

**IDENTIFYING
BUSINESSES THAT ARE
NOT PAYING LOCAL OR
STATE SALES TAXES**

Missouri Department of Revenue

July 16, 2017

Mike Kisling and Dave Zanone

Who's Not Paying

- ☐ Section 144.083, RSMo.
- ☐ Post businesses with revoked sales tax license
 - Failed to pay sales tax
 - Failed to pay employer withholding tax
- ☐ Updated Weekly

<http://whoisnotpaying.mo.gov>

Sales Tax License Revocation

- ☐ The Department requires a taxpayer (business) to become compliant before reinstating their sales tax license by:
 - Paying in full
 - Entering into a payment plan
 - Filing necessary returns showing no balance due
- ☐ Some businesses continue to operate even though sales tax license has been revoked

Operating Without a Valid Retail Sales Tax License

- ☐ Section 144.118, RSMo.
- ☐ Business or individual engaged selling tangible personal property without valid retail sales tax license shall be assessed a penalty not to exceed \$10,000.00
 - \$500.00 the 1st day
 - \$100.00 a day thereafter

Online Lien Search

- ☐ Can verify certificate of lien filed with the recorder of deeds or the circuit court where the business is located
 - ☐ Searchable by
 - case number (assigned by ROD or circuit court)
 - debtor name
 - ☐ Updated weekly
- <https://sa.dor.mo.gov/tax/LIENSearch/Lienlookup.aspx>

No Tax Due

- ☐ Section 144.083, RSMo.
 - ☐ Requires statement from DOR that no sales tax or employer withholding is owed
 - ☐ A retail seller must have the “No Tax Due” statement in order to get:
 - a city occupation or merchant license
 - a county occupation or merchant license; and
 - any state license required for conducting retail business (e.g. liquor license)
- <http://dor.mo.gov/business/sales/notaxdue>

No Tax Due

- ☐ Cities and counties can verify whether a business is compliant
- ☐ City or county access (Form 4379A)

Contact: *Missouri Department of Revenue
Taxation Division
P.O. Box 3666
Jefferson City, MO 65105-3666
Fax: (573) 522-1265
Telephone: (573) 751-9268
E-mail: taxclearance@dor.mo.gov*

Online No Tax Due System

- ☐ Accessible by Taxpayer, City, County, or State Agency
- ☐ System checks compliance
 - Compliant system sends no tax due letter
 - Non-compliant taxpayer must resolve delinquency by paying in full, payment plan or filing necessary returns showing no balance due

Obtaining Sales/Use Tax Distribution Detail

- ☐ Form 4379 - Request for Local Records
 - Available on the Website - <http://dor.mo.gov/> - Find a Form
 - Free Annual Report - Financial and Open Business Detail - Current Fiscal Year (July - June)
 - More Frequent Reports
 - Information is Confidential

Open Business Report

- ☐ Tax ID Number
- ☐ Owner Information
- ☐ Business Location Information
- ☐ DOR Assigned Codes
- ☐ Type of Location
- ☐ Standard Industry Code
- ☐ Open and Close Dates
- ☐ Inside City Limits

Financial Detail

- ☐ Each source of revenue and refund
- ☐ File period
- ☐ Distribution period
- ☐ Allows political subdivision to monitor their businesses
- ☐ Notify DOR if you see a problem
 - Local Tax Unit (573) 751-4876
 - E-mail: LocalGov@dor.mo.gov

New Portal Coming

- ☐ Scheduled for Fall 2017
- ☐ Distribution reports and compliance checks through the new portal
- ☐ DOR will send notification to political subdivisions ahead of time with information on how to sign up
- ☐ Political subdivisions will run their own reports
- ☐ DOR will no longer charge for reports that are generated through the portal

COLLECTIONS

Michael S. Kisling
General Counsel - Division of Taxation
mike.kisling@dor.mo.gov
(573) 522-3769

Tax Liens

- ☐ Sections 144.380 and 144.690, RSMo provide that the Department of Revenue may file its certificate of tax liens with the clerk of the circuit court or recorder of deeds
- ☐ The Lien shall attach to real or personal property or interest in real or personal property owned by the taxpayer or acquired in any manner by the taxpayer after the filing of the certificate of lien

Tax Liens

- ☐ From the time of the filing of the certificate of lien or certificate of delinquency with the clerk of the circuit court, the amount of the tax, interest, additions to tax and penalties specified therein shall have the full force and effect of a default judgment of the circuit court until satisfied
- ☐ Execution shall issue at the request of the director of revenue or his agent as is provided in the case of other judgments.

Execution

- ▣ The Department may seek a writ of garnishment against the wages of the taxpayer, distributions from their business or against bank accounts
- ▣ The Department may seek a writ of execution against the business such as levying the till of the business or the seizure of vehicles

Extraordinary Collections (ECO)

- ▣ 144.512. In addition to all other penalties, interest and remedies as prescribed in this chapter, the director of revenue may petition any circuit court in the state to issue a writ of attachment as provided for in chapter 521 or other injunctive relief against any business or individual engaged in making sales at retail. . . if such business or individual made sales at retail at any time after receiving notice from the director that their retail sales tax license has been revoked

ECO Issues

- ▣ How the Department and the counties can work together
 - Identify
 - Businesses which are operating without county business/merchant licenses
 - Owe personal or real property taxes, other fees and licenses or special county taxes
 - Have pending municipal or circuit court cases with the county or cities
 - Difficult businesses

ECO issues

- Cooperation
 - Examples of Springfield, St. Louis City, Boone County and O'Fallon/St. Charles County
 - Is your county contracting with a taxpayer who is either on Who's Not Paying? or has tax liens against them

CONCLUSION

QUESTIONS?
