

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.*