

Oversight Division

Committee On Legislative Research

PROGRAM EVALUATION

Review of the
Missouri Department of Revenue
State Sales Tax Exemptions

Program Evaluation

Missouri Department of Revenue State Sales Tax Exemptions

*Prepared for the Committee on Legislative Research
by the Oversight Division*

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Committee on Legislative Research Oversight Subcommittee

THE COMMITTEE ON LEGISLATIVE RESEARCH, Oversight Division, is an agency of the Missouri General Assembly as established in Chapter 23 of the Revised Statutes of Missouri. The programs and activities of the State of Missouri cost approximately \$24.0 billion annually. Each year the General Assembly enacts laws which add to, delete or change these programs. To meet the demands for more responsive and cost effective state government, legislators need to receive information regarding the status of the programs which they have created and the expenditure of funds which they have authorized. The work of the Oversight Division provides the General Assembly with a means to evaluate state agencies and state programs.

THE COMMITTEE ON LEGISLATIVE RESEARCH is a permanent joint committee of the Missouri General Assembly comprised of the chairman of the Senate Appropriations Committee and nine other members of the Senate and the chairman of the House Budget Committee and nine other members of the House of Representatives. The Senate members are appointed by the President Pro Tem of the Senate and the House members are appointed by the Speaker of the House of Representatives. No more than six members from the House and six members from the Senate may be of the same political party.

PROJECTS ARE ASSIGNED to the Oversight Division pursuant to a duly adopted concurrent resolution of the General Assembly or pursuant to a resolution adopted by the Committee on Legislative Research. Legislators or committees may make their requests for program or management evaluations through the Chairman of the Committee on Legislative Research or any other member of the Committee.

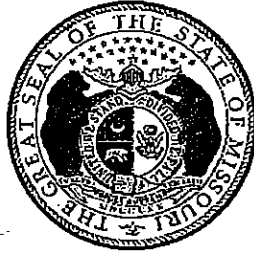
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Members of the General Assembly:

The Joint Committee on Legislative Research adopted a resolution in June 2009, directing the Oversight Division to perform a program evaluation of the Missouri Department of Revenue, State Sales Tax Exemptions to determine and evaluate program performance in accordance with program objectives, responsibilities, and duties as set forth by statute or regulation.

The report includes Oversight's comments on internal controls, compliance with legal requirements, management practices, program performance and related areas. We hope this information is helpful and can be used in a constructive manner for the betterment of the state program to which it relates. You may obtain a copy of the report on the Oversight Division's website at <http://www.moga.mo.gov/oversight/audits.htm>.

Respectfully,

A handwritten signature in black ink, appearing to read "Tom Dempsey", with a large loop at the end.

Senator Tom Dempsey
Chairman

EXECUTIVE SUMMARY

The Taxation Division of the Department of Revenue is responsible for collecting Missouri's taxes, including sales/use tax, and administering the state's tax laws.

The current state sales and use tax rate is 4.225 percent. The state sales and use tax is distributed among four state funds: General Revenue (3.0 percent), Conservation (0.125 percent), Education (1.0 percent), and Parks/Soils (0.10 percent).

In 1939 there were 11 exemptions and exclusions from the sales and use tax. This has grown to a current total of 132 exemptions and exclusions in the Missouri sales and use tax statutes.

The Department of Revenue is unable to estimate the loss of revenue to the state for sales tax exemptions, with the exception of the "manufacturing" exemption in Section 144.054, RSMo, because adjustments to gross receipts are not itemized by exemption. Oversight recommends DOR develop a method for filers to provide information regarding the exemptions claimed and a method of tracking sales and use tax exemption information so the effect of each exemption on state revenue can be determined and analyzed.

Revising sales tax law definitions to conform to the definitions in the Streamlined Sales and Use Tax Agreement could generate increased state revenue through the sales tax generated by requiring a seller that does not have a physical presence in the state to collect tax on sales into the state.

Increasing the efforts to collect unpaid sales and use tax could result in the collection of known unpaid sales and use tax. There is also the potential to discover unidentified delinquencies that could be collected.

Chapter 1

Purpose/Objectives

The General Assembly has provided by law that the Committee on Legislative Research may have access to and obtain information concerning the needs, organization, functioning, efficiency and financial status of any department of state government or of any institution that is supported in whole or in part by revenues from the state of Missouri. The General Assembly has further provided by law for the organization of an Oversight Division of the Committee on Legislative Research and, upon adoption of a resolution by the General Assembly or by the Committee on Legislative Research, for the Oversight Division to make investigations into legislative and governmental institutions of this state to aid the General Assembly.

The Joint Committee on Legislative Research directed the Oversight Division to conduct a program evaluation of the Missouri Department of Revenue, State Sales Tax Exemptions. The purpose of the evaluation was to compile a list of all state sales tax exemptions. No conclusions are drawn nor are recommendations made regarding whether a provision should be continued, repealed, expanded, or restricted.

Oversight's review addressed, but was not limited, the following:

- Compiling a list of all state sales tax exemptions.
- Compiling historical data for each sales tax exemption.

Scope

The Oversight Division researched the laws regarding sales tax exemptions from 1939 through 2009.

Methodology

The methodology used by the Oversight Division included reviewing Missouri statutes, rules and regulations, Department of Revenue organizational charts, and reviewing all legislation and fiscal notes pertaining to the sales tax exemption laws. In addition, Department of Revenue personnel and other legislative staff were interviewed.

Background

The Missouri Department of Revenue (DOR) was created by the 1945 Missouri Constitution to serve as the central collection agency for all state revenue. The three primary responsibilities of DOR are to collect taxes, title and register motor vehicles, and license drivers. DOR is divided into the following divisions: Administration Division, Taxation Division, Motor Vehicle and Driver Licensing Division, Legal Services Division, and the Director's Office. The State Lottery Commission and the State Tax Commission are both under the DOR's umbrella for budgetary purposes, but the Director of Revenue has no authority over these commissions.

The Taxation Division is responsible for collecting Missouri's taxes, including sales/use tax, and administering the state's tax laws.

The state's sales tax is imposed on the retail sale of tangible personal property or taxable services. All retail sales of tangible personal property and taxable services are presumed taxable unless excluded or specifically exempted by law. Persons making retail sales collect the sales tax from the purchaser and remit the tax to the DOR. Cities, counties, and certain districts may impose local sales tax. The state and local sales taxes are remitted together to the DOR. Once the seller remits the sales tax to the DOR, DOR then distributes the local sales taxes to the cities, counties, and districts.

Use tax is imposed on the storage, use, or consumption of tangible personal property in this state. Use tax is imposed directly upon the person that stores, uses, or consumes tangible personal property in Missouri. Use tax does not apply if the purchase is from a Missouri retailer and subject to Missouri sales tax. Missouri cannot require out-of-state companies that do not have a direct connection with the state to collect and remit use tax. If an out-of-state seller does not collect use tax from the purchaser, the purchaser is responsible for remitting the use tax to Missouri.

The current state sales and use tax rate is 4.225 percent. The state sales and use tax is distributed among four state funds: General Revenue (3.0 percent), Conservation (0.125 percent), Education (1.0 percent), and Parks/Soils (0.10 percent). Although additional sales and use taxes may be imposed by cities, counties, and special taxing districts, the focus of Oversight's program evaluation is limited to state sales and use tax, and more specifically, the state sales and use tax exemptions.

The General Revenue Fund is created pursuant to Section 33.543, RSMo. This fund receives the three percent general sales tax authorized pursuant to section 144.020, RSMo, and the three percent general use tax authorized pursuant to Section 144.610, RSMo. The General Revenue Fund is the main funding source for most state government programs.

Pursuant to Article IV, Sections 43(a) and 43(b) of the Missouri Constitution, the monies arising from the 0.125 percent sales and use taxes for conservation purposes shall be expended and used for the control, management, restoration, conservation and regulation of the bird, fish, game, forestry and wildlife resources of the state, including the purchase or other acquisition of property for said purposes, and for the administration of the laws pertaining thereto. The funds arising from the additional sales and use tax for conservation purposes shall also be used to make payments to counties for the unimproved value of land for distribution to the appropriate political subdivisions as payment in lieu of real property taxes for privately owned land acquired by the commission after July 1, 1997, and for land classified as forest cropland in the forest cropland program administered by the Department of Conservation.

Pursuant to Article IV, Sections 47(a) and 47(b) of the Missouri Constitution, the 0.10 percent sales and use tax levied for soil and water conservation and for state parks is for the purpose of providing additional monies to be expended and used by the Department of Natural Resources through the state soil and water districts commission for the saving of the soil and water of this state for the conservation of the productive power of Missouri agricultural land, and by the Department of Natural Resources through the division responsible for the state park system for the acquisition, development, maintenance and operation of state parks and state historic sites, and for the administration of the laws pertaining thereto. Fifty percent of the moneys arising from the additional sales and use taxes levied for soil and water conservation and for state parks shall be deposited in the Soil and Water Sales Tax Fund and fifty percent shall be deposited in the State Park Sales Tax Fund.

Pursuant to Section 144.701, RSMo, the revenue derived from the one percent sales and use tax is designated a local tax and deposited by the state treasurer in the "School District Trust Fund." The money in the fund shall be distributed to the public schools in the state.

For the purposes of this report, the term state funds refers to the four state funds affected by the state sales/use tax (General Revenue, Conservation, Education, and Parks/Soils). If an exemption affects a specific fund, the specific fund affected will be stated in the report.

In March 2000, there began an effort to find solutions for the complexity in state sales tax systems nationwide. The result was the development of a Streamlined Sales and Use Tax Agreement (Agreement). The Agreement reduces the cost and administrative burdens on retailers that collect the sales tax, particularly retailers operating in multiple states. The purpose of the Agreement is to provide a road map for states who want to simplify and modernize sales and use tax administration in the member states in order to substantially reduce the burden of tax compliance. A member state is one that has been determined by the Streamlined Sales Tax Governing Board to have changed their sales tax administration law so that they meet all of the requirements set forth in the Agreement. A seller that registers under the Agreement must collect sales and use tax for all member states. There are currently twenty-three states that have passed

the conforming legislation: Arkansas, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Nebraska, Nevada, New Jersey, North Carolina, North Dakota, Ohio, Oklahoma, Rhode Island, South Dakota, Tennessee, Utah, Vermont, Washington, West Virginia, Wisconsin, and Wyoming.

History

Pursuant to Section 144.010.3, RSMo, Sections 144.010 to 144.525, RSMo, are known as the "Sales Tax Law." According to the Missouri Revised Statutes, the Sales Tax Law began in 1939. The law actually started prior to 1939. In 1939, all previous sales tax laws were repealed and new laws were created. Therefore, the Missouri Revised Statutes consider 1939 to be the start of the Sales Tax Law. Oversight has used 1939 as the start date of the Sales Tax Law for purposes of this evaluation.

Since the enactment of the Sales Tax Law in 1939, many exemptions have been granted that remove the liability for tax for various types of property and certain individuals or organizations. These tax exemptions result in a permanent loss of revenue.

Appendix A contains a complete list of Missouri Sales Tax Exemptions and Exclusions, which includes a description of the exemption or exclusion and the Missouri Revised Statute number, as provided to Oversight by the Department of Revenue. Oversight has included the year enacted or changed and the enacting or amending Bill Numbers for each exemption or exclusion.

Appendix B contains the Exemption History, detailing the year created and bill number for each exemption.

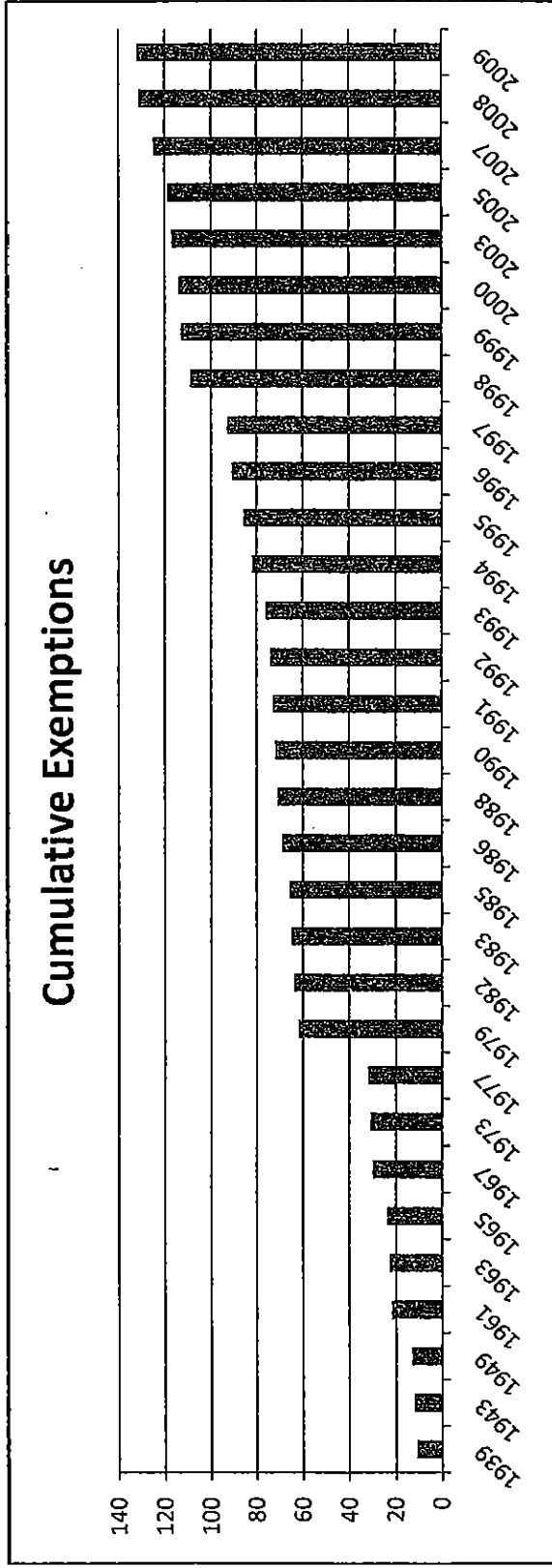
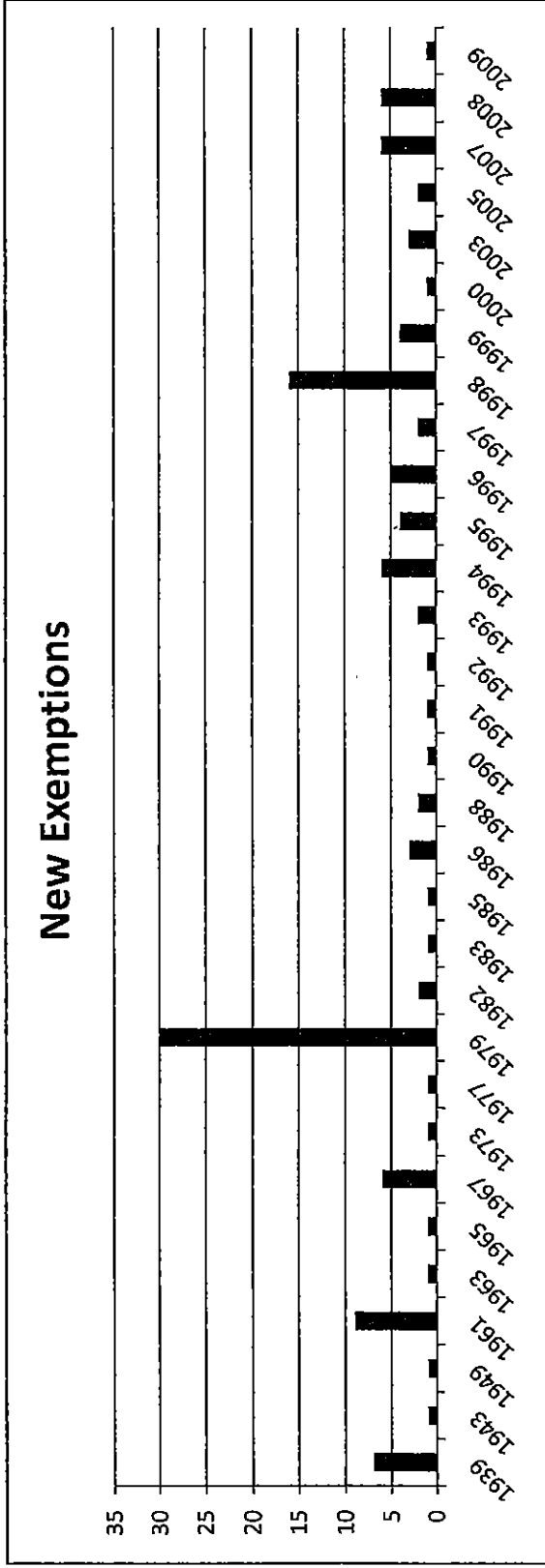
Appendix C contains the Statutory History for each relevant statute, listing the statute section numbers and the bills that created or modified the statute sections and details the bill sponsor, year enacted, purpose of the bill, specific statutory changes, and fiscal note information for each bill.

Appendix D contains the Bill Information. This appendix lists all relevant bills, by bill number.

In 1939 there were 11 exemptions and exclusions from the sales and use tax. This has grown to a current total of 132 exemptions and exclusions in the Missouri sales and use tax statutes.

Figure 1 shows the number of sales and use tax exemptions enacted each year and the cumulative number of statutory sales and use tax exemptions or exclusions since 1939. There are four sales and use tax exemptions that Oversight was unable to determine the enactment date. However, Oversight has determined these four exemptions were enacted prior to 1937. Therefore, these exemptions are included in the 1939 cumulative number.

Figure 1
Number of Sales and Use Tax Exemptions



State Sales and Use Tax Collections

The following table details the total state sales and use tax collections by the DOR for fiscal years 2000 through 2009. These collections are deposited into the following funds: General Revenue Fund, State Road Bond Fund, State Road Fund, Conservation Commission Fund, Parks Sales Tax Fund, Soil and Water Sales Tax Fund, State Highways and Transportation Department Fund, Motor Fuel Tax Fund, State Transportation Department Fund, School District Trust Fund (Prop C), Schools for the Future Fund – Amnesty Program, and Aviation Trust Fund.

Year	Total State Sales and Use Tax Collections
2009	\$3,027,306,488
2008	\$3,225,282,902
2007	\$3,269,150,154
2006	\$3,097,183,323
2005	\$3,031,417,954
2004	\$2,944,850,966
2003	\$2,917,173,686
2002	\$2,834,003,819
2001	\$2,881,602,454
2000	\$2,767,296,532

The DOR provided the following data regarding the number of businesses required to file sales and use tax:

Filing Frequency	Sales Tax	Use Tax
Monthly Filer	28,370 (includes 1,395 Quarter-Monthly Accounts)	11,613
Quarterly Filer	45,298	13,704
Annual Filer	44,218	15,794
Total	117,886	41,111

Oversight requested information regarding the cost to the state to collect and disburse state sales tax and local sales tax. DOR responded they are unable to break out the cost to collect and disburse state and local sales tax as the state and local sales tax is processed together as a single return. DOR provided the following program costs for sales/use tax: approximately \$13.4 million in FY07, approximately \$13.2 million in FY08, approximately \$12.7 million in FY09, and approximately \$13.1 million in FY10 (planned).

Oversight requested a calculation of the loss of revenue to the state resulting from sales tax exemptions. The DOR has no data for lost revenues resulting from sales tax exemptions since the exemptions are not separately identified on any tax return, with the exception of one exemption. DOR responded,

“The Department of Revenue is unable to estimate the loss of revenue to the state for sales tax exemptions, with the exception of the “manufacturing” exemption in Section 144.054, RSMo, because adjustments to gross receipts are not itemized by exemption. However, the Department is able to estimate the loss of sales tax revenue to the state for the “manufacturing” exemption in Section 144.054, RSMo because the exemption is from state sales tax but not local sales tax; therefore, the Department can determine what the state amount would be by looking at taxable sales.”

DOR provided the following estimated loss to state revenue for the “manufacturing” exemption, Section 144.054, RSMo. DOR notes this report only includes amounts reported on the manufacturing exemption line on the sales tax return. The loss is larger because it does not take into account use tax, which is fully exempt under the statute and, therefore, not reported on a separate line on the return. The “manufacturing” exemption, Section 144.054, RSMo, became effective August 28, 2008. The following charts detail the monthly and fiscal year loss to state revenue for the “manufacturing” exemption, Section 144.054, RSMo:

Loss to State Revenue for the "Manufacturing" Exemption, Section 144.054, RSMo			
Month/Fiscal Year	Number of Reporting MFG Sale Sites	MFG Taxable Sales	Loss to State Revenue
September (FY08)	178	\$6,318,482	\$266,956
October (FY08)	476	\$12,768,634	\$539,475
November (FY08)	1,175	\$58,288,903	\$2,462,706
December (FY08)	1,226	\$86,126,042	\$3,638,825
January (FY08)	1,046	\$37,972,600	\$1,604,342
February (FY08)	1,589	\$81,332,356	\$3,436,292
March (FY08)	1,593	\$67,436,915	\$2,849,210
April (FY08)	999	\$38,124,165	\$1,610,746
May (FY08)	1,667	\$83,518,695	\$3,528,665
June (FY08)	1,777	\$75,494,342	\$3,189,636
July (FY09)	1,006	\$39,511,687	\$1,669,369
August (FY09)	1,934	\$117,281,139	\$4,955,128
September (FY09)	1,743	\$83,790,836	\$3,540,163
October (FY09)	1,263	\$41,592,224	\$1,757,271
November (FY09)	1,866	\$88,358,697	\$3,733,155
December (FY09)	1,821	\$76,426,712	\$3,229,029
January (FY09)	1,115	\$29,539,888	\$1,248,060
February (FY09)	1,962	\$85,387,837	\$3,607,636
March (FY09)	1,898	\$79,826,464	\$3,372,668
April (FY09)	1,090	\$25,826,836	\$1,091,184
May (FY09)	2,024	\$71,180,552	\$3,007,378
June (FY09)	1,893	\$68,039,789	\$2,874,681
July (FY10)	1,089	\$26,230,362	\$1,108,233
August (FY10)	2,027	\$91,516,662	\$3,866,579
September (FY10)	1,838	\$59,808,507	\$2,526,909
October (FY10)	1,062	\$31,336,566	\$1,323,970

The Fiscal Year Total Loss to State Revenue for the “Manufacturing” Exemption, Section 144.054, RSMo	
Fiscal Year	Total
FY08 (10 months)	\$23,126,853
FY09	\$34,085,722
FY 10 (4 months)	\$8,825,691

The University of Missouri – Columbia, State and Regional Fiscal Studies Unit, in its Tax Expenditure Report dated January 2009, estimates the following revenue effects of sales and use tax exemptions. Oversight has included only categories for which there were estimates provided in the Tax Expenditure Report dated January 2009.

Revenue Effects of Sales and Use Tax Exemptions 2003 – 2013 (in millions of dollars) from Tax Expenditure Report, January 2009 prepared by State & Regional Fiscal Studies Unit, University of Missouri – Columbia											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
PERSONAL EXEMPTIONS											
Non-Durable Commodities											
Prescription Drugs	131.7	142.3	149.9	161.9	168.5	179.5	184.9	193.3	195.6	201.0	206.3
Nonprescription Drugs	16.7	17.0	18.1	19.6	21.2	22.2	22.7	23.3	23.8	24.3	24.8
Motor Fuel (GR Funds only)	174.7	214.0	262.0	292.7	377.9	363.8	349.1	335.0	321.5	308.8	296.1
Lottery Tickets	10.4	11.0	11.6	12.5	13.5	14.2	14.6	15.0	15.3	15.7	16.1
Food for Home Consumption	196.0	181.2	200.9	181.1	186.2	197.9	204.1	210.4	216.9	223.6	230.6
Textbooks	3.1	2.9	3.5	3.6	3.6	3.8	3.9	4.1	4.2	4.3	4.5
Services											
Domestic Utilities	135.1	141.7	157.4	167.1	175.0	183.8	188.1	192.4	196.7	201.0	205.3
Household Maintenance/Repair	34.9	37.7	40.1	41.7	43.4	45.3	46.5	47.6	48.7	49.9	51.1
Housekeeping	11.1	11.7	12.0	12.7	13.5	14.0	14.4	14.7	15.0	15.3	15.6
Apparel	9.1	9.3	9.6	10.2	10.3	10.6	10.8	11.0	11.2	11.4	11.7
Vehicle Maintenance/Repair	44.0	45.6	47.3	49.9	52.1	54.3	55.7	57.1	58.5	59.8	61.2
Transportation Fares	33.4	35.4	36.9	38.6	39.6	40.9	41.8	42.7	43.6	44.5	45.4
Medical Care	712.6	759.6	810.0	857.4	916.7	968.3	994.0	1019.7	1045.4	1071.0	1096.7
Personal Care	50.6	55.9	59.7	62.1	64.3	67.6	69.5	71.3	73.2	75.1	76.9
Other Personal & Educational	457.7	494.3	523.4	553.1	599.0	631.4	647.9	666.4	680.8	697.2	713.7
Miscellaneous											
Isolated/Occasional Sales	4.4	4.4	4.6	4.8	5.0	5.1	5.3	5.4	5.6	5.8	5.9

Oversight requested a list of the state sales tax exemptions that are federally mandated. DOR responded that the federal government is not subject to sales and use tax. In addition, Section 144.307, RSMo exempts sales at retail made through the use of federal food stamp coupons and section 144.038, RSMo exempts sales at retail for which federal government coupons or vouchers under the supplemental feeding for women, infants, and children program are used as payment. The exemptions stated in sections 144.307 and 144.038 were both required by the federal government for Missouri residents to participate in the programs. The DOR is unaware of any other state sales tax exemptions that were required for state resident participation or are otherwise federally mandated.

Oversight requested a list of the qualifying exempt entities to whom the DOR has issued letters of exemption. The DOR responded they are “unable to provide a list of the qualifying exempt entities due to specific confidentiality provisions contained in Section 32.057, RSMo. Section 32.057, RSMo, prohibits the Department of Revenue from divulging any information contained on a tax return except where otherwise specifically provided by law.” DOR did provide the number of exemptions for each qualifying type:

Qualifying Type	Statutory Reference	Number of Exemptions
Charitable	144.030.2(19)	5,994
Civic	144.030.2(20)	5,552
Religious	144.030.2(19)	14,194
Social/Fraternal	144.030.2(20)	1,192

DOR provided the following detail of the gross sales receipts, adjustment to gross sales receipts, and taxable sales from the sales and use tax returns submitted to the department for fiscal years 2001 through 2010. Pursuant to Section 144.080, RSMo, sellers are required to report their gross receipts from sales at retail to the DOR. However, because there are numerous exemptions and exclusions, not all gross receipts are subject to tax. The “Adjustments” column is where the seller subtracts or “adjusts” its gross receipts by the amount of those exempt and excluded sales to determine the actual taxable sales. Adjustments can also be made for items such as bad debt or refunds. The seller could also report positive adjustments. For instance, if the seller made a purchase under a claim of resale and did not pay tax on the purchase, then subsequently used what was purchased for the seller’s own use, the claim for resale would no longer be valid. The seller is responsible for self-accruing the tax and remitting it to the DOR. The seller will then adjust its gross receipts to include the value of the purchased item.

OVERSIGHT DIVISION
 Program Evaluation
 State Sales Tax Exemptions

Fiscal Year	Gross Receipts	Adjustments	Taxable Sales
2001	\$166,283,402,207.62	-\$109,505,185,854.24	\$56,778,216,353.38
2002	\$167,061,022,422.24	-\$109,923,358,339.15	\$57,137,664,083.09
2003	\$172,490,297,093.98	-\$108,577,434,298.27	\$63,912,862,795.71
2004	\$191,670,358,435.17	-\$118,989,962,513.46	\$72,680,395,921.71
2005	\$201,659,021,047.49	-\$130,237,477,353.12	\$71,421,543,694.37
2006	\$216,148,570,555.63	-\$140,481,470,707.11	\$75,667,099,848.52
2007	\$227,222,412,812.20	-\$147,208,244,662.76	\$80,014,168,149.44
2008	\$236,688,119,734.73	-\$156,793,180,691.10	\$79,894,939,043.63
2009	\$237,643,755,244.02	-\$155,308,533,961.21	\$82,335,221,282.81
2010	\$36,703,538,867.54	-\$23,708,655,549.31	\$12,994,883,318.23

Chapter 2

Comments

Comment 1

No Information on Effect of Sales and Use Tax Exemptions on State Revenue

The Department of Revenue does not require sales and use tax filers to provide information relating to each exemption claimed on their tax returns. Filers are required to report gross receipts, adjustments, and taxable sales. Per DOR, the “Adjustments” column is where the seller subtracts or “adjusts” its gross receipts by the amount of those exempt and excluded sales to determine the actual taxable sales. Adjustments can also be made for items such as bad debt or refunds. The seller could also report positive adjustments.

Since filers are not required to detail adjustments on tax forms, DOR does not presently have the ability to track lost state revenue resulting from each sales tax exemption. Therefore, DOR cannot determine the effect of the sales and use tax exemptions on state revenue. This information would be necessary if changes to the sales tax exemptions are to be made. Revising sales and use tax forms to request exemption information would be necessary to track lost state revenue resulting from each sales tax exemption.

The State of Iowa’s Tax Expenditure Report includes estimates of the impacts of sales and use tax exemptions. This report was prepared in 2000 and 2005 and contains a Listing of Tax Expenditures for calendar years 2000 and 2005. For calendar year 2005, the State of Iowa reported 112 sales and use tax exemptions. Of these 112 sales and use tax exemptions, Iowa provided estimated expenditures for 71 exemptions, totaling approximately \$2.4 billion. The estimated expenditures for 15 exemptions were minimal and the expenditures for 26 exemptions were not estimated.

The State of Kansas publishes on its website annually a spreadsheet showing the value of each sales tax exemption. Kansas reports 98 exemptions or exclusions for a total foregone revenue of approximately \$4.072 billion.

Oversight recommends DOR develop a method for filers to provide information regarding the exemptions claimed. Oversight further recommends DOR develop a method of tracking sales and use tax exemption information so the effect of each exemption on state revenue can be determined and analyzed.

Comment 2

Changes to Sales and Use Tax Exemptions

Changes to sales and use tax exemptions could change state revenue generated from sales and use tax, but it could also result in unintended consequences.

The number of sales and use tax exemptions could be increased, which would decrease state revenue. There is no way to determine the amount of state revenue that would be lost as a result of an increase in the number of sales and use tax exemptions. The benefit would be a decrease in sales tax paid by those qualifying for the exemptions.

The number of sales and use tax exemptions could be decreased, which would increase state revenue. There is no way to determine the amount of state revenue that would be generated as a result of a decrease in the number of sales and use tax exemptions. This could be considered a tax increase and could result in the state exceeding the limits established in Article X, Sections 16 through 24 to the Constitution of Missouri. These sections, commonly referred to as the Hancock Amendment, require that no greater portion of Missourians' personal income be used in any future year to fund state government than was the case in fiscal year 1981, except as authorized by a vote of the people.

The definitions in the Sales Tax Law, Sections 144.010 to 144.525, RSMo, could be revised to include internet sales, to have Missouri's Sales Tax Law definitions comply with the Streamlined Sales and Use Tax Agreement (Agreement) established by the Streamlined Sales Tax Governing Board. The purpose of the agreement is to simplify and modernize sales and use tax in order to substantially reduce the burden of tax compliance.

Revising sales tax law definitions to conform to the definitions in the Streamlined Sales and Use Tax Agreement could generate increased state revenue through the sales tax generated by requiring a seller that does not have a physical presence in the state to collect tax on sales into the state. Businesses would know the laws and definitions state to state, making it easier for businesses to comply with Missouri law, even if Missouri does not sign the Streamlined Sales and Use Tax Agreement.

Comment 3
Taxation of Services

Most states tax services to a certain degree. Expanding services taxed would increase the sales tax base and generate increased revenue to the state.

Information provided to Oversight from the State of Iowa, Department of Revenue indicates that Iowa taxes more services than most other states, but most business services, such as accounting, engineering, and legal services, remain exempt from Iowa sales and use taxes.

Comment 4
Increase Efforts to Collect Unpaid Sales and Use Tax

Efforts to collect sales and use tax that is owed to the state could result in an immediate increase of General Revenue funds. This could be accomplished by focusing on the collection of unpaid sales and use tax.

The DOR currently issues Notices of Assessment or Notices of Deficiency when taxes are delinquent. The following is the DOR's best estimate of the total dollar amount associated with the issuance of assessments (Notice of Assessment or Notice of Deficiency) by tax type for the past three fiscal years. These figures include both actual and estimated assessments.

Total Dollar Amount Associated with the Issuance of Assessments (Notice of Assessment or Notice of Deficiency)				
Tax Type	FY07	FY08	FY09	Total
Withholding Tax	\$226,629,926	\$234,690,181	\$245,341,486	\$706,661,593
Sales/Use Tax	\$187,287,175	\$209,321,814	\$247,470,031	\$644,079,020
Corporate Tax	\$98,527,181	\$338,156,929	\$931,312,257	\$1,367,996,367
Individual Income Tax	\$69,954,119	\$117,782,085	\$264,345,305	\$452,081,509
Total	\$582,398,401	\$899,951,009	\$1,688,469,079	\$3,170,818,489

DOR Field Compliance Bureau (FCB) and Criminal Investigation Bureau (CIB) audits have generated the following sales and use tax collections for fiscal years 2007 through 2009:

Dollars Collected by Field Compliance Bureau (FCB) and Criminal Investigation Bureau (CIB)			
Type	2009 Collections	2008 Collections	2007 Collections
Sales/Use Instate (FCB)	\$14,443,699	\$15,093,044	\$15,536,241
Sales/Use Outstate (FCB)	\$5,910,026	\$12,065,658	\$9,512,424
Total Sales/Use (FCB)	\$20,353,725	\$27,158,702	\$25,048,665
All Other Types (FCB)	\$14,344,084	\$8,393,223	\$7,780,203
Total Collections (FCB)	\$34,697,809	\$35,551,925	\$32,828,868
Sales Tax (CIB)	\$4,155,116	\$4,726,351	\$3,901,273
All Other Types (CIB)	\$1,886,433	\$1,850,183	\$1,775,928
Total Collections (CIB)	\$6,041,549	\$6,576,534	\$5,677,201
Total Sales/Use Tax Collections (FCB + CIB)	\$24,508,841	\$31,885,053	\$28,949,938
Total All Other Types Collections (FCB + CIB)	\$16,230,517	\$10,243,406	\$9,556,131
Total Collections (FCB + CIB)	\$40,739,358	\$42,128,459	\$38,506,069

By increasing the efforts to collect unpaid sales and use tax, the DOR has the potential of collecting \$644,079,020 of known unpaid sales and use tax. Although some of the identified delinquencies would be uncollectible, there is also the potential to discover unidentified delinquencies that could be collected.

APPENDIX A

Appendix A

MISSOURI SALES TAX EXEMPTIONS AND EXCLUSIONS

	Description	Statute	Bill Number
1	The <i>isolated or occasional sale</i> of tangible personal property, service, substance, or thing, by a person not engaged in such business, unless the total amount of the gross receipts from such sales, exclusive of receipts from the sale of tangible personal property by persons which property is sold in the course of the partial or complete liquidation of a household, farm or nonbusiness enterprise, exceeds three thousand dollars in any calendar year.	144.010.1(2)	1939 HB 91, 1977 SB 367
2	Sales by the <i>Missouri Department of Transportation</i> .	144.010.1(6)	1939 HB 91
3	Sales of <i>computer printouts, computer output or microfilm</i> or microfiche and computer-assisted photo compositions to a purchaser to enable the purchaser to obtain for his or her own use the desired information contained in such items.	144.010.1(10)	1977 SB 367
4	The transfer by one corporation of substantially all of its tangible personal property to another corporation pursuant to a <i>merger or consolidation</i> effected under the laws of the state of Missouri or any other jurisdiction.	144.011.1(1)	1979 SB 218, 1992 HB 1155
5	The transfer of tangible personal property incident to the <i>liquidation or cessation</i> of a taxpayer's trade or business, conducted in proprietorship, partnership or corporate form, except to the extent any transfer is made in the ordinary course of the taxpayer's trade or business.	144.011.1(2)	1979 SB 218
6	The transfer of tangible personal property to a corporation solely in exchange for its <i>stock or securities</i> .	144.011.1(3)	1979 SB 218
7	The transfer of tangible personal property to a corporation by a shareholder as a <i>contribution to the capital</i> of the transferee corporation.	144.011.1(4)	1979 SB 218
8	The transfer of tangible personal property to a partnership solely in exchange for a <i>partnership interest</i> therein.	144.011.1(5)	1979 SB 218
9	The transfer of tangible personal property by a partner as a <i>contribution to the capital</i> of the transferee partnership.	144.011.1(6)	1979 SB 218
10	The transfer of tangible personal property by a corporation to one or more of its <i>shareholders</i> as a dividend, return of capital, distribution in the partial or complete liquidation of the corporation or distribution in redemption of the shareholder's interest therein.	144.011.1(7)	1979 SB 218
11	The transfer of tangible personal property by a partnership to one or more of its <i>partners</i> as a current distribution, return of capital or distribution in the partial or complete liquidation of the partnership or of the partner's interest therein.	144.011.1(8)	1979 SB 218
12	The transfer of <i>reusable containers</i> used in connection with the sale of tangible personal property contained therein for which a deposit is required and refunded on return.	144.011.1(9)	1973 HB 46, 1979 SB 218

	Description	Statute	Bill Number
13	The purchase by persons operating <i>eating or food service establishments</i> , of items of a nonreusable nature which are furnished to the customers of such establishments with or in conjunction with the retail sales of their food or beverage such as napkins, straws etc.	144.011.1(10)	1979 SB 218
14	The purchase by persons operating <i>hotels, motels or other transient accommodation establishments</i> , of items of a nonreusable nature which are furnished to the guests in the guests' rooms of such establishments and such items are included in the charge made for such accommodations such as soap, shampoo etc.	144.011.1(11)	1996 HB 1237
15	Charges for <i>initiation fees or dues</i> to: (a) Fraternal beneficiaries societies, or domestic fraternal societies, orders or associations operating under the lodge system a substantial part of the activities of which are devoted to religious, charitable, scientific, literary, educational or fraternal purposes; or (b) Posts or organizations of past or present members of the armed forces of the United States or an auxiliary unit or society of, or a trust or foundation for, any such post or organization substantially all of the members of which are past or present members of the armed forces of the United States or who are cadets, spouses, widows, or widowers of past or present members of the armed forces of the United States, no part of the net earnings of which inures to the benefit of any private shareholder or individual.	144.011.1(13)	1992 HB 1155
16	Tax imposed on <i>food</i> shall be at the rate of one percent (plus constitutionally imposed tax of .225%).	144.014	1997 H.B. 491, 1999 H.B. 548, 2007 SRB-613
17	The value of <i>any item traded-in</i> , which is subtracted from the taxable amount of the item purchased.	144.025	1963 SB 4, 1977 SB 367, 1979 SB 218, 2005 HB 487
18	The price of any <i>motor vehicle, trailer boat or outboard motor sold by the owner</i> if the owner purchases a subsequent motor vehicle, trailer, boat or outboard motor within 180 days before or after the date of the sale of the original article.	144.025	1979 SB 218, 1985 HB 280, 1986 H.B. 957, 1994 S.B 477, 1998 S.B. 936, 2003 HB 600, 2004 S.B. 1233, 840 & 1043
19	The amount of the <i>insurance proceeds</i> plus any owner's deductible obligation, as certified by the insurance company, which is a credit against the purchase price of another motor vehicle, trailer, boat or outboard motor which is purchased or is contracted to purchase within one hundred eighty days of the date of payment by the insurance company as a replacement motor vehicle, trailer, boat or outboard motor.	144.027	1983 HB 10, 1986 HB 957, 1990 SB 494, 1998 SB 936

	Description	Statute	Bill Number
20	Sales <i>in commerce</i> between this state and any other state or between this state and any foreign country.	144.030.1	1939 HB 91, 1941 HB 344, 1961 SB 360, 1979 HB 726, 1991 HB 39 & 41
21	<i>Motor fuel</i> or special fuel subject to an excise tax of this state, unless all or part of such excise tax is refunded pursuant to §142.584.	144.030.2(1)	1939 HB 91, 1961 SB 360, 1979 HB 726, 1979 SB 218, 1988 HB 1629, 2005 SB 355
22	<i>Fuel to be consumed in</i> manufacturing or creating gas, power, steam, electrical current or in furnishing water to be sold ultimately at retail.	144.030.2(1)	1939 HB 91, 1979 HB 726, 1979 SB 218
23	<i>Feed for livestock or poultry</i> which is to be used in feeding of livestock or poultry to be sold ultimately in processed form or otherwise at retail. <i>Livestock</i> includes cattle, calves, sheep, swine, ratite birds (ostrich and emu), aquatic organisms, elk documented as obtained from a legal source and not from the wild, goats, horses, other equine and rabbits raised in confinement for human consumption.	144.030.2(1) and 144.010.1(4)	1939 HB 91, 1979 HB 726, 1979 SB 218
24	<i>Seed, limestone or fertilizer</i> which is to be used for seeding, liming or fertilizing crops which when harvested will be sold at retail or will be fed to livestock or poultry to be sold ultimately in processed form at retail.	144.030.2(1)	1943 HB 251, 1979 HB 726, 1979 SB 218
25	Economic poisons registered under the provisions of the Missouri <i>pesticide</i> registration law which are to be used in connection with the growth or production of crops, fruit trees or orchards applied before, during, or after planting, the crop of which when harvested will be sold at retail or will be converted into foodstuffs which are to be sold ultimately in processed form at retail.	144.030.2(1)	1949 HB 303, 1967 HB 324, 1979 HB 726, 1979 SB 218
26	Materials, manufactured goods, machinery and parts which when used in manufacturing or fabricating become a <i>component part or ingredient</i> of the new personal property resulting from such manufacturing, processing compounding, mining, producing or fabricating and which new personal property is intended to be sold ultimately for final use or consumption.	144.030.2(2)	1961 SB 360
27	Materials, including without limitation, gases and manufactured goods, including without limitation, slagging materials and firebrick, which are ultimately consumed in the manufacturing process by blending, reacting or interacting with or by becoming, in whole or in part, component parts or ingredients of <i>steel products</i> intended to be sold ultimately for final use or consumption.	144.030.2(2)	1965 HB 626
28	Materials, replacement parts and equipment purchased for use directly upon, and for the repair and maintenance or manufacture of, motor vehicles, watercraft, railroad rolling stock or aircraft engaged as <i>common carriers</i> of persons or property.	144.030.2(3)	1961 SB 360, 1977 SB 104

	Description	Statute	Bill Number
29	Replacement machinery, equipment and parts and the materials solely required for the installation or construction of such replacement machinery, equipment, and parts, used directly in manufacturing, mining, fabricating or producing a product which is intended to be sold ultimately for final use or consumption.	144.030.2(4)	1961 SB 360, 1977 SB 104, 1995 HB 414, 1996 HB 1237
30	Machinery and equipment and the materials and supplies required solely for the operation, installation or construction of such machinery and equipment, purchased and used to establish new, or to replace or expand existing, material recovery processing plants in this state.	144.030.2(4)	1998 SB 936
31	Machinery and equipment, and parts and the materials and supplies solely required for the installation or construction of such machinery and equipment, purchased and used to establish new or to expand existing manufacturing, mining or fabricating plants in the state if such machinery and equipment is used directly in manufacturing, mining or fabricating a product which is intended to be sold ultimately for final use or consumption.	144.030.2(5)	1961 SB 360
32	Tangible personal property which is used exclusively in the manufacturing, processing, modification or assembling of products sold to the United States government or to any agency of the United States government.	144.030.2(6)	1961 SB 360
33	Animals or poultry used for breeding or feeding purposes.	144.030.2(7)	1961 SB 360
34	Newsprint, ink, computers, photosensitive paper and film, toner, printing plates and other machinery, equipment, replacement parts and supplies used in producing newspapers published for dissemination of news to the general public.	144.030.2(8)	1961 SB 360, 1998 S.B. 936
35	Rentals of films, records or any types of sound or picture transcriptions for public commercial display .	144.030.2(9)	1961 SB 360
36	Pumping machinery and equipment used to propel products delivered by pipelines engaged as common carriers.	144.030.2(10)	1961 SB 360
37	Railroad rolling stock for use in transporting persons or property in interstate commerce.	144.030.2(11)	1967 SB 19
38	Motor vehicles licensed for a gross weight of 24,000 pounds or more or trailers used by common carriers , as defined in section 390.020, RSMo, in the transportation of persons or property.	144.030.2(11)	1985 SB 363, 2007 SB 30
39	Electrical energy used in the actual primary manufacture, processing, compounding, mining or producing of a product, or electrical energy used in the actual secondary processing or fabricating of the product, or a material recovery processing plant, if the total cost of electrical energy so used exceeds ten percent of the total cost of production, either primary or secondary, exclusive of the cost of electrical energy so used or if the raw materials used in such processing contain at least twenty-five percent recovered materials as defined in section 260.200.	144.030.2(12)	1967 SB 19, 1969 HB 34, 1996 HB 1466, 1998 SB 936, 2007 HB 1
40	Anodes which are used or consumed in manufacturing, processing, compounding, mining, producing or fabricating and which have a useful life of less than one year.	144.030.2(13)	1967 SB 19

	Description	Statute	Bill Number
41	Machinery, equipment, appliances and devices purchased or leased and used solely for the purpose of preventing, abating or monitoring air pollution , and materials and supplies solely required for the installation, construction or reconstruction of such machinery, equipment, appliances and devices.	144.030.2(14)	1967 SB 19, 1977 SB 104, 1994 SB 477, 2008 HB 1670
42	Machinery, equipment, appliances and devices purchased or leased and used solely for the purpose of preventing, abating or monitoring water pollution , and materials and supplies solely required for the installation, construction or reconstruction of such machinery, equipment, appliances and devices.	144.030.2(15)	1967 SB 19, 1977 SB 104, 1994 SB 477, 2008 HB 1670
43	Tangible personal property purchased by a rural water district .	144.030.2(16)	1967 SB 19
44	Amounts paid or charged for admission or participation or other fees paid by or other charges to individuals in or for any place of amusement, entertainment or recreations, games and athletic events, including museums, fairs, zoos and planetariums, owned or operated by a municipality or other political subdivision where all the proceeds derived therefrom benefit the municipality or other political subdivision and do not inure to any private person, firm, or corporation.	144.030.2(17)	1979 HB 726, 1979 SB 218
45	All sales of insulin .	144.030.2(18)	1979 HB 726, 1979 SB 218
46	Prosthetic or orthopedic devices as defined on January 1, 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of 1965, including the items specified in Section 1862(a)(12) of that act, and also specifically including hearing aids and hearing aid supplies.	144.030.2(18)	1979 HB 726, 1979 SB 218
47	Drugs which may be legally dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to administer those items, including samples and materials used to manufacture samples which may be dispensed by a practitioner authorized to dispense such samples.	144.030.2(18)	1979 HB 726, 1979 SB 218, 1996 HB 1237
48	Medical oxygen , home respiratory equipment and accessories.	144.030.2(18)	1997 HB 491, 1998 SB 936
49	Hospital beds and accessories.	144.030.2(18)	1998 SB 936
50	Ambulatory aids , manual and powered wheelchairs, and stairway lifts.	144.030.2(18)	1998 SB 936
51	Braille writers and electronic Braille equipment.	144.030.2(18)	1998 SB 936
52	If purchased by or on behalf of a person with one or more physical or mental disabilities to enable them to function more independently, all sales of scooters, reading machines, electronic print enlargers and magnifiers .	144.030.2(18)	1998 SB 936
53	Electronic alternative and augmentative communication devices .	144.030.2(18)	1998 SB 936
54	Items used solely to modify motor vehicles to permit the use of such motor vehicles by individuals with disabilities.	144.030.2(18)	1998 SB 936
55	Sales of over-the-counter or nonprescription drugs to individuals with disabilities .	144.030.2(18)	1998 SB 936
56	Sales made by or to religious and charitable organizations and institutions in their religious, charitable or educational functions and activities.	144.030.2(19)	1979 HB 726, 1979 SB 218

	Description	Statute	Bill Number
57	Sales made by or to all <i>elementary and secondary schools</i> operated at public expense in their educational functions and activities.	144.030.2(19)	1979 HB 726, 1979 SB 218
58	Sales of <i>aircraft</i> to common carriers for storage or for use in interstate commerce.	144.030.2(20)	1979 HB 726, 1979 SB 218, 1982 SB 471
59	Sales made by or to not-for-profit <i>civic, social, service or fraternal organizations</i> , including fraternal organizations which have been declared tax exempt organizations pursuant to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or charitable functions and activities.	144.030.2(20)	1979 HB 726, 1979 SB 218, 1989 HB 35, 500, 516 & 601, 2005 HB 186
60	Sales made to eleemosynary and <i>penal institutions</i> and industries of the state.	144.030.2(20)	1979 HB 726, 1979 SB 218
61	Sales made to any <i>private not-for-profit institution of higher education</i> not otherwise excluded pursuant to subdivision (19) of Section 144.030.2 or any institution of higher education supported by public funds.	144.030.2(20)	1979 HB 726, 1979 SB 218
62	Sales made to a <i>state relief agency</i> in the exercise of relief functions and activities.	144.030.2(20)	1979 HB 726, 1979 SB 218
63	<i>Ticket sales made by benevolent, scientific and educational associations</i> which are formed to foster, encourage, and promote progress and improvement in the science of agriculture and in the raising and breeding of animals.	144.030.2(21)	1979 HB 726, 1979 SB 218
64	<i>Ticket sales by nonprofit summer theater organizations</i> if such organizations are exempt from federal tax pursuant to the provisions of the Internal Revenue Code .	144.030.2(21)	1979 HB 726, 1979 SB 218
65	<i>Admission charges and entry fees to the Missouri state fair</i> or any fair conducted by a county agricultural and mechanical society organized and operated pursuant to sections 262.290 to 262.530, RSMo.	144.030.2(22)	1996 HB 1466
66	Sales made to any <i>private not-for-profit elementary or secondary school</i> .	144.030.2(22)	1979 SB 218
67	<i>Feed additives, medications or vaccines</i> administered to livestock or poultry in the production of food or fiber. See #4 above for the definition of "livestock."	144.030.2(22)	1979 SB 218, 1994 SB 477
68	<i>Pesticides</i> used in the production of crops, livestock or poultry for food or fiber including adjuvants such as crop oils, surfactants, wetting agents and other assorted pesticide carriers used to improve or enhance the effect of a pesticide and the foam used to mark the application of pesticides and herbicides for the production of crops, livestock or poultry.	144.030.2(22)	1994 SB 477, 1998 SB 936
69	<i>Bedding</i> used in the production of livestock or poultry for food or fiber.	144.030.2(22)	1994 SB 477
70	<i>Propane or natural gas, electricity or diesel fuel</i> used exclusively for drying agricultural crops.	144.030.2(22)	1979 SB 218, 2003 HB 600
71	<i>Natural gas</i> used in the primary manufacture or processing of fuel ethanol.	144.030.2(22)	2003 SB 11
72	<i>Natural gas, propane, and electricity</i> used by an eligible new generation cooperative or an eligible new generation processing entity as defined in section 348.432, RSMo.	144.030.2(22)	2005 SB 355

	Description	Statute	Bill Number
73	<p>New or used farm tractors and such other new or used farm machinery and equipment (other than airplanes, motor vehicles and trailers) and repair or replacement parts thereon and lubricants used exclusively for such farm machinery and equipment, and supplies and lubricants used exclusively, solely, and directly for producing crops, raising and feeding livestock, fish, poultry, pheasants, chukar, quail, or for producing milk for ultimate sale at retail, including field drain tile and one-half of each purchaser's purchase of diesel fuel therefore which is:</p> <p>(a) Used exclusively for agricultural purposes;</p> <p>(b) Used on land owned or leased for the purpose of producing farm products; and</p> <p>(c) Used directly in producing farm products to be sold ultimately in processed form or otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold ultimately in processed form at retail.</p>	144.030.2(22)	1979 SB 218, 1980 HB 1812, 1998 SB 936, 2003 HB 600, 2003 SB 11, 2005 SB 355
74	<p>Except for local taxes imposed by cities or counties under section 144.032, all sales of metered water service, electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil for domestic use and in any city not within a county, all sales of metered or unmetered water service for domestic use.</p>	144.030.2(23)	1979 SB 218, 1980 HB 1812, 1982 SB 471, 1986 SB 669, 700 & 737, 1994 SB 477
75	<p>Handicraft items made by the seller or the seller's spouse if the seller or the seller's spouse is at least sixty-five years of age, and if the total gross proceeds from such sales do not constitute a majority of the annual gross income of the seller.</p>	144.030.2(24)	1979 SB 218
76	<p>Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071, 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code.</p>	144.030.2(25)	1979 SB 218
77	<p>Fuel consumed or used in the operation of ships, barges, or waterborne vessels which are used primarily in or for the transportation of property or cargo, or the conveyance of persons for hire, on navigable rivers bordering on or located in part in this state, if such fuel is delivered by the seller to the purchaser's barge, ship, or waterborne vessel while it is afloat upon such river.</p>	144.030.2(26)	1982 SB 471
78	<p>Sales made to an interstate compact agency created pursuant to sections 70.370 to 70.430, RSMo, (Bi-State Development Agency) or sections 238.010 to 238.100, RSMo, (Kansas City Area Transportation Authority) in the exercise of the functions and activities of such agency as provided pursuant to the compact.</p>	144.030.2(27)	1991 HB 39 & 41
79	<p>Computers, computer software and computer security systems purchased for use by architectural or engineering firms headquartered in this state. For the purposes of this exemption, "headquartered in this state" means the office for the administrative management of at least four integrated facilities operated by the taxpayer is located in the state of Missouri.</p>	144.030.2(28)	1995 HB 414, 1996 HB 1466

	Description	Statute	Bill Number
80	Livestock sales when either the seller is engaged in the growing, producing or feeding of such livestock, or the seller is engaged in the business of buying and selling, bartering or leasing of such livestock.	144.030.2(29)	1996 HB 1466
81	Barges which are to be used primarily in the transportation of property or cargo on interstate waterways.	144.030.2(30)	1996 HB 1466
82	Electrical energy or gas, whether natural, artificial or propane, water, or other utilities which are ultimately consumed in connection with the manufacturing of cellular glass product or in any material recovery processing plant.	144.030.2(31)	1998 SB 936
83	Pesticides or herbicides used in the production of crops, aquaculture, livestock or poultry.	144.030.2(32)	1998 SB 936
84	Tangible personal property and utilities purchased for use or consumption directly or exclusively in the research and development of agricultural/biotechnology, plant genomics, and prescription pharmaceuticals consumed by humans or animals.	144.030.2(33)	1998 SB 936, 2007 SB 30
85	Grain bins for storage of grain for resale.	144.030.2(34)	1998 SB 936
86	Feed which are developed for and used in the feeding of pets owned by a commercial breeder when such sales are made to a commercial breeder, as defined in section 273.325, RSMo, and licensed pursuant to sections 273.325 to 273.357, RSMo.	144.030.2(35)	1998 SB 936
87	Purchases by a contractor on behalf of an entity located in another state , provided that the entity is authorized to issue a certificate of exemption for purchases to a contractor under the provisions of that state's laws.	144.030.2(36)	1998 SB 936
88	Materials purchased by a contractor for the purpose of fabricating tangible personal property which is used in fulfilling a contract for the purpose of constructing, repairing or remodeling facilities for the following: (a) An exempt entity located in this state, if the entity is one of those entities able to issue project exemption certificates in accordance with the provisions of section 144.062; or (b) An exempt entity located outside the state if the exempt entity is authorized to issue an exemption certificate to contractors in accordance with the provisions of that state's law and the applicable provisions of this section.	144.030.2(36)	1998 S.B. 936
89	All sales or other transfers of tangible personal property to a lessor, who leases the property under a lease of one year or longer executed or in effect at the time of the sale or other transfer, to an interstate compact agency .	144.030.2(37)	1999 HB 516, 2004 HB 795
90	Sales of tickets to any collegiate athletic championship event that is held in a facility owned or operated by a governmental authority or commission, a quasi-governmental agency, a state university or college or by the state or any political subdivision thereof, including a municipality, and that is played on a neutral site and may reasonably be played at a site located outside the state of Missouri.	144.030.2(38)	2005 SB 68

	Description	Statute	Bill Number
91	All <i>purchases</i> made by a <i>Sports Complex Authority</i> under 64.920.	144.030.2(39)	2007 SB 22
92	Materials, replacement parts and equipment purchased for use directly upon, and for the modification, replacement, repair and maintenance of <i>aircraft, aircraft power plants, and aircraft accessories</i> . Expires January 1, 2015.	144.030.2(40)	2008 SB 930 & 947
93	Sales at retail made through the use of <i>federal food stamp coupons</i> .	144.037	1986 HB 910 & 1165
94	Sales at retail for which federal government coupons or vouchers under the supplemental feeding for <i>women, infants and children program</i> are used as payment.	144.038	1986 HB 910 & 1165
95	Purchases of all tangible personal property made by, or on behalf of, a <i>state senator or state representative</i> if such purchases are made from funds in such state senator's or state representative's state expense account.	144.039	1988 HB 957 & 1571
96	New <i>light aircraft, light aircraft kits</i> , parts or components manufactured or substantially completed within this state, when such new light aircraft, light aircraft kits, parts or components are sold by the manufacturer to a purchaser who is nonresident of this state, who will transport the light aircraft, light aircraft kit, parts or components outside this state within ten days after the date of purchase, and who will register any light aircraft so purchased in another state or country.	144.043	1994 HB 1578
97	Forty percent of the purchase price of a <i>new manufactured home or new modular unit</i>	144.044	1994 SB 477, 2005 HB 186
98	<i>Court transcripts, depositions</i> , compressed transcripts, exhibits, computer disks containing any such item, and all copies of any such item, which are prepared by a court reporter.	144.045	1995 HB 414, 1995 SB 374
99	Separately measured <i>electrical current to manufacturers of batteries</i> in this state for conversion to stored chemical energy in new lead-acid storage batteries solely for the purpose of providing an initial charge in such batteries during the manufacturing process but not for the purpose of recharging any previously manufactured batteries.	144.046	1995 HB 414
100	<i>Aircraft</i> used solely for aerial application of agricultural chemicals.	144.047	1995 SB 374
101	<i>Clothing, school supplies, computer software and personal computers or computer peripheral devices</i> during a three-day period beginning at 12:01 a.m. on the first Friday in August. Certain dollar limits apply. (Sales Tax Holiday)	144.049	2003 SB 11, 2005 HB 64
102	Machinery and equipment used solely for the planting, harvesting, processing, or transporting of a <i>forestry product</i> .	144.053	2008 SB 931
103	Exempts from state tax and local use tax, <i>electrical energy and gas, whether natural, artificial, or propane, water, coal, and energy sources, chemicals, machinery, equipment</i> , and materials used or consumed in the manufacturing, processing, compounding, mining, or producing of any product, or used or consumed in the processing of recovered materials, or used in research and development related to manufacturing, processing, compounding, mining, or producing any product.	144.054.2	2007 SB 30

	Description	Statute	Bill Number
104	All <i>utilities, machinery, and equipment used or consumed</i> directly in <i>television or radio broadcasting</i> .	144.054.3	2007 SB 30
105	All <i>sales and purchases of tangible personal property, utilities, services, or any other transaction</i> that would otherwise be subject to the state or local sales or use tax when such sales are made to or purchases are made by a contractor for use in fulfillment of any obligation under a <i>defense contract with the United States government</i> .	144.054.3	2007 SB 30
106	All <i>sales and leases of tangible personal property by any county, city, incorporated town, or village</i> , provided such sale or lease is authorized under Chapter 100, RSMo, and such transaction is certified for sales tax exemption by the department of economic development.	144.054.3	2007 SB 30
107	Tangible personal property <i>used for railroad infrastructure</i> brought into this state for <i>processing, fabrication, or other modification for use</i> outside the state in the regular course of business.	144.054.3	2007 SB 30
108	All sales and purchases of tangible personal property, utilities, services, or any other transaction that would otherwise be subject to the state or local sales or use tax when such sales are made to or purchases are made by a private partner for use in completing a project under sections 227.600 to 227.669, RSMo (Missouri Public-Private Partnerships Transportation Act.)	144.054.4	2009 HB 683
109	All tangible personal property included on the United States munitions list, as provided in 22 CFR 121.1, <i>sold to or purchased by any foreign government or agency or instrumentality of such foreign government</i> which is used for governmental purposes.	144.057	2008 HB 2058
110	Tangible personal property and materials for the purpose of <i>constructing, repairing or remodeling facilities</i> for: (1) a county, other political subdivision or instrumentality thereof exempt from taxation under subdivision (10) of section 39 of article III of the Constitution of Missouri; or (2) an organization sales to which are exempt from taxation under the provisions of subdivision (19) of subsection 2 of section 144.030; or (3) any institution of higher education supported by public funds or any private not-for-profit institution of higher education, exempt from taxation under subdivision (20) of subsection 2 of section 144.030; (4) any private not-for-profit elementary or secondary school exempt from taxation under subdivision (22) of subsection 2 of section 144.030, if the purchases are related to the entities' exempt functions and activities; (5) any authority exempt from taxation under subdivision (39) of subsection 2 of section 144.030; or (6) after June 30, 2007, the department of transportation or the state highways and transportation commission.	144.062	1988 HB 957 & 1571, 1994 SB 477, 1998 SB 558, 2007 SB 22
111	<i>Fencing materials</i> used for agricultural purposes.	144.063	2008 SB 931
112	<i>Motor fuel</i> used for agricultural purposes.	144.063	2008 SB 931

	Description	Statute	Bill Number
113	Textbooks , as defined by section 170.051, RSMo, when such textbook is purchased by a student who possesses proof of current enrollment at any Missouri public or private university, college or other postsecondary institution of higher learning offering a course of study leading to a degree in the liberal arts, humanities or sciences or in a professional, vocational or technical field, provided that the books which are exempt from state sales tax are those required or recommended for a class. This exemption does not apply to any locally imposed sales or use tax.	144.517	1998 SB 936, 1999 SB 33
114	Amounts paid for the temporary use of a coin-operated amusement device.	144.518.2	1999 HB 516, 2005 HB 186, 2007 SB 30
115	Vending machines or parts for vending machines used in a commercial vending business where sales tax is paid on the gross receipts derived from such vending machines.	144.518.4	1999 HB 516, 2005 HB 186, 2007 SB 30
116	Energy star certified new appliances with a retail value of up to \$1,500 per appliance. April 19 to April 25 each year.	144.526	2008 SB 1181, 1100, 1262 & 1263
117	Sales of aviation jet fuel in a given calendar year to common carriers engaged in the interstate air transportation of passengers and cargo, and the storage, use and consumption of such aviation jet fuel by such common carriers, if such common carrier has first paid to the state of Missouri, in accordance with the provisions of this chapter, state sales and use taxes pursuant to the foregoing provisions and applicable to the purchase, storage, use or consumption of such aviation jet fuel in a maximum and aggregate amount of one million five hundred thousand dollars of state sales and use taxes in such calendar year.	144.805	1993 HB 913, 1996 SB 640, 1998 SB 619, 2002 HB 1196, 2005 SB 396, 2008 SB 930 & 947
118	The purchase or storage by any common carrier engaged in the interstate air transportation of persons and cargo of tangible personal property, other than catered food and beverage products purchased for in-flight consumption and aviation jet fuel, within the state of Missouri, which tangible personal property is purchased or stored in the state of Missouri and is subsequently transported out of state by the common carrier and is used by the common carrier in the conduct of its business as a common carrier.	144.807	1993 HB 913
119	Any new tax or increase in any state or local sales or use tax rate, which tax or increase was not in effect on December 30, 1987, on the sale, storage, use or consumption of aviation jet fuel at or upon airports within the state of Missouri, which airports are recipients of federal grant funds, have submitted applications for or have been approved for federal grant funds, or which are otherwise eligible to apply for federal grant funds.	144.809	1996 SB 640
120	Equipment purchased by a federally licensed commercial or public broadcast station when such equipment purchase is made as a result of federal mandate and the technological change that results.	144.811	1999 HB 139

	Description	Statute	Bill Number
121	Bullion and investment coins.	144.815	2000 SB 896, 2001 HB825
122	Tangible personal property that is <i>donated to the State of Missouri</i> without charge within one year of purchase.	144.817	2003 SB11
123	Telephone surcharges imposed to recoup the costs of deaf relay services and distribution programs	209.255	1990 HB 1132, 1993 SB 160, 1996 SB 525, 2000 SB 721
124	Boats or vessels documented by the United States Coast Guard or other agency of the federal government and operated on the waters of this state that pay the in lieu watercraft tax. The "in lieu" tax imposed is based on the price of the boat, as follows: Less than \$15,000 -- \$500 \$15,001 to \$30,000 -- \$650 \$30,001 to \$50,000 -- \$1,000 \$50,001 to \$100,000 -- \$1,400 \$100,001 to \$150,000 -- \$2,000 \$150,001 to \$200,000 -- \$3,000 \$200,001 and above --\$4,000 to \$10,500	306.016	1994 SB 477, 1995 HB 217, 2003 HB 600
125	State or local admission fees imposed upon excursion gambling boat operators that are collected from each passenger boarding such excursion gambling boat	313.821	1994 SB 740
126	Any property paid for out of the funds of any <i>county or other political subdivision</i> Other transactions excluded from tax	MO Const Art III, Sec 39	
127	The sale of intangible personal property and all services not specifically mentioned in Section 144.020 are not subject to tax. This includes the sale of all custom software and all software delivered electronically (e.g. downloaded off the internet). Canned software sold on a tangible medium (e.g. a CD) is considered tangible personal property and is subject to tax.	144.010 and 144.020	
128	The sale of real estate, including fixtures , is not subject to tax. This includes items that are sold affixed to real estate (e.g. carpeting and other floor coverings). The same items sold without installation are considered tangible personal property and are subject to tax.	144.010 and 144.020	

	Description	Statute	Bill Number
129	Sales for resale are not subject to tax. The Missouri Supreme Court and the Administrative Hearing Commission have extended this exclusion to items purchased by a business and transferred to its customers in the course of providing a service to the customers (including food and consumables used by hotels, promotional items given away at ballparks, and, most recently, electricity used in hotel rooms).	144.010.1(10)	
130	Advertising services are a service and not resale of tangible personal property. Sales of advertising by advertising agencies, broadcast stations, standardized outdoor billboards are exempt.	144.034	1982 SB 475, 1983 HB 9
131	Sale of Bingo Supplies to duly-licensed organizations conducting bingo games.	313.085	1986 SB 461, 1993 HB 112, 1994 SB 427, 1994 SB 740
132	All State Fair Exhibit Entry Fees.	262.250	1939 p. 14157, 1994 SB 692

APPENDIX B

Appendix B

Exemption History

Year	Bill	Statute	Description
1939	HB 91	144.010 & 144.030	Creation of the sales tax exemption laws
1939	HB 91	144.010.1(2)	The isolated or occasional sale of tangible personal property, service, substance, or thing, by a person not engaged in such business, unless the total amount of the gross receipts from such sales, exclusive of receipts from the sale of tangible personal property by persons which property is sold in the course of the partial or complete liquidation of a household, farm or nonbusiness enterprise, exceeds three thousand dollars in any calendar year.
1939	HB 91	144.010.1(6)	Sales by the Missouri Department of Transportation.
1939	HB 91	144.030.1	Sales in commerce between this state and any other state or between this state and any foreign country.
1939	HB 91	144.030.2(1)	Motor fuel or special fuel subject to an excise tax of this state, unless all or part of such excise tax is refunded pursuant to §142.584.
1939	HB 91	144.030.2(1)	Fuel to be consumed in manufacturing or creating gas, power, steam, electrical current or in furnishing water to be sold ultimately at retail.
1939	HB 91	144.030.2(1)	Feed for livestock or poultry which is to be used in feeding of livestock or poultry to be sold ultimately in processed form or otherwise at retail. Livestock includes cattle, calves, sheep, swine, ratite birds (ostrich and emu), aquatic organisms, elk documented as obtained from a legal source and not from the wild, goats, horses, other equine and rabbits raised in confinement for human consumption.
1939	p. 1457	262.250	All State Fair Exhibit Entry Fees.
1943	HB 251	144.030.2(1)	Seed, limestone or fertilizer which is to be used for seeding, liming or fertilizing crops which when harvested will be sold at retail or will be fed to livestock or poultry to be sold ultimately in processed form at retail.
1949	HB 303	144.030.2(1)	Economic poisons registered under the provisions of the Missouri pesticide registration law which are to be used in connection with the growth or production of crops, fruit trees or orchards applied before, during, or after planting, the crop of which when harvested will be sold at retail or will be converted into foodstuffs which are to be sold ultimately in processed form at retail.
1961	SB 360	144.030.2(2)	Materials, manufactured goods, machinery and parts which when used in manufacturing or fabricating become a component part or ingredient of the new personal property resulting from such manufacturing, processing compounding, mining, producing or fabricating and which new personal property is intended to be sold ultimately for final use or consumption.

Year	Bill	Statute	Description
1961	SB 360	144.030.2(3)	Materials, replacement parts and equipment purchased for use directly upon, and for the repair and maintenance or manufacture of, motor vehicles, watercraft, railroad rolling stock or aircraft engaged as common carriers of persons or property.
1961	SB 360	144.030.2(4)	Replacement machinery, equipment and parts and the materials solely required for the installation or construction of such replacement machinery, equipment, and parts, used directly in manufacturing, mining, fabricating or producing a product which is intended to be sold ultimately for final use or consumption.
1961	SB 360	144.030.2(5)	Machinery and equipment, and parts and the materials and supplies solely required for the installation or construction of such machinery and equipment, purchased and used to establish new or to expand existing manufacturing, mining or fabricating plants in the state if such machinery and equipment is used directly in manufacturing, mining or fabricating a product which is intended to be sold ultimately for final use or consumption.
1961	SB 360	144.030.2(6)	Tangible personal property which is used exclusively in the manufacturing, processing, modification or assembling or products sold to the United States government or to any agency of the United States government.
1961	SB 360	144.030.2(7)	Animals or poultry used for breeding or feeding purposes.
1961	SB 360	144.030.2(8)	Newsprint, ink, computers, photosensitive paper and film, toner, printing plates and other machinery, equipment, replacement parts and supplies used in producing newspapers published for dissemination of news to the general public.
1961	SB 360	144.030.2(9)	Rentals of films, records or any types of sound or picture transcriptions for public commercial display.
1961	SB 360	144.030.2(10)	Pumping machinery and equipment used to propel products delivered by pipelines engaged as common carriers.
1963	SB 4	144.025	The value of any item traded-in, which is subtracted from the taxable amount of the item purchased.
1965	HB 626	144.030.2(2)	Materials, including without limitation, gases and manufactured goods, including without limitation, slagging materials and firebrick, which are ultimately consumed in the manufacturing process by blending, reacting or interacting with or by becoming, in whole or in part, component parts or ingredients of steel products intended to be sold ultimately for final use or consumption.
1967	SB 19	144.030.2(11)	Railroad rolling stock for use in transporting persons or property in interstate commerce.

Year	Bill	Statute	Description
1967	SB 19	144.030.2(12)	Electrical energy used in the actual primary manufacture, processing, compounding, mining or producing of a product, or electrical energy used in the actual secondary processing or fabricating of the product, or a material recovery processing plant, if the total cost of electrical energy so used exceeds ten percent of the total cost of production, either primary or secondary, exclusive of the cost of electrical energy so used or if the raw materials used in such processing contain at least twenty-five percent recovered materials as defined in section 260.200.
1967	SB 19	144.030.2(13)	Anodes which are used or consumed in manufacturing, processing, compounding, mining, producing or fabricating and which have a useful life of less than one year.
1967	SB 19	144.030.2(14)	Machinery, equipment, appliances and devices purchased or leased and used solely for the purpose of preventing, abating or monitoring air pollution, and materials and supplies solely required for the installation, construction or reconstruction of such machinery, equipment, appliances and devices.
1967	SB 19	144.030.2(15)	Machinery, equipment, appliances and devices purchased or leased and used solely for the purpose of preventing, abating or monitoring water pollution, and materials and supplies solely required for the installation, construction or reconstruction of such machinery, equipment, appliances and devices.
1967	SB 19	144.030.2(16)	Tangible personal property purchased by a rural water district.
1973	HB 46	144.011.1(9)	The transfer of reusable containers used in connection with the sale of tangible personal property contained therein for which a deposit is required and refunded on return.
1977	SB 367	144.010.1(10)	Sales of computer printouts, computer output or microfilm or microfiche and computer-assisted photo compositions to a purchaser to enable the purchaser to obtain for his or her own use the desired information contained in such items.
1979	SB 218	144.011.1(1)	The transfer by one corporation of substantially all of its tangible personal property to another corporation pursuant to a merger or consolidation effected under the laws of the state of Missouri or any other jurisdiction.
1979	SB 218	144.011.1(2)	The transfer of tangible personal property incident to the liquidation or cessation of a taxpayer's trade or business, conducted in proprietorship, partnership or corporate form, except to the extent any transfer is made in the ordinary course of the taxpayer's trade or business.
1979	SB 218	144.011.1(3)	The transfer of tangible personal property to a corporation solely in exchange for its stock or securities.
1979	SB 218	144.011.1(4)	The transfer of tangible personal property to a corporation by a shareholder as a contribution to the capital of the transferee corporation.
1979	SB 218	144.011.1(5)	The transfer of tangible personal property to a partnership solely in exchange for a partnership interest therein.

Year	Bill	Statute	Description
1979	SB 218	144.011.1(6)	The transfer of tangible personal property by a partner as a contribution to the capital of the transferee partnership.
1979	SB 218	144.011.1(7)	The transfer of tangible personal property by a corporation to one or more of its shareholders as a dividend, return of capital, distribution in the partial or complete liquidation of the corporation or distribution in redemption of the shareholder's interest therein.
1979	SB 218	144.011.1(8)	The transfer of tangible personal property by a partnership to one or more of its partners as a current distribution, return of capital or distribution in the partial or complete liquidation of the partnership or of the partner's interest therein.
1979	SB 218	144.011.1(10)	The purchase by persons operating eating or food service establishments, of items of a nonreusable nature which are furnished to the customers of such establishments with or in conjunction with the retail sales of their food or beverage such as napkins, straws etc.
1979	SB 218	144.025	The price of any motor vehicle, trailer boat or outboard motor sold by the owner if the owner purchases a subsequent motor vehicle, trailer, boat or outboard motor within 180 days before or after the date of the sale of the original article.
1979	HB 726, SB 218	144.030.2(17)	Amounts paid or charged for admission or participation or other fees paid by or other charges to individuals in or for any place of amusement, entertainment or recreations, games and athletic events, including museums, fairs, zoos and planetariums, owned or operated by a municipality or other political subdivision where all the proceeds derived therefrom benefit the municipality or other political subdivision and do not inure to any private person, firm, or corporation.
1979	HB 726, SB 218	144.030.2(18)	All sales of insulin.
1979	HB 726, SB 218	144.030.2(18)	Prosthetic or orthopedic devices as defined on January 1, 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of 1965, including the items specified in Section 1862(a)(12) of that act, and also specifically including hearing aids and hearing aid supplies.
1979	HB 726, SB 218	144.030.2(18)	Drugs which may be legally dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to administer those items, including samples and materials used to manufacture samples which may be dispensed by a practitioner authorized to dispense such samples.
1979	HB 726, SB 218	144.030.2(19)	Sales made by or to religious and charitable organizations and institutions in their religious, charitable or educational functions and activities.
1979	HB 726, SB 218	144.030.2(19)	Sales made by or to all elementary and secondary schools operated at public expense in their educational functions and activities.
1979	HB 726, SB 218	144.030.2(20)	Sales of aircraft to common carriers for storage or for use in interstate commerce.

Year	Bill	Statute	Description
1979	HB 726, SB 218	144.030.2(20)	Sales made by or to not-for-profit civic, social, service or fraternal organizations, including fraternal organizations which have been declared tax exempt organizations pursuant to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or charitable functions and activities.
1979	HB 726, SB 218	144.030.2(20)	Sales made to eleemosynary and penal institutions and industries of the state.
1979	HB 726, SB 218	144.030.2(20)	Sales made to any private not-for-profit institution of higher education not otherwise excluded pursuant to subdivision (19) of Section 144.030.2 or any institution of higher education supported by public funds.
1979	HB 726, SB 218	144.030.2(20)	Sales made to a state relief agency in the exercise of relief functions and activities.
1979	HB 726, SB 218	144.030.2(21)	Ticket sales made by benevolent, scientific and educational associations which are formed to foster, encourage, and promote progress and improvement in the science of agriculture and in the raising and breeding of animals.
1979	HB 726, SB 218	144.030.2(21)	Ticket sales by nonprofit summer theater organizations if such organizations are exempt from federal tax pursuant to the provisions of the Internal Revenue Code.
1979	SB 218	144.030.2(22)	Sales made to any private not-for-profit elementary or secondary school.
1979	SB 218	144.030.2(22)	Feed additives, medications or vaccines administered to livestock or poultry in the production of food or fiber. See 144.010.1(4) for the definition of "livestock."
1979	SB 218	144.030.2(22)	Propane or natural gas, electricity or diesel fuel used exclusively for drying agricultural crops.
1979	SB 218	144.030.2(22)	New or used farm tractors and such other new or used farm machinery and equipment (other than airplanes, motor vehicles and trailers) and repair or replacement parts thereon and lubricants used exclusively for such farm machinery and equipment, and supplies and lubricants used exclusively, solely, and directly for producing crops, raising and feeding livestock, fish, poultry, pheasants, chukar, quail, or for producing milk for ultimate sale at retail, including field drain tile and one-half of each purchaser's purchase of diesel fuel therefore which is: (a) Used exclusively for agricultural purposes; (b) Used on land owned or leased for the purpose of producing farm products; and (c) Used directly in producing farm products to be sold ultimately in processed form or otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold ultimately in processed form at retail.

Year	Bill	Statute	Description
1979	SB 218	144.030.2(23)	Except for local taxes imposed by cities or counties under section 144.032, all sales of metered water service, electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil for domestic use and in any city not within a county, all sales of metered or unmetered water service for domestic use.
1979	SB 218	144.030.2(24)	Handicraft items made by the seller or the seller's spouse if the seller or the seller's spouse is at least sixty-five years of age, and if the total gross proceeds from such sales do not constitute a majority of the annual gross income of the seller.
1979	SB 218	144.030.2(25)	Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071, 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code.
1982	SB 471	144.030.2(26)	Fuel consumed or used in the operation of ships, barges, or waterborne vessels which are used primarily in or for the transportation of property or cargo, or the conveyance of persons for hire, on navigable rivers bordering on or located in part in this state, if such fuel is delivered by the seller to the purchaser's barge, ship, or waterborne vessel while it is afloat upon such river.
1982	SB 475	144.034	Advertising services are a service and not resale of tangible personal property. Sales of advertising by advertising agencies, broadcast stations, standardized outdoor billboards are exempt.
1983	HB 10	144.027	The amount of the insurance proceeds plus any owner's deductible obligation, as certified by the insurance company, which is a credit against the purchase price of another motor vehicle, trailer, boat or outboard motor which is purchased or is contracted to purchase within one hundred eighty days of the date of payment by the insurance company as a replacement motor vehicle, trailer, boat or outboard motor.
1985	SB 363	144.030.2(11)	Motor vehicles licensed for a gross weight of 24,000 pounds or more or trailers used by common carriers, as defined in section 390.020, RSMo, in the transportation of persons or property.
1986	HB 910	144.037	Sales at retail made through the use of federal food stamp coupons.
1986	HB 910	144.038	Sales at retail for which federal government coupons or vouchers under the supplemental feeding for women, infants and children program are used as payment.
1986	SB 461	313.085	Sale of Bingo Supplies to duly-licensed organizations conducting bingo games.
1988	HB 957	144.039	Purchases of all tangible personal property made by, or on behalf of, a state senator or state representative if such purchases are made from funds in such state senator's or state representative's state expense account.

Year	Bill	Statute	Description
1988	HB 957	144.062	Tangible personal property and materials for the purpose of constructing, repairing or remodeling facilities for: (1) a county, other political subdivision or instrumentality thereof exempt from taxation under subdivision (10) of section 39 of article III of the Constitution of Missouri; or (2) an organization sales to which are exempt from taxation under the provisions of subdivision (19) of subsection 2 of section 144.030; or (3) any institution of higher education supported by public funds or any private not-for-profit institution of higher education, exempt from taxation under subdivision (20) of subsection 2 of section 144.030; (4) any private not-for-profit elementary or secondary school exempt from taxation under subdivision (22) of subsection 2 of section 144.030, if the purchases are related to the entities' exempt functions and activities; (5) any authority exempt from taxation under subdivision (39) of subsection 2 of section 144.030; or (6) after June 30, 2007, the department of transportation or the state highways and transportation commission.
1990	HB 1132	209.255	Telephone surcharges imposed to recoup the costs of deaf relay services and distribution programs.
1991	HB 39	144.030.2(27)	Sales made to an interstate compact agency created pursuant to sections 70.370 to 70.430, RSMo, (Bi-State Development Agency) or sections 238.010 to 238.100, RSMo, (Kansas City Area Transportation Authority) in the exercise of the functions and activities of such agency as provided pursuant to the compact.
1992	HB 1155	144.011.1(13)	Charges for initiation fees or dues to: (a) Fraternal beneficiaries societies, or domestic fraternal societies, orders or associations operating under the lodge system a substantial part of the activities of which are devoted to religious, charitable, scientific, literary, educational or fraternal purposes; or (b) Posts or organizations of past or present members of the armed forces of the United States or an auxiliary unit or society of, or a trust or foundation for, any such post or organization substantially all of the members of which are past or present members of the armed forces of the United States or who are cadets, spouses, widows, or widowers of past or present members of the armed forces of the United States, no part of the net earnings of which inures to the benefit of any private shareholder or individual.
1993	HB 913	144.805	Sales of aviation jet fuel in a given calendar year to common carriers engaged in the interstate air transportation of passengers and cargo, and the storage, use and consumption of such aviation jet fuel by such common carriers, if such common carrier has first paid to the state of Missouri, in accordance with the provisions of this chapter, state sales and use taxes pursuant to the foregoing provisions and applicable to the purchase, storage, use or consumption of such aviation jet fuel in a maximum and aggregate amount of one million five hundred thousand dollars of state sales and use taxes in such calendar year.

Year	Bill	Statute	Description
1993	HB 913	144.807	The purchase or storage by any common carrier engaged in the interstate air transportation of persons and cargo of tangible personal property, other than catered food and beverage products purchased for in-flight consumption and aviation jet fuel, within the state of Missouri, which tangible personal property is purchased or stored in the state of Missouri and is subsequently transported out of state by the common carrier and is used by the common carrier in the conduct of its business as a common carrier.
1994	SB 477	144.030.2(22)	Pesticides used in the production of crops, livestock or poultry for food or fiber including adjuvants such as crop oils, surfactants, wetting agents and other assorted pesticide carriers used to improve or enhance the effect of a pesticide and the foam used to mark the application of pesticides and herbicides for the production of crops, livestock or poultry.
1994	SB 477	144.030.2(22)	Bedding used in the production of livestock or poultry for food or fiber.
1994	HB 1578	144.043	New light aircraft, light aircraft kits, parts or components manufactured or substantially completed within this state, when such new light aircraft, light aircraft kits, parts or components are sold by the manufacturer to a purchaser who is nonresident of this state, who will transport the light aircraft, light aircraft kit, parts or components outside this state within ten days after the date of purchase, and who will register any light aircraft so purchased in another state or country.
1994	SB 477	144.044	Forty percent of the purchase price of a new manufactured home or new modular unit
1994	SB 477	306.016	Boats or vessels documented by the United States Coast Guard or other agency of the federal government and operated on the waters of this state that pay the in lieu watercraft tax. The "in lieu" tax imposed is based on the price of the boat, as follows: Less than \$15,000 -- \$500 \$15,001 to \$30,000 -- \$650 \$30,001 to \$50,000 -- \$1,000 \$50,001 to \$100,000 -- \$1,400 \$100,001 to \$150,000 -- \$2,000 \$150,001 to \$200,000 -- \$3,000 \$200,001 and above -- \$4,000 to \$10,500

Year	Bill	Statute	Description
1994	SB 740	313.821	State or local admission fees imposed upon excursion gambling boat operators that are collected from each passenger boarding such excursion gambling boat.
1995	HB 414	144.030.2(28)	Computers, computer software and computer security systems purchased for use by architectural or engineering firms headquartered in this state. For the purposes of this exemption, "headquartered in this state" means the office for the administrative management of at least four integrated facilities operated by the taxpayer is located in the state of Missouri.
1995	HB 414	144.045	Court transcripts, depositions, compressed transcripts, exhibits, computer disks containing any such item, and all copies of any such item, which are prepared by a court reporter.
1995	HB 414	144.046	Separately measured electrical current to manufacturers of batteries in this state for conversion to stored chemical energy in new lead-acid storage batteries solely for the purpose of providing an initial charge in such batteries during the manufacturing process but not for the purpose of recharging any previously manufactured batteries.
1995	SB 374	144.047	Aircraft used solely for aerial application of agricultural chemicals.
1996	HB 1237	144.011.1(11)	The purchase by persons operating hotels, motels or other transient accommodation establishments, of items of a nonreusable nature which are furnished to the guests in the guests' rooms of such establishments and such items are included in the charge made for such accommodations such as soap, shampoo etc.
1996	HB 1466	144.030.2(22)	Admission charges and entry fees to the Missouri state fair or any fair conducted by a county agricultural and mechanical society organized and operated pursuant to sections 262.290 to 262.530, RSMo.
1996	HB 1466	144.030.2(29)	Livestock sales when either the seller is engaged in the growing, producing or feeding of such livestock, or the seller is engaged in the business of buying and selling, bartering or leasing of such livestock.
1996	HB 1466	144.030.2(30)	Barges which are to be used primarily in the transportation of property or cargo on interstate waterways.
1996	SB 640	144.809	Any new tax or increase in any state or local sales or use tax rate, which tax or increase was not in effect on December 30, 1987, on the sale, storage, use or consumption of aviation jet fuel at or upon airports within the state of Missouri, which airports are recipients of federal grant funds, have submitted applications for or have been approved for federal grant funds, or which are otherwise eligible to apply for federal grant funds.
1997	HB 491	144.014	Tax imposed on food shall be at the rate of one percent (plus constitutionally imposed tax of .225%).
1997	HB 491	144.030.2(18)	Medical oxygen, home respiratory equipment and accessories.
1998	SB 936	144.030.2(4)	Machinery and equipment and the materials and supplies required solely for the operation, installation or construction of such machinery and equipment, purchased and used to establish new, or to replace or expand existing, material recovery processing plants in this state.

Year	Bill	Statute	Description
1998	SB 936	144.030.2(18)	Hospital beds and accessories.
1998	SB 936	144.030.2(18)	Ambulatory aids, manual and powered wheelchairs, and stairway lifts.
1998	SB 936	144.030.2(18)	Braille writers and electronic Braille equipment.
1998	SB 936	144.030.2(18)	If purchased by or on behalf of a person with one or more physical or mental disabilities to enable them to function more independently, all sales of scooters, reading machines, electronic print enlargers and magnifiers.
1998	SB 936	144.030.2(18)	Electronic alternative and augmentative communication devices.
1998	SB 936	144.030.2(18)	Items used solely to modify motor vehicles to permit the use of such motor vehicles by individuals with disabilities.
1998	SB 936	144.030.2(18)	Sales of over-the-counter or nonprescription drugs to individuals with disabilities.
1998	SB 936	144.030.2(31)	Electrical energy or gas, whether natural, artificial or propane, water, or other utilities which are ultimately consumed in connection with the manufacturing of cellular glass product or in any material recovery processing plant.
1998	SB 936	144.030.2(32)	Pesticides or herbicides used in the production of crops, aquaculture, livestock or poultry.
1998	SB 936	144.030.2(33)	Tangible personal property and utilities purchased for use or consumption directly or exclusively in the research and development of agricultural/biotechnology, plant genomics, and prescription pharmaceuticals consumed by humans or animals.
1998	SB 936	144.030.2(34)	Grain bins for storage of grain for resale.
1998	SB 936	144.030.2(35)	Feed which are developed for and used in the feeding of pets owned by a commercial breeder when such sales are made to a commercial breeder, as defined in section 273.325, RSMo, and licensed pursuant to sections 273.325 to 273.357, RSMo.
1998	SB 936	144.030.2(36)	Purchases by a contractor on behalf of an entity located in another state, provided that the entity is authorized to issue a certificate of exemption for purchases to a contractor under the provisions of that state's laws.
1998	SB 936	144.030.2(36)	Materials purchased by a contractor for the purpose of fabricating tangible personal property which is used in fulfilling a contract for the purpose of constructing, repairing or remodeling facilities for the following: (a) An exempt entity located in this state, if the entity is one of those entities able to issue project exemption certificates in accordance with the provisions of section 144.062; or (b) An exempt entity located outside the state if the exempt entity is authorized to issue an exemption certificate to contractors in accordance with the provisions of that state's law and the applicable provisions of this section.

Year	Bill	Statute	Description
1998	SB 936	144.517	Textbooks, as defined by section 170.051, RSMo, when such textbook is purchased by a student who possesses proof of current enrollment at any Missouri public or private university, college or other postsecondary institution of higher learning offering a course of study leading to a degree in the liberal arts, humanities or sciences or in a professional, vocational or technical field, provided that the books which are exempt from state sales tax are those required or recommended for a class. This exemption does not apply to any locally imposed sales or use tax.
1999	HB 516	144.030.2(37)	All sales or other transfers of tangible personal property to a lessor, who leases the property under a lease of one year or longer executed or in effect at the time of the sale or other transfer, to an interstate compact agency.
1999	HB 516	144.518.2	Amounts paid for the temporary use of a coin-operated amusement device.
1999	HB 516	144.518.4	Vending machines or parts for vending machines used in a commercial vending business where sales tax is paid on the gross receipts derived from such vending machines.
1999	HB 139	144.811	Equipment purchased by a federally licensed commercial or public broadcast station when such equipment purchase is made as a result of federal mandate and the technological change that results.
2000	SB 896	144.815	Buillion and investment coins.
2003	SB 11	144.030.2(22)	Natural gas used in the primary manufacture or processing of fuel ethanol.
2003	SB 11	144.049	Clothing, school supplies, computer software and personal computers or computer peripheral devices during a three-day period beginning at 12:01 a.m. on the first Friday in August. Certain dollar limits apply. (Sales Tax Holiday)
2003	SB 11	144.817	Tangible personal property that is donated to the State of Missouri without charge within one year of purchase.
2005	SB 355	144.030.2(22)	Natural gas, propane, and electricity used by an eligible new generation cooperative or an eligible new generation processing entity as defined in section 348.432, RSMo.
2005	SB 68	144.030.2(38)	Sales of tickets to any collegiate athletic championship event that is held in a facility owned or operated by a governmental authority or commission, a quasi-governmental agency, a state university or college or by the state or any political subdivision thereof, including a municipality, and that is played on a neutral site and may reasonably be played at a site located outside the state of Missouri.
2007	SB 22	144.030.2(39)	All purchases made by a Sports Complex Authority under 64.920.

Year	Bill	Statute	Description
2007	SB 30	144.054.2	Exempts from state tax and local use tax, electrical energy and gas, whether natural, artificial, or propane, water, coal, and energy sources, chemicals, machinery, equipment, and materials used or consumed in the manufacturing, processing, compounding, mining, or producing of any product, or used or consumed in the processing of recovered materials, or used in research and development related to manufacturing, processing, compounding, mining, or producing any product.
2007	SB 30	144.054.3	All utilities, machinery, and equipment used or consumed directly in television or radio broadcasting.
2007	SB 30	144.054.3	All sales and purchases of tangible personal property, utilities, services, or any other transaction that would otherwise be subject to the state or local sales or use tax when such sales are made to or purchases are made by a contractor for use in fulfillment of any obligation under a defense contract with the United States government.
2007	SB 30	144.054.3	All sales and leases of tangible personal property by any county, city, incorporated town, or village, provided such sale or lease is authorized under Chapter 100, RSMo, and such transaction is certified for sales tax exemption by the department of economic development.
2007	SB 30	144.054.3	Tangible personal property used for railroad infrastructure brought into this state for processing, fabrication, or other modification for use outside the state in the regular course of business.
2008	SB 930	144.030.2(40)	Materials, replacement parts and equipment purchased for use directly upon, and for the modification, replacement, repair and maintenance of aircraft, aircraft power plants, and aircraft accessories. Expires January 1, 2015.
2008	SB 931	144.053	Machinery and equipment used solely for the planting, harvesting, processing, or transporting of a forestry product.
2008	HB 2058	144.057	All tangible personal property included on the United States munitions list, as provided in 22 CFR 121.1, sold to or purchased by any foreign government or agency or instrumentality of such foreign government which is used for governmental purposes.
2008	SB 931	144.063	Fencing materials used for agricultural purposes.
2008	SB 931	144.063	Motor fuel used for agricultural purposes.
2008	SB 1181	144.526	Energy star certified new appliances with a retail value of up to \$1,500 per appliance. April 19 to April 25 each year.
2009	HB 683	144.054.4	All sales and purchases of tangible personal property, utilities, services, or any other transaction that would otherwise be subject to the state or local sales or use tax when such sales are made to or purchases are made by a private partner for use in completing a project under sections 227.600 to 227.669, RSMo (Missouri Public-Private Partnerships Transportation Act.)

APPENDIX C

Appendix C

Statutory History

Statute Section Number and Title	Statutory Changes
209.255 Rate established to recover costs of programs-surcharge, limitations, collection-exemption from taxes.	1990 HB 1132, 1993 SB 160, 1996 SB 525, 2000 SB 721
262.250 Entry fees - classification	1939 p 14157, 1994 SB 692
306.016 United States Coast Guard documented vessels, certificate of registration, requirements - fees and taxes - duration - temporary registration - termination - availability for inspection	1994 SB 477, 1995 HB 217, 2003 HB 600
313.085 Sales of bingo supplies exempt from certain taxes	1986 SB 461, 1993 HB 112, 1994 SB 427
313.821 Sales tax exemption, state or local admission fee - additional admission fee imposed by licensee not exempt	1994 SB 740
144.010 Definitions	1939 HB 91, 1941 HB 344, 1943 HB 251, 1945 HB 652, 1947 SB 157, 1974 H.B. 1593, 1975 S.B. 92, 1977 S.B. 367, 1978 H.B. 1634, 1979 H.B. 59, S.B. 218, 1981 S.B. 200, 1985 S.B. 152, 1988 H.B. 1335, 1993 S.B. 52, 1996 H.B. 1466, 1998 S.B. 627, 1999 H.B. 516, 2001 S.B. 234, 2005 S.B. 355
144.011 Sale at retail not to include certain transfers	1973 HB 46, 1979 SB 218, 1985 SB 152, 1992 HB 1155, 1996 HB 1237, 2008 SB 788
144.014 Food, retail sales of, rate of tax, revenue deposited in school district trust fund-defintion of food	1997 HB 491, 1999 HB 548, 2007 SRB 613
144.025 Transactions involving trade-in or rebate, how computed-exceptions- defintions - agricultural use, allowance	1963 SB 4, 1977 SB 367, 1979 SB 218, 1985 HB 280, 1986 HB 957, 1994 SB 477, 1998 SB 936, 2003 HB 600, 2004 SB 1233, 2005 HB 487
144.027 Items replaced due to theft or casualty loss, credit against sales taxes allowed, when	1983 HB 10, 1986 HB 957, 1990 SB 494, 1998 SB 936
144.030 Exemptions from state and local sales and use taxes	1939 HB 91, 1941 HB 344, 1943 HB 251, 1945 HB 652, 1949 HB 303, 1961 SB 360, 1965 HB 626, 1967 HB 324, 1967 1st Ex. Sess. S.B. 19, 1969 HB 34, 1977 SB 104, 1979 H.B. 726, S.B. 218, 1980 H.B. 1812, 1982 S.B. 471, 1983 1st Ex. Sess. H.B. 9, 1985 S.B. 363, 1986 S.B. 669, 1988 H.B. 1629, 1989 H.B. 35, 1991 H.B. 39 & 41, 1994 S.B. 477, 1995 H.B. 414, 1996 H.B. 1237, 1997 H.B. 491, 1998 S.B. 936, 1999 H.B. 516, 2003 H.B. 600, 2004 H.B. 795, 2005 H.B. 186, 2007 S.B. 22, 2007 1st Ex. Sess. H.B. 1, 2008 H.B. 1670
144.034 Exemption, advertising and advertising products	1982 SB 475, 1983 HB 9

Statute Section Number and Title	Statutory Changes
144.037 Exemption for retail sales made through the use of federal food stamp coupons	1986 HB 910 & 1165
144.038 Exemption for retail sales made through the use of women, infants and children program vouchers	1986 HB 910 & 1165
144.039 Exemption, purchases by state legislator, when	1988 HB 957 & 1571
144.043 Light aircraft, definitions- exemption from sales tax, when	1994 HB 1578
144.044 New manufactured homes and modular units - partial sales tax exemption	1994 SB 477, 2005 HB 186
144.045 Transfer of transcripts, depositions, exhibits, computer disks prepared by a court reported are a nontaxable service not tangible property - farm machinery nontaxable	1995 HB 414, 1995 SB 374
144.046 Exemption for electrical current to battery manufacturers, when	1995 HB 414
144.047 Aircraft used only for applying agricultural chemicals to be considered farm machinery, exempt from sales and use tax	1995 SB 374
144.049 Sales tax holiday for clothing, personal computers, and school supplies, when	2003 SB 11, 2005 HB 64
144.053 Farm machinery and equipment exempt from state and local sales and use tax, when	2008 SB 931
144.054 Additional sales tax exemptions for various industries and political subdivisions	2007 SB 30
144.057 All tangible personal property on US munitions list, exempt from state and local sales and use tax	2008 HB 2058
144.062 Construction materials, exemption allowed, when - exemption certificate, form, content, purpose - effect- entity having unauthorized exemption certificate, effect	1988 HB 957 & 1571, 1994 SB 477, 1998 SB 558, 2007 SB 22
144.063 Fencing materials and motor fuel used for agricultural purposes exempt from state and local sales and use tax	2008 SB 931
144.517 Textbooks, sales and use tax exemption	1998 SB 936, 1999 SB 33
144.518 Exemption for machines or parts for machines used in a commercial, coin-operated amusement and vending business	1999 HB 516, 2005 HB 186, 2007 SB 30
144.526 Show Me Green sales tax holiday - sales tax exemption for energy star certified new appliances - political subdivision may allow exemption - retailer exception	2008 SB 1181
144.805 Aviation jet fuel sold to common carriers in interstate transporting or storage exempt from all sales and use tax, when - qualification, procedure - common carrier to make direct payment to revenue - tax revenues to be deposited in aviation trust fund - expires when	1993 HB 913, 1996 SB 640, 1998 SB 619, 2002 HB 1196, 2005 SB 396, 2008 SB 930 & 947
144.807 Common carriers in interstate air transportation, exemption for tangible personal property purchased or stored in state then transported out of state and used in the conduct of business- qualification for exemption - use in Missouri, taxes to apply	1993 HB 913
144.809 Exemption for aviation jet fuel, when	1996 SB 640
144.811 Broadcast equipment purchased by broadcast stations exempt from sales and use tax - definitions	1999 HB 139
144.815 Bullion and investment coins, sales and use tax exemption	2000 SB 896, 2001 HB 825

Statute Section Number and Title	Statutory Changes
144.817 Sales tax exemption for certain property donated to the state within one year of purchase	2003 SB 11

APPENDIX D

Appendix D

Bill Information

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Admin. Cost to State	Date Specific/Date Sunsets	Notes
H.B. 1	Rep. Ron Richard	2007	modifies language	changes the definition in section 144.030.2(12) adding a rebuttable presumption that raw materials used to manufacture automobiles contain 25% recovered materials	None as the exemption already exists just the paperwork requirement changed	None	None		
H.B. 9	Not Available	1983	modifies language	adds section cites to 144.030.2	No fiscal note found	No fiscal note found	No fiscal note found		
H.B. 10	Not Available	1983	creates a new exemption	creates 144.027 which allows insurance proceeds to be exempt from sales tax	No fiscal note found	No fiscal note found	No fiscal note found		
H.B. 34	Not Available	1969	changes a word	changes the word "of" to "or" in 144.030.3(11)	Not Available	Not Available	Not Available		
H.B. 35, 500, 516 & 601	Rep. W.O. Howard	1989	modifies language	grammar changes in 144.030.2; adds language in 144.030.2(20) regarding fraternal organizations	None	None	None		
H.B. 39 & 41	Rep. James Riley	1991	modifies language and adds a new section	creates 144.033.2(27) exempting sales to interstate compacts and modifies language in 144.030.1 & .2	Loss of \$38,000 to Highway Fund and a savings to the Bi-State Development Agency in the same amount	None	None		

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Admn. Cost to State	Date Specific/Date Sunsets	Notes
H.B. 46	Not Available	1973	creates an exemption	creates an exemption in 144.011 regarding reusable containers	Not Available	Not Available	Not Available		this exemption eventually becomes 144.011(9)
H.B. 59	Not Available	1979	modifies language	modifies language in 144.010	Not Available	Not Available	Not Available		
H.B. 64	Rep. Mike Sutherland	2005	expands an exemption	changes the exemption regarding the purchase of school supply items by removing the sunset provision; increased the dollar amount exempted; clarifies language regarding the locals opting out	Unknown loss	None	\$19,750 first year due to notifications		
H.B. 91	Not Available	1939	creates current sales tax law	creates current sales tax law	Not Available	Not Available	Not Available	effective 7/6/05	
H.B. 112	Rep. Robert Schemmauer	1993	modifies language	expands the language regarding bingo supply sales to implement a 3% surcharge	Revenue of \$5 million annually to the Veterans Home Capital Improvement Fund	None	None		

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Admin. Cost to State	Date Specific/Date Sunsets	Notes
H.B. 139	Rep. Beth Long	1999	creates an exemption	creates section 144.811 which exempt radio and TV equipment required to be purchased due to federal mandate (analog to digital conversion)	estimated loss of \$3,078,968 state and \$1,293,531 local tax revenue (the loss would have been spread over three years)	None	None		
H.B. 186	Rep. Edgar Emery	2005	modifies language and creates a new exemption	removes the word "solely" in section 144.030.2(20); adds definition of "sale of a modular unit" in section 144.044; adds section 82.850 to section 144.518.	Unknown loss to state and local tax revenue expected to exceed \$100,000	None	None	effective 7/13/99	
H.B. 217	Rep. Dick Franklin	1995	modifies language	section 306.016 made grammar changes; added registration decals to be issued to vessel owners; designated the watercraft tax to be appropriated to the Highway Patrol; clarified where the registration decals are to be located on a vessel	None	None	None		
H.B. 251	Not Available	1943	modifies language and adds exemption	modifies the definition of purchaser in 144.010; adds an exemption for seed, limestone & fertilizer in 144.030	Not Available	Not Available	Not Available		

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Admin. Cost to State	Date Specific/Date Sunsets	Notes
H.B. 280, 423 & 438	Not Available	1985	adds language and creates a new exemption	adds trailers, boats and outboard motors to the list of items exempt from tax when traded in in 144.025; creates an exemption 144.036 for steelmaking	Gain to the state of \$4.6 million a year due to the tiling of the new items; Loss to the state of over \$1.5 million a year for steelmaking exemption	None	Personnel costs of \$190,000 a year for additional employees to handle the trailers, boats and outboard motors	steelmaking provision effective 9/28/85 & expires 1/1/1989	steelmaking exemption was repealed in SRB 613 in 2007 after being extended for several years (steelmaking provisions only effects company Amco Inc per fiscal note)
H.B. 303	Not Available	1949	creates an exemption	in 144.030 it exempts spray materials on crops	Not Available	Not Available	Not Available		
H.B. 324	Not Available	1967	modifies language	statutorily defines spray materials and changes that language in 144.030.2	Not Available	Not Available	Not Available		
H.B. 344	Not Available	1941	changes grammar and adds title	section 144.010 changes "article" to "act" and adds the title of the legislation to be known as the "Sales Tax Act"; in 144.030 it adds "in commerce" to the sales made and changes "article" to "act"	Not Available	Not Available	Not Available		
H.B. 414	Rep. Henry Rizzo & Phil Tale	1995	creates 3 exemptions	creates section 144.046 about battery manufacturers exemption; changes language in section 144.030.2(4); adds section 144.030.2(28) regarding computers and software purchased by architectural, engineering and accounting firms exemption; and adds 144.045 regarding court transcript exemption	Unknown loss to state and local revenue due to wording changes in 144.030 and a loss of \$150,000 to state for battery language, \$100,000 loss to state for court transcripts	None	None	effective 7/1/96	

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Admin. Cost to State	Date Specific/Date Sunsets	Notes
H.B. 487	Rep. Mark Bruns and Bill Deeken	2005	modified language	In section 144.025 removed the word "notarized" when referring to bill of sale	None as it just streamlines the paperwork requirement	None	None		
H.B. 491	Not Available	1997	creates an exemption and modifies language	creates section 144.014; sets the sales tax on food at 1%; establishes in 144.030.2(18)an exemption for medical oxygen	loss of GR only on food of \$155,944,586, \$238,595,217, & \$243,367,121 for the first three years increasing yearly, loss of \$100,000 to state funds due to oxygen	None	admin cost due to food exemption in first three years only of \$210,861, \$135,159 and \$26,980	effective 10/1/97 food tax	
H.B. 516	Rep. Steve Gaw, Jim Kreider, Wayne Crump, James Foley, Rita Days, May Scheve, Dana Murray, Marilyn Williams, Ralph Monaco, Richard Franklin, Joan Bray, Tim Van	1999	adds definition and creates 2 new exemption	adds section 144.010.1(6) regarding "research or experimentation activities"; provides the exemption for those activities in 144.030.2(37); creates 144.518 coin-operated amusement and vending machines	loss of state revenue between \$796,195 - \$955,434 annually for research activities exemption and loss over \$1 million to state and over \$350,000 to locals for vending	None	None	exemption on research projects expires 6/30/03	eventually this section 144.030.2(37) is removed from statute
H.B. 548	Rep. Harry Kennedy	1999	modifies the definition of food	changes 144.014.2 to clarify the definition of food	Unknown loss to GR only as definition of food changed	None	admin cost in first year only to update computer system of \$6,887		

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Adm'n. Cost to State	Date Specific/Date Sunsets	Notes
H.B. 600	Rep. Shannon Cooper, David Pearce, Todd Smith, Allen Iset, Chris Shoemaker, Scott Lipke, Jack Goodman	2003	modifies and expands sections	clarifying language is added in 144.025 and section 144.025.5 is added to exempt motor vehicles used for agricultural purposes; adds an exemption in 144.030.2(22) for the manufacture of fuel ethanol and expands the definition of livestock; in 306.016 it expands the purchase price of watercraft and payment owed table	Unknown loss of revenue for sections 144.025 & 144.030, loss of general revenue but gain to the Division of Motor Vehicles for the watercraft tax in 306.016	None	None		
H.B. 626	Not Available	1965	creates an exemption	adds the exemption of steel products to 144.030.3(1)	Not Available	Not Available	Not Available		
H.B. 652	Not Available	1945	changes definitions	changes the definition of purchaser in 144.010.(7); removes the definition of "Auditor" in 144.010	Not Available	Not Available	Not Available		
H.B. 726	Not Available	1979	removes language, adds language and creates 5 new sections of exemptions	adds statute cites in 144.030.1 removes section in 144.030.2; adds a new 144.030.2(1) regarding motor fuel; adds 5 new sections of exemptions	Not Available	Not Available	Not Available		
H.B. 795, 972, 1128 & 1161	Rep. Robert Thane Johnson	2004	creates new exemption	creates section 144.030.2(38) exempting the sale or transfer of tangible personal property to a lessor, who leases the property over one year or to an interstate compact	None	None	None		eventually this section becomes 144.030.2(37)

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Adm'n. Cost to State	Date Specific/Date Sunsets	Notes
H.B. 825	Rep. Harry Kennedy	2001	modify a section	modifies section 144.815 by exempting buillion and investment coins from local sales tax	None as state exemption already in place	None	None		
H.B. 910 & 1165	Rep. Proffer	1986	creates 2 new exemptions	creates 144.037 which exempts purchases with food stamps; creates 144.038 which exempts purchases with WIC vouchers	Loss to state over \$7 million annually	None	None	144.037 effective 10-1-1986; 144.038 effective upon passage of US law	
H.B. 913	Rep. Gary Witt, Bill Skaggs, Scott Lakin, Greg Canuteson, Karen McCarthy, James Barnes, Henry Rizzo, Patrick O'Connor, Ted House, Mary Hagan-Harrell, Bob Griffin, John Birch, James Foley, Neil Molloy, Norwood Creason, O.L. Shelton, Sheila Lumpe, Millie Humphreys, David Hale, John Hickey, Joe Treadway, Bonnie Cooper, Joseph Ortwerth, Charles Gross, Kay Steinmetz,	1993	creates 2 new exemptions	creates 144.805 which exempts sale of aviation fuel to common carriers; creates 144.807 which exempts purchase of storage by any common carrier engaged in interstate air transportation	Loss greater than \$3.8 million annually in state funds	None	personnel costs of \$50,000 a year	144.805 expires 12/31/13; 144.807 effective 5/10/93 and expires 12/31/13	

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Admin. Cost to State	Date Specific/Date Sunssets	Notes
H.B. 957	Rep. Carroll	1986	modifies 2 sections	adds language in 144.025.3 regarding manufactured homes; changes from thirty days to ninety days the purchase of another vehicle with insurance proceeds in 144.027	Unknown	None	None		section 144.025 is eventually removed from statute and replaced with different language
H.B. 957 & 1571	Rep. Stephen Waters	1988	creates 2 new exemptions	creates 144.062.1 exempting retail of tangible personal property and materials; creates 144.039 which exempts purchases by legislators	A loss to the state greater than \$14 million annually growing at a 5% rate	None	None		
H.B. 1132	Rep. Wayne Crump and S. Sue Shear	1990	creates an exemption	creates 209.255 an exemption for a rate recovery mechanism on basic telephone access line	None	None	None		
H.B. 1155	Rep. Francis Barnes and Christopher Kelly	1992	modifies language regarding charges for initiation fees or dues	adds a statute cite to section 144.011.1; adds language in 144.011.1(12)	Less than \$100,000 on state funds as most of these organizations should already be exempt	None	None		section 144.011.1(12) eventually becomes 144.011.1(13)

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Admin. Cost to State	Date Specific/Date Sunsets	Notes
H.B. 1196	Rep. Rex Barnet, Cindy Ostmann, Danielle Moore, Glenda Kelly, Shannon Cooper, Bill Luetkenhaus, Carson Ross, Blaine Luetkemeyer. Bob May, Larry Crawford, Charles Shields	2002	changes cap on tax exemption	raises the cap on the transfer of money to the aviation trust fund from 5 million to 6 million and extends the sunset from 2003 to 2008	None as the money is already collected and this proposal changes which fund would receive the money (GR or Avaiton Trust)	None	None		
H.B. 1237	Rep. Henry Rizzo	1996	adds a new section and modifies language in other sections	creates 144.011.1(11) exempts nonreusable items provided at hotels from tax; modifies language in sections 144.030.2(4) & (18)	None	None	None	sunset in Dec. 2008	
H.B. 1335	Rep. Proffer	1988	removes language	removes language in 144.010.1(7) regarding the definition of "wholly in this state" and "partly within this state"	Unknown it is expected that language in the bill that would cost the state money would be offset by savings in this bill	None	None		

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Admin. Cost to State	Date Specific/Date Sunsets	Notes
H.B. 1466	Rep. Henry Rizzo & Carol Jean Mays	1996	adds a definition, corrects grammar, clarifies definitions, and creates 2 new exemption	adds a definition in 144.010.1(4) of "livestock"; corrects grammar; adds clarifying language in 144.030; exempts barges 144.030.2(30) and livestock 144.030.2(29) from tax; removes accounting firms from exemption in 144.030.2(28)	Unknown but estimated at up to \$370,000 annually due to livestock exemption	None	save the state a small amount in taxes it pays		
H.B. 1578	Rep. Karen McCarthy, Joe Maxwell, Delbert Scott, Joan Bray, Rita Days, Christopher Liese, Carol Jean Mays, Steve McLuckie, John Birch, Shella Lumpe	1994	creates new exemption	creates 144.043 an exemption on light aircraft and aircraft kits	Unknown loss over \$100,000 in state funds	None	None		
H.B. 1593	Not Available	1974	changes grammar and adds language to definition	Throughout 144.010.1 everytime the words "his article" or "his act" is mentioned it is replaced with the actual section numbers; adds clarifying language in 144.010.1(4) to the definition of "gross receipts"	Not Available	Not Available	Not Available	effective 10/1/94	
H.B. 1629	Rep. F. A. Findley	1988	modifies definition	adds clarifying language to definition of motor fuel in 144.030.2(1)	None as it only changes how the tax is collected	None	\$250,000 a more a year in additional personnel	effective 1/1/89	

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Adm'n. Cost to State	Date Specific/Date Sunsets	Notes
H.B. 1634	Not Available	1978	adds definition	adds the definition of "circuit court" 144.010.1(3) and removes "act" and changes section cites to 144.010.1(12)	Not Available	Not Available	Not Available		
H.B. 1670	Rep. Shannon Cooper	2008	removes certification requirement	wording changes in 144.030.2 (14)&(15) which remove certification by DNR	None	None	None		
H.B. 1812	Not Available	1980	modifies language	changes the language in 144.030.2(22) from "manufactured exclusively" to "used exclusively" which expands the exemption; adds language in 144.030.2(23) to include St. Louis City	Unknown but expected to exceed \$1.3 million annually for changes in 144.030.2(22) and another \$100,000 loss annually from St. Louis City	None	None		
H.B. 2058	Rep. David Pearce	2008	creates new exemption	creates 144.057 an exemption for the sale to a foreign government of munitions	None as already considered exempt through agency ruling	None	None		
S.B. 4	Not Available	1963	creates new exemption	creates the exemption in 144.025 regarding trade ins	Not Available	Not Available	Not Available		

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Admin. Cost to State	Date Specific/Date Sunsets	Notes
S.B. 11	Sen. Peter Kinder	2003	modifies a definition and creates 2 new sections	modifies the definition of 144.030.2(22) to include exempting natural gas for ethanol production; adds animals that are considered livestock; creates 144.049 that exempts school supplies purchased on certain dates; creates 144.817 which allows personal property donated as a gift to MO to be exempt	Unknown loss for the exemption on natural gas, the additional livestock and donated gifts to MO and over \$2 million for the school supplies exemption	None	Unknown		
S.B. 19	Not Available	1967	creates 5 new sections of exemptions	creates five new sections of exemptions in 144.030.3(10)-(15)	Not Available	Not Available	Not Available		
S.B. 22	Sen. John Griesheimer	2007	creates a new exemption and modifies another exemption	creates 144.030.2(40) which exempts purchases of a sports complex authority; adds sections 144.062.0(5) & (6) to exempt tax on materials purchased for MoDOT projects	Loss to GR and gain to MoDOT of not paying the sales tax of over \$9 million and an unknown loss for the other sales tax exemptions	State not paying sales tax to itself.	None		eventually 144.030.2(40) becomes 144.030.2(39)

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Admin. Cost to State	Date Specific/Date Sunsets	Notes
S.B. 30	Sen. Gary Nodler	2007	modifies 2 sections and creates a new section	modifies language in 144.030.2(1) to remove "interstate commerce" from definition; modifies language in 144.030.2(33) to add "agricultural/biotechnology and plant genomics products"; removed 144.030.2(37) regarding exemption for life science companies; this creates 144.054 an exemption for materials used in manufacturing; modifies language in 144.518 to define "coin-operated amusement device"	Unknown loss to state	None	None		
S.B. 33	Sen. Sidney Johnson	1999	expands definition	expands the textbook exemption to off campus bookstores in 144.517	Loss to state of \$328,761 to \$426,706 annually	None	None		
S.B. 52	Sen. J.C. Howard	1993	removes language	removes language regarding the suspension of rules in 144.010.3	None	None	None		
S.B. 68	Sen. Charlie Shields	2005	creates an exemption	creates 144.030.2(39) an exemption on the sale of tickets to collegiate championships	None as the events are held by non-profit groups already exempt	None	None		
S.B. 92	Not Available	1975	modifies language and adds a definition	changes the word "where" to "when in 144.010.1 and adds 144.010.1(11) the definition of "motor vehicle leasing company"	Not Available	Not Available	Not Available		

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Adm'n. Cost to State	Date Specific/Date Sunsets	Notes
S.B. 104	Not Available	1977	adds language to exemption sections	adds language in 144.030.2(3) to include materials and supplies for installation or construction; adds that same language in 144.030.2(4); adds same language in 144.030.2(13) & 144.030.2(14); also changes executive secretary to dept director	Not Available	Not Available	Not Available		section 144.030.2(13) becomes section 144.030.2(14) and 144.030.2(14) becomes 144.030.2(15)
S.B. 152	Not Available	1985	modifies language, adds definition	changes grammar in 144.010, adds a section regarding manufactured homes to definition in 144.010, in 144.011 adds language regarding manufactured homes, in 144.025 adds a section 2 regarding manufactured homes	Income to state funds of \$1.8 annually but loss to Highway Fund of equal amount	None	admin costs of one FTE per year \$35,000		
S.B. 157	Not Available	1947	expands definition	expands definition in 144.010 to add physicians, dentists and veterinarians to exemption	Not Available	Not Available	Not Available		
S.B. 160	Sen. Norman Merrell	1993	modifies language	adds language on when the telephone surcharge can not be assessed in 209.255	None as cost arising from the bill would be paid for by the surcharge collected	None	None		

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Admin. Cost to State	Date Specific/Date Sunsets	Notes
S.B. 200	Not Available	1981	modifies language	adds definition of wholly in this state and partly within this state as definitions in 144.010.(7), adds 144.010.2 regarding rule making authority	None	None	None		
S.B. 218	Not Available	1979	expands definition, removes a section and replaces it, modifies language and adds exemptions	adds definition of wholly in this state and partly within this state as definitions in 144.010.(7), removes section 144.011 and replaces it with new language regarding the definition of retail sale; removes section in 144.030.2; adds 144.030.2(1) regarding motor fuel; adds 9 new sections of exemptions	Not Available	Not Available	Not Available		
S.B. 234	Sen. Harry Wiggins	2001	modifies a definition	modifies the definition of "telecommunications service" in 144.010.1(13)	None	None	None		
S.B. 355	Sen. John Griesheimer	2005	modifies definitions and adds an exemption	adds animals to the definition of livestock in 144.010.1(4); changes the statute cite in 144.030.2(1); adds an exemption in 144.030.2(22)	Unknown	None	None		
S.B. 360	Not Available	1961	grammar changes and adds 9 new exemptions	in 144.030 changes "this article" to specific statute cites; adds 144.030.3 - (9) which create 9 new exemptions	Not Available	Not Available	Not Available		

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Admin. Cost to State	Date Specific/Date Sunsets	Notes
S.B. 363	Not Available	1985	expands exemption	adds language to 144.030.2(1) which exempts motor vehicles over 24,000 pounds	Loss over \$1.3 million per year to state funds	None	None		
S.B. 367	Not Available	1977	changes definition and modifies language	changes definition of "business" in 144.010.1(2) to clarify what is subject to tax and what isn't; adds computer equipment to definition of "sale at retail" in 144.010.1(10); adds section 144.010.1(12) regarding rule making authority; in 144.025 expands language to require a bill of sale that must be filed at Dept. of Revenue and it changes the purchase price from \$500 to \$200.	Not Available	Not Available	Not Available		
S.B. 374	Rep. Harry Wiggins	1995	creates 2 new exemption	creates 144.045 an exemption on court documents; creates 144.047 which exempts aircraft used for aerial application of agricultural chemicals	Unknown over \$100,000 in state funds	None	None		rulemaking authority is later removed from statute
S.B. 396	Sen. Jason Crowell	2005	extends sunset	this changes the sunset from Dec. 31, 2008 to Dec. 31, 2013	None	None	None		sunset 12/31/2013
S.B. 427	Sen. Harry Wiggins	1994	modifies exemption	changes a statute cite in 313.085.1 and rescinds 313.085.2 & .3 involving the bingo tax and Veterans Homes Capital Improvement Fund	Loss of revenue to the Veterans Homes Capital Improvement Fund	None	None		

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Admin. Cost to State	Date Specific/Date Sunsets	Notes
S.B. 461	Sen. Johnson & Bld	1986	creates a new exemption	creates 313.085 an exemption on all bingo supplies	Minimal loss to state funds	None	admin costs of \$20,000+ a year		
S.B. 471	Not Available	1982	modifies language and creates a new exemption	removes language in 144.030.2(20) requiring certification; adds language in 144.030.2(23) clarifying use of property; adds an exemption in 144.030.2(26) regarding fuel consumed by ships and barges	Unknown	None	None		

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Admn. Cost to State	Date Specific/Date Sunsets	Notes	
S.B. 477, 478, 689, 608 & 532	Sen. Harry Wiggins	1994	modifies language & adds exemptions	In 144.025 grammar is modified and language is expanded regarding motor vehicle purchasing; 144.030.2 changes the statute cites; 144.030.2(14) & (15) changes in grammar; adds 144.030.2(22) adds exemption of vaccines administered to livestock & sale of pesticides & bedding used in production of livestock; modifies language in 144.030.2(23) adding definitions and clarifying language; 144.062.1 clarifying language is added; 144.062.2-.5 is added regarding the rules concerning exempt entities and their contracts; adds 306.016 the exemption of vessels; adds an exemption regarding manufactured homes	Loss over \$1 million annually for motor vehicle purchasing changes; Loss to state funds of \$1.3 million annually for livestock exemption. Loss of state funds of less than \$100,000 annually for changes to 144.062; Unknown savings to the state and equal loss as contractors working for state would be exempt from sales tax; Increase in revenue due to the watercraft fee to general revenue;	None	None			
S.B. 494	Sen. John Scott	1990	modifies language	144.027 modifies language regarding replacement vehicles and adds 144.027.2.	Loss of over \$100,000 annually to state funds	None	\$17,000 annually in printing costs		manufactured homes language is eventually removed from statute	
S.B. 525	Sen. Joe Moseley	1996	modifies language	makes changes to language in 209.255 regarding the telephone surcharge	None	None	None			

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Admin. Cost to State	Date Specific/Date Sunsets	Notes
S.B. 558	Sen. Harry Wiggins	1998	modifies language	adds section 144.062.6 regarding exemption certificates	None	None	None		
S.B. 619	Sen. William McKenna & Mike Lybyer	1998	designates a fund to receive funds	adds 144.805.4 which gives the Aviation Trust Fund the money collected from the aviation jet fuel	No change in amount of tax money collected. Only a change in the fund that receives the money	None	\$10,000 first year only for computer updates	effective 9/1/98	
S.B. 627	Sen. Wayne Goode, James Mathewson, Francis Flotron, William Clay & John Schneider	1998	modifies definitions	In 144.010 it extends the section references from 144.510 to 144.525; modifies the definition of telephone service; adds a definition for telecommunications services in 144.010.1(12)	None	None	None		
S.B. 640	Sen. John Scott	1996	modifies language and creates a new exemption	changes grammar and sunset date in 144.805; creates 144.809 an exemption of aviation jet fuel for airports that receive federal grants	Loss of \$3 million annually due to aviation fuel	None	None	144.805 changes sunset from 12/31/96 to 12/31/2001	
S.B. 669, 700 & 737	Sen. Goode & Wiggins	1986	modifies language	changes language in 144.030.2(23) regarding domestic use water	Unknown	None	None		
S.B. 692	Sen. James Mathewson	1994	modifies language	changes the wording in 262.250 regarding the tax exemption on entry fees	Loss of less than \$100,000 in state funds annually	None	None		
S.B. 721	Sen. Harold Caskey	2000	modifies language	changes grammar in 209.255	None	None	None		
S.B. 740	Sen. John Scott	1994	removes language	removes sections 313.085.2 & .3 repealing the 3% tax on bingo supplies for the Veterans Fund	Loss of \$5.7 million annually	None	None		

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Adm'n. Cost to State	Date Specific/Date Sunsets	Notes
S.B. 788	Sen. Delbert Scott	2008	modifies language	In 144.011.(1)(2)(a) changes the statute reference from 700.450 to 700.010	None	None	None		
S.B. 896	Sen. David Klarich	2000	creates an exemption	creates 144.815 the exemption for bullion an investment coins	Loss of over \$25,000 annually to state funds	None	None		
S.B. 930 & 947	Sen. Bill Stouffer	2008	creates an exemption	creates 144.030.2(40) which exempts materials used for aircraft, aircraft power plants and aircraft accessories; in 144.805 the amount of money transferred to the aviation trust fund is increased from \$6 to \$10 million; and the weight of a commercial aircraft is lowered from 7 to 3 thousand pounds	Unknown loss to state due to 144.030.2(40), loss to gr but an equal gain to aviation trust fund with the changing of the cap	None	None		
S.B. 931	Sen. Chuck Purgason	2008	creates an exemption	creates 144.053 an exemption on machinery and equipment used on forestry products	Unknown loss to state funds	None	None		

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Admin. Cost to State	Date Specific/Date Sunsets	Notes
S.B. 936	Sen. Edward Quick	1998	adds a definition, modifies language, expands exemptions, and adds new exemptions	<p>adds a definition 144.010.1(12) of "product which is intended to be sold ultimately for final use or consumption"; changes in 144.025 ninety days to 180 days for replacement vehicle; adds recreational vehicles to definition of motor vehicles; 10 144.027 changes 90 days to 180; 144.030.2(4) adds replacement parts to exempt list; 144.030.2(6) adds ink, computers and all printing materials to exemption list; 144.030.2(12) adds material recovery plant & raw materials to exemption; 144.030.2(18) expands exemption to include all medical equipment; 144.030.2(22) expands exemption to include pesticides; adds exemptions 144.030.2(31)-(36)</p>	<p>Loss to state funds of an unknown amount for vehicle trade in and manufacturing equipment replacement; Loss to state funds of over \$400,000 annually for medical devices; Loss to state funds of over \$1.5 million annually prescription drugs; Loss to state funds of over \$87,000 annually for adjuvants; Loss to state funds over \$758,000 annually for horse feed exemption; Loss to state funds of over \$4.1 million annually for college textbooks exemption; Loss to state funds over \$14 million for replacement parts (Estimated total loss to state funds from this bill between \$30-\$70 million annually)</p>	None	None		

Bill Number	Sponsor	Year	Purpose	Specific Changes	Fiscal Note Estimate of Revenue Loss to State	FN Estimate of Benefit to State	FN Estimate of Adm'n. Cost to State	Date Specific/Date Sunsets	Notes
S.B. 1181, 1100, 1262 & 1263	Sen. Kevin Engler	2006	creates exemption	creates 144.526 the Show Me Sales Tax Holiday	Loss to state funds of over \$1.1 million annually	None	3 additional FTE		
S.B. 1233, 840 & 1043	Sen. Jon Dolan	2004	modifies language	removes language from 144.025	None	None	None	effective 1/1/09	Holiday exemption days are 4/19 - 4/25 each year
S.R.B. 613	Sen. Jack Goodman	2007	modifies language, removes exemption	removes 144.014.3 regarding how food sales tax was calculated during certain time periods; removes exemption 144.030.2(37) regarding tangible property of biotech & development laboratories	No fiscal note found	No fiscal note found	No fiscal note found		

APPENDIX E

JEREMIAH W. (JAY) NIXON
GOVERNOR



ALANA M. BARRAGÁN-SCOTT
DIRECTOR OF REVENUE

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January 25, 2010

Mr. Mickey Wilson, Director
Committee on Legislative Research, Oversight Division
State Capitol Building, Room 132
Jefferson City, MO 65101

Dear Mr. Wilson:

Please consider this the Department of Revenue's formal response to the recommendations made by your Division in its draft Program Evaluation, State Sales Tax Exemptions:

Oversight recommends DOR develop a method for filers to provide information regarding the exemptions claimed. Oversight further recommends DOR develop a method of tracking sales and use tax exemption information so the effect of each exemption on state revenue can be determined and analyzed.

Tracking and reporting exemptions is an appropriate goal. The Department notes that reporting would increase the burden on taxpayers. As has been widely reported, there are more than 130 exemptions, and our more detailed analysis undertaken to fully respond to your requests in connection with your report actually puts the number of exemptions at 192. To track them, the Department would need to change its exemption certificate (Form 149), which is currently a single page with instructions on the back, to add all of these exemptions with sufficient description to allow the purchaser and seller to distinguish among them. This would require, at least, the front and back of a second page. We would then have to rely on the purchaser to take the time to pick the correct exemption. This could be particularly difficult for purchasers and sellers because many transactions will qualify for two or more exemptions. The seller would then have to develop a system to accurately record all the exemptions that are claimed and report them to the Department.

Mickey Wilson, Director
January 25, 2010
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Not only is this a substantial additional burden on both the purchaser and the seller, there is no incentive for them to do it correctly. Reporting the wrong exemption does not mean the transaction was not exempt. An incorrect exemption report would have no impact on the taxpayer's liability. Therefore, there is no adverse consequence if they get it wrong, nor is there any benefit to them of doing it right.

Finally, the only way the Department would have to verify the accuracy of the information would be through a very manual audit process of the books and records of both the purchaser and the seller. The cost of obtaining accurate information would likely be enormous for the state and its businesses. In fact, the Department's experience in the past when we have attempted to track certain exemptions was that the data we were given by taxpayers was demonstrated to be inaccurate, based on objective comparison to other data in our possession known to be accurate. In other words, the Department incurred significant costs to collect data that was unreliable.

In addition to the costs associated with obtaining accurate information from sellers, the Department would require a substantial increase in FTE to record this information, which the current budget does not support. Also, the Department's legacy sales tax system would require significant reprogramming, and might not have the capacity to handle the additional information in any event. If the existing system could not perform the functions, the Department would need to acquire either a new sales tax system or a separate system used solely for doing so.

Iowa and Kansas were both mentioned in your report as states that report exemption data. We have spoken to both states. Neither state collects exemption data from sellers. They confirmed that the exemption data reported is estimated by an economist and is similar in nature to data currently provided for Missouri by Dr. Haslag.

By increasing the efforts to collect unpaid sales and use tax, the DOR has the potential of collecting \$644,079,020 of known unpaid sales and use tax. Although some of the identified delinquencies would be uncollectible, there is also the potential to discover unidentified delinquencies that could be collected.

We are proposing various legislative and budget initiatives that will give us the resources and tools to more actively pursue collection of identified delinquencies.

The remaining recommendations regarding reviewing sales tax exemptions and taxation of services involve issues of tax policy that the Department does not generally take a position on. We will share our views on matters of tax administration, but we attempt to remain neutral in discussions on what or whom to tax, or how much a tax should be.

Mickey Wilson, Director
January 25, 2010
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If you have any additional questions, you may contact Todd Iveson, Director of the Taxation Division (telephone 751-3470 or todd.iveson@dor.mo.gov), or me.

Sincerely,



Alana M. Barragán-Scott

AMB:TI

c: Todd Iveson

Detailed Exemption List and History

Revised 1/22/2010

	Year	Bill	Statute	Description
1	1939	HB 91	144.010.1(2)	Isolated or occasional sale of tangible personal property, service, substance, or thing, by a person not engaged in such business does not constitute engaging in business, within the meaning of this article. [1977 SB 367 limits to annual sales of \$3,000 or less.]
2	1939	HB 91	144.010.1(6)	Sales by the Missouri Department of Transportation. [State Highway Department excluded from the definition of "person" for purposes of sales tax law.]
3	1939	HB 91	144.030.1	Sales in commerce between Missouri and any other state or foreign country.
4	1939	HB 91	144.030.1	Sales prohibited from taxing under the Constitution or laws of the United States of America or Missouri Constitution.
5	1939	HB 91	144.030.2(1)	Motor fuel subject to an excise or sales tax under another law of Missouri.
6	1939	HB 91	144.030.2(1)	Fuel consumed in manufacturing or creating gas, power, steam, and electrical current to be sold ultimately at retail.
7	1939	HB 91	144.030.2(1)	Fuel consumed in furnishing water to be sold ultimately at retail.
8	1939	HB 91	144.030.2(1)	Feed for livestock and poultry which is to be used in the feeding of livestock to be sold ultimately in processed form or otherwise at retail. [Changed to remove limitation. See 1998 SB 936.]
9	1939	HB 91	144.030.2(1)	Grain to be converted into foodstuffs which are to be sold ultimately in process form at retail.
10	1939	HB 91	144.030.2(19)	All sales made by or to religious and charitable institutions or by religious organizations, in the conduct of the regular religious, charitable or educational functions and activities. [1974 HB 1593 updated to current language.]
11	1939	HB 91	144.030.2(20)	All sales made by or to eleemosynary institutions and penal institutions and industries operated by the department of penal institutions, in the conduct of the regular penal functions and activities. All sales made by or to educational institutions supported by public funds, in the conduct of regular educational functions and activities. All sales made by or to a state relief agency in the exercise of relief functions and activities. [1974 HB 1593 updated to current language.]
12	1939	p. 1457	262.250	All state fair entry fees.
13	1943	HB 251	144.030.2(1)	Limestone or fertilizer which is to be used for liming or fertilizing crops and seed which is to be used for seeding crops, which when harvested will be sold at retail or will be fed to livestock or poultry to be sold ultimately in processed form at retail.

	Year	Bill	Statute	Description
14	1949	HB 303	144.030.2(1)	Spray materials which are to be used for spraying growing crops, fruit trees or orchards, the crop of which when harvested will be sold ultimately in processed form at retail. [1969 HB 34 changed spray materials to poisons registered under the provisions of the Missouri Economic Poisons Law and added clarifying language.]
15	1961	SB 360	144.030.2(2)	Machinery, machinery parts, and materials and manufactured goods which when used in manufacturing, processing, compounding, mining, producing or fabricating become a component part or ingredient of the new personal property resulting from such manufacturing, processing, compounding, mining, producing, or fabricating and which new personal property is intended to be sold ultimately for final use or consumption.
16	1961	SB 360	144.030.2(3)	Equipment, replacement parts, and materials purchased for use directly upon, and for the repair and maintenance or manufacture or motor vehicles, watercraft, railroad rolling stock or aircraft engaged as common carriers of persons or property.
17	1961	SB 360	144.030.2(4)	Machinery and equipment, replacing and used for the same purposes as the machinery and equipment replaced by reason of design or product changes, which is purchased for and used directly for manufacturing or fabricating a product which is intended to be sold ultimately for final use of consumption.
18	1961	SB 360	144.030.2(5)	Machinery and equipment purchased and used to establish new or to expand existing manufacturing mining or fabricating plants in the state if such machinery is used directly in manufacturing, mining or fabricating a product which is intended to be sold ultimately for final use or consumption.
19	1961	SB 360	144.030.2(6)	Tangible personal property which is used exclusively in the manufacturing, processing, modification or assembling of products sold to the United States government or to any agency of the United States government.
20	1961	SB 360	144.030.2(7)	Animals and poultry used for breeding or feeding purposes.
21	1961	SB 360	144.030.2(8)	News print used in newspapers published for dissemination of news to the general public.
22	1961	SB 360	144.030.2(9)	The rental of films, records, or any type of sound or picture transcriptions [1988 SB 709 limited exemption by adding "for public commercial display" after "transcriptions."]
23	1961	SB 360	144.030.2(10)	Pumping machinery and equipment used to propel products delivered by pipelines, engaged as common carriers.
24	1963	SB 4	144.020.1(8)	Sales of tangible personal property if a sales tax is imposed on the amount paid or charged for the rental or lease of tangible personal property.

	Year	Bill	Statute	Description
25	1963	SB 4	144.025.1	Trade-in allowance if the difference between the trade-in allowance and the purchase price of an article exceeds \$500, then tax is only imposed on the portion of the purchase price of the article in excess of the actual allowance made for the article traded in or exchanged. [1977 SB 367 reduced to \$250; 1979 SB 218 reduced to \$0.]
26	1965	HB 626	144.030.2(2)	Materials and manufactured goods which are ultimately consumed in the manufacturing process by becoming, in whole or in part, a component part or ingredient of steel products intended to be sold ultimately for final use or consumption.
27	1967	SB 19	144.030.2(11)	Railroad rolling stock for use in transporting persons or property in interstate commerce.
28	1967	SB 19	144.030.2(12)	Electrical energy used in the actual primary manufacture, processing, compounding, mining or producing of a product, or electrical energy used in the actual secondary processing or fabricating of the product, if the total cost of electrical energy so used exceeds ten percent of the total cost of production, exclusive of the cost of electrical energy so used.
29	1967	SB 19	144.030.2(13)	Anodes which are used or consumed in manufacturing, processing, compounding, mining, producing or fabricating and which have a useful life of less than one year.
30	1967	SB 19	144.030.2(14)	Machinery, equipment, appliances and devices purchased or leased and used solely for the purpose of preventing, abating or monitoring air pollution.
31	1967	SB 19	144.030.2(15)	Machinery, equipment, appliances and devices purchased or leased and used solely for the purpose of preventing, abating or monitoring water pollution.
32	1967	SB 19	144.030.2(16)	Tangible personal property purchased by a rural water district.
33	1973	HB 46	144.011.1(9)	Reusable containers used in connection with the sale of tangible personal property contained therein for which a deposit is required and refunded on return.
34	1974	HB 1593	144.030.2(20)	All sales made to any private not-for-profit institution of higher education not otherwise excluded pursuant to subdivision (19) of this subsection.
35	1974	SB 607	144.030.2(21)	All ticket sales made by benevolent, scientific, and educational associations which are formed to foster, encourage, and promote progress and improvement in the science of agriculture and in the raising and breeding of animals.
36	1974	SB 607	144.030.2(21)	All ticket sales made by nonprofit summer theater organizations if such organizations are exempt from federal tax pursuant to the provisions of the Internal Revenue Code.

	Year	Bill	Statute	Description
37	1975	SB 92	144.070	Motor vehicle leasing company eligible to purchase motor vehicles and trailers without payment of sales or highway use tax providing tax is paid on the amounts charged for each rental or lease agreement while the motor vehicle or trailer is domiciled in Missouri.
38	1975	SB 3	144.030.2(20)	All sales of aircraft to common carriers for storage or for use in interstate commerce.
39	1975	SB 3	144.030.2(20)	All sales made by or to not-for-profit civic, social, service, or fraternal organizations solely in their civic or charitable functions and activities. [1989 SB 709 added fraternal organizations which have been declared tax exempt organizations under section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended.]
40	1977	SB 367	144.010.1(2)	Added exclusion to definition of business that sales of tangible personal property in the course of a partial or complete liquidation of a household, farm, or nonbusiness enterprise are excluded from sales tax.
41	1977	SB 367	144.010.1(10)	Excludes sales of computer printouts, computer output on microfilm or microfiche to a purchaser to enable the purchaser to obtain for his or her own use the desired information contained in such computer printouts.
42	1977	SB 367	144.010.1(10)	Excludes sales of computer-assisted photo compositions.
43	1977	SB 367	144.025.1	Added motor vehicles to the trade-in exemption and added the 30 day trade-in provision that if a motor vehicle is sold within 30 days of the purchase of a replacement motor vehicle, no tax is imposed on the purchase of the motor vehicle to the extent of the value of the motor vehicle that was sold. [1986 HB 957 increased to 90 days; 1998 SB 936 increased to 180 days.]
44	1977	SB 367	144.071	Refunds the sales tax on the purchase of a motor vehicle when the sale is rescinded within 60 days of the date of sale.
45	1978	HB 893	144.030.2(18)	Exempts all sales of insulin.
46	1978	HB 893	144.030.2(18)	Exempts all sales of prosthetic devices as defined on January 1, 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of 1965, including the items specified in Section 1862(a)(12) of that act.
47	1978	HB 893	144.030.2(18)	Exempts all sales of orthopedic devices as defined on January 1, 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of 1965, including the items specified in Section 1862(a)(12) of that act.
48	1978	HB 893	144.030.2(18)	Exempts all sales of drugs which may be legally dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to administer those items.

	Year	Bill	Statute	Description
49	1979	SB 218	144.011.1(1)	The transfer by one corporation of substantially all of its tangible personal property to another corporation pursuant to a merger or consolidation effected under the laws of the state of Missouri or any other jurisdiction.
50	1979	SB 218	144.011.1(2)	The transfer of tangible personal property incident to the liquidation or cessation of a taxpayer's trade or business, conducted in proprietorship, partnership or corporate form, except to the extent any transfer is made in the ordinary course of the taxpayer's trade or business. (This exemption is in addition to change in the definition of business by 1977 SB 367, which excluded liquidations of farms and non-trade or non-business households and enterprises.)
51	1979	SB 218	144.011.1(3)	The transfer of tangible personal property to a corporation solely in exchange for its stock or securities.
52	1979	SB 218	144.011.1(4)	The transfer of tangible personal property to a corporation by a shareholder as a contribution to the capital of the transferee corporation.
53	1979	SB 218	144.011.1(5)	The transfer of tangible personal property to a partnership solely in exchange for a partnership interest therein.
54	1979	SB 218	144.011.1(6)	The transfer of tangible personal property by a partner as a contribution to the capital of the transferee partnership.
55	1979	SB 218	144.011.1(7)	The transfer of tangible personal property by a corporation to one or more of its shareholders as a dividend, return of capital, distribution in the partial or complete liquidation of the corporation or distribution in redemption of the shareholder's interest therein.
56	1979	SB 218	144.011.1(8)	The transfer of tangible personal property by a partnership to one or more of its partners as a current distribution, return of capital or distribution in the partial or complete liquidation of the partnership or of the partner's interest therein.
57	1979	SB 218	144.011.1(10)	The purchase by persons operating eating or food service establishments, of items of a nonreusable nature which are furnished to the customers of such establishments with or in conjunction with the retail sales of their food or beverage. Such items shall include, but not be limited to, wrapping or packaging materials and nonreusable paper, wood, plastic and aluminum articles such as containers, trays, napkins, dishes, silverware, cups, bags, boxes, straws, sticks and toothpicks.

	Year	Bill	Statute	Description
58	1979	SB 218	144.011.2	The assumption of liabilities of the transferor by the transferee incident to any of the transactions enumerated in the above subdivisions (1) to (8) of subsection 1 of this section shall not disqualify the transfer from the exclusion described in this section, where such liability assumption is related to the property transferred and where the assumption does not have as its principal purpose the avoidance of Missouri sales or use tax.
59	1979	SB 218, HB 726	144.030.2(4)	The materials and supplies solely required for the installation or construction of such replacement machinery, equipment, and parts, used directly in manufacturing, mining, fabricating or producing a product.
60	1979	SB 218, HB 726	144.030.2(5)	The materials and supplies solely required for the installation or construction of such machinery and equipment, purchased and used to establish new or to expand existing manufacturing, mining or fabricating plants.
61	1979	SB 218, HB 726	144.030.2(17)	All amounts paid or charged for admission or participation or other fees paid by or other charges to individuals in or for any place of amusement, entertainment or recreation, games or athletic events owned or operated by a municipality or other political subdivision where all the proceeds derived therefrom benefit the municipality or other political subdivision and do not inure to any private person, firm, or corporation.
62	1979	SB 218, HB 726	144.030.2(18)	All sales of hearing aids and hearing aid supplies.
63	1979	SB 218, HB 726	144.030.2(22)	All sales made to any private not for profit elementary and secondary school.
64	1979	SB 218	144.030.2(22)	All sales of feed additives mixed with feed for livestock or poultry.
65	1979	SB 218	144.030.2(22)	All sales of propane or natural gas, electricity, and diesel fuel used exclusively for drying agricultural crops.
66	1979	SB 218	144.030.2(22)	All sales of new and used farm machinery and equipment, and repair or replacement parts for new and used farm machinery and equipment, other than airplanes, motor vehicles and trailers, which is: (a) manufactured exclusively for agricultural purposes [1980 HB 1812 changed 'manufactured' to 'used']; (b) used on land owned or leased for the purpose of producing farm products; and (c) used directly in producing farm products to be sold ultimately in processed form or otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold ultimately in processed form at retail.

	Year	Bill	Statute	Description
67	1979	SB218	144.030.2(22)	One-half of each purchaser's purchase of diesel fuel which is: (a) manufactured exclusively for agricultural purposes [1980 HB 1812 changed 'manufactured' to 'used']; (b) used on land owned or leased for the purpose of producing farm products; and (c) used directly in producing farm products to be sold ultimately in processed form or otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold ultimately in processed form at retail.
68	1979	SB 218	144.030.2(23)	All sales of metered water service, electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil for domestic use and in any city not within a county, all sales of metered or unmetered water service for domestic use. Local sales tax can be reimposed under section 144.032.
69	1979	SB 218	144.030.2(24)	All sales of handicraft items made by the seller or the seller's spouse if the seller or the seller's spouse is at least sixty-five years of age, and if the total gross proceeds from such sales do not constitute a majority of the annual gross income of the seller.
70	1979	SB 218	144.030.2(25)	All excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071, 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code.
71	1982	SB 475	144.034	All sales of advertising by legal newspapers, advertising agencies, broadcast stations, and standardized outdoor billboard advertising are sales of nontaxable services.
72	1982	SB 471	144.030.2(26)	Sales of fuel consumed or used in the operation of ships, barges, or waterborne vessels which are used primarily in or for the transportation of property or cargo, or the conveyance of persons for hire, on navigable rivers bordering on or located in part in this state, if such fuel is delivered by the seller to the purchaser's barge, ship, or waterborne vessel while it is afloat upon such river.
73	1983	HB 10	144.027	The amount of the insurance proceeds for theft or casualty of a vehicle, as certified by the insurance company, which is a credit against the purchase price of another vehicle which is purchased within 30 days of the date of payment by the insurance company for the replacement vehicle. [1986 HB 957 increased to 90 days; 1998 SB 936 increased to 180 days.] [1990 SB 494 extended theft and casualty loss replacement credit for losses that are not insured.]

	Year	Bill	Statute	Description
74	1985	HB 280	144.020.1(8)	Added exclusion: In no event shall the rental or lease of boats and outboard motors be considered a sale, charge, or fee to, for or in places of amusement, entertainment or recreation nor shall any such rental or lease be subject to any tax imposed to, for, or in such places of amusement, entertainment or recreation. Rental and leased boats or outboard motors shall be taxed under the provisions of the sales tax laws as provided under such laws for motor vehicles and trailers.
75	1985	HB 280	144.025	Expands trade-in exemption for motor vehicles to include trailer, boats, and outboard motors purchased within 30 days. [1986 HB 957 increased to 90 days; 1998 SB 936 increased to 180 days.]
76	1985	HB 280	144.070.7	Expands motor vehicle leasing companies for motor vehicles and trailers to include boats and outboard motors.
77	1985	SB 363	144.030.2(11)	All sales of motor vehicles licensed for a gross weight of 24,000 thousand pounds or more or trailers used by common carriers, as defined in section 390.020, RSMo, solely in the transportation of persons or property in interstate commerce.
78	1985	SB 152	144.011.1(12)	Excludes from sale tax: The transfer of a manufactured home other than: (a) A transfer which involves the delivery of the document known as the "Manufacturer's Statement of Origin" to a person other than a manufactured home dealer, as defined in section 700.010, RSMo, for purposes of allowing such person to obtain a title to the manufactured home from the department of revenue of this state or the appropriate agency or officer of any other state; (b) A transfer which involves the delivery of a "Repossessed Title" to a resident of this state if the tax imposed by sections 144.010 to 144.525 was not paid on the transfer of the manufactured home described in paragraph (a) of this subdivision.
79	1986	HB 957	144.037	All sales at retail made through the use of federal food stamp coupons.
80	1986	HB 957	144.038	All sales at retail for which federal government coupons or vouchers under the supplemental feeding for women, infants and children program are used as payment.
81	1986	SB 437	144.030.2(17)	All amounts paid for admission to museums, zoos and planetariums owned or operated by a municipality or other political subdivision where all the proceeds derived therefrom benefit the municipality or other political subdivision and do not inure to any private person, firm, or corporation.
82	1986	SB 461	313.085	All sales of bingo supplies, equipment or cards, including pull-tab cards, to any organization duly licensed to conduct bingo pursuant to sections 313.005 to 313.085.
83	1987	HB 605	301.684	Transfers of motor vehicles and trailers authorized by sections 301.675 to 301.682 and sections 306.455 to 306.465, RSMo.

	Year	Bill	Statute	Description
84	1988	HB 1400	144.012	Reduces the amount subject to sales tax on vending machine sales to 135% of the net cost of the property vended during the reporting period.
85	1988	HB 1400	144.012	All vending machine sales of tangible personal property by all vendors from vending machines located on the premises of any organization, institution or school whose sales are exempt under section 144.030.2(19).
86	1988	HB 957	144.039	All purchases of all tangible personal property made by, or on behalf of, a state senator or state representative if such purchases are made from funds in such state senator's or state representative's state expense account.
87	1988	HB 957	144.062	All sales of tangible personal property and materials for the purpose of constructing, repairing or remodeling facilities for: (1) A county, other political subdivision or instrumentality thereof exempt from taxation under subdivision (10) of section 39 of article III of the Constitution of Missouri; (2) An organization sales to which are exempt from taxation under the provisions of subdivision (19) of subsection 2 of section 144.030; (3) Any institution of higher education supported by public funds or any private not-for-profit institution of higher education, exempt from taxation under subdivision (20) of subsection 2 of section 144.030; or (4) Any private not-for-profit elementary or secondary school exempt from taxation under subdivision (22) of subsection 2 of section 144.030.
88	1990	HB 960	306.016	Boats or vessels documented by the United States Coast Guard or other agency of the federal government and operated on the waters of this state that pay the in lieu watercraft tax in place of all state and local sales taxes. The "in lieu" tax imposed is based upon the price of the boat or vessel, as follows: \$50,000 or less \$300; \$50,001 to \$100,000 \$600; \$100,001 to \$150,000 \$900; \$150,001 to \$200,000 \$1,200; \$200,001 and above \$1,500. [1994 SB 477-and 2003 HB 600 raised in lieu rates, which remain less than sales tax rates.]
89	1990	HB 1315	209.255	Telephone surcharges imposed to recoup the costs of deaf relay services and distribution programs.
90	1990	SB 494	144.027.1	Adds trailer, boats, and outboard motors to the theft and casualty credit for motor vehicles and increase replacement period from within 30 days to 90 days. [1998 SB 936 increased to 180 days.]
91	1990	SB 494	144.071	Refunds of the sales tax on purchases that are rescinded within 60 days of the date of sale for motor vehicles is expanded to include trailers, boats and outboard motors.

	Year	Bill	Statute	Description
92	1991	HB 39	144.030.2(27)	All sales made to an interstate compact agency created pursuant to sections 70.370 to 70.441, RSMo, (Bi-State Development Agency) and sections 238.010 to 238.100, RSMo, (Kansas City Area Transportations Authority) in the exercise of the functions and activities of such agencies as provided pursuant to compacts.
93	1992	HB 1155	144.011.1(13)	Charges for initiation fees or dues to fraternal beneficiaries societies, or domestic fraternal societies, orders or associations operating under the lodge system a substantial part of the activities of which are devoted to religious, charitable, scientific, literary, educational or fraternal purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.
94	1992	HB 1155	144.011.1(13)	Charges for initiation fees or dues to posts or organizations of past or present members of the armed forces of the United States or an auxiliary unit or society of, or a trust or foundation for, any such post or organization substantially all of the members of which are past or present members of the armed forces of the United States or who are cadets, spouses, widows, or widowers of past or present members of the armed forces of the United States, no part of the net earnings of which inures to the benefit of any private shareholder or individual.
95	1993	HB 913	144.805.1	All sales of aviation jet fuel in a given calendar year to common carriers engaged in the interstate air transportation of passengers and cargo, and the storage, use and consumption of such aviation jet fuel by such common carriers, if such common carrier has first paid to the state of Missouri, in accordance with the provisions of this chapter, state sales and use taxes pursuant to the foregoing provisions and applicable to the purchase, storage, use or consumption of such aviation jet fuel in a maximum and aggregate amount of one million five hundred thousand dollars of state sales and use taxes in such calendar year.
96	1993	HB 913	144.807	Purchase or storage by any common carrier engaged in the interstate air transportation of persons and cargo of tangible personal property, other than catered food and beverage products purchased for in-flight consumption and aviation jet fuel, within the state of Missouri, which tangible personal property is purchased or stored in the state of Missouri and is subsequently transported out of state by the common carrier and is used by the common carrier in the conduct of its business as a common carrier.
97	1994	SB 477	144.025.1	Exempts from tax seller or manufacturer rebates on purchases motor vehicles, trailers, boats and outboard motors.

	Year	Bill	Statute	Description
98	1994	SB 477	144.030.2(22)	All sales of medications or vaccines administered to livestock or poultry in the production of food or fiber.
99	1994	SB 477	144.030.2(22)	All sales of pesticides used in the production of crops, livestock or poultry for food or fiber.
100	1994	SB 477	144.030.2(22)	All sales of bedding used in the production of livestock or poultry for food or fiber.
101	1994	SB 477	144.030.2(23)	Adds to domestic use utility exemption all purchases of utility service through a single or master meter for residential apartments or condominiums, including service for common areas and facilities and vacant units.
102	1994	HB 1578	144.043	New light aircraft, light aircraft kits, parts or components manufactured or substantially completed within this state, when such new light aircraft, light aircraft kits, parts or components are sold by manufacturer to a purchaser who is nonresident of this state, who will transport the light aircraft, light aircraft kit, parts or components outside this state within ten days after the date of purchase, and who will register any light aircraft so purchased in another state or country.
103	1994	SB 477	144.044	Exempts 40 percent of the purchase price of a new manufactured home.
104	1994	SB 740	313.821	Exempts from tax any state or local admission fees imposed upon excursion gambling boat operators that are collected from each passenger boarding such excursion gambling boat.
105	1994	SB 692	262.250	Exempts from tax any charge (original only exempted entry fees) authorized by the State Fair Commission.
106	1995	HB 414	144.030.2(4)	Machinery and equipment, purchased and used to establish new, or to replace or expand existing, material recovery processing plants in this state.
107	1995	HB 414	144.030.2(4)	Materials and supplies required solely for the operation, installation or construction of such machinery and equipment, purchased and used to establish new, or to replace or expand existing, material recovery processing plants in this state.
108	1995	HB 414	144.030.2(28)	Computers, computer software, and computer security systems purchased for use by architectural, engineering or accounting firms headquartered in this state. For the purposes of this subdivision, "headquartered in this state" means the office for the administrative management of at least four integrated facilities operated by the taxpayer is located in the state of Missouri. [1997 HB 491 removed accounting firms.]
109	1995	SB 374	144.045	Exempts as nontaxable services charges for court transcripts, depositions, compressed transcripts, exhibits, computer disks containing any such item, or copies of any such item which are prepared by a court reporter.

	Year	Bill	Statute	Description
110	1995	SB 374	144.045	The definition of "farm machinery" under section 144.030.2(22) is expanded to include machinery or equipment whether or not attached to a vehicle or real property.
111	1995	HB 414	144.046	All sales of separately measured electrical current to manufacturers of batteries in this state for conversion to stored chemical energy in new lead-acid storage batteries solely for the purpose of providing an initial charge in such batteries during the manufacturing process but not for the purpose of recharging any previously manufactured batteries. The sale at retail of such separately measured electrical current described in this section shall not be exempted from any local sales tax imposed under a local sales tax law, as defined in section 32.085, RSMo.
112	1995	SB 374	144.047	All sales of aircraft used solely for aerial application of agricultural chemicals shall be considered farm machinery and exempt as other farm machinery under section 144.030.2(22).
113	1996	HB 1466	144.010.1(4)	Definition of "Livestock" added to sales tax law to include cattle, calves, sheep, swine, ratite birds, including but not limited to, ostrich and emu, aquatic products as defined in section 277.024, RSMo, elk documented as obtained from a legal source and not from the wild, goats, horses, other equine, or rabbits raised in confinement for human consumption. [2005 SB 355 added "llamas, alpaca, buffalo"] (Expands common definition of livestock to allow farm exemptions found in sections 144.030.2(1), (22), (29), and (32) and 144.063 for these animals, birds and aquatic products.)
114	1996	HB 1237	144.011.1(11)	The purchase by persons operating hotels, motels or other transient accommodation establishments, of items of a nonreusable nature which are furnished to the guests in the guests' rooms of such establishments and such items are included in the charge made for such accommodations. Such items shall include, but not be limited to, soap, shampoo, tissue and other toiletries and food or confectionery items offered to the guests without charge.
115	1996	HB 1466	144.030.2(2)	Adds to meaning of materials as including without limitation, gases and manufactured goods, including without limitation slagging materials and firebrick which are ultimately consumed in the manufacturing process of steel products intended to be sold ultimately for final use or consumption.
116	1996	HB 1466	144.030.2(17)	Admission charges to "fairs" added to exemption.
117	1996	HB 1466	144.030.2(18)	Samples and materials used to manufacture samples which may be dispensed by a practitioner authorized to dispense such samples.

	Year	Bill	Statute	Description
118	1996	HB 1237	144.030.2(21)	All admission charges and entry fees to the Missouri state fair or any fair conducted by a county agricultural and mechanical society organized and operated pursuant to sections 262.290 to 262.530, RSMo.
119	1996	HB 1466	144.030.2(29)	All livestock sales when either the seller is engaged in the growing, producing or feeding of such livestock, or the seller is engaged in the business of buying and selling, bartering or leasing of such livestock.
120	1996	HB 1466	144.030.2(30)	Barges which are to be used primarily in the transportation of property or cargo on interstate waterways.
121	1996	SB 640	144.809	Any new or increase in any state or local sales or use tax rate, which tax or increase was not in effect on December 30, 1987, on the sale, storage, use or consumption of aviation jet fuel at or upon airports within the state of Missouri, which airports are recipients of federal grant funds, have submitted applications for or have been approved for federal grant funds, or which are otherwise eligible to apply for federal grant funds.
122	1997	HB 491	144.014	Separate sales tax imposed on food at the rate of one percent (plus constitutional taxes of .225%). (Regular tax rate of four percent was previously imposed.) [Modified by 1999 HB 548.]
123	1997	HB 491	144.030.2(18)	Medical oxygen added to exemption.
124	1998	SB 627	144.020.1(4)	Excluded any amounts paid for access to the Internet or interactive computer services. [SB 627 added definition of telecommunications service under Section 144.010.]
125	1998	SB 936	144.010.1(14)	Added definition of the term "Product which is intended to be sold ultimately for final use or consumption" as meaning tangible personal property, or any service that is subject to state or local sales or use taxes, or any tax that is substantially equivalent thereto, in this state or any other state ("or any other state" expanded the meaning of the term which expands the associated exemptions).
126	1998	SB 936	144.025	Adds trailers, boats, and outboard motors to trade-in exemption for motor vehicles and increased eligible purchase from within 90 days to within 180 days.
127	1998	SB 936	144.030.2(4)	Adds parts to the manufacturing exemption and clarifies replacement machinery and equipment.
128	1998	SB 936	144.030.2(5)	Adds parts to the manufacturing exemption.
129	1998	SB 936	144.030.2(8)	Exempts ink, computers, photosensitive paper and film, toner, printing plates and other machinery, equipment, replacement parts and supplies used in producing newspapers published for dissemination of news to the general public.

	Year	Bill	Statute	Description
130	1998	SB 936	144.030.2(12)	Exempts electricity purchased for use in a material recovery processing plant if the raw materials used in such processing contain at least twenty-five percent recovered materials as defined in section 260.200, RSMo.
131	1998	SB 936	144.030.2(18)	Home respiratory equipment and accessories added to
132	1998	SB 936	144.030.2(18)	Hospital beds and accessories added to exemption.
133	1998	SB 936	144.030.2(18)	Ambulatory aids, manual and powered wheelchairs, stairway lifts added to exemption.
134	1998	SB 936	144.030.2(18)	Braille writers, electronic Braille equipment added to exemption.
135	1998	SB 936	144.030.2(18)	All sales of scooters if purchased by or on behalf of a person with one or more physical or mental disabilities to enable them to function more independently.
136	1998	SB 936	144.030.2(18)	All sales of reading machines, electronic print enlargers and magnifiers if purchased by or on behalf of a person with one or more physical or mental disabilities to enable them to function more independently.
137	1998	SB 936	122.030.2(18)	Electronic alternative and augmentative communication devices.
138	1998	SB 936	144.030.2(18)	Items used solely to modify motor vehicles to permit the use of such motor vehicles by individuals with disabilities.
139	1998	SB 936	144.030.2(18)	Over-the-counter or nonprescription drugs to individuals with disabilities.
140	1998	SB 936	144.030.2(22)	Lubricants used exclusively for farm machinery and equipment.
141	1998	SB 936	144.030.2(31)	Electrical energy, gas, whether natural, artificial or propane, water, and other utilities which is ultimately consumed in connection with the manufacturing of cellular glass products.
142	1998	SB 936	144.030.2(31)	Electrical energy, gas, whether natural, artificial or propane, water, and other utilities which is ultimately consumed in any material recovery processing plant.
143	1998	SB 936	144.030.2(32)	Pesticides or herbicides used in the production of crops, aquaculture, livestock or poultry. [Overlaps with section 144.030.2(22).]
144	1998	SB 936	144.030.2(33)	Tangible personal property purchased for use or consumption directly or exclusively in the research and development of prescription pharmaceuticals consumed by humans or animals.
145	1998	SB 936	144.030.2(34)	Grain bins for storage of grain for resale.
146	1998	SB 936	144.030.2(35)	Feed which is developed for and used in the feeding of pets owned by a commercial breeder when such sales are made to a commercial breeder, as defined in section 273.325, RSMo, and licensed pursuant to sections 273.325 to 273.357, RSMo.

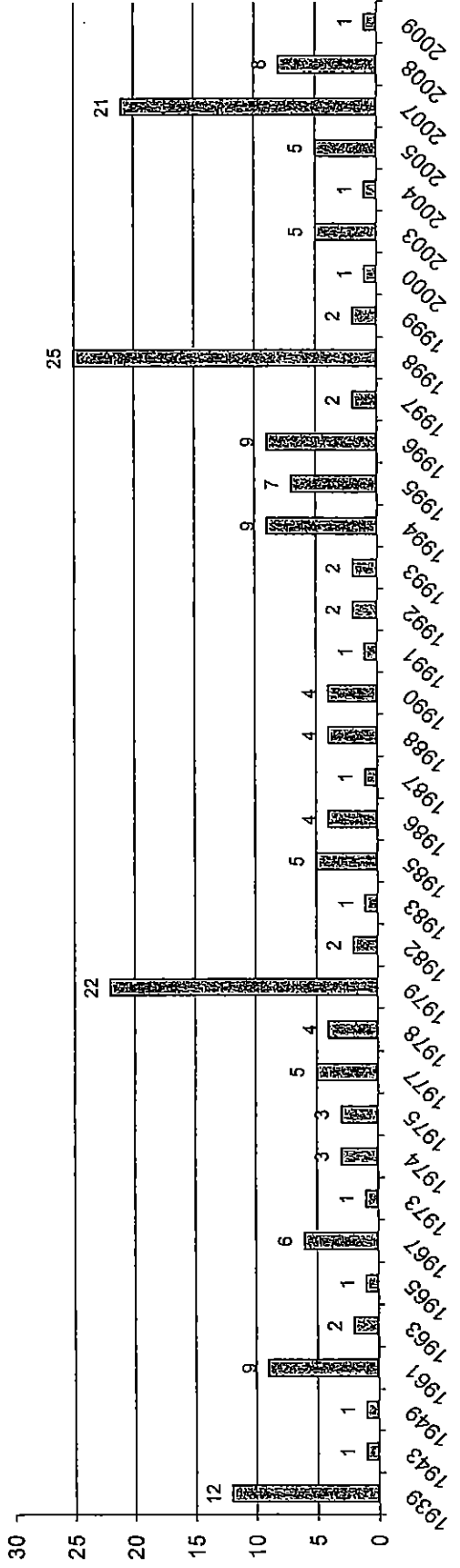
	Year	Bill	Statute	Description
147	1998	SB 936	144.030.2(36)	Materials purchased by a contractor for the purpose of fabricating tangible personal property which is used in fulfilling a contract for the purpose of constructing, repairing or remodeling facilities for an exempt entity located outside the state if the exempt entity is authorized to issue an exemption certificate to contractors in accordance with the provisions of that state's law and the applicable provisions of this section.
148	1998	SB 936	144.517	Textbooks, as defined by section 170.051, RSMo, when such textbook is purchased by a student who possesses proof of current enrollment at any public or private university, college or other postsecondary institution of higher learning offering a course of study leading to a degree in the liberal arts, humanities or sciences or in a professional, vocational or technical field. This exemption shall not apply to any locally imposed sales or use tax. [1999 SB 33 narrowed exemption to apply only to Missouri schools and only books required or recommended for a class.]
149	1999	HB 516	144.518	Machines or parts for vending machines used in a commercial, coin operated amusement business and vending machines used in a commercial vending business where sales tax is paid on the gross receipts derived from the use of commercial, coin-operated amusement machines. [2007 SB 30 exempts from tax all gross receipts for the temporary use of coin operated amusement devices.]
150	1999	HB 139	144.811	Any equipment purchased by a federally licensed commercial or public broadcast station when such equipment purchase is made as a result of federal mandate and the technological change that results.
151	2000	SB 896	144.815	Bullion and investment coins.
152	2003	HB 600	144.025.5	Any purchaser of a motor vehicle or trailer used for agricultural use by the purchaser shall be allowed to use as an allowance to offset the sales and use tax liability towards the purchase of the motor vehicle or trailer any grain or livestock produced or raised by the purchaser. The director of revenue may prescribe forms for compliance with this subsection.
153	2003	SB 11	144.030.2(22)	Natural gas used in the primary manufacture or processing of fuel ethanol.
154	2003	HB 600	144.030.2(22)	All supplies solely, and directly for producing crops, raising and feeding livestock, fish, poultry, pheasants, chukar, quail, or for producing milk for ultimate sale at retail.
155	2003	SB 11	144.049	Clothing, school supplies, computer software and personal computers or computer peripheral devices during a three day period beginning at 12:01 a.m. on the first Friday in August. Certain dollar limits apply. (Back to School Holiday)

	Year	Bill	Statute	Description
156	2003	SB 11	144.817	Tangible personal property that is donated to the State of Missouri without charge within one year of purchase.
157	2004	HB 1182	144.030.2(37)	All sales or other transfers of tangible personal property to a lessor who leases the property under a lease of one year or longer executed or in effect at the time of the sale or other transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441, RSMo, or sections 238.010 to 238.100, RSMo.
158	2005	SB 355	144.030.2(22)	Natural gas, propane, and electricity used by an eligible new generation cooperative as defined in section 348.432, RSMo
159	2005	SB 355	144.030.2(22)	Natural gas, propane, and electricity used by an eligible new generation processing entity as defined in section 348.432, RSMo.
160	2005	SB 355	144.030.2(22)	Field drain tile for agricultural use.
161	2005	SB 68	144.030.2(38)	Sales of tickets to any collegiate athletic championship event that is held in a facility owned or operated by a governmental authority or commission, a quasi governmental agency, a state university or college or by the state or any political subdivision thereof, including a municipality, and that is played on a neutral site and may reasonably be played at a site located outside the state of Missouri
162	2005	HB 186	144.044	Exempts 40 percent of the purchase price of a new modular unit as defined in section 700.010.
163	2007	SB 22	144.030.2(11)	Expanded exemption for common carriers purchasing motor vehicles to include common carriers not operating solely in interstate commerce.
164	2007	SB 22	144.030.2(39)	All purchases made by a sports complex authority created under section 64.920, RSMo.
165	2007	SB 30	144.030.2(33)	Utilities purchased for research and development of prescription pharmaceuticals.
166	2007	SB 30	144.030.2(33)	Utilities purchased for research and development of agricultural/biotechnology and plant genomics products.
167	2007	SB 30	144.030.2(33)	Tangible personal property purchased for research and development of agricultural/biotechnology and plant genomics products.
168	2007	SB 30	144.054.2	Exempts from state tax and local use tax electrical energy, gas, whether natural, artificial, or propane, water, coal, and other energy sources used or consumed in the manufacturing, processing, compounding, mining, or producing of any product.
169	2007	SB 30	144.054.2	Exempts from state tax and local use tax chemicals and materials used or consumed in the manufacturing, processing, compounding, mining, or producing of any product.
170	2007	SB 30	144.054.2	Exempts from state tax and local use tax machinery and equipment used or consumed in the manufacturing, processing, compounding, mining, or producing of any product.

	Year	Bill	Statute	Description
171	2007	SB 30	144.054.2	Exempts from state tax and local use tax electrical energy, gas, whether natural, artificial or propane, water, coal, and other energy sources used or consumed in the processing of recovered materials.
172	2007	SB 30	144.054.2	Exempts from state tax and local use tax chemicals and materials used or consumed in the processing of recovered materials.
173	2007	SB 30	144.054.2	Exempts from state tax and local use tax machinery and equipment used or consumed in the processing of recovered
174	2007	SB 30	144.054.2	Exempts from state tax and local use tax electrical energy, gas, whether natural, artificial, or propane, water, coal, and other emery sources used or consumed in research and development related to manufacturing, processing, compounding, mining, or producing any product.
175	2007	SB 30	144.054.2	Exempts from state tax and local use tax chemicals and materials used or consumed in research and development related to manufacturing, processing, compounding, mining, or producing any product.
176	2007	SB 30	144.054.2	Exempts from state tax and local use tax machinery and equipment used or consumed in research and development related to manufacturing, processing, compounding, mining, or producing any product.
177	2007	SB 30	144.054.3	All utilities used or consumed directly in television or radio broadcasting.
178	2007	SB 30	144.054.3	All machinery, and equipment used or consumed directly in television or radio broadcasting.
179	2007	SB 30	144.054.3	All sales and purchases of tangible personal property, utilities, services, or any other transaction when such sales are made to or purchases are made by a contractor for use in fulfillment of any obligation under a defense contract with the United States government.
180	2007	SB 30	144.054.3	All sales and leases of tangible personal property by any county, city, incorporated town, or village, provided such sale or lease is authorized under chapter 100, RSMo, and such transaction is certified for sales tax exemption by the department of economic development.
181	2007	SB 30	144.054.3	All tangible personal property used for railroad infrastructure brought into this state for processing, fabrication, or other modification for use outside the state in the regular course of business.
182	2007	SB 22	144.062	Added any authority exempt from taxation under section 144.030.2(39) and the department of transportation or the state highways and transportation commission to the pass-through exemption.

	Year	Bill	Statute	Description
183	2007	SB 30	144.518	All gross receipts for the temporary use of coin operated amusement devices.
184	2008	SB 930	144.030.2(40)	All materials and replacement parts purchased for use directly upon, and for the modification, replacement, repair, and maintenance of aircraft, aircraft power plants, and aircraft accessories.
185	2008	SB 930	144.030.2(40)	All equipment purchased for use directly upon, and for the modification, replacement, repair, and maintenance of aircraft, aircraft power plants, and aircraft accessories.
186	2008	SB 931	144.053.1	All new or used farm tractors, repair or replacement parts for new or used farm tractors, supplies and lubricants and such other new or used machinery and equipment used exclusively, solely, and directly for the planting, harvesting, processing, or transporting of a forestry product.
187	2008	HB 2058	144.057	All tangible personal property included on the United States munitions list, as provided in 22 CFR 121.1, sold to or purchased by any foreign government or agency or instrumentality of such foreign government which is used for a governmental purpose.
188	2008	SB 931	144.063	All fencing materials used for agricultural purposes.
189	2008	SB 931	144.063	All purchases of motor fuel which are used for agricultural purposes.
190	2008	SB 931	144.063	All purchases of motor fuel for planting, harvesting, processing, or transporting of a forestry product.
191	2008	SB 1181	144.526	Energy star certified new appliances with a retail value of up to &1,500 pr appliance. (April 19 to April 25 each year) (Show Me Green Holiday)
192	2009	HB 683	144.054.4	All sales and purchases of tangible personal property, utilities, services, or any other transaction that would otherwise be subject to the state or local sales or use tax when such sales are made to or purchases are made by a private partner for use in completing a project under sections 227.600 to 227.669, RSMo. (Missouri Public Private Partnerships Transportation Act)

New Exemptions



Cumulative Exemptions

