
Rules of
Department of Revenue
Division 10—Director of Revenue
Chapter 108—Sales/Use Tax—Taxable Services

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**Title 12—DEPARTMENT OF
REVENUE**

**Division 10—Director of Revenue
Chapter 108—Sales/Use Tax—Taxable
Services**

12 CSR 10-108.600 Transportation Fares

PURPOSE: Section 144.020.1(7), RSMo imposes a tax on certain intrastate transportation fares. This rule explains the application of this section to transportation fares.

(1) In general, sales of tickets by every person operating a railroad, boat, and such buses and trucks as are licensed by the Division of Motor Carrier and Railroad Safety of the Department of Economic Development, engaged in the intrastate transportation of persons for hire are subject to tax.

(2) Definition of Terms.

(A) Intrastate transportation—The transportation of a person from one location in Missouri to another location in Missouri.

(B) Division—Division of Motor Carrier and Railroad Safety of the Department of Economic Development.

(3) Basic Application of Tax.

(A) Gross receipts from the sale of tickets for intrastate transportation of persons for hire by persons operating buses and trucks licensed by the division are subject to tax. The gross receipts from the sale of tickets for intrastate transportation of persons for hire by persons operating a railroad, sleeping car, dining car, express car or boat are also subject to tax. Federal law prohibits taxation of receipts from the intrastate transportation of persons for hire in air commerce.

(B) Transportation charges by taxicabs, limousine services and buses that are not required to be licensed by the division are not subject to tax.

(C) Transportation charges provided on a contract basis, when no ticket is issued, are not subject to tax.

(D) Passengers engaged in an interstate trip must pay tax on the intrastate portion of a ticket, if separately stated.

(4) Examples.

(A) A person purchases a bus ticket for travel from St. Louis, MO to Kansas City, MO. The gross receipts from the ticket sale are subject to tax.

(B) A person is traveling from Indianapolis, IN to Denver, CO. The ticket separately states the charges between St. Louis, MO to Kansas City, MO. The separate charges for this journey are subject to tax.

(C) A company charters a bus to take its employees to Sedalia, MO. No tax is due because there is no sale of tickets.

AUTHORITY: section 144.270, RSMo 1994. Original rule filed June 13, 2000, effective Dec. 30, 2000.*

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

Aloha Airlines v. Director of Taxation of Hawaii, 104 S.Ct 291 (1983). 49 U.S.C. section 1513(a) preempts state statutes and expressly prohibits states from taxing directly or indirectly gross receipts from interstate and intrastate air transportation.

Ryder Student Transportation Services, Inc. v. Director of Revenue, 896 S.W.2d 633 (Mo. banc 1995). Taxpayer's charter bus services were not subject to tax because the service was provided on a contract basis, and the contract did not provide for the issuance of any tickets.