

**Title 12 — DEPARTMENT OF REVENUE
Division 10 — Director of Revenue
Chapter 102 — Sales/Use Tax.Taxpayers Rights**

PROPOSED AMENDMENT

12 CSR 10-102.100 Bad Debts Credit or Refund. The department is amending sections (3) and (4)

PURPOSE: This amendment reflects the Legislature's changing of the statute of limitations from three years to ten years.

(3) Basic Application of the Law.

(A) A seller may file for a refund or credit within the [~~three~~ten-(10-)]year statute of limitations for those sales written off as bad debts if the sales were reported using the accrual or gross sales method. This period is calculated from the due date of the return or the date the tax was paid, whichever is later.

(4) Examples.

(A) A retailer reports and pays sales tax on the accrual or gross sales method. The retailer determines some sales to customers are not collectible and writes them off as bad debts for income tax purposes. The retailer requests a credit or refund from the state within the [~~three~~ten-(10-)]year statute of limitations. The credit or refund would be granted.

(B) A retailer reports and pays sales tax on the accrual or gross sales method. The retailer determines some sales to customers are not collectible and writes them off as bad debts for income tax purposes. The retailer requests a credit or refund from the state [~~four~~ **eleven (11)**] years after the sale was reported and the tax was remitted to the state. The credit or refund would be denied.

AUTHORITY: section 144.270, RSMo 2016. This rule originally filed as 12 CSR 10-115.100. Original rule filed April 19, 2000, effective Oct. 30, 2000. Changed to 12 CSR 10-102.100 Dec. 31, 2000. Amended: Filed Jan 2, 2020.*

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Department of Revenue,

*General Counsel's Office, PO Box 475, Jefferson City, MO 65105-0475. To be considered, comments must be received within thirty (30) days after publication of this notice in the **Missouri Register**. No public hearing is scheduled.*