

CONFERENCE COMMITTEE SUBSTITUTE

FOR

HOUSE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 226

AN ACT

To repeal sections 137.115, 143.121, 144.011, and 144.080, RSMo, and to enact in lieu thereof seven new sections relating to taxation, with an existing penalty provision and an emergency clause for a certain section.

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

Section A. Sections 137.115, 143.121, 144.011, and
 2 144.080, RSMo, are repealed and seven new sections enacted in
 3 lieu thereof, to be known as sections 137.115, 139.305, 143.121,
 4 144.011, 144.080, 144.142, and 144.813, to read as follows:

137.115. 1. All other laws to the contrary
 2 notwithstanding, the assessor or the assessor's deputies in
 3 all counties of this state including the City of St. Louis
 4 shall annually make a list of all real and tangible personal
 5 property taxable in the assessor's city, county, town or
 6 district. Except as otherwise provided in subsection 3 of
 7 this section and section 137.078, the assessor shall
 8 annually assess all personal property at thirty-three and
 9 one-third percent of its true value in money as of January
 10 first of each calendar year. The assessor shall annually
 11 assess all real property, including any new construction and
 12 improvements to real property, and possessory interests in
 13 real property at the percent of its true value in money set
 14 in subsection 5 of this section. The true value in money of
 15 any possessory interest in real property in subclass (3),
 16 where such real property is on or lies within the ultimate

17 airport boundary as shown by a federal airport layout plan,
18 as defined by 14 CFR 151.5, of a commercial airport having a
19 FAR Part 139 certification and owned by a political
20 subdivision, shall be the otherwise applicable true value in
21 money of any such possessory interest in real property, less
22 the total dollar amount of costs paid by a party, other than
23 the political subdivision, towards any new construction or
24 improvements on such real property completed after January
25 1, 2008, and which are included in the above-mentioned
26 possessory interest, regardless of the year in which such
27 costs were incurred or whether such costs were considered in
28 any prior year. The assessor shall annually assess all real
29 property in the following manner: new assessed values shall
30 be determined as of January first of each odd-numbered year
31 and shall be entered in the assessor's books; those same
32 assessed values shall apply in the following even-numbered
33 year, except for new construction and property improvements
34 which shall be valued as though they had been completed as
35 of January first of the preceding odd-numbered year. The
36 assessor may call at the office, place of doing business, or
37 residence of each person required by this chapter to list
38 property, and require the person to make a correct statement
39 of all taxable tangible personal property owned by the
40 person or under his or her care, charge or management,
41 taxable in the county. On or before January first of each
42 even-numbered year, the assessor shall prepare and submit a
43 two-year assessment maintenance plan to the county governing
44 body and the state tax commission for their respective
45 approval or modification. The county governing body shall
46 approve and forward such plan or its alternative to the plan
47 to the state tax commission by February first. If the
48 county governing body fails to forward the plan or its
49 alternative to the plan to the state tax commission by

50 February first, the assessor's plan shall be considered
51 approved by the county governing body. If the state tax
52 commission fails to approve a plan and if the state tax
53 commission and the assessor and the governing body of the
54 county involved are unable to resolve the differences, in
55 order to receive state cost-share funds outlined in section
56 137.750, the county or the assessor shall petition the
57 administrative hearing commission, by May first, to decide
58 all matters in dispute regarding the assessment maintenance
59 plan. Upon agreement of the parties, the matter may be
60 stayed while the parties proceed with mediation or
61 arbitration upon terms agreed to by the parties. The final
62 decision of the administrative hearing commission shall be
63 subject to judicial review in the circuit court of the
64 county involved. In the event a valuation of subclass (1)
65 real property within any county with a charter form of
66 government, or within a city not within a county, is made by
67 a computer, computer-assisted method or a computer program,
68 the burden of proof, supported by clear, convincing and
69 cogent evidence to sustain such valuation, shall be on the
70 assessor at any hearing or appeal. In any such county,
71 unless the assessor proves otherwise, there shall be a
72 presumption that the assessment was made by a computer,
73 computer-assisted method or a computer program. Such
74 evidence shall include, but shall not be limited to, the
75 following:

76 (1) The findings of the assessor based on an appraisal
77 of the property by generally accepted appraisal techniques;
78 and

79 (2) The purchase prices from sales of at least three
80 comparable properties and the address or location thereof.
81 As used in this subdivision, the word "comparable" means
82 that:

83 (a) Such sale was closed at a date relevant to the
84 property valuation; and

85 (b) Such properties are not more than one mile from
86 the site of the disputed property, except where no similar
87 properties exist within one mile of the disputed property,
88 the nearest comparable property shall be used. Such
89 property shall be within five hundred square feet in size of
90 the disputed property, and resemble the disputed property in
91 age, floor plan, number of rooms, and other relevant
92 characteristics.

93 2. Assessors in each county of this state and the City
94 of St. Louis may send personal property assessment forms
95 through the mail.

96 3. The following items of personal property shall each
97 constitute separate subclasses of tangible personal property
98 and shall be assessed and valued for the purposes of
99 taxation at the following percentages of their true value in
100 money:

101 (1) Grain and other agricultural crops in an
102 unmanufactured condition, one-half of one percent;

103 (2) Livestock, twelve percent;

104 (3) Farm machinery, twelve percent;

105 (4) Motor vehicles which are eligible for registration
106 as and are registered as historic motor vehicles pursuant to
107 section 301.131 and aircraft which are at least twenty-five
108 years old and which are used solely for noncommercial
109 purposes and are operated less than ~~[fifty]~~ two hundred
110 hours per year or aircraft that are home built from a kit,
111 five percent;

112 (5) Poultry, twelve percent; and

113 (6) Tools and equipment used for pollution control and
114 tools and equipment used in retooling for the purpose of
115 introducing new product lines or used for making

116 improvements to existing products by any company which is
117 located in a state enterprise zone and which is identified
118 by any standard industrial classification number cited in
119 subdivision (7) of section 135.200, twenty-five percent.

120 4. The person listing the property shall enter a true
121 and correct statement of the property, in a printed blank
122 prepared for that purpose. The statement, after being
123 filled out, shall be signed and either affirmed or sworn to
124 as provided in section 137.155. The list shall then be
125 delivered to the assessor.

126 5. (1) All subclasses of real property, as such
127 subclasses are established in Section 4(b) of Article X of
128 the Missouri Constitution and defined in section 137.016,
129 shall be assessed at the following percentages of true value:

130 (a) For real property in subclass (1), nineteen
131 percent;

132 (b) For real property in subclass (2), twelve percent;
133 and

134 (c) For real property in subclass (3), thirty-two
135 percent.

136 (2) A taxpayer may apply to the county assessor, or,
137 if not located within a county, then the assessor of such
138 city, for the reclassification of such taxpayer's real
139 property if the use or purpose of such real property is
140 changed after such property is assessed under the provisions
141 of this chapter. If the assessor determines that such
142 property shall be reclassified, he or she shall determine
143 the assessment under this subsection based on the percentage
144 of the tax year that such property was classified in each
145 subclassification.

146 6. Manufactured homes, as defined in section 700.010,
147 which are actually used as dwelling units shall be assessed
148 at the same percentage of true value as residential real

149 property for the purpose of taxation. The percentage of
150 assessment of true value for such manufactured homes shall
151 be the same as for residential real property. If the county
152 collector cannot identify or find the manufactured home when
153 attempting to attach the manufactured home for payment of
154 taxes owed by the manufactured home owner, the county
155 collector may request the county commission to have the
156 manufactured home removed from the tax books, and such
157 request shall be granted within thirty days after the
158 request is made; however, the removal from the tax books
159 does not remove the tax lien on the manufactured home if it
160 is later identified or found. For purposes of this section,
161 a manufactured home located in a manufactured home rental
162 park, rental community or on real estate not owned by the
163 manufactured home owner shall be considered personal
164 property. For purposes of this section, a manufactured home
165 located on real estate owned by the manufactured home owner
166 may be considered real property.

167 7. Each manufactured home assessed shall be considered
168 a parcel for the purpose of reimbursement pursuant to
169 section 137.750, unless the manufactured home is real estate
170 as defined in subsection 7 of section 442.015 and assessed
171 as a realty improvement to the existing real estate parcel.

172 8. Any amount of tax due and owing based on the
173 assessment of a manufactured home shall be included on the
174 personal property tax statement of the manufactured home
175 owner unless the manufactured home is real estate as defined
176 in subsection 7 of section 442.015, in which case the amount
177 of tax due and owing on the assessment of the manufactured
178 home as a realty improvement to the existing real estate
179 parcel shall be included on the real property tax statement
180 of the real estate owner.

181 9. The assessor of each county and each city not
182 within a county shall use the trade-in value published in
183 the October issue of the National Automobile Dealers'
184 Association Official Used Car Guide, or its successor
185 publication, as the recommended guide of information for
186 determining the true value of motor vehicles described in
187 such publication. The assessor shall not use a value that
188 is greater than the average trade-in value in determining
189 the true value of the motor vehicle without performing a
190 physical inspection of the motor vehicle. For vehicles two
191 years old or newer from a vehicle's model year, the assessor
192 may use a value other than average without performing a
193 physical inspection of the motor vehicle. In the absence of
194 a listing for a particular motor vehicle in such
195 publication, the assessor shall use such information or
196 publications which in the assessor's judgment will fairly
197 estimate the true value in money of the motor vehicle.

198 10. Before the assessor may increase the assessed
199 valuation of any parcel of subclass (1) real property by
200 more than fifteen percent since the last assessment,
201 excluding increases due to new construction or improvements,
202 the assessor shall conduct a physical inspection of such
203 property.

204 11. If a physical inspection is required, pursuant to
205 subsection 10 of this section, the assessor shall notify the
206 property owner of that fact in writing and shall provide the
207 owner clear written notice of the owner's rights relating to
208 the physical inspection. If a physical inspection is
209 required, the property owner may request that an interior
210 inspection be performed during the physical inspection. The
211 owner shall have no less than thirty days to notify the
212 assessor of a request for an interior physical inspection.

213 12. A physical inspection, as required by subsection
214 10 of this section, shall include, but not be limited to, an
215 on-site personal observation and review of all exterior
216 portions of the land and any buildings and improvements to
217 which the inspector has or may reasonably and lawfully gain
218 external access, and shall include an observation and review
219 of the interior of any buildings or improvements on the
220 property upon the timely request of the owner pursuant to
221 subsection 11 of this section. Mere observation of the
222 property via a drive-by inspection or the like shall not be
223 considered sufficient to constitute a physical inspection as
224 required by this section.

225 13. A county or city collector may accept credit cards
226 as proper form of payment of outstanding property tax or
227 license due. No county or city collector may charge
228 surcharge for payment by credit card which exceeds the fee
229 or surcharge charged by the credit card bank, processor, or
230 issuer for its service. A county or city collector may
231 accept payment by electronic transfers of funds in payment
232 of any tax or license and charge the person making such
233 payment a fee equal to the fee charged the county by the
234 bank, processor, or issuer of such electronic payment.

235 14. Any county or city not within a county in this
236 state may, by an affirmative vote of the governing body of
237 such county, opt out of the provisions of this section and
238 sections 137.073, 138.060, and 138.100 as enacted by house
239 bill no. 1150 of the ninety-first general assembly, second
240 regular session and section 137.073 as modified by house
241 committee substitute for senate substitute for senate
242 committee substitute for senate bill no. 960, ninety-second
243 general assembly, second regular session, for the next year
244 of the general reassessment, prior to January first of any
245 year. No county or city not within a county shall exercise

246 this opt-out provision after implementing the provisions of
247 this section and sections 137.073, 138.060, and 138.100 as
248 enacted by house bill no. 1150 of the ninety-first general
249 assembly, second regular session and section 137.073 as
250 modified by house committee substitute for senate substitute
251 for senate committee substitute for senate bill no. 960,
252 ninety-second general assembly, second regular session, in a
253 year of general reassessment. For the purposes of applying
254 the provisions of this subsection, a political subdivision
255 contained within two or more counties where at least one of
256 such counties has opted out and at least one of such
257 counties has not opted out shall calculate a single tax rate
258 as in effect prior to the enactment of house bill no. 1150
259 of the ninety-first general assembly, second regular
260 session. A governing body of a city not within a county or
261 a county that has opted out under the provisions of this
262 subsection may choose to implement the provisions of this
263 section and sections 137.073, 138.060, and 138.100 as
264 enacted by house bill no. 1150 of the ninety-first general
265 assembly, second regular session, and section 137.073 as
266 modified by house committee substitute for senate substitute
267 for senate committee substitute for senate bill no. 960,
268 ninety-second general assembly, second regular session, for
269 the next year of general reassessment, by an affirmative
270 vote of the governing body prior to December thirty-first of
271 any year.

272 15. The governing body of any city of the third
273 classification with more than twenty-six thousand three
274 hundred but fewer than twenty-six thousand seven hundred
275 inhabitants located in any county that has exercised its
276 authority to opt out under subsection 14 of this section may
277 levy separate and differing tax rates for real and personal
278 property only if such city bills and collects its own

279 property taxes or satisfies the entire cost of the billing
280 and collection of such separate and differing tax rates.
281 Such separate and differing rates shall not exceed such
282 city's tax rate ceiling.

283 16. Any portion of real property that is available as
284 reserve for strip, surface, or coal mining for minerals for
285 purposes of excavation for future use or sale to others that
286 has not been bonded and permitted under chapter 444 shall be
287 assessed based upon how the real property is currently being
288 used. Any information provided to a county assessor, state
289 tax commission, state agency, or political subdivision
290 responsible for the administration of tax policies shall, in
291 the performance of its duties, make available all books,
292 records, and information requested, except such books,
293 records, and information as are by law declared confidential
294 in nature, including individually identifiable information
295 regarding a specific taxpayer or taxpayer's mine property.
296 For purposes of this subsection, "mine property" shall mean
297 all real property that is in use or readily available as a
298 reserve for strip, surface, or coal mining for minerals for
299 purposes of excavation for current or future use or sale to
300 others that has been bonded and permitted under chapter 444.

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

3 (1) "Real property", any real property that is not
4 residential property, as such term is defined in section
5 137.016;

6 (2) "Restrictive order", any city-wide or county-wide
7 ordinance or order imposed by a city or county that
8 prohibits or otherwise restricts the use of a taxpayer's
9 real property, including, but not limited to, occupancy
10 restrictions. Such term shall not include any ordinance or
11 order prohibiting or restricting the use of a taxpayer's

12 real property due to a violation of a public health or
13 safety code.

14 2. Notwithstanding any provision of law to the
15 contrary, beginning January 1, 2021, any taxpayer who is a
16 resident of a city or county that imposes one or more
17 restrictive orders for a combined total in excess of fifteen
18 days during a calendar year shall receive a credit on
19 property taxes owed on such affected real property.

20 3. The amount of the credit authorized by this section
21 shall be a percentage of the property tax liability that is
22 equal to the percentage of the calendar year that the
23 taxpayer was subject to restrictions on the use of his or
24 her real property, provided that the first fifteen total
25 combined days that restrictive orders are in effect during a
26 calendar year shall not count toward the calculation of the
27 tax credit pursuant to this subsection.

28 4. (1) A taxpayer eligible for a credit pursuant to
29 this section shall timely pay all property tax owed prior to
30 any credit applied pursuant to this section, and shall, no
31 later than December thirty-first, submit a written statement
32 to the city or county requesting the amount of property tax
33 owed to such taxpayer. The city or county shall, by no
34 later than thirty days following the receipt of such a
35 statement, issue a refund to the taxpayer for the amount of
36 property tax owed to such taxpayer pursuant to this section.

37 (2) Notwithstanding the provisions of this section to
38 the contrary, a taxpayer receiving a tax credit pursuant to
39 this section that leases or rents all or a portion of his or
40 her affected real property to one or more other taxpayers
41 shall distribute such tax credit on a pro rata basis to the
42 taxpayers who are current on all lease or rental payments
43 owed to the taxpayer receiving the credit pursuant to this
44 section.

45 5. The provisions of this section shall only apply to
46 real property tax liabilities owed to a city or county
47 imposing a restrictive order, and shall not apply to
48 property tax liabilities owed to any other taxing
49 jurisdiction or to property tax liabilities owed on tangible
50 personal property.

143.121. 1. The Missouri adjusted gross income of a
2 resident individual shall be the taxpayer's federal adjusted
3 gross income subject to the modifications in this section.

4 2. There shall be added to the taxpayer's federal
5 adjusted gross income:

6 (1) The amount of any federal income tax refund
7 received for a prior year which resulted in a Missouri
8 income tax benefit. The amount added pursuant to this
9 subdivision shall not include any amount of a federal income
10 tax refund attributable to a tax credit reducing a
11 taxpayer's federal tax liability pursuant to Public Law 116-
12 136, enacted by the 116th United States Congress, for the
13 tax year beginning on or after January 1, 2020, and ending
14 on or before December 31, 2020, and deducted from Missouri
15 adjusted gross income pursuant to section 143.171;

16 (2) Interest on certain governmental obligations
17 excluded from federal gross income by 26 U.S.C. Section 103
18 of the Internal Revenue Code, as amended. The previous
19 sentence shall not apply to interest on obligations of the
20 state of Missouri or any of its political subdivisions or
21 authorities and shall not apply to the interest described in
22 subdivision (1) of subsection 3 of this section. The amount
23 added pursuant to this subdivision shall be reduced by the
24 amounts applicable to such interest that would have been
25 deductible in computing the taxable income of the taxpayer
26 except only for the application of 26 U.S.C. Section 265 of

27 the Internal Revenue Code, as amended. The reduction shall
28 only be made if it is at least five hundred dollars;

29 (3) The amount of any deduction that is included in
30 the computation of federal taxable income pursuant to 26
31 U.S.C. Section 168 of the Internal Revenue Code as amended
32 by the Job Creation and Worker Assistance Act of 2002 to the
33 extent the amount deducted relates to property purchased on
34 or after July 1, 2002, but before July 1, 2003, and to the
35 extent the amount deducted exceeds the amount that would
36 have been deductible pursuant to 26 U.S.C. Section 168 of
37 the Internal Revenue Code of 1986 as in effect on January 1,
38 2002;

39 (4) The amount of any deduction that is included in
40 the computation of federal taxable income for net operating
41 loss allowed by 26 U.S.C. Section 172 of the Internal
42 Revenue Code of 1986, as amended, other than the deduction
43 allowed by 26 U.S.C. Section 172(b)(1)(G) and 26 U.S.C.
44 Section 172(i) of the Internal Revenue Code of 1986, as
45 amended, for a net operating loss the taxpayer claims in the
46 tax year in which the net operating loss occurred or carries
47 forward for a period of more than twenty years and carries
48 backward for more than two years. Any amount of net
49 operating loss taken against federal taxable income but
50 disallowed for Missouri income tax purposes pursuant to this
51 subdivision after June 18, 2002, may be carried forward and
52 taken against any income on the Missouri income tax return
53 for a period of not more than twenty years from the year of
54 the initial loss; and

55 (5) For nonresident individuals in all taxable years
56 ending on or after December 31, 2006, the amount of any
57 property taxes paid to another state or a political
58 subdivision of another state for which a deduction was
59 allowed on such nonresident's federal return in the taxable

60 year unless such state, political subdivision of a state, or
61 the District of Columbia allows a subtraction from income
62 for property taxes paid to this state for purposes of
63 calculating income for the income tax for such state,
64 political subdivision of a state, or the District of
65 Columbia;

66 (6) For all tax years beginning on or after January 1,
67 2018, any interest expense paid or accrued in a previous
68 taxable year, but allowed as a deduction under 26 U.S.C.
69 Section 163, as amended, in the current taxable year by
70 reason of the carryforward of disallowed business interest
71 provisions of 26 U.S.C. Section 163(j), as amended. For the
72 purposes of this subdivision, an interest expense is
73 considered paid or accrued only in the first taxable year
74 the deduction would have been allowable under 26 U.S.C.
75 Section 163, as amended, if the limitation under 26 U.S.C.
76 Section 163(j), as amended, did not exist.

77 3. There shall be subtracted from the taxpayer's
78 federal adjusted gross income the following amounts to the
79 extent included in federal adjusted gross income:

80 (1) Interest received on deposits held at a federal
81 reserve bank or interest or dividends on obligations of the
82 United States and its territories and possessions or of any
83 authority, commission or instrumentality of the United
84 States to the extent exempt from Missouri income taxes
85 pursuant to the laws of the United States. The amount
86 subtracted pursuant to this subdivision shall be reduced by
87 any interest on indebtedness incurred to carry the described
88 obligations or securities and by any expenses incurred in
89 the production of interest or dividend income described in
90 this subdivision. The reduction in the previous sentence
91 shall only apply to the extent that such expenses including
92 amortizable bond premiums are deducted in determining the

93 taxpayer's federal adjusted gross income or included in the
94 taxpayer's Missouri itemized deduction. The reduction shall
95 only be made if the expenses total at least five hundred
96 dollars;

97 (2) The portion of any gain, from the sale or other
98 disposition of property having a higher adjusted basis to
99 the taxpayer for Missouri income tax purposes than for
100 federal income tax purposes on December 31, 1972, that does
101 not exceed such difference in basis. If a gain is
102 considered a long-term capital gain for federal income tax
103 purposes, the modification shall be limited to one-half of
104 such portion of the gain;

105 (3) The amount necessary to prevent the taxation
106 pursuant to this chapter of any annuity or other amount of
107 income or gain which was properly included in income or gain
108 and was taxed pursuant to the laws of Missouri for a taxable
109 year prior to January 1, 1973, to the taxpayer, or to a
110 decedent by reason of whose death the taxpayer acquired the
111 right to receive the income or gain, or to a trust or estate
112 from which the taxpayer received the income or gain;

113 (4) Accumulation distributions received by a taxpayer
114 as a beneficiary of a trust to the extent that the same are
115 included in federal adjusted gross income;

116 (5) The amount of any state income tax refund for a
117 prior year which was included in the federal adjusted gross
118 income;

119 (6) The portion of capital gain specified in section
120 135.357 that would otherwise be included in federal adjusted
121 gross income;

122 (7) The amount that would have been deducted in the
123 computation of federal taxable income pursuant to 26 U.S.C.
124 Section 168 of the Internal Revenue Code as in effect on
125 January 1, 2002, to the extent that amount relates to

126 property purchased on or after July 1, 2002, but before July
127 1, 2003, and to the extent that amount exceeds the amount
128 actually deducted pursuant to 26 U.S.C. Section 168 of the
129 Internal Revenue Code as amended by the Job Creation and
130 Worker Assistance Act of 2002;

131 (8) For all tax years beginning on or after January 1,
132 2005, the amount of any income received for military service
133 while the taxpayer serves in a combat zone which is included
134 in federal adjusted gross income and not otherwise excluded
135 therefrom. As used in this section, "combat zone" means any
136 area which the President of the United States by Executive
137 Order designates as an area in which Armed Forces of the
138 United States are or have engaged in combat. Service is
139 performed in a combat zone only if performed on or after the
140 date designated by the President by Executive Order as the
141 date of the commencing of combat activities in such zone,
142 and on or before the date designated by the President by
143 Executive Order as the date of the termination of combatant
144 activities in such zone;

145 (9) For all tax years ending on or after July 1, 2002,
146 with respect to qualified property that is sold or otherwise
147 disposed of during a taxable year by a taxpayer and for
148 which an additional modification was made under subdivision
149 (3) of subsection 2 of this section, the amount by which
150 additional modification made under subdivision (3) of
151 subsection 2 of this section on qualified property has not
152 been recovered through the additional subtractions provided
153 in subdivision (7) of this subsection;

154 (10) For all tax years beginning on or after January
155 1, 2014, the amount of any income received as payment from
156 any program which provides compensation to agricultural
157 producers who have suffered a loss as the result of a
158 disaster or emergency, including the:

- 159 (a) Livestock Forage Disaster Program;
160 (b) Livestock Indemnity Program;
161 (c) Emergency Assistance for Livestock, Honeybees, and
162 Farm-Raised Fish;
163 (d) Emergency Conservation Program;
164 (e) Noninsured Crop Disaster Assistance Program;
165 (f) Pasture, Rangeland, Forage Pilot Insurance Program;
166 (g) Annual Forage Pilot Program;
167 (h) Livestock Risk Protection Insurance Plan; and
168 (i) Livestock Gross Margin Insurance Plan; [and]

169 (11) For all tax years beginning on or after January
170 1, 2018, any interest expense paid or accrued in the current
171 taxable year, but not deducted as a result of the limitation
172 imposed under 26 U.S.C. Section 163(j), as amended. For the
173 purposes of this subdivision, an interest expense is
174 considered paid or accrued only in the first taxable year
175 the deduction would have been allowable under 26 U.S.C.
176 Section 163, as amended, if the limitation under 26 U.S.C.
177 Section 163(j), as amended, did not exist; and

178 (12) For taxpayers authorized to conduct business
179 under Article XIV of the Constitution of Missouri, the
180 amount that would have been deducted from the computation of
181 the taxpayer's federal taxable income if such a deduction
182 were not disallowed under 26 U.S.C. Section 280E, as in
183 effect on January 1, 2021, because of the status of
184 marijuana as a controlled substance under federal law.

185 4. There shall be added to or subtracted from the
186 taxpayer's federal adjusted gross income the taxpayer's
187 share of the Missouri fiduciary adjustment provided in
188 section 143.351.

189 5. There shall be added to or subtracted from the
190 taxpayer's federal adjusted gross income the modifications
191 provided in section 143.411.

192 6. In addition to the modifications to a taxpayer's
193 federal adjusted gross income in this section, to calculate
194 Missouri adjusted gross income there shall be subtracted
195 from the taxpayer's federal adjusted gross income any gain
196 recognized pursuant to 26 U.S.C. Section 1033 of the
197 Internal Revenue Code of 1986, as amended, arising from
198 compulsory or involuntary conversion of property as a result
199 of condemnation or the imminence thereof.

200 7. (1) As used in this subsection, "qualified health
201 insurance premium" means the amount paid during the tax year
202 by such taxpayer for any insurance policy primarily
203 providing health care coverage for the taxpayer, the
204 taxpayer's spouse, or the taxpayer's dependents.

205 (2) In addition to the subtractions in subsection 3 of
206 this section, one hundred percent of the amount of qualified
207 health insurance premiums shall be subtracted from the
208 taxpayer's federal adjusted gross income to the extent the
209 amount paid for such premiums is included in federal taxable
210 income. The taxpayer shall provide the department of
211 revenue with proof of the amount of qualified health
212 insurance premiums paid.

213 8. (1) Beginning January 1, 2014, in addition to the
214 subtractions provided in this section, one hundred percent
215 of the cost incurred by a taxpayer for a home energy audit
216 conducted by an entity certified by the department of
217 natural resources under section 640.153 or the
218 implementation of any energy efficiency recommendations made
219 in such an audit shall be subtracted from the taxpayer's
220 federal adjusted gross income to the extent the amount paid
221 for any such activity is included in federal taxable
222 income. The taxpayer shall provide the department of
223 revenue with a summary of any recommendations made in a
224 qualified home energy audit, the name and certification

225 number of the qualified home energy auditor who conducted
226 the audit, and proof of the amount paid for any activities
227 under this subsection for which a deduction is claimed. The
228 taxpayer shall also provide a copy of the summary of any
229 recommendations made in a qualified home energy audit to the
230 department of natural resources.

231 (2) At no time shall a deduction claimed under this
232 subsection by an individual taxpayer or taxpayers filing
233 combined returns exceed one thousand dollars per year for
234 individual taxpayers or cumulatively exceed two thousand
235 dollars per year for taxpayers filing combined returns.

236 (3) Any deduction claimed under this subsection shall
237 be claimed for the tax year in which the qualified home
238 energy audit was conducted or in which the implementation of
239 the energy efficiency recommendations occurred. If
240 implementation of the energy efficiency recommendations
241 occurred during more than one year, the deduction may be
242 claimed in more than one year, subject to the limitations
243 provided under subdivision (2) of this subsection.

244 (4) A deduction shall not be claimed for any otherwise
245 eligible activity under this subsection if such activity
246 qualified for and received any rebate or other incentive
247 through a state-sponsored energy program or through an
248 electric corporation, gas corporation, electric cooperative,
249 or municipally owned utility.

250 9. The provisions of subsection 8 of this section
251 shall expire on December 31, 2020.

144.011. 1. For purposes of sections 144.010 to
2 144.525 and 144.600 to 144.748, and the taxes imposed
3 thereby, the definition of "retail sale" or "sale at retail"
4 shall not be construed to include any of the following:

5 (1) The transfer by one corporation of substantially
6 all of its tangible personal property to another corporation

7 pursuant to a merger or consolidation effected under the
8 laws of the state of Missouri or any other jurisdiction;

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

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

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

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

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

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

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

35 (9) The transfer of reusable containers used in
36 connection with the sale of tangible personal property
37 contained therein for which a deposit is required and
38 refunded on return;

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

48 (11) The purchase by persons operating hotels, motels
49 or other transient accommodation establishments, of items of
50 a nonreusable nature which are furnished to the guests in
51 the guests' rooms of such establishments and such items are
52 included in the charge made for such accommodations. Such
53 items shall include, but not be limited to, soap, shampoo,
54 tissue and other toiletries and food or confectionery items
55 offered to the guests without charge;

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

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

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

69 (c) The first transfer which occurs after December 31,
70 1985, if the tax imposed by sections 144.010 to 144.525 was

71 not paid on any transfer of the same manufactured home which
72 occurred before December 31, 1985; [or]

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

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

79 (b) Posts or organizations of past or present members
80 of the Armed Forces of the United States or an auxiliary
81 unit or society of, or a trust or foundation for, any such
82 post or organization substantially all of the members of
83 which are past or present members of the Armed Forces of the
84 United States or who are cadets, spouses, widows, or
85 widowers of past or present members of the Armed Forces of
86 the United States, no part of the net earnings of which
87 inures to the benefit of any private shareholder or
88 individual; or

89 (c) Nonprofit organizations exempt from taxation under
90 Section 501(c)(7) of the Internal Revenue Code of 1986, as
91 amended;

92 (14) The purchase by a grocery store of food that is
93 intended for resale but that cannot be resold because of
94 theft or because the food has become spoiled and would not
95 be safe for consumption; or

96 (15) The purchase by a retailer of products that are
97 intended for resale but that cannot be resold because of
98 theft or because the product is damaged and cannot be resold.

99 2. The assumption of liabilities of the transferor by
100 the transferee incident to any of the transactions
101 enumerated in the above subdivisions (1) to (8) of
102 subsection 1 of this section shall not disqualify the
103 transfer from the exclusion described in this section, where

104 such liability assumption is related to the property
105 transferred and where the assumption does not have as its
106 principal purpose the avoidance of Missouri sales or use tax.

144.080. 1. Every person receiving any payment or
2 consideration upon the sale of property or rendering of
3 service, subject to the tax imposed by the provisions of
4 sections 144.010 to 144.525, is exercising the taxable
5 privilege of selling the property or rendering the service
6 at retail and is subject to the tax levied in section
7 144.020. The person shall be responsible not only for the
8 collection of the amount of the tax imposed on the sale or
9 service to the extent possible under the provisions of
10 section 144.285, but shall[, on or before the last day of
11 the month following each calendar quarterly period of three
12 months,] file a return with the director of revenue showing
13 the person's gross receipts and the amount of tax levied in
14 section 144.020 for the preceding [quarter] filing period,
15 and shall remit to the director of revenue, with the return,
16 the taxes levied in section 144.020[, except] as provided in
17 subsections 2 [and 3] to 4 of this section. The director of
18 revenue may promulgate rules or regulations changing the
19 filing and payment requirements of sellers, but shall not
20 require any seller to file and pay more frequently than
21 required in this section.

22 2. Where the aggregate amount levied and imposed upon
23 a seller by section 144.020 is in excess of [two] five
24 hundred [fifty] dollars [for either the first or second
25 month of a calendar quarter] per calendar month during the
26 previous calendar year, the seller shall file a return and
27 pay such aggregate amount [for such months to the director
28 of revenue by] on a monthly basis. The return shall be
29 filed and the taxes paid on or before the twentieth day of
30 the succeeding month.

31 3. Where the aggregate amount levied and imposed upon
32 a seller by section 144.020 is five hundred dollars or less
33 per calendar month, but is at least two hundred dollars in a
34 calendar quarter during the previous calendar year, the
35 seller shall file a return and pay such aggregate amount on
36 a quarterly basis. The return shall be filed and the taxes
37 paid on or before the last day of the month following each
38 calendar quarterly period.

39 4. Where the aggregate amount levied and imposed upon
40 a seller by section 144.020 is less than ~~[forty-five]~~ two
41 hundred dollars [in a] per calendar quarter during the
42 previous calendar year, the [director of revenue shall by
43 regulation permit the] seller [to] shall file a return [for
44 a calendar year] and pay such aggregate amount on an annual
45 basis. The return shall be filed and the taxes paid on or
46 before January thirty-first of the succeeding year.

47 [4.] 5. The seller of any property or person rendering
48 any service, subject to the tax imposed by sections 144.010
49 to 144.525, shall collect the tax from the purchaser of such
50 property or the recipient of the service to the extent
51 possible under the provisions of section 144.285, but the
52 seller's inability to collect any part or all of the tax
53 does not relieve the seller of the obligation to pay to the
54 state the tax imposed by section 144.020; except that the
55 collection of the tax imposed by sections 144.010 to 144.525
56 on motor vehicles and trailers shall be made as provided in
57 sections 144.070 and 144.440.

58 [5.] 6. Any person may advertise or hold out or state
59 to the public or to any customer directly that the tax or
60 any part thereof imposed by sections 144.010 to 144.525, and
61 required to be collected by the person, will be assumed or
62 absorbed by the person, provided that the amount of tax
63 assumed or absorbed shall be stated on any invoice or

64 receipt for the property sold or service rendered. Any
65 person violating any of the provisions of this section shall
66 be guilty of a misdemeanor. This subsection shall not apply
67 to any retailer prohibited from collecting and remitting
68 sales tax under section 66.630.

144.142. 1. In addition to the provisions of section
2 144.140 and any other provisions of law allowing for the
3 retention of sales or use tax otherwise due, beginning
4 August 28, 2021, and ending June 30, 2023, any retailer in
5 this state who is required to remit state sales or use tax
6 under this chapter shall be permitted to retain the full
7 amount of such state sales or use tax collected by the
8 retailer on any sales of:

9 (1) Tickets or admissions to a movie or film at the
10 retailer's movie or film theater;

11 (2) Tickets or admissions to a musical performance at
12 the retailer's music venue or at any mixed-use arena or
13 stadium operating as a music venue; or

14 (3) Concessions sold on-site at the retailer's movie
15 or film theater, the retailer's music venue, or any mixed-
16 use arena, stadium, or other venue operating as a music
17 venue.

18 2. The provisions of this section shall not be
19 construed to affect the collection, remittance, or
20 distribution of any local sales or use tax.

21 3. The department of revenue shall provide forms for a
22 retailer to document any sales or use tax retained under
23 this section. Such forms shall be submitted to the
24 department of revenue with the retailer's other applicable
25 sales or use tax returns, at the times provided under
26 sections 144.080 and 144.655 and any other applicable
27 provisions of this chapter.

28 4. The department of revenue may promulgate all
29 necessary rules and regulations for the administration of
30 this section. Any rule or portion of a rule, as that term
31 is defined in section 536.010, that is created under the
32 authority delegated in this section shall become effective
33 only if it complies with and is subject to all of the
34 provisions of chapter 536 and, if applicable, section
35 536.028. This section and chapter 536 are nonseverable, and
36 if any of the powers vested with the general assembly
37 pursuant to chapter 536 to review, to delay the effective
38 date, or to disapprove and annul a rule are subsequently
39 held unconstitutional, then the grant of rulemaking
40 authority and any rule proposed or adopted after August 28,
41 2021, shall be invalid and void.

144.813. In addition to all other exemptions granted
2 under this chapter, there is hereby specifically exempted
3 from the provisions of sections 144.010 to 144.525 and
4 144.600 to 144.761, and section 238.235, and the local sales
5 tax law as defined in section 32.085, and from the
6 computation of the tax levied, assessed, or payable under
7 sections 144.010 to 144.525 and 144.600 to 144.761, and
8 section 238.235, and the local sales tax law as defined in
9 section 32.085, all sales of class III medical devices as
10 described in 21 U.S.C. 360c(a)(1)(C) that use electric
11 fields for the purposes of the treatment of cancer including
12 components and repair parts and the disposable or single
13 patient use supplies required for the use of such devices.

 Section B. Because of the importance of property tax
2 relief, the enactment of section 139.305 of this act is
3 deemed necessary for the immediate preservation of the
4 public health, welfare, peace, and safety, and is hereby
5 declared to be an emergency act within the meaning of the
6 constitution, and the enactment of section 139.305 of this

7 act shall be in full force and effect upon its passage and
8 approval.

✓

Andrew Koenig

Philip Christofanelli