

FIRST REGULAR SESSION

[RE-PERFECTED]

SENATE SUBSTITUTE NO. 3 FOR

SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 131

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR BRATTIN.

1045S.07R

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 144.064, RSMo, and to enact in lieu thereof three new sections relating to firearms tax relief.

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

Section A. Section 144.064, RSMo, is repealed and three
2 new sections enacted in lieu thereof, to be known as sections
3 135.098, 144.064, and 252.355, to read as follows:

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

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

4 (2) "Federal firearms excise tax", the federal
5 firearms and ammunition excise tax imposed pursuant to 26
6 U.S.C. Section 4181;

7 (3) "State tax liability", any liability incurred by
8 the taxpayer pursuant to the provisions of chapter 143,
9 exclusive of the provisions relating to the withholding of
10 tax as provided for in sections 143.191 to 143.265 and
11 related provisions;

12 (4) "Tax credit", a credit against the taxpayer's
13 state tax liability;

14 (5) "Taxpayer", any individual subject to the state
15 income tax pursuant to chapter 143.

16 2. For all tax years beginning on or after January 1,
17 2024, a taxpayer liable to pay federal firearms excise tax
18 shall be authorized to claim a tax credit in an amount equal
19 to one hundred percent of such tax paid by the taxpayer on
20 sales of firearms and ammunition made in the United States
21 and sold by the taxpayer during the tax year.

22 3. The tax credit allowed by this section shall be
23 claimed by such taxpayer at the time such taxpayer files a
24 return and shall be applied against the income tax liability
25 imposed by chapter 143, excluding the withholding tax
26 imposed by sections 143.191 to 143.265. The department may
27 require any documentation it deems necessary to administer
28 the provisions of this section.

29 4. Any amount of tax credit that exceeds the
30 taxpayer's state tax liability shall not be refunded to the
31 taxpayer. Tax credits authorized pursuant to this section
32 shall not be transferred, sold, assigned, or otherwise
33 conveyed.

34 5. A taxpayer shall not claim a tax credit pursuant to
35 this section if the taxpayer has retained sales tax pursuant
36 to section 144.064 for the same federal firearms excise tax
37 paid.

38 6. The department may promulgate rules and adopt
39 statements of policy, procedures, forms, and guidelines to
40 implement and administer the provisions of this section.
41 Rules promulgated pursuant to this subsection shall not be
42 construed to create or authorize the creation of any
43 database that would include the names of any person who
44 purchases, sells, or uses any firearms or ammunition. Any
45 rule or portion of a rule, as that term is defined in

section 536.010, that is created pursuant to the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2023, shall be invalid and void.

7. Pursuant to section 23.253 of the Missouri sunset act:

(1) The program authorized under this section shall expire on December 31, 2029, unless reauthorized by the general assembly; and

(2) The act shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset; and

(3) If such program is reauthorized, the program authorized under this section shall automatically sunset six years after the effective date of the reauthorization of this section; and

(4) The provisions of this subsection shall not be construed to limit or in any way impair the department of revenue's ability to redeem tax credits authorized on or before the date the program authorized pursuant to this section expires, or a taxpayer's ability to redeem such tax credits.

144.064. 1. No sales tax levied under this chapter on any firearms or ammunition shall be levied at a rate that is higher than the sales tax levied under this chapter or any

4 other excise tax levied on any sporting goods or equipment
5 or any hunting equipment.

6 2. Beginning August 28, 2023, in addition to all other
7 exemptions granted pursuant to this chapter, there is hereby
8 specifically exempted from the provisions of and from the
9 computation of the tax levied, assessed, or payable pursuant
10 to this chapter and the local sales tax law as defined in
11 section 32.085, all sales of firearms and ammunition made in
12 the United States and sold in this state.

13 3. Beginning August 28, 2023, from every remittance of
14 sales tax to the director of revenue made on or before the
15 date when the same becomes due by a person selling firearms
16 or ammunition made in the United States, the person required
17 to remit the same shall be entitled to deduct and retain an
18 amount equal to the amount of the federal firearms and
19 ammunition excise tax paid by such person pursuant to 26
20 U.S.C. Section 4181, as amended. If the amount of sales tax
21 required to be remitted is less than the amount of the
22 federal firearms and ammunition excise tax paid, the amount
23 allowed to be deducted and retained pursuant to this
24 subsection shall be carried forward to subsequent sales tax
25 filing periods until the full deduction is made.

252.355. 1. Any person having paid an amount of sales
2 tax during a calendar year that is equal to or greater than
3 the cost of a hunting or fishing permit shall be eligible to
4 receive a hunting or fishing permit for such year free of
5 charge.

6 2. A person applying for a hunting or fishing permit
7 pursuant to this section shall submit proof of having paid a
8 sufficient amount of sales tax to qualify for a free permit
9 pursuant to this section. The commission shall publish
10 information on its website indicating the required amount of

11 sales tax paid in order to qualify for a free hunting or
12 fishing permit.

13 3. The commission shall issue each hunting and fishing
14 permit upon receiving sufficient proof of sales tax paid,
15 unless the individual requesting a permit pursuant to this
16 section is otherwise prohibited from possessing a hunting
17 permit or fishing permit by statute, rule, or regulation.

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