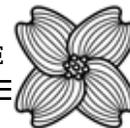




RULES OF
Department of Revenue
Division 10—Director of Revenue
Chapter 104—Sales/Use Tax—Registration

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TITLE 12 – DEPARTMENT OF REVENUE
Division 10 – Director of Revenue
Chapter 104 – Sales/Use Tax – Registration

12 CSR 10-104.020 Sales and Use Tax Bonds

PURPOSE: Section 144.087, RSMo, requires licensees in default in filing a return and paying taxes when due to file a bond in an amount to be determined by the Director of Revenue. Section 144.625, RSMo, explains how to calculate and submit a bond, the different types of bonds that may be filed with the department, and how to obtain a bond refund.

(1) In general, taxpayers seeking reinstatement of a revoked license may be required to file a bond in an amount determined by the director. The bond may be a cash bond, surety bond, certificate of deposit, or an irrevocable letter of credit. The department will refund the bond to the taxpayer after one (1) year of satisfactory tax compliance or when the taxpayer closes its sales/use tax account, provided the account has no outstanding delinquencies.

(2) Basic Application of Tax.

(A) Taxpayers in default in filing a return and paying taxes may be required to submit a bond calculated at two (2) times the average monthly tax liability of the taxpayer. The department may not issue a license until the taxpayer submits sufficient bond. The department estimates the bond based on the nature of the applicant's business. If the business is substantially the same as that of a previous owner, the previous business experience may be used. If the department determines a bond is insufficient to cover the taxpayer's liability, the department can require the taxpayer to adjust the bond amount.

(B) The calculated bond will be rounded to twenty-five dollars (\$25) if calculated below this threshold.

(C) Cash bonds must be in the form of a cashier's check, money order, or certified check. A completed and signed cash bond form must accompany a cash bond.

(D) A surety bond issued by an insurance company licensed for bonding in Missouri may be submitted as bond on behalf of the taxpayer. The surety bond must bear the seal of the insurance company, contain the current effective date, be accompanied by a power of attorney letter if it is signed by the attorney in fact, and must be signed by the applicant. The department maintains a list of insurance companies approved by the Department of Insurance to underwrite surety bonds in Missouri. Surety companies who fail to comply with the rules of the Department of Insurance or who unreasonably fail to pay a taxpayer's delinquency within thirty (30) days of notification that the taxpayer has become delinquent, are subject to removal from the department's list of authorized surety companies. Additionally, the department will not accept future bonds from this company until the Department of Insurance reinstates the surety company. A taxpayer bonded by a surety company that is removed from the department's authorized list has thirty (30) days to file a new bond with the Department of Revenue. Failure to meet this requirement will result in the license being declared null and void.

(E) A certificate of deposit (CD) issued by a state or federally chartered financial institution may be submitted as a bond. A CD must be a new CD in the names of the Missouri Department of Revenue and the taxpayer. The names on the CD must be joined by the word "AND." The CD must be endorsed by the taxpayer and include an Assignment of Certificate of Deposit Form when submitted to the department. Book entry CDs must

be accompanied by a signed withdrawal slip or a letter from the issuing bank indicating the means of withdrawal. The interest derived from the CD is compounded at maturity. If a delinquency occurs, the department may redeem the CD. Any proceeds from the CD exceeding the delinquency, including interest proceeds, will be converted to a cash bond. The department will not reinvest the proceeds from the CD after it has been converted to a cash bond. The taxpayer is liable for all taxes on the interest derived from the CD or penalties resulting from cashing the CD prior to maturity even if the department seizes the CD (and accumulated interest) for payment of a delinquency incurred by the taxpayer.

(F) An irrevocable letter of credit issued by a commercial bank chartered under the laws of Missouri or chartered pursuant to the National Banking Act may be submitted as a bond. The letter of credit is irrevocable and the beneficiary is the department. Payment will be made immediately upon presentation of a demand for payment signed by the Director of Revenue or his/her designated representative. All letters of credit must conform to a required format provided by the department and be accompanied by an authorization for release of confidential information to the issuing bank. The issuer can cancel a letter of credit sixty (60) days after written notice is delivered to the department. If the department is notified of a cancellation, the taxpayer must substitute another bond within sixty (60) days. If the required bond is not received within the sixty (60) days, the taxpayer's license is null and void. If a taxpayer closes its business, the department will retain the letter of credit until satisfied that no claim exists against the letter.

(G) The department may refund or release a bond to the taxpayer after one (1) year of satisfactory tax compliance. A taxpayer's tax record is considered satisfactory if there is no tax due and the taxpayer has fully filed and paid all returns due in a timely manner. The bond will also be released or refunded when the taxpayer closes its sales/use tax account, files a final return, and owes no tax, penalties, or interest. If a taxpayer replaces its current bond by any other acceptable type of bond, the bond being replaced will also be returned.

(3) Examples.

(A) A taxpayer has been operating a restaurant and bar for the past 18 months. The sales tax license is revoked for failure to report and remit sales tax. The department calculates \$15,432.67 as the average sales tax delinquency, requiring a bond of \$30,865 for reinstatement.

January	\$ 12,152
February	\$ 13,565
March	\$ 13,999
April	\$ 15,544
May	\$ 17,699
June	\$ 17,594
July	\$ 18,412
August	\$ 17,552
September	\$ 16,451
October	\$ 15,497
November	\$ 14,862
December	\$ 11,865
Average Sales Delinquency	\$ 15,432.67

AUTHORITY: sections 144.270 and 144.705, RSMo 2016. Original rule filed June 8, 2000, effective Dec. 30, 2000. Amended: Filed Aug. 28, 2025, effective Feb. 28, 2026.*

**Original authority: 144.270, RSMo 1939, amended 1941, 1943, 1945, 1947, 1955, 1961,*



2008, and 144.705, RSMo 1959.

12 CSR 10-104.030 Filing Requirements as Defined in Section 144, RSMo

PURPOSE: This rule provides general guidance for determining a taxpayer's filing frequency and the taxpayer's obligation to file a return and remit tax on the due date according to sections 144.080, 144.081, 144.090, 144.100, 144.100, 144.140, 144.160, 144.170, and 144.250, RSMo.

(1) In general, sellers of tangible personal property and taxable services are required to file and remit tax on an annual, quarterly, or monthly basis. Some sellers who file on a monthly basis may be required to remit tax on a quarter-monthly basis. Failure to file or remit taxes when due results in interest and additions to tax on the unpaid amount.

(2) Definitions.

(A) Calendar month – the first day to the last day of any of the twelve (12) months of the Gregorian calendar.

(B) Calendar quarter – the period of three (3) consecutive calendar months ending on March 31, June 30, September 30, or December 31.

(C) Quarter-month –

1. The first seven (7) days of a calendar month;
2. The eighth through the fifteenth day of a calendar month;
3. The sixteenth through the twenty-second day of a calendar month; and
4. The twenty-third day through the last day of a calendar month.

(3) Basic Application.

(A) Every licensed taxpayer must file a return and remit tax due as provided in subsection (3)(C). The taxpayer must file a return even if no sales were made during the reporting period. The taxpayer is responsible for obtaining the necessary forms for filing. Failure to obtain tax forms does not relieve the taxpayer from filing.

(B) The taxpayer's filing frequency is determined by the amount of state sales tax collected by the taxpayer for all business locations during the previous calendar year. The filing frequency of a new business is based on the estimated taxable sales for the first year of operation. Local, conservation, or parks and soils taxes are not considered in determining filing frequency.

1. If state tax collections equal or exceed five hundred dollars (\$500) per calendar month, the taxpayer must file and remit taxes on a monthly basis.

2. If state tax collections are less than five hundred dollars (\$500) per calendar month but equal or exceed two hundred dollars (\$200) in a calendar quarter, the taxpayer must file and remit taxes on a quarterly basis.

3. If state tax collections are less than two hundred dollars (\$200) per quarter, the taxpayer must file and remit taxes on an annual basis.

(C) A monthly return is due on the last day of the following month. A quarterly return filed for the last month of a quarter is due on the last day of the following month. An annual return is due on January 31 following the calendar year. If the due date falls on a Saturday, Sunday, or state of Missouri holiday, the return is due on the next business day.

(D) The United States Postal Service postmark date determines the date the return is filed. If the postmark date is on or before

the due date, it is timely. If the postmark is after the due date, the return is late. If a return contains both a taxpayer's metered postal impression and the U.S. Postal Service postmark, the date of the U.S. Postal Service postmark date determines the date the return is filed. If the return is mailed by registered mail, the date of registration determines the date the return is filed.

(E) A taxpayer filing a return and remitting the tax due on or before the due date is permitted a two percent (2%) timely payment allowance.

(F) A taxpayer failing to file a return by the due date will be assessed additions to tax of five percent (5%) on the unpaid amount for each month a return is late, up to a maximum of twenty-five percent (25%). A taxpayer failing to pay a return by the due date will be assessed additions of five percent (5%) on the unpaid amount. If a taxpayer both fails to timely file and fails to timely pay, the additions for failing to timely file applies. A taxpayer that fails to pay the proper amount of tax by the due date must pay interest on the unpaid amount at a rate determined pursuant to section 32.065, RSMo.

(G) The department may extend the time to file or pay a return for up to sixty (60) days. In order to obtain an extension, the taxpayer must obtain approval from the department prior to the date due. Extensions will only be granted for good cause. If the department approves an extension to file or pay, the taxpayer is not permitted a two percent (2%) timely payment allowance. Interest also accrues on any amount not paid by the due date.

(H) The department may require a taxpayer to remit state tax on a quarter-monthly basis if the taxpayer's state tax is fifteen thousand dollars (\$15,000) or more per month in each of at least six (6) months of the prior twelve (12) months. A quarter-monthly taxpayer must remit the tax within three (3) banking days after the end of each quarter-monthly period. The postmark date or registration date of the remittance will determine timeliness of the quarter-monthly payment. A quarter-monthly taxpayer must file a monthly return and remit any unpaid amounts.

(I) A taxpayer failing to remit a quarter-monthly payment is assessed a five percent (5%) penalty on the underpayment. A penalty will not be assessed if the quarter-monthly remittances are at least:

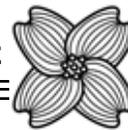
1. Ninety percent (90%) of the state tax due for the month; or
2. Twenty-five percent (25%) of the average monthly state tax liability of the taxpayer for the previous calendar year. The department excludes the highest and lowest monthly liability when calculating the average monthly liability.

(J) If a penalty is due, the underpayment amount is calculated as the difference between any timely remittance and the lesser of the two (2) amounts above. The penalty will not be imposed in the first two (2) months the seller is obligated to remit quarter-monthly tax or if the taxpayer can demonstrate reasonable cause.

(4) Examples.

(A) A taxpayer's average monthly taxable sales are \$15,000. The taxpayer's filing frequency is monthly because state tax collections computed as follows exceeds \$500 per calendar month – $\$15,000 \times 4\%$ (state rate) = \$600. Note: Local, conservation, or parks and soils taxes are not considered in determining filing frequency.

(B) A taxpayer prepares its February return on March 31 and calculates tax due at twenty-five thousand dollars (\$25,000). When preparing the return the taxpayer takes the two percent



(2%) timely payment allowance equaling five hundred dollars (\$500). The postal carrier picks up the return and payment on its last run of the day at 5:00. The post office postmarks all mail from its 5:00 pick-up for the next day. Because the return is postmarked on April 1, the return is one (1) day late. The taxpayer loses the two percent (2%) timely payment allowance. The twenty-five thousand dollars (\$25,000) is subject to five percent (5%) additions to tax. Interest accrues on five hundred dollars (\$500) until it is paid to the department.

(C) A taxpayer prepares its February return on March 31. When preparing the return the taxpayer takes the two percent (2%) timely payment allowance equaling five hundred dollars (\$500). The taxpayer sends the return and payment to its mailroom for metering. The taxpayer's mailroom meters the envelope on March 31. The postal carrier picks up the return on its last run of the day at 5:00. The post office postmarks all mail from its 5:00 pick-up for the next day. Because U.S. Postal Service's postmark is April 1, the return is one (1) day late.

(D) A taxpayer sends a check for its February tax on March 10. The taxpayer discovers it sent the check without the return and mails the return on April 30. The taxpayer retains its 2% allowance because payment was received before the due date.

(E) A business' average monthly state tax for the previous calendar year equals \$20,000. The estimated quarter-monthly payment is \$5,000 per quarter-monthly period. The business' actual state tax collections are \$6,000 per quarter-monthly period. If the business remits quarter-monthly payments of \$5,000 timely, no penalty is charged. If the business underpays one (1) of the estimated quarter-monthly payments by \$2,000 (it remits \$3,000), the penalty is 5% of the difference between the amount paid, \$3,000, and the estimate, \$5,000. The penalty is calculated as follows: $\$5,000 - \$3,000 = \$2,000 \times 5\%$ penalty = \$100.

(F) A business elects to make quarter-monthly payments on an actual basis. If the business pays at least 90% of the state tax collections for the month with the quarter-monthly payments, no penalty is charged. If the business does not meet the required 90% state tax collections for the month with the quarter-monthly payments, the penalty is 5% of the difference between the amount paid and the required 90% state tax collections.

AUTHORITY: sections 144.270 and 144.705, RSMo 2016. Original rule filed June 29, 2000, effective Dec. 30, 2000. Amended: Filed Jan. 15, 2013, effective July 30, 2013. Amended: Filed Oct. 12, 2021, effective April 30, 2022.*

**Original authority: 144.270, RSMo 1939, amended 1941, 1943, 1945, 1947, 1955, 1961, 2008, and 144.705, RSMo 1959.*

12 CSR 10-104.040 Direct-Pay Agreements

PURPOSE: This rule explains how to qualify for and enter into a direct-pay agreement with the department pursuant to section 144.190, RSMo. A direct-pay agreement requires a taxpayer to accrue and pay tax on all its purchases directly to the department instead of the seller.

(1) In general, a purchaser making more than seven hundred fifty thousand dollars (\$750,000) in annual purchases may enter into a direct-pay agreement with the department to accrue and pay taxes owed on all its purchases directly to the department instead of the seller.

(2) Basic Application.

(A) To obtain a direct-pay agreement, a purchaser must complete an application prescribed by the department and demonstrate with its records that it qualifies.

(B) In determining whether the purchaser has more than seven hundred fifty thousand dollars (\$750,000) in annual purchases, only purchases of tangible personal property and taxable services that are not for resale are included. However, in the case of a dual operator, the items purchased for resale can be included in the seven hundred fifty thousand dollars (\$750,000) as it is unknown at the time of purchase which items are for resale and which items tax will be accrued on.

(C) Upon approval of a direct-pay agreement, the department will issue a certificate that the purchaser must present to its sellers. Acceptance of this certificate relieves the seller of responsibility for collecting and remitting the tax.

(D) A direct-pay agreement remains in effect for five (5) years, unless the department or the taxpayer cancels the agreement. If the agreement is cancelled, the purchaser must notify each seller in writing that its certificate is no longer valid.

(E) A purchaser with a direct-pay agreement must accrue and pay all taxes based upon the purchaser's place of business. The purchaser must file returns and pay tax monthly. If filed and paid on a timely basis, the two percent (2%) payment discount will be allowed.

(3) Examples.

(A) A purchaser has been buying taxable supplies from a Missouri seller and the seller has been collecting and remitting sales tax. The purchaser enters into a direct-pay agreement with the department. The purchaser then provides a copy of its direct-pay certificate to the seller. The seller stops collecting sales tax on the purchaser's transactions. The purchaser must pay tax on these purchases directly to the department based upon the purchaser's place of business.

(B) A taxpayer has been granted a direct-pay exemption. The taxpayer makes five hundred thousand dollars (\$500,000) in purchases for its place of business in St. Louis and seven hundred thousand dollars (\$700,000) for its place of business in Branson. The taxpayer should file a direct-pay return and report the purchases at the St. Louis rate for the St. Louis purchases and at the Branson rate for the Branson purchases.

AUTHORITY: section 144.190, RSMo Supp. 2025. Original rule filed Dec. 1, 2004, effective July 30, 2005. Amended: Filed Aug. 28, 2025, effective Feb. 28, 2026.*

**Original authority: 144.190, RSMo 1939, amended 1941, 1943, 1945, 1979, 1986, 1988, 1991, 1999, 2001, 2002, 2003, 2012, 2016, 2019.*

12 CSR 10-104.050 Sales and Use Tax Return - Electronic Filing Requirement and Waiver

PURPOSE: This rule provides guidance for the efficient and accurate filing of sales and use tax returns, resulting in expedited sales and use tax distributions to local jurisdictions.

(1) Filers with fewer than three (3) registered business locations from which sales are made or orders are fulfilled must file a return with the director indicating their tax liability, using either paper forms or electronic methods approved by the director.

(2) Filers with three (3) or more registered business locations from which sales are made or orders are fulfilled must file a



return with the director indicating their tax liability, using the electronic methods approved by the director, unless they have received written confirmation from the director that the filer is exempt.

(A) The director may grant an exemption to the electronic filing requirement. Reasons for the exemption will be limited to –

1. The filer does not possess a computer;
2. The filer has internet connectivity issues;
3. The filer is closing the business; or
4. The filer requests an exemption from this requirement

from the director for any reason that the director deems reasonable.

AUTHORITY: sections 144.100 and 144.270, RSMo 2016. Original rule filed Dec. 21, 2020, effective July 30, 2021.*

**Original authority: 144.100, RSMo 1939, amended 1941, 1943, 1945, 1947, 1949, 1951, 1957, 1965, 1974, 1994 and 144.270, RSMo 1939, amended 1941, 1943, 1945, 1947, 1955, 1961, 2008.*