

**TITLE 12 – DEPARTMENT OF REVENUE**  
**Division 10 – Director of Revenue**  
**Chapter 104 – Sales/Use Tax - Registration**

**PROPOSED AMENDMENT**

**12 CSR 10-104.040 Direct-Pay Agreements.** The department is amending the purpose statement and section (2).

*PURPOSE: This rule is being updated to provide more clarification for dual operators.*

*PURPOSE: This rule explains how to qualify for and enter into a direct-pay agreement with the department pursuant to section 144.190[.4], RSMo. A direct-pay agreement requires a taxpayer to accrue and pay tax on all its purchases directly to the department instead of the seller.*

(2) Basic Application.

(A) To obtain a direct-pay agreement, a purchaser must complete an application prescribed by the department and demonstrate with its records that it qualifies.

(B) In determining whether the purchaser has more than seven hundred fifty thousand dollars (\$750,000) in annual purchases, only purchases of tangible personal property and taxable services that are not for resale are included. **However, in the case of a dual operator, the items purchased for resale can be included in the \$750,000 as it is unknown at the time of purchase which items are for resale and which items tax will be accrued on.**

(C) Upon approval of a direct-pay agreement, the department will issue a certificate that the purchaser must present to its sellers. Acceptance of this certificate relieves the seller *[from]* of responsibility for collecting and remitting the tax.

(D) A direct-pay agreement remains in effect for five (5) years, unless the department or the taxpayer cancels the agreement. If the agreement is cancelled, the purchaser must notify each seller in writing that its certificate is no longer valid.

(E) A purchaser with a direct-pay agreement must accrue and pay all taxes based upon the purchaser's place of business. The purchaser must file returns and pay tax monthly. If filed and paid on a timely basis, the two percent (2%) payment discount will be allowed.

*AUTHORITY: section 144.190[.4], RSMo Supp. [2004]2019. \* Original rule filed Dec. 1, 2004, effective July 30, 2005. Amended: Filed Aug. 28, 2025.*

*\*Original authority: 144.190, RSMo 1939, amended 1941, 1943, 1945, 1979, 1986, 1988, 1991, 1999, 2001, 2002, 2003.*

*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, Legislative Office, 301 West High Street, Room 218, 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.*