

SECOND REGULAR SESSION

# SENATE BILL NO. 881

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR BURLISON.

3288S.02I

ADRIANE D. CROUSE, Secretary

## AN ACT

To repeal section 144.030, RSMo, and to enact in lieu thereof one new section relating to a sales tax exemption for certain solar energy systems.

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

Section A. Section 144.030, RSMo, is repealed and one new  
2 section enacted in lieu thereof, to be known as section 144.030,  
3 to read as follows:

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

13 2. There are also specifically exempted from the  
14 provisions of the local sales tax law as defined in section  
15 32.085, section 238.235, and sections 144.010 to 144.525 and  
16 144.600 to 144.761 and from the computation of the tax  
17 levied, assessed or payable pursuant to the local sales tax

18 law as defined in section 32.085, section 238.235, and  
19 sections 144.010 to 144.525 and 144.600 to 144.745:

20 (1) Motor fuel or special fuel subject to an excise  
21 tax of this state, unless all or part of such excise tax is  
22 refunded pursuant to section 142.824; or upon the sale at  
23 retail of fuel to be consumed in manufacturing or creating  
24 gas, power, steam, electrical current or in furnishing water  
25 to be sold ultimately at retail; or feed for livestock or  
26 poultry; or grain to be converted into foodstuffs which are  
27 to be sold ultimately in processed form at retail; or seed,  
28 limestone or fertilizer which is to be used for seeding,  
29 liming or fertilizing crops which when harvested will be  
30 sold at retail or will be fed to livestock or poultry to be  
31 sold ultimately in processed form at retail; economic  
32 poisons registered pursuant to the provisions of the  
33 Missouri pesticide registration law, sections 281.220 to  
34 281.310, which are to be used in connection with the growth  
35 or production of crops, fruit trees or orchards applied  
36 before, during, or after planting, the crop of which when  
37 harvested will be sold at retail or will be converted into  
38 foodstuffs which are to be sold ultimately in processed form  
39 at retail;

40 (2) Materials, manufactured goods, machinery and parts  
41 which when used in manufacturing, processing, compounding,  
42 mining, producing or fabricating become a component part or  
43 ingredient of the new personal property resulting from such  
44 manufacturing, processing, compounding, mining, producing or  
45 fabricating and which new personal property is intended to  
46 be sold ultimately for final use or consumption; and  
47 materials, including without limitation, gases and  
48 manufactured goods, including without limitation slagging  
49 materials and firebrick, which are ultimately consumed in

50 the manufacturing process by blending, reacting or  
51 interacting with or by becoming, in whole or in part,  
52 component parts or ingredients of steel products intended to  
53 be sold ultimately for final use or consumption;

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

59 (4) Replacement machinery, equipment, and parts and  
60 the materials and supplies solely required for the  
61 installation or construction of such replacement machinery,  
62 equipment, and parts, used directly in manufacturing,  
63 mining, fabricating or producing a product which is intended  
64 to be sold ultimately for final use or consumption; and  
65 machinery and equipment, and the materials and supplies  
66 required solely for the operation, installation or  
67 construction of such machinery and equipment, purchased and  
68 used to establish new, or to replace or expand existing,  
69 material recovery processing plants in this state. For the  
70 purposes of this subdivision, a "material recovery  
71 processing plant" means a facility that has as its primary  
72 purpose the recovery of materials into a usable product or a  
73 different form which is used in producing a new product and  
74 shall include a facility or equipment which are used  
75 exclusively for the collection of recovered materials for  
76 delivery to a material recovery processing plant but shall  
77 not include motor vehicles used on highways. For purposes  
78 of this section, the terms motor vehicle and highway shall  
79 have the same meaning pursuant to section 301.010. For the  
80 purposes of this subdivision, subdivision (5) of this  
81 subsection, and section 144.054, as well as the definition

82 in subdivision (9) of subsection 1 of section 144.010, the  
83 term "product" includes telecommunications services and the  
84 term "manufacturing" shall include the production, or  
85 production and transmission, of telecommunications  
86 services. The preceding sentence does not make a  
87 substantive change in the law and is intended to clarify  
88 that the term "manufacturing" has included and continues to  
89 include the production and transmission of  
90 "telecommunications services", as enacted in this  
91 subdivision and subdivision (5) of this subsection, as well  
92 as the definition in subdivision (9) of subsection 1 of  
93 section 144.010. The preceding two sentences reaffirm  
94 legislative intent consistent with the interpretation of  
95 this subdivision and subdivision (5) of this subsection in  
96 *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d  
97 763 (Mo. banc 2002) and *Southwestern Bell Tel. Co. v.*  
98 *Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), and  
99 accordingly abrogates the Missouri supreme court's  
100 interpretation of those exemptions in *IBM Corporation v.*  
101 *Director of Revenue*, 491 S.W.3d 535 (Mo. banc 2016) to the  
102 extent inconsistent with this section and *Southwestern Bell*  
103 *Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc  
104 2002) and *Southwestern Bell Tel. Co. v. Director of Revenue*,  
105 182 S.W.3d 226 (Mo. banc 2005). The construction and  
106 application of this subdivision as expressed by the Missouri  
107 supreme court in *DST Systems, Inc. v. Director of Revenue*,  
108 43 S.W.3d 799 (Mo. banc 2001); *Southwestern Bell Tel. Co. v.*  
109 *Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and  
110 *Southwestern Bell Tel. Co. v. Director of Revenue*, 182  
111 S.W.3d 226 (Mo. banc 2005), is hereby affirmed. Material  
112 recovery is not the reuse of materials within a  
113 manufacturing process or the use of a product previously

114 recovered. The material recovery processing plant shall  
115 qualify under the provisions of this section regardless of  
116 ownership of the material being recovered;

117 (5) Machinery and equipment, and parts and the  
118 materials and supplies solely required for the installation  
119 or construction of such machinery and equipment, purchased  
120 and used to establish new or to expand existing  
121 manufacturing, mining or fabricating plants in the state if  
122 such machinery and equipment is used directly in  
123 manufacturing, mining or fabricating a product which is  
124 intended to be sold ultimately for final use or  
125 consumption. The construction and application of this  
126 subdivision as expressed by the Missouri supreme court in  
127 *DST Systems, Inc. v. Director of Revenue*, 43 S.W.3d 799 (Mo.  
128 banc 2001); *Southwestern Bell Tel. Co. v. Director of*  
129 *Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and *Southwestern*  
130 *Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo.  
131 banc 2005), is hereby affirmed;

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

136 (7) Animals or poultry used for breeding or feeding  
137 purposes, or captive wildlife;

138 (8) Newsprint, ink, computers, photosensitive paper  
139 and film, toner, printing plates and other machinery,  
140 equipment, replacement parts and supplies used in producing  
141 newspapers published for dissemination of news to the  
142 general public;

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

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

147           (11) Railroad rolling stock for use in transporting  
148 persons or property in interstate commerce and motor  
149 vehicles licensed for a gross weight of twenty-four thousand  
150 pounds or more or trailers used by common carriers, as  
151 defined in section 390.020, in the transportation of persons  
152 or property;

153           (12) Electrical energy used in the actual primary  
154 manufacture, processing, compounding, mining or producing of  
155 a product, or electrical energy used in the actual secondary  
156 processing or fabricating of the product, or a material  
157 recovery processing plant as defined in subdivision (4) of  
158 this subsection, in facilities owned or leased by the  
159 taxpayer, if the total cost of electrical energy so used  
160 exceeds ten percent of the total cost of production, either  
161 primary or secondary, exclusive of the cost of electrical  
162 energy so used or if the raw materials used in such  
163 processing contain at least twenty-five percent recovered  
164 materials as defined in section 260.200. There shall be a  
165 rebuttable presumption that the raw materials used in the  
166 primary manufacture of automobiles contain at least twenty-  
167 five percent recovered materials. For purposes of this  
168 subdivision, "processing" means any mode of treatment, act  
169 or series of acts performed upon materials to transform and  
170 reduce them to a different state or thing, including  
171 treatment necessary to maintain or preserve such processing  
172 by the producer at the production facility;

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

177           (14) Machinery, equipment, appliances and devices  
178 purchased or leased and used solely for the purpose of  
179 preventing, abating or monitoring air pollution, and  
180 materials and supplies solely required for the installation,  
181 construction or reconstruction of such machinery, equipment,  
182 appliances and devices;

183           (15) Machinery, equipment, appliances and devices  
184 purchased or leased and used solely for the purpose of  
185 preventing, abating or monitoring water pollution, and  
186 materials and supplies solely required for the installation,  
187 construction or reconstruction of such machinery, equipment,  
188 appliances and devices;

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

191           (17) All amounts paid or charged for admission or  
192 participation or other fees paid by or other charges to  
193 individuals in or for any place of amusement, entertainment  
194 or recreation, games or athletic events, including museums,  
195 fairs, zoos and planetariums, owned or operated by a  
196 municipality or other political subdivision where all the  
197 proceeds derived therefrom benefit the municipality or other  
198 political subdivision and do not inure to any private  
199 person, firm, or corporation, provided, however, that a  
200 municipality or other political subdivision may enter into  
201 revenue-sharing agreements with private persons, firms, or  
202 corporations providing goods or services, including  
203 management services, in or for the place of amusement,  
204 entertainment or recreation, games or athletic events, and  
205 provided further that nothing in this subdivision shall  
206 exempt from tax any amounts retained by any private person,  
207 firm, or corporation under such revenue-sharing agreement;

208 (18) All sales of insulin, and all sales, rentals,  
209 repairs, and parts of durable medical equipment, prosthetic  
210 devices, and orthopedic devices as defined on January 1,  
211 1980, by the federal Medicare program pursuant to Title  
212 XVIII of the Social Security Act of 1965, including the  
213 items specified in Section 1862(a)(12) of that act, and also  
214 specifically including hearing aids and hearing aid supplies  
215 and all sales of drugs which may be legally dispensed by a  
216 licensed pharmacist only upon a lawful prescription of a  
217 practitioner licensed to administer those items, including  
218 samples and materials used to manufacture samples which may  
219 be dispensed by a practitioner authorized to dispense such  
220 samples and all sales or rental of medical oxygen, home  
221 respiratory equipment and accessories including parts, and  
222 hospital beds and accessories and ambulatory aids including  
223 parts, and all sales or rental of manual and powered  
224 wheelchairs including parts, and stairway lifts, Braille  
225 writers, electronic Braille equipment and, if purchased or  
226 rented by or on behalf of a person with one or more physical  
227 or mental disabilities to enable them to function more  
228 independently, all sales or rental of scooters including  
229 parts, and reading machines, electronic print enlargers and  
230 magnifiers, electronic alternative and augmentative  
231 communication devices, and items used solely to modify motor  
232 vehicles to permit the use of such motor vehicles by  
233 individuals with disabilities or sales of over-the-counter  
234 or nonprescription drugs to individuals with disabilities,  
235 and drugs required by the Food and Drug Administration to  
236 meet the over-the-counter drug product labeling requirements  
237 in 21 CFR 201.66, or its successor, as prescribed by a  
238 health care practitioner licensed to prescribe;



239           (19) All sales made by or to religious and charitable  
240 organizations and institutions in their religious,  
241 charitable or educational functions and activities and all  
242 sales made by or to all elementary and secondary schools  
243 operated at public expense in their educational functions  
244 and activities;

245           (20) All sales of aircraft to common carriers for  
246 storage or for use in interstate commerce and all sales made  
247 by or to not-for-profit civic, social, service or fraternal  
248 organizations, including fraternal organizations which have  
249 been declared tax-exempt organizations pursuant to Section  
250 501(c) (8) or (10) of the 1986 Internal Revenue Code, as  
251 amended, in their civic or charitable functions and  
252 activities and all sales made to eleemosynary and penal  
253 institutions and industries of the state, and all sales made  
254 to any private not-for-profit institution of higher  
255 education not otherwise excluded pursuant to subdivision  
256 (19) of this subsection or any institution of higher  
257 education supported by public funds, and all sales made to a  
258 state relief agency in the exercise of relief functions and  
259 activities;

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

271           (22) All sales made to any private not-for-profit  
272 elementary or secondary school, all sales of feed additives,  
273 medications or vaccines administered to livestock or poultry  
274 in the production of food or fiber, all sales of pesticides  
275 used in the production of crops, livestock or poultry for  
276 food or fiber, all sales of bedding used in the production  
277 of livestock or poultry for food or fiber, all sales of  
278 propane or natural gas, electricity or diesel fuel used  
279 exclusively for drying agricultural crops, natural gas used  
280 in the primary manufacture or processing of fuel ethanol as  
281 defined in section 142.028, natural gas, propane, and  
282 electricity used by an eligible new generation cooperative  
283 or an eligible new generation processing entity as defined  
284 in section 348.432, and all sales of farm machinery and  
285 equipment, other than airplanes, motor vehicles and  
286 trailers, and any freight charges on any exempt item. As  
287 used in this subdivision, the term "feed additives" means  
288 tangible personal property which, when mixed with feed for  
289 livestock or poultry, is to be used in the feeding of  
290 livestock or poultry. As used in this subdivision, the term  
291 "pesticides" includes adjuvants such as crop oils,  
292 surfactants, wetting agents and other assorted pesticide  
293 carriers used to improve or enhance the effect of a  
294 pesticide and the foam used to mark the application of  
295 pesticides and herbicides for the production of crops,  
296 livestock or poultry. As used in this subdivision, the term  
297 "farm machinery and equipment" means new or used farm  
298 tractors and such other new or used farm machinery and  
299 equipment and repair or replacement parts thereon and any  
300 accessories for and upgrades to such farm machinery and  
301 equipment, rotary mowers used exclusively for agricultural  
302 purposes, and supplies and lubricants used exclusively,

303 solely, and directly for producing crops, raising and  
304 feeding livestock, fish, poultry, pheasants, chukar, quail,  
305 or for producing milk for ultimate sale at retail, including  
306 field drain tile, and one-half of each purchaser's purchase  
307 of diesel fuel therefor which is:

308 (a) Used exclusively for agricultural purposes;

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

311 (c) Used directly in producing farm products to be  
312 sold ultimately in processed form or otherwise at retail or  
313 in producing farm products to be fed to livestock or poultry  
314 to be sold ultimately in processed form at retail;

315 (23) Except as otherwise provided in section 144.032,  
316 all sales of metered water service, electricity, electrical  
317 current, natural, artificial or propane gas, wood, coal or  
318 home heating oil for domestic use and in any city not within  
319 a county, all sales of metered or unmetered water service  
320 for domestic use:

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

333 (b) Regulated utility sellers shall determine whether  
334 individual purchases are exempt or nonexempt based upon the

335 seller's utility service rate classifications as contained  
336 in tariffs on file with and approved by the Missouri public  
337 service commission. Sales and purchases made pursuant to  
338 the rate classification "residential" and sales to and  
339 purchases made by or on behalf of the occupants of  
340 residential apartments or condominiums through a single or  
341 master meter, including service for common areas and  
342 facilities and vacant units, shall be considered as sales  
343 made for domestic use and such sales shall be exempt from  
344 sales tax. Sellers shall charge sales tax upon the entire  
345 amount of purchases classified as nondomestic use. The  
346 seller's utility service rate classification and the  
347 provision of service thereunder shall be conclusive as to  
348 whether or not the utility must charge sales tax;

349 (c) Each person making domestic use purchases of  
350 services or property and who uses any portion of the  
351 services or property so purchased for a nondomestic use  
352 shall, by the fifteenth day of the fourth month following  
353 the year of purchase, and without assessment, notice or  
354 demand, file a return and pay sales tax on that portion of  
355 nondomestic purchases. Each person making nondomestic  
356 purchases of services or property and who uses any portion  
357 of the services or property so purchased for domestic use,  
358 and each person making domestic purchases on behalf of  
359 occupants of residential apartments or condominiums through  
360 a single or master meter, including service for common areas  
361 and facilities and vacant units, under a nonresidential  
362 utility service rate classification may, between the first  
363 day of the first month and the fifteenth day of the fourth  
364 month following the year of purchase, apply for credit or  
365 refund to the director of revenue and the director shall  
366 give credit or make refund for taxes paid on the domestic

367 use portion of the purchase. The person making such  
368 purchases on behalf of occupants of residential apartments  
369 or condominiums shall have standing to apply to the director  
370 of revenue for such credit or refund;

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

376 (25) Excise taxes, collected on sales at retail,  
377 imposed by Sections 4041, 4071, 4081, 4091, 4161, 4181,  
378 4251, 4261 and 4271 of Title 26, United States Code. The  
379 director of revenue shall promulgate rules pursuant to  
380 chapter 536 to eliminate all state and local sales taxes on  
381 such excise taxes;

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

389 (27) All sales made to an interstate compact agency  
390 created pursuant to sections 70.370 to 70.441 or sections  
391 238.010 to 238.100 in the exercise of the functions and  
392 activities of such agency as provided pursuant to the  
393 compact;

394 (28) Computers, computer software and computer  
395 security systems purchased for use by architectural or  
396 engineering firms headquartered in this state. For the  
397 purposes of this subdivision, "headquartered in this state"  
398 means the office for the administrative management of at

399 least four integrated facilities operated by the taxpayer is  
400 located in the state of Missouri;

401 (29) All livestock sales when either the seller is  
402 engaged in the growing, producing or feeding of such  
403 livestock, or the seller is engaged in the business of  
404 buying and selling, bartering or leasing of such livestock;

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

408 (31) Electrical energy or gas, whether natural,  
409 artificial or propane, water, or other utilities which are  
410 ultimately consumed in connection with the manufacturing of  
411 cellular glass products or in any material recovery  
412 processing plant as defined in subdivision (4) of this  
413 subsection;

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

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

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

424 (35) All sales of feed which are developed for and  
425 used in the feeding of pets owned by a commercial breeder  
426 when such sales are made to a commercial breeder, as defined  
427 in section 273.325, and licensed pursuant to sections  
428 273.325 to 273.357;

429 (36) All purchases by a contractor on behalf of an  
430 entity located in another state, provided that the entity is

431 authorized to issue a certificate of exemption for purchases  
432 to a contractor under the provisions of that state's laws.  
433 For purposes of this subdivision, the term "certificate of  
434 exemption" shall mean any document evidencing that the  
435 entity is exempt from sales and use taxes on purchases  
436 pursuant to the laws of the state in which the entity is  
437 located. Any contractor making purchases on behalf of such  
438 entity shall maintain a copy of the entity's exemption  
439 certificate as evidence of the exemption. If the exemption  
440 certificate issued by the exempt entity to the contractor is  
441 later determined by the director of revenue to be invalid  
442 for any reason and the contractor has accepted the  
443 certificate in good faith, neither the contractor or the  
444 exempt entity shall be liable for the payment of any taxes,  
445 interest and penalty due as the result of use of the invalid  
446 exemption certificate. Materials shall be exempt from all  
447 state and local sales and use taxes when purchased by a  
448 contractor for the purpose of fabricating tangible personal  
449 property which is used in fulfilling a contract for the  
450 purpose of constructing, repairing or remodeling facilities  
451 for the following:

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

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

461 (37) All sales or other transfers of tangible personal  
462 property to a lessor who leases the property under a lease

463 of one year or longer executed or in effect at the time of  
464 the sale or other transfer to an interstate compact agency  
465 created pursuant to sections 70.370 to 70.441 or sections  
466 238.010 to 238.100;

467 (38) Sales of tickets to any collegiate athletic  
468 championship event that is held in a facility owned or  
469 operated by a governmental authority or commission, a quasi-  
470 governmental agency, a state university or college or by the  
471 state or any political subdivision thereof, including a  
472 municipality, and that is played on a neutral site and may  
473 reasonably be played at a site located outside the state of  
474 Missouri. For purposes of this subdivision, "neutral site"  
475 means any site that is not located on the campus of a  
476 conference member institution participating in the event;

477 (39) All purchases by a sports complex authority  
478 created under section 64.920, and all sales of utilities by  
479 such authority at the authority's cost that are consumed in  
480 connection with the operation of a sports complex leased to  
481 a professional sports team;

482 (40) All materials, replacement parts, and equipment  
483 purchased for use directly upon, and for the modification,  
484 replacement, repair, and maintenance of aircraft, aircraft  
485 power plants, and aircraft accessories;

486 (41) Sales of sporting clays, wobble, skeet, and trap  
487 targets to any shooting range or similar places of business  
488 for use in the normal course of business and money received  
489 by a shooting range or similar places of business from  
490 patrons and held by a shooting range or similar place of  
491 business for redistribution to patrons at the conclusion of  
492 a shooting event;



493           (42) All sales of motor fuel, as defined in section  
494 142.800, used in any watercraft, as defined in section  
495 306.010;

496           (43) Any new or used aircraft sold or delivered in  
497 this state to a person who is not a resident of this state  
498 or a corporation that is not incorporated in this state, and  
499 such aircraft is not to be based in this state and shall not  
500 remain in this state more than ten business days subsequent  
501 to the last to occur of:

502           (a) The transfer of title to the aircraft to a person  
503 who is not a resident of this state or a corporation that is  
504 not incorporated in this state; or

505           (b) The date of the return to service of the aircraft  
506 in accordance with 14 CFR 91.407 for any maintenance,  
507 preventive maintenance, rebuilding, alterations, repairs, or  
508 installations that are completed contemporaneously with the  
509 transfer of title to the aircraft to a person who is not a  
510 resident of this state or a corporation that is not  
511 incorporated in this state;

512           (44) Motor vehicles registered in excess of fifty-four  
513 thousand pounds, and the trailers pulled by such motor  
514 vehicles, that are actually used in the normal course of  
515 business to haul property on the public highways of the  
516 state, and that are capable of hauling loads commensurate  
517 with the motor vehicle's registered weight; and the  
518 materials, replacement parts, and equipment purchased for  
519 use directly upon, and for the repair and maintenance or  
520 manufacture of such vehicles. For purposes of this  
521 subdivision, "motor vehicle" and "public highway" shall have  
522 the meaning as ascribed in section 390.020;

523           (45) All internet access or the use of internet access  
524 regardless of whether the tax is imposed on a provider of

525 internet access or a buyer of internet access. For purposes  
526 of this subdivision, the following terms shall mean:

527 (a) "Direct costs", costs incurred by a governmental  
528 authority solely because of an internet service provider's  
529 use of the public right-of-way. The term shall not include  
530 costs that the governmental authority would have incurred if  
531 the internet service provider did not make such use of the  
532 public right-of-way. Direct costs shall be determined in a  
533 manner consistent with generally accepted accounting  
534 principles;

535 (b) "Internet", computer and telecommunications  
536 facilities, including equipment and operating software, that  
537 comprises the interconnected worldwide network that employ  
538 the transmission control protocol or internet protocol, or  
539 any predecessor or successor protocols to that protocol, to  
540 communicate information of all kinds by wire or radio;

541 (c) "Internet access", a service that enables users to  
542 connect to the internet to access content, information, or  
543 other services without regard to whether the service is  
544 referred to as telecommunications, communications,  
545 transmission, or similar services, and without regard to  
546 whether a provider of the service is subject to regulation  
547 by the Federal Communications Commission as a common carrier  
548 under 47 U.S.C. Section 201, et seq. For purposes of this  
549 subdivision, internet access also includes: the purchase,  
550 use, or sale of communications services, including  
551 telecommunications services as defined in section 144.010,  
552 to the extent the communications services are purchased,  
553 used, or sold to provide the service described in this  
554 subdivision or to otherwise enable users to access content,  
555 information, or other services offered over the internet;  
556 services that are incidental to the provision of a service

557 described in this subdivision, when furnished to users as  
558 part of such service, including a home page, electronic  
559 mail, and instant messaging, including voice-capable and  
560 video-capable electronic mail and instant messaging, video  
561 clips, and personal electronic storage capacity; a home page  
562 electronic mail and instant messaging, including voice-  
563 capable and video-capable electronic mail and instant  
564 messaging, video clips, and personal electronic storage  
565 capacity that are provided independently or that are not  
566 packed with internet access. As used in this subdivision,  
567 internet access does not include voice, audio, and video  
568 programming or other products and services, except services  
569 described in this paragraph or this subdivision, that use  
570 internet protocol or any successor protocol and for which  
571 there is a charge, regardless of whether the charge is  
572 separately stated or aggregated with the charge for services  
573 described in this paragraph or this subdivision;

574 (d) "Tax", any charge imposed by the state or a  
575 political subdivision of the state for the purpose of  
576 generating revenues for governmental purposes and that is  
577 not a fee imposed for a specific privilege, service, or  
578 benefit conferred, except as described as otherwise under  
579 this subdivision, or any obligation imposed on a seller to  
580 collect and to remit to the state or a political subdivision  
581 of the state any gross retail tax, sales tax, or use tax  
582 imposed on a buyer by such a governmental entity. The term  
583 tax shall not include any franchise fee or similar fee  
584 imposed or authorized under section 67.1830 or 67.2689;  
585 Section 622 or 653 of the Communications Act of 1934, 47  
586 U.S.C. Section 542 and 47 U.S.C. Section 573; or any other  
587 fee related to obligations of telecommunications carriers

588 under the Communications Act of 1934, 47 U.S.C. Section 151,  
589 et seq., except to the extent that:

590 a. The fee is not imposed for the purpose of  
591 recovering direct costs incurred by the franchising or other  
592 governmental authority from providing the specific  
593 privilege, service, or benefit conferred to the payer of the  
594 fee; or

595 b. The fee is imposed for the use of a public right-of-  
596 way based on a percentage of the service revenue, and the  
597 fee exceeds the incremental direct costs incurred by the  
598 governmental authority associated with the provision of that  
599 right-of-way to the provider of internet access service.

600 Nothing in this subdivision shall be interpreted as an  
601 exemption from taxes due on goods or services that were  
602 subject to tax on January 1, 2016;

603 **(46) All purchases by a Missouri company of solar**  
604 **photovoltaic energy distributed generation systems and all**  
605 **purchases of supplies used directly to make improvements to**  
606 **such systems, provided that such systems:**

607 **(a) Allow for energy storage;**

608 **(b) Include advanced or smart meter inverter capacity;**

609 **or**

610 **(c) Allow for utility scale projects greater than**  
611 **twenty megawatts.**

612 **For the purposes of this subdivision, the term "Missouri**  
613 **company" shall mean any corporation or other business**  
614 **organization that is registered with the secretary of state,**  
615 **has at least one physical office located in this state, and**  
616 **employs at least three residents of this state in full-time**  
617 **positions.**

618           3. Any ruling, agreement, or contract, whether written  
619 or oral, express or implied, between a person and this  
620 state's executive branch, or any other state agency or  
621 department, stating, agreeing, or ruling that such person is  
622 not required to collect sales and use tax in this state  
623 despite the presence of a warehouse, distribution center, or  
624 fulfillment center in this state that is owned or operated  
625 by the person or an affiliated person shall be null and void  
626 unless it is specifically approved by a majority vote of  
627 each of the houses of the general assembly. For purposes of  
628 this subsection, an "affiliated person" means any person  
629 that is a member of the same controlled group of  
630 corporations as defined in Section 1563(a) of the Internal  
631 Revenue Code of 1986, as amended, as the vendor or any other  
632 entity that, notwithstanding its form of organization, bears  
633 the same ownership relationship to the vendor as a  
634 corporation that is a member of the same controlled group of  
635 corporations as defined in Section 1563(a) of the Internal  
636 Revenue Code, as amended.

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