

## SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 131

AN ACT

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

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

Section A. Section 144.064, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 135.098 and 144.064, to read as follows:

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

- (1) "Department", the Missouri department of revenue;
- (2) "Federal firearms excise tax", the federal firearms and ammunition excise tax imposed pursuant to 26 U.S.C. Section 4181;
- (3) "State tax liability", any liability incurred by the taxpayer pursuant to the provisions of chapter 143, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265 and related provisions;
- (4) "Tax credit", a credit against the taxpayer's state tax liability;
- (5) "Taxpayer", any individual subject to the state income tax pursuant to chapter 143.

2. For all tax years beginning on or after January 1, 2024, a taxpayer making sales of firearms or ammunition shall be authorized to claim a tax credit in an amount equal to one hundred percent of the federal firearms excise tax paid by the taxpayer on sales of firearms and ammunition sold by the taxpayer during the tax year.

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

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

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

6. The department may promulgate rules and adopt statements of policy, procedures, forms and guidelines to implement and administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created pursuant to the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2023, shall be invalid and void.

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

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

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

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

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

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

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

3. Beginning August 28, 2023, from every remittance of sales tax to the director of revenue made on or before the date when the same becomes due by a person selling firearms or ammunition, the person required to remit the same shall

be entitled to deduct and retain an amount equal to the amount of the federal firearms and ammunition excise tax paid by such person pursuant to 26 U.S.C. Section 4181, as amended. If the amount of sales tax required to be remitted is less than the amount of the federal firearms and ammunition excise tax paid, the amount allowed to be deducted and retained pursuant to this subsection shall be carried forward to subsequent sales tax filing periods until the full deduction is made.