



This Week in State Tax (TWIST)

January 17, 2023



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Missouri: The New Year Brings New Sales Tax Changes to Missouri

Several significant sales and use tax changes to Missouri's tax code took effect on January 1, 2023. Senate Bills 153 and 97, which were enacted during the 2021 legislative session, adopted economic nexus provisions for sellers of tangible personal property delivered to customers in the state. A seller is deemed to be engaged in business activities within the state, and therefore required to collect use tax, when the seller's gross receipts from taxable sales of tangible personal property into the state in the current or previous calendar year exceed \$100,000. The bills also adopt a definition of "marketplace facilitator" and provide that marketplace facilitators engaged in business activities within the state shall register to collect and remit use tax on sales made through their marketplaces that are delivered to customers in the state.

Finally, the bills expand a manufacturing exemption, RSMo. § 144.054, that applies to a taxpayer's purchases of machinery, equipment, materials, chemicals, and energy sources that are used or consumed in the manufacturing, processing, compounding, mining or producing of any product, or used in research and development related to the manufacturing, processing, compounding, mining, or producing of any product. Previously, the exemption applied to state sales and use tax, as well as local use tax, but did not apply to local sales tax. The expanded exemption now provides that purchases qualifying for the exemption are also exempt from local sales tax. For questions regarding the changes effective January 1, 2023, please contact [John Griesedieck](#).



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