

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 676**  
**100TH GENERAL ASSEMBLY**

3183H.07C

DANA RADEMAN MILLER, Chief Clerk

---

---

**AN ACT**

To repeal sections 137.010, 137.115, 137.122, 137.385, 138.060, 138.090, 143.121, 143.171, 143.991, and 144.805, RSMo, and to enact in lieu thereof eleven new sections relating to taxation.

---

---

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

Section A. Sections 137.010, 137.115, 137.122, 137.385, 138.060, 138.090, 143.121, 2 143.171, 143.991, and 144.805, RSMo, are repealed and eleven new sections enacted in lieu 3 thereof, to be known as sections 137.010, 137.115, 137.122, 137.385, 138.060, 138.090, 4 143.121, 143.171, 143.425, 143.991, and 144.805, to read as follows:

137.010. The following words, terms and phrases when used in laws governing taxation 2 and revenue in the state of Missouri shall have the meanings ascribed to them in this section, 3 except when the context clearly indicates a different meaning:

4 (1) "Grain and other agricultural crops in an unmanufactured condition" shall mean 5 grains and feeds including, but not limited to, soybeans, cow peas, wheat, corn, oats, barley, 6 kafir, rye, flax, grain sorghums, cotton, and such other products as are usually stored in grain and 7 other elevators and on farms; but excluding such grains and other agricultural crops after being 8 processed into products of such processing, when packaged or sacked. The term "processing" 9 shall not include hulling, cleaning, drying, grating, or polishing;

10 (2) "Hydroelectric power generating equipment", very-low-head turbine generators with 11 a nameplate generating capacity of at least four hundred kilowatts but not more than six hundred 12 kilowatts and machinery and equipment used directly in the production, generation, conversion, 13 storage, or conveyance of hydroelectric power to land-based devices and appurtenances used in 14 the transmission of electrical energy;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

15 (3) "Intangible personal property", for the purpose of taxation, shall include all property  
16 other than real property and tangible personal property, as defined by this section;

17 (4) "Real property" includes land itself, whether laid out in town lots or otherwise, and  
18 all growing crops, buildings, structures, improvements and fixtures of whatever kind thereon,  
19 hydroelectric power generating equipment, the installed poles used in the transmission or  
20 reception of electrical energy, audio signals, video signals or similar purposes, provided the  
21 owner of such installed poles is also an owner of a fee simple interest, possessor of an easement,  
22 holder of a license or franchise, or is the beneficiary of a right-of-way dedicated for public utility  
23 purposes for the underlying land; attached wires, transformers, amplifiers, substations, and other  
24 such devices and appurtenances used in the transmission or reception of electrical energy, audio  
25 signals, video signals or similar purposes when owned by the owner of the installed poles,  
26 otherwise such items are considered personal property; and stationary property used for  
27 transportation or storage of ~~liquid and gaseous products, including, but not limited to, petroleum~~  
28 ~~products, natural gas,] only propane or LP gas equipment[~~, water, and sewage];~~~~

29 (5) "Reliever airport", any land and improvements, exclusive of structures, on privately  
30 owned airports that qualify as reliever airports under the National Plan of Integrated Airport  
31 Systems that may receive federal airport improvement project funds through the Federal Aviation  
32 Administration;

33 (6) "Tangible personal property" includes every tangible thing being the subject of  
34 ownership or part ownership whether animate or inanimate, other than money, and not forming  
35 part or parcel of real property as herein defined, but does not include household goods, furniture,  
36 wearing apparel and articles of personal use and adornment, as defined by the state tax  
37 commission, owned and used by a person in his home or dwelling place. **Stationary property**  
38 **used for transportation or storage of liquid and gaseous products including, but not limited**  
39 **to, petroleum products, natural gas, water, and sewage shall be considered tangible**  
40 **personal property.**

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

11 airport layout plan, as defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139  
12 certification and owned by a political subdivision, shall be the otherwise applicable true value  
13 in money of any such possessory interest in real property, less the total dollar amount of costs  
14 paid by a party, other than the political subdivision, towards any new construction or  
15 improvements on such real property completed after January 1, 2008, and which are included in  
16 the above-mentioned possessory interest, regardless of the year in which such costs were incurred  
17 or whether such costs were considered in any prior year. The assessor shall annually assess all  
18 real property in the following manner: new assessed values shall be determined as of January  
19 first of each odd-numbered year and shall be entered in the assessor's books; those same assessed  
20 values shall apply in the following even-numbered year, except for new construction and  
21 property improvements which shall be valued as though they had been completed as of January  
22 first of the preceding odd-numbered year. The assessor may call at the office, place of doing  
23 business, or residence of each person required by this chapter to list property, and require the  
24 person to make a correct statement of all taxable tangible personal property owned by the person  
25 or under his or her care, charge or management, taxable in the county. On or before January first  
26 of each even-numbered year, the assessor shall prepare and submit a two-year assessment  
27 maintenance plan to the county governing body and the state tax commission for their respective  
28 approval or modification. The county governing body shall approve and forward such plan or  
29 its alternative to the plan to the state tax commission by February first. If the county governing  
30 body fails to forward the plan or its alternative to the plan to the state tax commission by  
31 February first, the assessor's plan shall be considered approved by the county governing body.  
32 If the state tax commission fails to approve a plan and if the state tax commission and the  
33 assessor and the governing body of the county involved are unable to resolve the differences, in  
34 order to receive state cost-share funds outlined in section 137.750, the county or the assessor  
35 shall petition the administrative hearing commission, by May first, to decide all matters in  
36 dispute regarding the assessment maintenance plan. Upon agreement of the parties, the matter  
37 may be stayed while the parties proceed with mediation or arbitration upon terms agreed to by  
38 the parties. The final decision of the administrative hearing commission shall be subject to  
39 judicial review in the circuit court of the county involved. In the event a valuation of subclass  
40 (1) real property within any county with a charter form of government, or within a city not within  
41 a county, is made by a computer, computer-assisted method or a computer program, the burden  
42 of proof, supported by clear, convincing and cogent evidence to sustain such valuation, shall be  
43 on the assessor at any hearing or appeal. In any such county, unless the assessor proves  
44 otherwise, there shall be a presumption that the assessment was made by a computer,  
45 computer-assisted method or a computer program. Such evidence shall include, but shall not be  
46 limited to, the following:

47 (1) The findings of the assessor based on an appraisal of the property by generally  
48 accepted appraisal techniques; and

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

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

52 (b) Such properties are not more than one mile from the site of the disputed property,  
53 except where no similar properties exist within one mile of the disputed property, the nearest  
54 comparable property shall be used. Such property shall be within five hundred square feet in size  
55 of the disputed property, and resemble the disputed property in age, floor plan, number of rooms,  
56 and other relevant characteristics.

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

59 3. The following items of personal property shall each constitute separate subclasses of  
60 tangible personal property and shall be assessed and valued for the purposes of taxation at the  
61 following percentages of their true value in money:

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

64 (2) Livestock, twelve percent;

65 (3) Farm machinery, twelve percent;

66 (4) Motor vehicles which are eligible for registration as and are registered as historic  
67 motor vehicles pursuant to section 301.131 and aircraft which are at least twenty-five years old  
68 and which are used solely for noncommercial purposes and are operated less than  ~~fifty~~ **two**  
69 **hundred** hours per year or aircraft that are home built from a kit, five percent;

70 (5) Poultry, twelve percent; and

71 (6) Tools and equipment used for pollution control and tools and equipment used in  
72 retooling for the purpose of introducing new product lines or used for making improvements to  
73 existing products by any company which is located in a state enterprise zone and which is  
74 identified by any standard industrial classification number cited in subdivision (5) of section  
75 135.200, twenty-five percent.

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

80 5. (1) All subclasses of real property, as such subclasses are established in Section 4(b)  
81 of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed at the  
82 following percentages of true value:

- 83 (a) For real property in subclass (1), nineteen percent;  
84 (b) For real property in subclass (2), twelve percent; and  
85 (c) For real property in subclass (3), thirty-two percent.

86 (2) A taxpayer may apply to the county assessor, or, if not located within a county, then  
87 the assessor of such city, for the reclassification of such taxpayer's real property if the use or  
88 purpose of such real property is changed after such property is assessed under the provisions of  
89 this chapter. If the assessor determines that such property shall be reclassified, he or she shall  
90 determine the assessment under this subsection based on the percentage of the tax year that such  
91 property was classified in each subclassification.

92 6. Manufactured homes, as defined in section 700.010, which are actually used as  
93 dwelling units shall be assessed at the same percentage of true value as residential real property  
94 for the purpose of taxation. The percentage of assessment of true value for such manufactured  
95 homes shall be the same as for residential real property. If the county collector cannot identify  
96 or find the manufactured home when attempting to attach the manufactured home for payment  
97 of taxes owed by the manufactured home owner, the county collector may request the county  
98 commission to have the manufactured home removed from the tax books, and such request shall  
99 be granted within thirty days after the request is made; however, the removal from the tax books  
100 does not remove the tax lien on the manufactured home if it is later identified or found. For  
101 purposes of this section, a manufactured home located in a manufactured home rental park, rental  
102 community or on real estate not owned by the manufactured home owner shall be considered  
103 personal property. For purposes of this section, a manufactured home located on real estate  
104 owned by the manufactured home owner may be considered real property.

105 7. Each manufactured home assessed shall be considered a parcel for the purpose of  
106 reimbursement pursuant to section 137.750, unless the manufactured home is real estate as  
107 defined in subsection 7 of section 442.015 and assessed as a realty improvement to the existing  
108 real estate parcel.

109 8. Any amount of tax due and owing based on the assessment of a manufactured home  
110 shall be included on the personal property tax statement of the manufactured home owner unless  
111 the manufactured home is real estate as defined in subsection 7 of section 442.015, in which case  
112 the amount of tax due and owing on the assessment of the manufactured home as a realty  
113 improvement to the existing real estate parcel shall be included on the real property tax statement  
114 of the real estate owner.

115 9. The assessor of each county and each city not within a county shall use the trade-in  
116 value published in the October issue of the National Automobile Dealers' Association Official  
117 Used Car Guide, or its successor publication, as the recommended guide of information for  
118 determining the true value of motor vehicles described in such publication. The assessor shall

119 not use a value that is greater than the average trade-in value in determining the true value of the  
120 motor vehicle without performing a physical inspection of the motor vehicle. For vehicles two  
121 years old or newer from a vehicle's model year, the assessor may use a value other than average  
122 without performing a physical inspection of the motor vehicle. In the absence of a listing for a  
123 particular motor vehicle in such publication, the assessor shall use such information or  
124 publications which in the assessor's judgment will fairly estimate the true value in money of the  
125 motor vehicle.

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

130 11. If a physical inspection is required, pursuant to subsection 10 of this section, the  
131 assessor shall notify the property owner of that fact in writing and shall provide the owner clear  
132 written notice of the owner's rights relating to the physical inspection. If a physical inspection  
133 is required, the property owner may request that an interior inspection be performed during the  
134 physical inspection. The owner shall have no less than thirty days to notify the assessor of a  
135 request for an interior physical inspection.

136 12. A physical inspection, as required by subsection 10 of this section, shall include, but  
137 not be limited to, an on-site personal observation and review of all exterior portions of the land  
138 and any buildings and improvements to which the inspector has or may reasonably and lawfully  
139 gain external access, and shall include an observation and review of the interior of any buildings  
140 or improvements on the property upon the timely request of the owner pursuant to subsection 11  
141 of this section. Mere observation of the property via a drive-by inspection or the like shall not  
142 be considered sufficient to constitute a physical inspection as required by this section.

143 ~~13. [The provisions of subsections 11 and 12 of this section shall only apply in any~~  
144 ~~county with a charter form of government with more than one million inhabitants.~~

145 ~~———14.]~~ A county or city collector may accept credit cards as proper form of payment of  
146 outstanding property tax or license due. No county or city collector may charge surcharge for  
147 payment by credit card which exceeds the fee or surcharge charged by the credit card bank,  
148 processor, or issuer for its service. A county or city collector may accept payment by electronic  
149 transfers of funds in payment of any tax or license and charge the person making such payment  
150 a fee equal to the fee charged the county by the bank, processor, or issuer of such electronic  
151 payment.

152 ~~[15]~~ 14. Any county or city not within a county in this state may, by an affirmative vote  
153 of the governing body of such county, opt out of the provisions of this section and sections  
154 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general

155 assembly, second regular session and section 137.073 as modified by house committee substitute  
156 for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general  
157 assembly, second regular session, for the next year of the general reassessment, prior to January  
158 first of any year. No county or city not within a county shall exercise this opt-out provision after  
159 implementing the provisions of this section and sections 137.073, 138.060, and 138.100 as  
160 enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and  
161 section 137.073 as modified by house committee substitute for senate substitute for senate  
162 committee substitute for senate bill no. 960, ninety-second general assembly, second regular  
163 session, in a year of general reassessment. For the purposes of applying the provisions of this  
164 subsection, a political subdivision contained within two or more counties where at least one of  
165 such counties has opted out and at least one of such counties has not opted out shall calculate a  
166 single tax rate as in effect prior to the enactment of house bill no. 1150 of the ninety-first general  
167 assembly, second regular session. A governing body of a city not within a county or a county  
168 that has opted out under the provisions of this subsection may choose to implement the  
169 provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill  
170 no. 1150 of the ninety-first general assembly, second regular session, and section 137.073 as  
171 modified by house committee substitute for senate substitute for senate committee substitute for  
172 senate bill no. 960, ninety-second general assembly, second regular session, for the next year of  
173 general reassessment, by an affirmative vote of the governing body prior to December thirty-first  
174 of any year.

175       ~~[14]~~ **15.** The governing body of any city of the third classification with more than  
176 twenty-six thousand three hundred but fewer than twenty-six thousand seven hundred inhabitants  
177 located in any county that has exercised its authority to opt out under subsection 15 of this  
178 section may levy separate and differing tax rates for real and personal property only if such city  
179 bills and collects its own property taxes or satisfies the entire cost of the billing and collection  
180 of such separate and differing tax rates. Such separate and differing rates shall not exceed such  
181 city's tax rate ceiling.

182       ~~[17]~~ **16.** Any portion of real property that is available as reserve for strip, surface, or coal  
183 mining for minerals for purposes of excavation for future use or sale to others that has not been  
184 bonded and permitted under chapter 444 shall be assessed based upon how the real property is  
185 currently being used. Any information provided to a county assessor, state tax commission, state  
186 agency, or political subdivision responsible for the administration of tax policies shall, in the  
187 performance of its duties, make available all books, records, and information requested, except  
188 such books, records, and information as are by law declared confidential in nature, including  
189 individually identifiable information regarding a specific taxpayer or taxpayer's mine property.  
190 For purposes of this subsection, "mine property" shall mean all real property that is in use or

191 readily available as a reserve for strip, surface, or coal mining for minerals for purposes of  
192 excavation for current or future use or sale to others that has been bonded and permitted under  
193 chapter 444.

137.122. 1. As used in this section, the following terms mean:

2 (1) "Business personal property", tangible personal property which is used in a trade or  
3 business or used for production of income and which has a determinable life of longer than one  
4 year except that supplies used by a business shall also be considered business personal property,  
5 but shall not include livestock, farm machinery, grain and other agricultural crops in an  
6 unmanufactured condition, property subject to the motor vehicle registration provisions of  
7 chapter 301, property assessed under section 137.078, the property of rural electric cooperatives  
8 under chapter 394, or property assessed by the state tax commission under chapters 151, 153, and  
9 155, section 137.022, and sections 137.1000 to 137.1030;

10 (2) "Class life", the class life of property as set out in the federal Modified Accelerated  
11 Cost Recovery System life tables or their successors under the Internal Revenue Code as  
12 amended;

13 (3) "Economic or functional obsolescence", a loss in value of personal property above  
14 and beyond physical deterioration and age of the property. Such loss may be the result of  
15 economic or functional obsolescence or both;

16 (4) "Original cost", the price the current owner, the taxpayer, paid for the item without  
17 freight, installation, **capitalized overhead expenses**, or sales or use tax. In the case of  
18 acquisition of items of personal property as part of an acquisition of an entity, the original cost  
19 shall be the historical cost of those assets remaining in place and in use and the placed-in-service  
20 date shall be the date of acquisition by the entity being acquired;

21 (5) "Placed in service", property is placed in service when it is ready and available for  
22 a specific use, whether in a business activity, an income-producing activity, a tax-exempt  
23 activity, or a personal activity. Even if the property is not being used, the property is in service  
24 when it is ready and available for its specific use;

25 (6) "Recovery period", the period over which the original cost of depreciable tangible  
26 personal property shall be depreciated for property tax purposes and shall be the same as the  
27 recovery period allowed for such property under the Internal Revenue Code.

28 2. To establish uniformity in the assessment of depreciable tangible personal property,  
29 each assessor shall use the standardized schedule of depreciation in this section to determine the  
30 assessed valuation of depreciable tangible personal property for the purpose of estimating the  
31 value of such property subject to taxation under this chapter.

32 3. For purposes of this section, and to estimate the value of depreciable tangible personal  
33 property for mass appraisal purposes, each assessor shall value depreciable tangible personal



34 property by applying the class life and recovery period to the original cost of the property  
 35 according to the following depreciation schedule. The percentage shown for the first year shall  
 36 be the percentage of the original cost used for January first of the year following the year of  
 37 acquisition of the property, and the percentage shown for each succeeding year shall be the  
 38 percentage of the original cost used for January first of the respective succeeding year as follows:  
 39

40 Year	Recovery Period in Years					
	3	5	7	10	15	20
41						
42 1	75.00	85.00	89.29	92.50	95.00	96.25
43 2	37.50	59.50	70.16	78.62	85.50	89.03
44 3	12.50	41.65	55.13	66.83	76.95	82.35
45 4	5.00	24.99	42.88	56.81	69.25	76.18
46 5		10.00	30.63	48.07	62.32	70.46
47 6			18.38	39.33	56.09	65.18
48 7			10.00	30.59	50.19	60.29
49 8				21.85	44.29	55.77
50 9				15.00	38.38	51.31
51 10					32.48	46.85
52 11					26.57	42.38
53 12					20.67	37.92
54 13					15.00	33.46
55 14						29.00
56 15						24.54
57 16						20.08
58 17						20.00

59

60 Depreciable tangible personal property in all recovery periods shall continue in subsequent years  
 61 to have the depreciation factor last listed in the appropriate column so long as it is owned or held  
 62 by the taxpayer. The state tax commission shall study and analyze the values established by this  
 63 method of assessment and in every odd-numbered year make recommendations to the joint  
 64 committee on tax policy pertaining to any changes in this methodology, if any, that are  
 65 warranted.

66 4. Such estimate of value determined under this section shall be presumed to be correct  
 67 for the purpose of determining the true value in money of the depreciable tangible personal  
 68 property, but such estimation may be disproved by a taxpayer by substantial and persuasive

69 evidence of the true value in money under any method determined by the state tax commission  
70 to be correct, including, but not limited to, an appraisal of the tangible personal property  
71 specifically utilizing generally accepted appraisal techniques, and contained in a narrative  
72 appraisal report in accordance with the Uniform Standards of Professional Appraisal Practice or  
73 by proof of economic or functional obsolescence or evidence of excessive physical deterioration.  
74 For purposes of appeal of the provisions of this section, the salvage or scrap value of depreciable  
75 tangible personal property may only be considered if the property is not in use as of the  
76 assessment date.

77 5. This section shall not apply to business personal property placed in service before  
78 January 2, 2006. Nothing in this section shall create a presumption as to the proper method of  
79 determining the assessed valuation of business personal property placed in service before January  
80 2, 2006. **Notwithstanding any provisions of this subsection or section to the contrary, as  
81 of January 1, 2021, this section shall apply to all stationary property used for  
82 transportation or storage of liquid and gaseous products including, but not limited to,  
83 petroleum products, natural gas, water, and sewage that was, is, or will be placed in service  
84 at any time.**

85 6. The provisions of this section are not intended to modify the definition of tangible  
86 personal property as defined in section 137.010.

137.385. Any person aggrieved by the assessment of his property may appeal to the  
2 county board of equalization. An appeal shall be in writing and the forms to be used for this  
3 purpose shall be furnished by the county clerk. Such appeal shall be lodged with the county clerk  
4 as secretary of the board of equalization before the ~~[third]~~ **second** Monday in ~~[June]~~ **July**;  
5 provided, that the board may in its discretion extend the time for filing such appeals.

138.060. 1. The county board of equalization shall, in a summary way, determine all  
2 appeals from the valuation of property made by the assessor, and shall correct and adjust the  
3 assessment accordingly. There shall be no presumption that the assessor's valuation is correct.  
4 In any county with a charter form of government with a population greater than two hundred  
5 eighty thousand inhabitants but less than two hundred eighty-five thousand inhabitants, ~~[and]~~ in  
6 any county with a charter form of government with greater than one million inhabitants, ~~[and]~~  
7 in any city not within a county, **and in any other county for any property whose assessed  
8 valuation increased at least fifteen percent from the previous assessment unless the increase  
9 is due to new construction or improvement**, the assessor shall have the burden to prove that  
10 the assessor's valuation does not exceed the true market value of the subject property. In such  
11 county or city, in the event a physical inspection of the subject property is required by subsection  
12 10 of section 137.115, the assessor shall have the burden to establish the manner in which the  
13 physical inspection was performed and shall have the burden to prove that the physical

14 inspection was performed in accordance with section 137.115. In such county or city, in the  
15 event the assessor fails to provide sufficient evidence to establish that the physical inspection  
16 was performed in accordance with section 137.115, the property owner shall prevail on the  
17 appeal as a matter of law. At any hearing before the state tax commission or a court of  
18 competent jurisdiction of an appeal of assessment from a first class charter county or a city not  
19 within a county, the assessor shall not advocate nor present evidence advocating a valuation  
20 higher than that value finally determined by the assessor or the value determined by the board  
21 of equalization, whichever is higher, for that assessment period.

22         2. The county clerk shall keep an accurate record of the proceedings and orders of the  
23 board, and the assessor shall correct all erroneous assessments, and the clerk shall adjust the tax  
24 book according to the orders of such board and the orders of the state tax commission, except  
25 that in adding or deducting such percent to each tract or parcel of real estate as required by such  
26 board or state tax commission, he shall add or deduct in each case any fractional sum of less than  
27 fifty cents, so that the value of any separate tract shall contain no fractions of a dollar.

138.090. 1. Except as provided in subsection 2 of this section, the county board of  
2 equalization in first class counties shall meet on the ~~[first]~~ **third** Monday in July of each year.

3         2. Upon a finding by the board that it is necessary in order to fairly hear all cases arising  
4 from a general reassessment, the board may begin meeting after July first in any applicable year  
5 to timely consider any appeal or complaint resulting from an evaluation made during a general  
6 reassessment of all taxable real property and possessory interests in the county. There shall be  
7 no presumption that the assessor's valuation is correct.

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

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

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

11         (2) Interest on certain governmental obligations excluded from federal gross income by  
12 26 U.S.C. Section 103 of the Internal Revenue Code, as amended. The previous sentence shall  
13 not apply to interest on obligations of the state of Missouri or any of its political subdivisions or  
14 authorities and shall not apply to the interest described in subdivision (1) of subsection 3 of this  
15 section. The amount added pursuant to this subdivision shall be reduced by the amounts

16 applicable to such interest that would have been deductible in computing the taxable income of  
17 the taxpayer except only for the application of 26 U.S.C. Section 265 of the Internal Revenue  
18 Code, as amended. The reduction shall only be made if it is at least five hundred dollars;

19 (3) The amount of any deduction that is included in the computation of federal taxable  
20 income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job  
21 Creation and Worker Assistance Act of 2002 to the extent the amount deducted relates to  
22 property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent the amount  
23 deducted exceeds the amount that would have been deductible pursuant to 26 U.S.C. Section 168  
24 of the Internal Revenue Code of 1986 as in effect on January 1, 2002;

25 (4) The amount of any deduction that is included in the computation of federal taxable  
26 income for net operating loss allowed by 26 U.S.C. Section 172 of the Internal Revenue Code  
27 of 1986, as amended, other than the deduction allowed by 26 U.S.C. Section 172(b)(1)(G) and  
28 26 U.S.C. Section 172(i) of the Internal Revenue Code of 1986, as amended, for a net operating  
29 loss the taxpayer claims in the tax year in which the net operating loss occurred or carries  
30 forward for a period of more than twenty years and carries backward for more than two years.  
31 Any amount of net operating loss taken against federal taxable income but disallowed for  
32 Missouri income tax purposes pursuant to this subdivision after June 18, 2002, may be carried  
33 forward and taken against any income on the Missouri income tax return for a period of not more  
34 than twenty years from the year of the initial loss; and

35 (5) For nonresident individuals in all taxable years ending on or after December 31,  
36 2006, the amount of any property taxes paid to another state or a political subdivision of another  
37 state for which a deduction was allowed on such nonresident's federal return in the taxable year  
38 unless such state, political subdivision of a state, or the District of Columbia allows a subtraction  
39 from income for property taxes paid to this state for purposes of calculating income for the  
40 income tax for such state, political subdivision of a state, or the District of Columbia;

41 (6) For all tax years beginning on or after January 1, 2018, any interest expense paid or  
42 accrued in a previous taxable year, but allowed as a deduction under 26 U.S.C. Section 163, as  
43 amended, in the current taxable year by reason of the carryforward of disallowed business  
44 interest provisions of 26 U.S.C. Section 163(j), as amended. For the purposes of this  
45 subdivision, an interest expense is considered paid or accrued only in the first taxable year the  
46 deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the limitation  
47 under 26 U.S.C. Section 163(j), as amended, did not exist.

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

50 (1) Interest received on deposits held at a federal reserve bank or interest or dividends  
51 on obligations of the United States and its territories and possessions or of any authority,

52 commission or instrumentality of the United States to the extent exempt from Missouri income  
53 taxes pursuant to the laws of the United States. The amount subtracted pursuant to this  
54 subdivision shall be reduced by any interest on indebtedness incurred to carry the described  
55 obligations or securities and by any expenses incurred in the production of interest or dividend  
56 income described in this subdivision. The reduction in the previous sentence shall only apply  
57 to the extent that such expenses including amortizable bond premiums are deducted in  
58 determining the taxpayer's federal adjusted gross income or included in the taxpayer's Missouri  
59 itemized deduction. The reduction shall only be made if the expenses total at least five hundred  
60 dollars;

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

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

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

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

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

77 (7) The amount that would have been deducted in the computation of federal taxable  
78 income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as in effect on January  
79 1, 2002, to the extent that amount relates to property purchased on or after July 1, 2002, but  
80 before July 1, 2003, and to the extent that amount exceeds the amount actually deducted pursuant  
81 to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job Creation and  
82 Worker Assistance Act of 2002;

83 (8) For all tax years beginning on or after January 1, 2005, the amount of any income  
84 received for military service while the taxpayer serves in a combat zone which is included in  
85 federal adjusted gross income and not otherwise excluded therefrom. As used in this section,  
86 "combat zone" means any area which the President of the United States by Executive Order  
87 designates as an area in which Armed Forces of the United States are or have engaged in combat.

88 Service is performed in a combat zone only if performed on or after the date designated by the  
89 President by Executive Order as the date of the commencing of combat activities in such zone,  
90 and on or before the date designated by the President by Executive Order as the date of the  
91 termination of combatant activities in such zone;

92 (9) For all tax years ending on or after July 1, 2002, with respect to qualified property  
93 that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an  
94 additional modification was made under subdivision (3) of subsection 2 of this section, the  
95 amount by which additional modification made under subdivision (3) of subsection 2 of this  
96 section on qualified property has not been recovered through the additional subtractions provided  
97 in subdivision (7) of this subsection;

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

- 101 (a) Livestock Forage Disaster Program;
- 102 (b) Livestock Indemnity Program;
- 103 (c) Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish;
- 104 (d) Emergency Conservation Program;
- 105 (e) Noninsured Crop Disaster Assistance Program;
- 106 (f) Pasture, Rangeland, Forage Pilot Insurance Program;
- 107 (g) Annual Forage Pilot Program;
- 108 (h) Livestock Risk Protection Insurance Plan; and
- 109 (i) Livestock Gross Margin Insurance Plan; and

110 (11) For all tax years beginning on or after January 1, 2018, any interest expense paid  
111 or accrued in the current taxable year, but not deducted as a result of the limitation imposed  
112 under 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest  
113 expense is considered paid or accrued only in the first taxable year the deduction would have  
114 been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C.  
115 Section 163(j), as amended, did not exist.

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

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

120 6. In addition to the modifications to a taxpayer's federal adjusted gross income in this  
121 section, to calculate Missouri adjusted gross income there shall be subtracted from the taxpayer's  
122 federal adjusted gross income any gain recognized pursuant to 26 U.S.C. Section 1033 of the

123 Internal Revenue Code of 1986, as amended, arising from compulsory or involuntary conversion  
124 of property as a result of condemnation or the imminence thereof.

125 7. (1) As used in this subsection, "qualified health insurance premium" means the  
126 amount paid during the tax year by such taxpayer for any insurance policy primarily providing  
127 health care coverage for the taxpayer, the taxpayer's spouse, or the taxpayer's dependents.

128 (2) In addition to the subtractions in subsection 3 of this section, one hundred percent  
129 of the amount of qualified health insurance premiums shall be subtracted from the taxpayer's  
130 federal adjusted gross income to the extent the amount paid for such premiums is included in  
131 federal taxable income. The taxpayer shall provide the department of revenue with proof of the  
132 amount of qualified health insurance premiums paid.

133 8. (1) Beginning January 1, 2014, in addition to the subtractions provided in this section,  
134 one hundred percent of the cost incurred by a taxpayer for a home energy audit conducted by an  
135 entity certified by the department of natural resources under section 640.153 or the  
136 implementation of any energy efficiency recommendations made in such an audit shall be  
137 subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for  
138 any such activity is included in federal taxable income. The taxpayer shall provide the  
139 department of revenue with a summary of any recommendations made in a qualified home  
140 energy audit, the name and certification number of the qualified home energy auditor who  
141 conducted the audit, and proof of the amount paid for any activities under this subsection for  
142 which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any  
143 recommendations made in a qualified home energy audit to the department of natural resources.

144 (2) At no time shall a deduction claimed under this subsection by an individual taxpayer  
145 or taxpayers filing combined returns exceed one thousand dollars per year for individual  
146 taxpayers or cumulatively exceed two thousand dollars per year for taxpayers filing combined  
147 returns.

148 (3) Any deduction claimed under this subsection shall be claimed for the tax year in  
149 which the qualified home energy audit was conducted or in which the implementation of the  
150 energy efficiency recommendations occurred. If implementation of the energy efficiency  
151 recommendations occurred during more than one year, the deduction may be claimed in more  
152 than one year, subject to the limitations provided under subdivision (2) of this subsection.

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

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

143.171. 1. For all tax years beginning on or after January 1, 1994, and ending on or before December 31, 2018, an individual taxpayer shall be allowed a deduction for his or her federal income tax liability under Chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed, not to exceed five thousand dollars on a single taxpayer's return or ten thousand dollars on a combined return, after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by 26 U.S.C. Section 31, 26 U.S.C. Section 27, and 26 U.S.C. Section 34.

2. **(1)** Notwithstanding any other provision of law to the contrary, for all tax years beginning on or after January 1, 2019, an individual taxpayer shall be allowed a deduction equal to a percentage of his or her federal income tax liability under Chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed, not to exceed five thousand dollars on a single taxpayer's return or ten thousand dollars on a combined return, after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by 26 U.S.C. Section 31, 26 U.S.C. Section 27, and 26 U.S.C. Section 34. The deduction percentage is determined according to the following table:

18 If the Missouri gross income on the return	The deduction percentage is:
19 is:	
20 \$25,000 or less	35 percent
21 From \$25,001 to \$50,000	25 percent
22 From \$50,001 to \$100,000	15 percent
23 From \$100,001 to \$125,000	5 percent
24 \$125,001 or more	0 percent

25

**(2) Notwithstanding any provision of law to the contrary, the amount of any tax credits reducing a taxpayer's federal tax liability pursuant to Public Law 116-136, enacted by the 116th United States Congress, for the tax year beginning on or after January 1, 2020, and ending on or before December 31, 2020, shall not be considered in determining a taxpayer's federal tax liability for the purposes of subdivision (1) of this subsection.**

3. For all tax years beginning on or after September 1, 1993, a corporate taxpayer shall be allowed a deduction for fifty percent of its federal income tax liability under Chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by 26 U.S.C. Section 31, 26 U.S.C. Section 27, and 26 U.S.C. Section 34.



37 4. If a federal income tax liability for a tax year prior to the applicability of sections  
38 143.011 to 143.996 for which he was not previously entitled to a Missouri deduction is later paid  
39 or accrued, he may deduct the federal tax in the later year to the extent it would have been  
40 deductible if paid or accrued in the prior year.

**143.425. 1. For the purposes of this section, the following terms shall mean:**

2 (1) "Administrative adjustment request", an administrative adjustment request  
3 filed by a partnership under 26 U.S.C. Section 6227;

4 (2) "Audited partnership", a partnership subject to a partnership level audit  
5 resulting in a federal adjustment;

6 (3) "Corporate partner", a partner that is subject to tax under section 143.071;

7 (4) "Direct partner", a partner that holds an interest directly in a partnership or  
8 pass-through entity;

9 (5) "Exempt partner", a partner that is exempt from taxation under the provisions  
10 of subdivisions (1) or (4) of subsection 2 of section 143.441, except on unrelated business  
11 taxable income;

12 (6) "Federal adjustment", a change to an item or amount determined under the  
13 Internal Revenue Code that is used by a taxpayer to compute Missouri individual or  
14 corporate income tax owed, whether that change results from action by the IRS, including  
15 a partnership level audit, or the filing of an amended federal return, federal refund claim,  
16 or an administrative adjustment request by the taxpayer. A federal adjustment is positive  
17 to the extent that it increases Missouri taxable income as determined under section 143.431,  
18 or Missouri adjusted gross income under section 143.121 or 143.181, and is negative to the  
19 extent that it decreases such Missouri taxable income or Missouri adjusted gross income;

20 (7) "Federal adjustments report", methods or forms, which shall be prescribed by  
21 the department of revenue, for use by a taxpayer to report final federal adjustments,  
22 including an amended Missouri tax return, a uniform multistate report, or an information  
23 return, notwithstanding any provision of law restricting the form or applicability of  
24 information return filing;

25 (8) "Federal partnership representative", the person the partnership designates for  
26 the tax year as the partnership's representative, or the person the IRS has appointed to act  
27 as the federal partnership representative, under 26 U.S.C. Section 6223(a);

28 (9) "Final determination date", shall be the following:

29 (a) Except as provided under paragraphs (b) and (c) of this subdivision, if the  
30 federal adjustment arises from an IRS audit or other action by the IRS, the final  
31 determination date shall be the first day on which no federal adjustments arising from such  
32 audit or other action remain to be finally determined, whether by IRS decision with respect

33 to which all rights of appeal have been waived or exhausted, by agreement, or, if appealed  
34 or contested, by a final decision with respect to which all rights of appeal have been waived  
35 or exhausted. For agreements required to be signed by the IRS and the taxpayer, the final  
36 determination date shall be the date on which the last party signed the agreement;

37 (b) For federal adjustments arising from an IRS audit or other action by the IRS,  
38 if the taxpayer filed as a member of a Missouri consolidated return, the final determination  
39 date shall be the first day on which no related federal adjustments arising from such audit  
40 remain to be finally determined, as described in paragraph (a) of this subdivision, for the  
41 entire group;

42 (c) If the federal adjustment results from filing an amended federal return, a  
43 federal refund claim, or an administrative adjustment request, or if it is a federal  
44 adjustment reported on an amended federal return or other similar report filed under 26  
45 U.S.C. Section 6225(c), the final determination date shall be the day on which the amended  
46 return, refund claim, administrative adjustment request, or other similar report was filed;

47 (10) "Final federal adjustment", a federal adjustment that remains in effect after  
48 the final determination date for such federal adjustment has passed;

49 (11) "IRS", the Internal Revenue Service of the United States Department of the  
50 Treasury;

51 (12) "Indirect partner", a partner in a partnership or pass-through entity, where  
52 such partnership or pass-through entity itself holds a direct or indirect interest in another  
53 partnership or pass-through entity. A partnership or pass-through entity holds an  
54 "indirect interest" in another partnership or pass-through entity where its interest is held  
55 through an indirect partner or series of indirect partners;

56 (13) "Non-resident partner", an individual, trust, or estate partner that is not a  
57 resident partner;

58 (14) "Partner", a person that holds an interest directly or indirectly in a  
59 partnership or other pass-through entity;

60 (15) "Partnership", the same meaning as used in 26 U.S.C. Sections 701 to 771;

61 (16) "Partnership level audit", an examination by the IRS at the partnership level  
62 under 26 U.S.C. Sections 6221 to 6241, as enacted by the Bipartisan Budget Act of 2015,  
63 Public Law 114-74, and any amendments thereto, which results in federal adjustments;

64 (17) "Pass-through entity", an entity, other than a partnership, that is not subject  
65 to tax under section 143.071, section 153.020, chapter 148, or a tax on insurance companies  
66 or insurance providers imposed by the state of Missouri;

67 (18) "Publicly traded partnership", the same meaning as used in 26 U.S.C. Section  
68 7704(b), and any amendments thereto;

69           (19) "Reallocation adjustment", a federal adjustment resulting from a partnership  
70 level audit or an administrative adjustment request that changes the shares of one or more  
71 items of partnership income, gain, loss, expense, or credit allocated to direct partners. A  
72 positive reallocation adjustment means the portion of a reallocation adjustment that would  
73 increase federal adjusted gross income or federal taxable income for one or more direct  
74 partners, and a negative reallocation adjustment means the portion of a reallocation  
75 adjustment that would decrease federal adjusted gross income or federal taxable income  
76 for one or more direct partners;

77           (20) "Resident partner", an individual, trust, or estate partner that is a resident of  
78 Missouri as defined under section 143.101 for individuals, or under section 143.331 for  
79 trusts or estates, for the relevant tax period;

80           (21) "Reviewed year", the tax year of a partnership that is subject to a partnership  
81 level audit which results in a federal adjustment;

82           (22) "Taxpayer", any individual or entity subject to a tax in Missouri or a  
83 tax-related reporting requirement in Missouri and, unless the context clearly indicates  
84 otherwise, includes a partnership subject to a partnership level audit or a partnership that  
85 has made an administrative adjustment request, as well as a tiered partner of that  
86 partnership;

87           (23) "Tiered partner", any partner that is a partnership or pass-through entity;

88           (24) "Unrelated business taxable income", the same meaning as defined in 26  
89 U.S.C. Section 512.

90           2. Except in the case of final federal adjustments that are reported by a partnership  
91 and its partners using the procedures provided under subsections 3 to 9 of this section,  
92 final federal adjustments required to be reported for federal purposes under 26 U.S.C.  
93 Section 6225(a)(2), and changes required to be reported under section 143.601, a taxpayer  
94 shall report and pay any Missouri tax due with respect to final federal adjustments arising  
95 from an audit or other action by the IRS or reported by the taxpayer on a timely filed  
96 amended federal income tax return, including a return or other similar report filed under  
97 26 U.S.C. Section 6225(c)(2), or federal claim for refund, by filing a federal adjustments  
98 report with the department of revenue for the reviewed year and, if applicable, paying the  
99 additional Missouri tax owed by the taxpayer no later than one hundred eighty days after  
100 the final determination date.

101           3. Except for adjustments required to be reported for federal purposes under 26  
102 U.S.C. Section 6225(a)(2), and the distributive share of adjustments that have been  
103 reported as required under subsection 2 of this section, partnerships and partners shall

104 report final federal adjustments arising from a partnership level audit or an administrative  
105 adjustment request and make payments as required under subsections 3 to 9 of this section.

106       4. (1) With respect to an action required or permitted to be taken by a partnership  
107 under subsections 3 to 9 of this section, a proceeding under section 143.631 for  
108 reconsideration by the director of revenue, appeal to the administrative hearing  
109 commission, or review by the judiciary with respect to such action, the state partnership  
110 representative for the reviewed year shall have the sole authority to act on behalf of the  
111 partnership, and the partnership's direct partners and indirect partners shall be bound by  
112 those actions.

113       (2) The state partnership representative for the reviewed year is the partnership's  
114 federal partnership representative unless the partnership designates in writing another  
115 person as its state partnership representative.

116       (3) The department of revenue may establish reasonable qualifications and  
117 procedures for designating a person, other than the federal partnership representative, to  
118 be the state partnership representative.

119       (4) The state partnership representative shall be considered an authorized  
120 representative of the partnership and its partners under section 32.057 for the purposes  
121 of compliance with this section, or participating in a proceeding described in subdivision  
122 (1) of this section.

123       5. Final federal adjustments subject to the requirements of subsections 3 to 9 of this  
124 section, except for those subject to a properly made election under subsection 6 of this  
125 section, shall be reported as follows:

126       (1) No later than ninety days after the final determination date, the partnership  
127 shall:

128       (a) File a completed federal adjustments report with the department of revenue,  
129 including information as required by the department of revenue;

130       (b) Notify each of its direct partners of their distributive share of the final federal  
131 adjustments including information as required by the department of revenue;

132       (c) Pay any additional amount under section 143.411 that would have been due had  
133 the final federal adjustments originally been reported properly, unless the partnership is  
134 a publicly traded partnership; and

135       (d) If the partnership is a publicly traded partnership, report such information as  
136 is required by the department of revenue and in the manner and format as required by  
137 department of revenue instruction, including the name, address, and taxpayer  
138 identification number of each direct partner with income in Missouri which the publicly  
139 traded partnership can reasonably determine to be:

- 140           **a. Six hundred dollars or more if the partner is an individual; or**  
141           **b. One hundred dollars or more if the partner is a corporation or entity other than**  
142 **an individual;**
- 143           **(2) No later than one hundred eighty days after the final determination date, each**  
144 **direct partner that is subject to tax under sections 143.011 to 143.996, section 153.020,**  
145 **chapter 148, or a Missouri tax on insurance companies or insurance providers, shall:**
- 146           **(a) File a federal adjustments report reporting the distributive share of the**  
147 **adjustments reported to them under paragraph (b) of subdivision (1) of this subsection;**  
148 **and**
- 149           **(b) Pay any additional amount of tax due as if final federal adjustments had been**  
150 **properly reported, plus any penalty and interest due under sections 143.011 to 143.996 or**  
151 **any other provision of law, and less any credit for related amounts paid or withheld and**  
152 **remitted on behalf of the direct partner. The rate of interest on any amount due shall be**  
153 **determined by section 32.068.**
- 154           **6. (1) Subject to the limitations provided under subdivision (2) of this subsection,**  
155 **an audited partnership making an election under this subsection shall:**
- 156           **(a) No later than ninety days after the final determination date, file a completed**  
157 **federal adjustments report, including information as required by department of revenue,**  
158 **and notify the department of revenue that it is making the election under this subsection;**
- 159           **(b) No later than ninety days after the final determination date, pay an amount,**  
160 **determined as follows, in lieu of taxes owed by its direct and indirect partners:**
- 161           **a. Exclude from final federal adjustments the distributive share of such**  
162 **adjustments reported to a direct exempt partner not subject to tax under sections 143.011**  
163 **to 143.996;**
- 164           **b. For the total distributive shares of the remaining final federal adjustments**  
165 **reported to direct corporate partners subject to tax under section 143.071, and to direct**  
166 **exempt partners subject to tax under sections 143.011 to 143.996, apportion and allocate**  
167 **such adjustments as provided under section 143.455 if applicable, and multiply the**  
168 **resulting amount by the tax rate provided under section 143.071 for direct corporate**  
169 **partners and direct exempt partners that are corporations, or the top rate of tax under**  
170 **section 143.011 for direct exempt partners that are not corporations;**
- 171           **c. For the total distributive shares of the remaining final federal adjustments**  
172 **reported to non-resident direct partners subject to tax under sections 143.011 to 143.996,**  
173 **determine the amount of such adjustments which is derived from or connected with**  
174 **sources in Missouri as described in section 143.421, and multiply the resulting amount by**  
175 **the highest rate of tax under section 143.011;**

176           **d. For the total distributive shares of the remaining final federal adjustments**  
177 **reported to tiered partners:**

178           **(i) Determine the amount of such adjustments which is of a type such that it would**  
179 **be subject to sourcing to this state under section 143.421; and then determine the portion**  
180 **of such amount that would be sourced to the state under section 143.421;**

181           **(ii) Determine the amount of such adjustments which is of a type such that it would**  
182 **not be subject to sourcing to Missouri by a nonresident partner under section 143.421;**

183           **(iii) Determine the portion of the amount determined in item (ii) of this**  
184 **subparagraph that can be established, under regulation issued by the department of**  
185 **revenue, to be properly allocable to nonresident indirect partners or other partners not**  
186 **subject to tax on the adjustments;**

187           **(iv) Multiply the sum of the amounts determined in items (i), (ii), and (iii) of this**  
188 **subparagraph, reduced by the amount determined in subparagraph c of this paragraph,**  
189 **by the highest rate of tax under section 143.011;**

190           **e. For the total distributive shares of the remaining final federal adjustments**  
191 **reported to resident direct partners subject to tax under section 143.011 or 143.061,**  
192 **multiply such amount by the highest rate of tax under section 143.011;**

193           **f. For the total distributive shares of the remaining final federal adjustments**  
194 **reported to direct partners subject to tax under chapter 148, section 153.020, or a Missouri**  
195 **tax on insurance companies or insurance providers, apportion and allocate such**  
196 **adjustments in the manner provided by law for such tax, if applicable, and multiply the**  
197 **resulting amount by the tax rate applicable to such direct partner;**

198           **g. Add the amounts determined under subparagraphs b to f of this paragraph, in**  
199 **addition to any penalty and interest as provided under sections 143.011 to 143.961 or any**  
200 **other provision of law. The rate of interest on any amount due shall be determined by**  
201 **section 32.068.**

202           **(2) Final federal adjustments subject to the election provided for under this**  
203 **subsection shall not include:**

204           **(a) The distributive share of final audit adjustments that would, under section**  
205 **143.455, be included in the apportionable income of any direct or indirect corporate**  
206 **partner, provided that the audited partnership can reasonably determine such amount;**  
207 **and**

208           **(b) Any final federal adjustments resulting from an administrative adjustment**  
209 **request.**

210           **(3) An audited partnership not otherwise subject to any reporting or payment**  
211 **obligation to Missouri that makes an election under this subsection consents to be subject**

212 to Missouri law related to reporting, assessment, payment, and collection of Missouri tax  
213 calculated under this subsection.

214 7. The direct and indirect partners of an audited partnership that are tiered  
215 partners, and all of the partners of such tiered partners that are subject to tax under  
216 sections 143.011 to 143.961, shall be subject to the reporting and payment requirements of  
217 subsection 5 of this section, and such tiered partners shall be entitled to make the election  
218 provided under subsection 6 of this section. The tiered partners or their partners shall  
219 make required reports and payments no later than ninety days after the time for filing and  
220 furnishing statements to tiered partners and their partners as established under 26 U.S.C.  
221 Section 6226. The department of revenue may promulgate rules to establish procedures  
222 and interim time periods for the reports and payments required by tiered partners and  
223 their partners, and for making the elections under subsection 6 of this section.

224 8. (1) The election made under subsection 6 of this section shall be irrevocable,  
225 unless the director of revenue, in his or her discretion or that of the directors' designee,  
226 determines otherwise.

227 (2) If properly reported and paid by the audited partnership or tiered partner, the  
228 amount determined under subdivision (2) of subsection 6 of this section shall be treated as  
229 paid in lieu of taxes owed by its direct and indirect partners, to the extent applicable, on  
230 the same final federal adjustments. The direct partners or indirect partners shall not take  
231 any deduction or credit on the determined amount, or claim a refund of such amount in  
232 this state. Nothing in this subsection shall preclude a direct resident partner from claiming  
233 a credit against the tax otherwise due to this state under section 143.081, or any amounts  
234 paid by the audited partnership or tiered partner on the resident partner's behalf to  
235 another state or local tax jurisdiction in accordance with the provisions of section 143.081.

236 9. Nothing in subsections 3 to 9 of this section shall be construed to prevent the  
237 department of revenue from assessing direct partners or indirect partners for taxes owed  
238 by such partners, using the best information available, in the event that a partnership or  
239 tiered partner fails to timely make any report or payment required under subsections 3 to  
240 9 of this section for any reason.

241 10. The department of revenue shall assess additional tax, interest, and penalties  
242 arising from final federal adjustments arising from an audit by the IRS, including a  
243 partnership level audit, or reported by the taxpayer on an amended federal income tax  
244 return, or as part of an administrative adjustment request by the following dates:

245 (1) If a taxpayer files with the department of revenue a federal adjustments report  
246 or an amended Missouri tax return as required within the period provided under  
247 subsections 2 to 9 of this section, the department of revenue shall assess any amounts,

248 including in-lieu-of amounts, taxes, interest, and penalties arising from such federal  
249 adjustments if the department of revenue issues a notice of the assessment to the taxpayer  
250 no later than:

251 (a) The expiration of the limitations period provided under section 143.711; or

252 (b) The expiration of the one year period following the date of filing with the  
253 department of revenue of the federal adjustments report;

254 (2) If the taxpayer fails to file the federal adjustments report within the period  
255 provided under subsections 2 to 9 of this section, as appropriate, or the federal adjustments  
256 report filed by the taxpayer omits final federal adjustments or understates the correct  
257 amount of tax owed, the department of revenue shall assess amounts or additional amounts  
258 including in-lieu-of amounts, taxes, interest, and penalties arising from the final federal  
259 adjustments, if it mails a notice of the assessment to the taxpayer by a date which is the  
260 latest of the following:

261 (a) The expiration of the limitations period provided under section 143.711;

262 (b) The expiration of the one year period following the date the federal adjustments  
263 report was filed with the department of revenue; or

264 (c) Absent fraud, the expiration of the six-year period following the final  
265 determination date.

266 11. A taxpayer may make estimated payments to the department of revenue of the  
267 Missouri tax expected to result from a pending IRS audit, prior to the due date of the  
268 federal adjustments report, without having to file such report with the department of  
269 revenue. The estimated tax payments shall be credited against any tax liability ultimately  
270 found to be due to Missouri and shall limit the accrual of further interest on such amount.  
271 If the estimated tax payments exceed the final tax liability and interest ultimately  
272 determined to be due, the taxpayer shall be entitled to a refund or credit for the excess,  
273 provided the taxpayer files a federal adjustments report or claim for refund or credit of  
274 tax under section 143.781 or 143.821 no later than one year following the final  
275 determination date.

276 12. Except for final federal adjustments required to be reported for federal  
277 purposes under 26 U.S.C. Section 6225(a)(2), a taxpayer may file a claim for refund or  
278 credit of tax arising from federal adjustments made by the IRS on or before the later of:

279 (1) The expiration of the last day for filing a claim for refund or credit of Missouri  
280 tax under section 143.801, including any extensions; or

281 (2) One year from the date a federal adjustments report required under subsections  
282 2 to 9 of this section, as applicable, was due to the department of revenue, including any  
283 extensions provided under subsection 13 of this section.



284 **The federal adjustments report shall serve as the means for the taxpayer to report**  
285 **additional tax due, report a claim for refund or credit of tax, and make other adjustments**  
286 **resulting from adjustments to the taxpayer's federal taxable income.**

287 **13. (1) Unless otherwise agreed in writing by the taxpayer and the department of**  
288 **revenue, any adjustments by the department or by the taxpayer made after the expiration**  
289 **of the appropriate limitations period provided under section 143.711 or 143.801 shall be**  
290 **limited to changes to the taxpayer's tax liability arising from federal adjustments.**

291 **(2) For purposes of compliance with this section, the time periods provided for in**  
292 **chapter 143 may be extended:**

293 **(a) Automatically, upon written notice to the department of revenue, by ninety days**  
294 **for an audited partnership or tiered partner which has one hundred or more direct**  
295 **partners; or**

296 **(b) By written agreement between the taxpayer and the department of revenue.**

297 **(3) Any extension granted under this subsection for filing the federal adjustments**  
298 **report extends the last day prescribed by law for assessing any additional tax arising from**  
299 **the adjustments to federal taxable income and the period for filing a claim for refund or**  
300 **credit of taxes under section 143.781 or 143.821.**

301 **14. The department of revenue shall promulgate rules to implement the provisions**  
302 **of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that**  
303 **is created under the authority delegated in this section shall become effective only if it**  
304 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**  
305 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**  
306 **vested with the general assembly pursuant to chapter 536 to review, to delay the effective**  
307 **date, or to disapprove and annul a rule are subsequently held unconstitutional, then the**  
308 **grant of rulemaking authority and any rule proposed or adopted after August 28, 2020,**  
309 **shall be invalid and void.**

310 **15. The provisions of this section shall apply to any adjustments to a taxpayer's**  
311 **federal taxable income or federal adjusted gross income with a final determination date**  
312 **occurring on or after January 1, 2021.**

143.991. 1. The period of service in the Armed Forces of the United States in a combat  
2 zone plus any period of continuous hospitalization outside this state attributable to such service  
3 plus the next one hundred eighty days shall be disregarded in determining, under regulations to  
4 be promulgated by the director of revenue, whether any act required by sections 143.011 to  
5 143.996 was performed by a taxpayer within the time prescribed therefor.

6 2. In the case of any individual who dies during an induction period while in active  
7 service as a member of the Armed Forces of the United States, if such death occurred while the

8 individual was serving in a combat zone or as a result of wounds, disease, or injury incurred  
9 while so serving, the tax imposed by sections 143.011 to 143.996 shall not apply with respect  
10 to the taxable year in which falls the date of his **or her** death, or with respect to any prior taxable  
11 year ending on or after the first day he **or she** so served in a combat zone.

12 **3. (1) This subsection shall be known and may be cited as the "Christopher J.**  
13 **Bosche Memorial Act".**

14 **(2) In the case of a specified terrorist victim, the tax imposed pursuant to this**  
15 **chapter shall not apply:**

16 **(a) With respect to the taxable year in which falls the date of death; and**

17 **(b) With respect to any prior taxable year in the period beginning with the last**  
18 **taxable year ending before the taxable year in which the wounds or injury were incurred**  
19 **from an attack as described in subdivision (3) of this subsection.**

20 **(3) The provisions of subdivision (1) of this subsection shall not apply to the amount**  
21 **of any tax imposed pursuant to this chapter which would be computed by only taking into**  
22 **account the items of income, gain, or other amounts determined to be taxable pursuant to**  
23 **26 U.S.C. Section 692(d)(3), as amended.**

24 **(4) The provisions of subsection 1 of section 143.801 shall not apply to claims for**  
25 **a refund made pursuant to this subsection.**

26 **(5) For the purposes of this subsection, the term "specified terrorist victim" means**  
27 **any decedent who dies:**

28 **(a) As a result of wounds or injury incurred as a result of the terrorist attacks**  
29 **against the United States on September 11, 2001; or**

30 **(b) As a result of illness incurred as a result of an attack involving anthrax**  
31 **occurring on or after September 11, 2001, and before January 1, 2002.**

32

33 **Such term shall not include any individual identified by the Attorney General of the United**  
34 **States to have been a participant or conspirator in any such attack or a representative of**  
35 **such an individual.**

144.805. 1. In addition to the exemptions granted pursuant to the provisions of section  
2 144.030, there shall also be specifically exempted from the provisions of sections 144.010 to  
3 144.525, sections 144.600 to 144.746, and section 238.235, and the provisions of any local sales  
4 tax law, as defined in section 32.085, and from the computation of the tax levied, assessed or  
5 payable pursuant to sections 144.010 to 144.525, sections 144.600 to 144.746, and section  
6 238.235, and the provisions of any local sales tax law, as defined in section 32.085, all sales of  
7 aviation jet fuel in a given calendar year to common carriers engaged in the interstate air  
8 transportation of passengers and cargo, and the storage, use and consumption of such aviation

9 jet fuel by such common carriers, if such common carrier has first paid to the state of Missouri,  
10 in accordance with the provisions of this chapter, state sales and use taxes pursuant to the  
11 foregoing provisions and applicable to the purchase, storage, use or consumption of such aviation  
12 jet fuel in a maximum and aggregate amount of one million five hundred thousand dollars of  
13 state sales and use taxes in such calendar year.

14 2. To qualify for the exemption prescribed in subsection 1 of this section, the common  
15 carrier shall furnish to the seller a certificate in writing to the effect that an exemption pursuant  
16 to this section is applicable to the aviation jet fuel so purchased, stored, used and consumed. The  
17 director of revenue shall permit any such common carrier to enter into a direct-pay agreement  
18 with the department of revenue, pursuant to which such common carrier may pay directly to the  
19 department of revenue any applicable sales and use taxes on such aviation jet fuel up to the  
20 maximum aggregate amount of one million five hundred thousand dollars in each calendar year.  
21 The director of revenue shall adopt appropriate rules and regulations to implement the provisions  
22 of this section, and to permit appropriate claims for refunds of any excess sales and use taxes  
23 collected in calendar year 1993 or any subsequent year with respect to any such common carrier  
24 and aviation jet fuel.

25 3. The provisions of this section shall apply to all purchases and deliveries of aviation  
26 jet fuel from and after May 10, 1993.

27 4. All sales and use tax revenues upon aviation jet fuel received pursuant to this chapter,  
28 less the amounts specifically designated pursuant to the constitution or pursuant to section  
29 144.701 for other purposes, shall be deposited to the credit of the aviation trust fund established  
30 pursuant to section 155.090; provided however, the amount of such state sales and use tax  
31 revenues deposited to the credit of such aviation trust fund shall not exceed ten million dollars  
32 in each calendar year.

33 5. The provisions of this section and section 144.807 shall expire on December 31,  
34 ~~2023~~ 2033.

✓