

The Department of Revenue offers many helpful services when starting your new business. These include, but are not limited to:

- Registering your business online
- Filing and paying business taxes online
- Filing requirements/guidelines
- No tax due information

For these resources and more, visit dor.mo.gov/business/.



The Missouri Department of Revenue wants to make starting your business as easy as possible. Before you begin, there are three common issues we want you to be aware of when starting a new business in Missouri:

1. **Consumer's Use Tax**
2. **Location in a District**
3. **Family Members as Employees**

Contact Us

(573) 751-7200

Sales, Use, and Withholding Tax
Balance Due

(573) 751-5860

Business Tax Registration

(573) 751-2836

General Sales, Use and taxability
and exemptions

(573) 751-4541

Corporate Income/Franchise Tax



dor.mo.gov

Starting a *new business* in Missouri?



What you need to know

WHAT IS CONSUMER'S USE TAX?

In general, when a taxpayer purchases tangible personal property from outside the state for use, storage, or consumption in this state, the taxpayer must pay use tax.

If a taxpayer did not pay sales tax to a seller on out-of-state purchases of tangible personal property, the taxpayer must file a use tax return and remit the tax. If annual non-taxed purchases are equal to or exceed \$2,000, the taxpayer must report and pay tax on the total taxable purchases (including the first \$2,000 of taxable purchases).

Additionally, consumer's use tax may apply to in-state purchases resulting from liquidated, isolated, or occasional sales.

HOW DOES THIS APPLY TO MY BUSINESS?

Did you purchase equipment from out-of-state for use in operating your business? These purchases are subject to consumer's use tax. A typical example of this would be retail stores purchasing furniture from out-of-state retailers for storefront displays.

HOW DO I REGISTER FOR CONSUMER'S USE TAX?

To register a business, submit a Missouri Tax Registration Application (Form 2643) online or by mail. This form may be found at dor.mo.gov/forms/2643.pdf. You must obtain a Missouri Tax I.D. Number for use tax.

WHAT IS A DISTRICT?

Cities, counties, and districts may also impose local sales tax rates, in addition to the State tax. A district is an area within a city regarded as a distinct unit because of a particular characteristic(s). For example, many metropolitan cities have a downtown district that imposes its own tax, in addition to the state, county, and city tax. **The tax assessed is based on the physical location of the business.**

HOW DO I KNOW IF I'M IN A DISTRICT?

To check the jurisdiction of your business, enter your address using the online Sales and Use Tax Rate Information System on the Department of Revenue website at mytax.mo.gov.

This will detail the taxing jurisdictions that will apply to the business. The information will be listed under City/County/District Code.

HOW DO I REGISTER FOR A DISTRICT?

To register a business, submit a Missouri Tax Registration Application (Form 2643). Determine whether you are inside a district(s) and indicate so on line 18.



DO YOU EMPLOY FAMILY MEMBERS?

The term "employee" for Missouri withholding purposes has **similar meaning as federal withholding**. Directing a worker on when, how, and where to complete work, paying hourly, weekly, or monthly, reimbursing business and travel expenses, performing work on the business's premises or having a continuing relationship between the worker and the employer all may point to a worker being an employee under the law. For more information on employees, visit irs.gov/pub/irs-pdf/p15.pdf.

Any benefit received, not limited to cash, is considered compensation. This includes salaries, vacation allowances, bonuses and commissions, regardless of how measured or paid. Making car or rent payments on behalf of the worker or providing food or shelter is also compensation. A common example of this is a family-owned restaurant with family members working.

HOW DO I REPORT THIS?

Every employer is **required to report employee wages**. Any Missouri income tax withheld from employees' wages should be reported and remitted to the state of Missouri on the Employer's Return of Income Taxes Withheld (Form MO-941). This form can be found at dor.mo.gov/forms/MO-941.pdf. A separate Form MO-941 must be filed for each tax period according to your assigned filing frequency.