267 may be prescribed by the director of revenue.

268           7. All applicable provisions contained in sections  
269 144.010 to 144.525 governing the state sales tax and section  
270 32.057, the uniform confidentiality provision, shall apply  
271 to the collection of any local sales tax imposed under the  
272 local sales tax law except as modified by the local sales  
273 tax law.

274           8. All exemptions granted to agencies of government,  
275 organizations, persons and to the sale of certain articles  
276 and items of tangible personal property and taxable services  
277 under the provisions of sections 144.010 to 144.525, as  
278 these sections now read and as they may hereafter be  
279 amended, it being the intent of this general assembly to  
280 ensure that the same sales tax exemptions granted from the  
281 state sales tax law also be granted under the local sales  
282 tax law, are hereby made applicable to the imposition and  
283 collection of all local sales taxes imposed under the local  
284 sales tax law.

285           9. The same sales tax permit, exemption certificate  
286 and retail certificate required by sections 144.010 to  
287 144.525 for the administration and collection of the state

288 sales tax shall satisfy the requirements of the local sales  
289 tax law, and no additional permit or exemption certificate  
290 or retail certificate shall be required; except that the  
291 director of revenue may prescribe a form of exemption  
292 certificate for an exemption from any local sales tax  
293 imposed by the local sales tax law.

294 10. All discounts allowed the retailer under the  
295 provisions of the state sales tax law for the collection of  
296 and for payment of taxes under the provisions of the state  
297 sales tax law are hereby allowed and made applicable to any  
298 local sales tax collected under the provisions of the local  
299 sales tax law.

300 11. The penalties provided in section 32.057 and  
301 sections 144.010 to 144.525 for a violation of the  
302 provisions of those sections are hereby made applicable to  
303 violations of the provisions of the local sales tax law.

304 12. (1) For the purposes of any local sales tax  
305 imposed by an ordinance or order under the local sales tax  
306 law, all sales, except the sale of motor vehicles, trailers,  
307 boats, and outboard motors required to be titled under the  
308 laws of the state of Missouri, shall be deemed to be  
309 consummated at the place of business of the retailer unless  
310 the tangible personal property sold is delivered by the  
311 retailer or his agent to an out-of-state destination. In  
312 the event a retailer has more than one place of business in  
313 this state which participates in the sale, the sale shall be  
314 deemed to be consummated at the place of business of the  
315 retailer where the initial order for the tangible personal  
316 property is taken, even though the order must be forwarded  
317 elsewhere for acceptance, approval of credit, shipment or  
318 billing. A sale by a retailer's agent or employee shall be  
319 deemed to be consummated at the place of business from which  
320 he works.

321           (2) For the purposes of any local sales tax imposed by  
322 an ordinance or order under the local sales tax law, the  
323 sales tax upon the titling of all motor vehicles, trailers,  
324 boats, and outboard motors shall be imposed at the rate in  
325 effect at the location of the residence of the purchaser,  
326 and remitted to that local taxing entity, and not at the  
327 place of business of the retailer, or the place of business  
328 from which the retailer's agent or employee works.

329           (3) For the purposes of any local tax imposed by an  
330 ordinance or under the local sales tax law on charges for  
331 mobile telecommunications services, all taxes of mobile  
332 telecommunications service shall be imposed as provided in  
333 the Mobile Telecommunications Sourcing Act, 4 U.S.C.  
334 Sections 116 through 124, as amended.

335           13. Local sales taxes shall not be imposed on the  
336 seller of motor vehicles, trailers, boats, and outboard  
337 motors required to be titled under the laws of the state of  
338 Missouri, but shall be collected from the purchaser by the  
339 director of revenue at the time application is made for a  
340 certificate of title, if the address of the applicant is  
341 within a taxing entity imposing a local sales tax under the  
342 local sales tax law.

343           14. The director of revenue and any of his deputies,  
344 assistants and employees who have any duties or  
345 responsibilities in connection with the collection, deposit,  
346 transfer, transmittal, disbursement, safekeeping,  
347 accounting, or recording of funds which come into the hands  
348 of the director of revenue under the provisions of the local  
349 sales tax law shall enter a surety bond or bonds payable to  
350 any and all taxing entities in whose behalf such funds have  
351 been collected under the local sales tax law in the amount  
352 of one hundred thousand dollars for each such tax; but the  
353 director of revenue may enter into a blanket bond covering

354 himself and all such deputies, assistants and employees.  
355 The cost of any premium for such bonds shall be paid by the  
356 director of revenue from the share of the collections under  
357 the sales tax law retained by the director of revenue for  
358 the benefit of the state.

359 15. The director of revenue shall annually report on  
360 his management of each trust fund which is created under the  
361 local sales tax law and administration of each local sales  
362 tax imposed under the local sales tax law. He shall provide  
363 each taxing entity imposing one or more local sales taxes  
364 authorized by the local sales tax law with a detailed  
365 accounting of the source of all funds received by him for  
366 the taxing entity. Notwithstanding any other provisions of  
367 law, the state auditor shall annually audit each trust  
368 fund. A copy of the director's report and annual audit  
369 shall be forwarded to each taxing entity imposing one or  
370 more local sales taxes.

371 16. Within the boundaries of any taxing entity where  
372 one or more local sales taxes have been imposed, if any  
373 person is delinquent in the payment of the amount required  
374 to be paid by him under the local sales tax law or in the  
375 event a determination has been made against him for taxes  
376 and penalty under the local sales tax law, the limitation  
377 for bringing suit for the collection of the delinquent tax  
378 and penalty shall be the same as that provided in sections  
379 144.010 to 144.525. Where the director of revenue has  
380 determined that suit must be filed against any person for  
381 the collection of delinquent taxes due the state under the  
382 state sales tax law, and where such person is also  
383 delinquent in payment of taxes under the local sales tax  
384 law, the director of revenue shall notify the taxing entity  
385 in the event any person fails or refuses to pay the amount

386 of any local sales tax due so that appropriate action may be  
387 taken by the taxing entity.

388 17. Where property is seized by the director of  
389 revenue under the provisions of any law authorizing seizure  
390 of the property of a taxpayer who is delinquent in payment  
391 of the tax imposed by the state sales tax law, and where  
392 such taxpayer is also delinquent in payment of any tax  
393 imposed by the local sales tax law, the director of revenue  
394 shall permit the taxing entity to join in any sale of  
395 property to pay the delinquent taxes and penalties due the  
396 state and to the taxing entity under the local sales tax  
397 law. The proceeds from such sale shall first be applied to  
398 all sums due the state, and the remainder, if any, shall be  
399 applied to all sums due such taxing entity.

400 18. If a local sales tax has been in effect for at  
401 least one year under the provisions of the local sales tax  
402 law and voters approve reimposition of the same local sales  
403 tax at the same rate at an election as provided for in the  
404 local sales tax law prior to the date such tax is due to  
405 expire, the tax so reimposed shall become effective the  
406 first day of the first calendar quarter after the director  
407 receives a certified copy of the ordinance, order or  
408 resolution accompanied by a map clearly showing the  
409 boundaries thereof and the results of such election,  
410 provided that such ordinance, order or resolution and all  
411 necessary accompanying materials are received by the  
412 director at least thirty days prior to the expiration of  
413 such tax. Any administrative cost or expense incurred by  
414 the state as a result of the provisions of this subsection  
415 shall be paid by the city or county reimposing such tax.