Chapter 144, RSMo: The state’s sales tax is imposed on the purchase price of tangible personal property or taxable service sold at retail. Use tax is imposed on the storage, use or consumption of tangible personal property in this state. The 4.225 percent state sales and use tax is distributed into four funds to finance portions of state government – General Revenue (3.0 percent), Conservation (0.125 percent), Education (1.0 percent), and Parks/Soils (0.10 percent). Cities and counties may impose a local sales and use tax. Special taxing districts (such as fire districts) may also impose additional sales taxes. Any seller who sells more than five hundred thousand dollars worth of goods per year and provides a purchaser with a sales receipt or sales invoice in conjunction with a sale, as defined under section 144.010, shall clearly state on such sales receipt or sales invoice the total rate of all sales tax imposed on the sale referenced by such document. This total rate shall reflect any applicable state or local sales tax authorized under the laws of this state. Generally, the department collects and distributes only state and local sales and use taxes. A sales or use tax return must be filed for the reporting period even though you have no tax to report. More detailed information is listed below.

Sales Tax

Sales tax is imposed on retail sales of tangible personal property and certain services. All sales of tangible personal property and taxable services are generally presumed taxable unless specifically exempted by law. Persons making retail sales collect the sales tax from the purchaser and remit the tax to the Department of Revenue. The state sales tax rate is 4.225%. Cities, counties and certain districts may also impose local sales taxes as well, so the amount of tax sellers collect from the purchaser depends on the combined state and local rate at the location of the seller. The state and local sales taxes are remitted together to the Department of Revenue. Once the seller remits sales tax to the department, the department then distributes the local sales taxes remitted by the sellers to the cities, counties and districts.

Use Tax

Use tax is imposed on the storage, use or consumption of tangible personal property in this state. The state use tax rate is 4.225%. Cities and counties may impose an additional local use tax. The amount of use tax due on a transaction depends on the combined (local and state) use tax rate in effect at the Missouri location where the tangible personal property is stored, used or consumed. Local use taxes are distributed in the same manner as sales taxes.

Unlike sales tax, which requires a sale at retail in Missouri, use tax is imposed directly upon the person that stores, uses, or consumes tangible personal property in Missouri. Use tax does not apply if the purchase is from a Missouri retailer and subject to Missouri sales tax.

Missouri cannot require out-of-state companies that do not have nexus or a "direct connection" with the state to collect and remit use tax. If an out-of-state seller does not collect use tax from the purchaser, the purchaser is responsible for remitting the use tax to Missouri.

A seller not engaged in business is not required to collect Missouri tax but the purchaser in these instances is responsible for remitting use tax to Missouri. A purchaser is required to file a use tax return if the cumulative purchases subject to use tax exceed two thousand dollars in a calendar year.
Any vendor and its affiliates selling tangible personal property to Missouri customers should collect and pay sales or use tax in order to be eligible to receive Missouri state contracts, regardless of whether that vendor or affiliate has nexus with Missouri.

Section 34.040.6 states, "The commissioner of administration and other agencies to which the state purchasing law applies shall not contract for goods or services with a vendor if the vendor or an affiliate of the vendor makes sales at retail of tangible personal property or for the purpose of storage, use, or consumption in this state but fails to collect and properly pay the tax as provided in Chapter 144, RSMo. For purposes of this section, "affiliate of the vendor" shall mean any person or entity that is controlled by or is under common control with the vendor, whether through stock ownership or otherwise."

Sales Tax Rate Changes

Access the latest sales and use tax rate changes for cities and counties. Local sales taxes are effective on the first day of the second calendar quarter after the Department of Revenue receives notification of the rate change (January, April, July, October). Local taxes can also have an expiration date, lowering the sales or use tax rate for that particular city or county. Expirations also take place on the first day of a calendar quarter (January, April, July, October).