

**TITLE 12—DEPARTMENT OF REVENUE**  
**Division 10—Director of Revenue**  
**Chapter 110—Sales/Use Tax—Exemptions**

**12 CSR 10-110.300 Common Carriers and 54,000 Pound Carriers**

*PURPOSE: Section 144.030, RSMo, exempts from taxation certain materials, parts, and equipment used by common carriers. This rule explains what qualifies for the exemptions.*

(1) In general, materials, replacement parts, and equipment purchased for use directly upon, and for the repair and maintenance or manufacture of, motor vehicles, watercraft, railroad rolling stock or aircraft engaged as common carriers of persons or property are not subject to tax. Pumping machinery and equipment used to propel products delivered by pipelines engaged as common carriers are not subject to tax. Railroad rolling stock used in transporting persons or property in interstate commerce is not subject to tax. Motor vehicles licensed for a gross weight of twenty-four thousand (24,000) pounds or trailers used by common carriers in the transportation of persons or property are not subject to tax. Also exempt are materials, replacement parts, and the equipment purchased for use directly upon, and for the repair and maintenance or manufacture of, motor vehicles that are registered in excess of fifty-four thousand (54,000) pounds and the trailers pulled by the motor vehicle that are used in the normal course of business.

(2) Definition of Terms.

(A) Common carrier—any person that holds itself out to the public as engaging in the transportation of passengers or property for hire. A common carrier is required by law to transport passengers or property for others without refusal if the fare or charge is paid. To qualify as a common carrier, a carrier must be registered as a common carrier with all agencies that require such registration, such as the United States Department of Transportation.

(B) Contract carrier—any person under individual contracts or agreements that engages in transportation of passengers or property for hire or compensation. A contract carrier is a carrier that meets the special needs of certain customers to transport its passengers or property.

(C) Directly upon—used in a direct manner without anything intervening and with a certain degree of physical immediacy.

(D) Motor vehicle—any vehicle, truck, truck-tractor, motor bus, or any self-propelled vehicle and trailers or semi-trailers used upon the highways of the state in transportation of property or passengers.

(E) Private carrier—any person engaged in the transportation of passengers or its property, but not as a common carrier or a contract carrier.

(F) Watercraft—any boat or craft, including a vessel, used or capable of being used as a means of transport on waters.

(G) 54,000 pound carrier—motor vehicles registered in excess of fifty-four thousand (54,000) pounds used in the normal course of business.

### (3) Basic Application of Exemption.

(A) Railroad Rolling Stock. Sales of railroad rolling stock are exempt provided that it is used in transporting persons or property in interstate commerce. The sale of flanged wheel equipment used to repair and maintain the railroad track used in interstate commerce is also exempt. Railroad rolling stock for use solely in intrastate commerce is not exempt.

(B) Aircraft. Sales of aircraft to common carriers for storage or for use in interstate commerce are not subject to sales tax.

(C) Pipeline Pumping Equipment. Sales of machinery and equipment used to propel products by pipelines engaged as common carriers are exempt. The exemption does not apply to contract carriers or to private carriers. All other machinery and equipment such as pipelines, connecting lines, communication equipment, monitoring equipment, accessory equipment, such as fuel tanks to provide fuel for pumping engines, and manifolds used to connect pumping equipment to the main lines are subject to tax.

(D) Power Take-Off Units. Equipment on motor vehicles used by common carriers which is exempt from tax includes power take-off (PTO) units which are attached to the transmission of the power unit of the vehicle and all materials and replacement parts for the power take-off units.

(E) Materials. Materials used by common carriers and 54,000 pound carriers directly upon and for the maintenance or repair of motor vehicles, watercraft, railroad rolling stock or aircraft which qualify for the exemption from tax include but are not limited to grease, motor oil, gear oil and lube, water additives, antifreeze, fuel additives, cleaners, and paint for body work.

(F) Replacement Parts. Replacement parts used by common carriers and 54,000 pound carriers directly upon and for the maintenance or repair of motor vehicles, watercraft, railroad rolling stock or aircraft which qualify for the exemption from tax include but are not limited to decals, permit pouches, tarpaulins and tiedowns, wind deflectors, winter fronts, and radio repair parts purchased for use on the vehicle.

(G) Barges. The purchase of barges used primarily in the transportation of property or cargo on interstate waterways is exempt from tax.

(H) Tools. Tools and equipment purchased for use directly upon, and for the repair and maintenance or manufacture of, motor vehicles, watercraft, railroad rolling stock or aircraft engaged as common carriers and 54,000 pound carriers of persons or property are not subject to tax.

(4) Examples.

(A) A manufacturer registered as a common carrier maintains a fleet of trucks to transport finished products to various distribution centers throughout the United States. The manufacturer advertises that it will transport goods belonging to others on return trips from the distribution centers and advertises that service. The purchase of the manufacturer's fleet of trucks and repair parts for the fleet are not taxable.

(B) A manufacturer maintains a fleet of trucks to transport finished products to various distribution centers throughout the United States. The manufacturer also negotiates with other companies to transport goods on return trips from the distribution centers. The purchase of the manufacturer's fleet of trucks and repair parts for the fleet are taxable because the manufacturer is not a common carrier.

(C) A common carrier purchases a cab and chassis. The cab and chassis are licensed for a gross weight of 24,000 pounds and will be used only in intrastate commerce as a common carrier. The purchase of the cab and chassis is not taxable. The common carrier subsequently purchases a dump bed to add to the cab and chassis. The dump bed is exempt from tax because it is materials or equipment used in the manufacture of a motor vehicle to be used by a common carrier.

(D) The sale of a switch engine to be used to move railroad cars around a switching yard, if part of an interstate rail system, is not subject to tax.

(E) A common carrier purchases a trailer. The common carrier subsequently purchases a refrigeration unit to add to the trailer. The refrigeration unit is exempt from tax because it is materials or equipment used in the manufacture of a motor vehicle to be used by a common carrier.

(F) The sale of a switch engine to be used to move railroad cars around a switching yard, if part of an interstate rail system, is not subject to tax.

(G) An airline purchases equipment to test engine parts that have been removed from the plane and brought to their repair facility. The equipment purchased would be exempt from tax.

(H) The owner of a Missouri furniture store is registered as a common carrier, but does not hold itself out to the general public as a common carrier. The truck is registered less than 54,000 pounds as well. It uses its truck only to deliver furniture sold to customers residing in and outside Missouri. The owner installs new brakes on the truck. Even though the owner is registered as a common carrier, the brakes are taxable because the furniture store is operating as a private carrier and the motor vehicle is not registered in excess of 54,000 pounds.

(I) A charter company contracts with private groups for exclusive use of its bus and driver for transportation between Missouri and destinations in the Southeastern United States.

The company provides no other transportation services. The charter company purchases new tires. The tires are taxable because the business is a contract carrier.

(J) A railroad purchases a flanged wheel mechanized tie replacement machine for repairing broken rail segments on an interstate system. The purchase of the machine is exempt.

(K) A construction company purchases motor vehicle(s) that are in excess of 54,000 pounds to be used in their construction functions. The company does not haul for the general public. The company's motor vehicles in excess of 54,000 pounds are exempt from tax as they are used in the normal course of business.

*AUTHORITY: section 144.270, RSMo 2016, and section 144.030, RSMo Supp. 2025.\* Original rule filed Jan. 24, 2001, effective Aug. 30, 2001. Emergency amendment filed Aug. 14, 2007, effective Aug. 28, 2007, expired Feb. 23, 2008. Amended: Filed Aug. 14, 2007, effective Feb. 29, 2008. Amended: Filed Aug. 28, 2025, effective Feb. 28, 2026.*

*\*Original authority: 144.030, RSMo 1939, amended 1941, 1943, 1945, 1949, 1961, 1965, 1967, 1969, 1977, 1979, 1980, 1982, 1983, 1985, 1986, 1988, 1989, 1991, 1994, 1995, 1996, 1997, 1998, 1999, 2003, 2004, 2005, 2007, 2008, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2018, 2022, and 144.270, RSMo 1939, amended 1941, 1943, 1945, 1947, 1955, 1961, 2008.*

***Burlington Northern Railroad v. Director of Revenue***, 785 S.W.2d 272 (Mo. banc 1990). *Railroad rolling stock normally has flanged wheels. The equipment does not have to be used directly in transporting persons or property in interstate commerce. Thus, this flange wheeled equipment used to repair and maintain the track was held exempt.*

***Trailiner Corp. v. Director of Revenue***, 783 S.W.2d 917 (Mo. banc 1990). *The court held that the trailers constituted "motor vehicles" within the meaning of 144.030.2(3). The court relied on the definition of motor vehicle found in chapter 390, RSMo, rather than chapter 301, RSMo, as argued by the director.*

***Hogan Motor Leasing, Inc. v. Director of Revenue*** (AHC 1999), *Hogan Transports, Inc. v. Director of Revenue* (AHC 1999). *The taxpayer purchased equipment that allowed the taxpayer to monitor the maintenance needs of its trucks, which were used to transport goods in interstate commerce. The equipment also permitted certain communications functions between the truck and dispatchers. The communications functions were implemented first. The commission held that the maintenance functions of the equipment made it equipment that was purchased for use directly upon and for the repair and maintenance of the trucks and therefore, exempt. Furthermore, the original purchase was exempt because the evidence established that the taxpayer intended when it purchased the equipment to add the maintenance functions after implementation of the communications functions was complete.*

***Craftsmen Limousine, Inc. v. Director of Revenue*** (AHC 1997). *After providing definitions for common, contract and private carriers, the commission found that the taxpayer's customers (limousine services) could be any of the three. Because the taxpayer did not prove that its customers were common carriers it was not entitled to the exemption.*

***Rocky Mountain Helicopters, Inc. v. Director of Revenue*** (AHC 1992). Pursuant to contracts with Missouri hospitals, taxpayer operated an air ambulance service which picked up and transported patients to the hospital. A common carrier must convey passengers or freight without refusal if the approved fare is paid. Assuming a carrier carries passengers or freight without refusal, the crucial test is whether the carrier holds itself out as a common carrier. Thus, a carrier may be a common carrier even if it limits its operations to special contract or charter flights. Because the taxpayer held itself out as a common carrier, through promotional material and use of its insignia and placard on the aircraft, and carried, within the limits of its capacity, all persons desiring its services, it was found to be a common carrier.

***St. Louis Refrigerator Car Co. v. Director of Revenue*** (AHC 1992). Items purchased for either repair or maintenance may qualify for the exemption. Use of the phrase “directly upon” does not relate to the relationship between the item and the repair or maintenance process. In this way “directly upon” in section 144.030.2(3), RSMo, is distinguishable from “used directly for” in section 144.030.2(4), RSMo. “Directly upon” indicates the close physical relationship required between the item and the mode of transportation. While physical contact is not required, there must be a certain degree of physical immediacy.

***Metro Crown International, Inc. v. Director of Revenue*** (AHC 1990). Exemption certificates must be provided as evidence for a common carrier’s claim of exemption.

***Trans World Airlines, Inc. v. Director of Revenue*** (AHC 1988). Cleaners, abrasives, solvents and test equipment qualified for the section 144.030.2(3), RSMo, exemption even though they were used on parts of the aircraft that were removed for servicing. Cleaning soaps used to clean the floor of the repair facility were not used “directly upon” the aircraft and, therefore, not exempt.

***Emerson Electric Co. v. Director of Revenue***, 133 S.W.3d 31 (Mo. banc 2004). A common carrier does not have to use an aircraft as part of its common carrier operations to qualify to purchase the aircraft exempt from tax. “Mere storage or use of the plane in interstate commerce qualifies the common carrier for the exemption.”