

Taxation Division
Post Office Box 1629
Jefferson City, Missouri 65105-1629



(573) 522-4989
E-mail: TCS@dor.mo.gov

ABC Contractor
1234 Address Street
City Name, MO 12345

Month/Day/Year

Dear Business Owner:

This letter is a courtesy reminder of the statutes applicable to contractors. A contractor is defined as, any person entering into an agreement to improve, repair, replace, erect or alter real property. 12 CSR 10-112.010 (1). In general, a contractor is the final user and consumer of the materials and supplies used and consumed in fulfilling a construction contract and which become part of a completed real property improvement. Consequently, the sale of materials and supplies to a contractor is subject to tax on the gross receipts from all such sales because the purchase is not made for resale as tangible personal property.

Please note that the timing of title passage may impact who is responsible for collecting the tax owed:

- If title passes from the contractor to the purchaser before attachment of the tangible personal property to real property, the contractor does not pay tax on its purchase, but must collect tax on the sale price of the item.
- If title passes from the contractor to the purchaser after attachment of the tangible personal property to real property, the contractor is responsible to pay tax at the time of purchase or accrue and remit tax on its purchase of the tangible personal property. In general, title passes after installation is complete, unless the contractor and purchaser expressly agree otherwise.

It is also the contractor's responsibility to maintain records according to Chapter 144.320. Every person engaged in business, as defined in section 144.010, shall maintain business records needed to validate compliance with Missouri sales/use tax statutes. These records and other papers and documents shall be preserved for a period of at least three years and may be subject to inspection by the director of revenue.

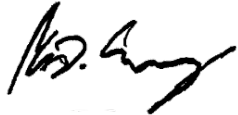
Please take this opportunity to register your business today by downloading Form 2643 at <https://dor.mo.gov/forms/2643.pdf>, or by visiting our website at <https://dor.mo.gov/registerbusiness/>. If you require additional information, you may contact the Department at tcs@dor.mo.gov or by calling us at (573) 522-4989.

The COVID-19 pandemic has had a significant effect on the operations of many Missouri businesses in recent months. As such, the Department understands that your business operations may have slowed during this time. Nevertheless, we want to make sure you understand the taxability of charges occurring at your business as you start to recover during the current business environment.

ABC Contractor
Month/Day/Year
Page 2

We are seeking to help you maintain and grow your business while complying with state tax laws. We look forward to working with you and thank you for your time.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Godfrey", written in a cursive style.

Mark Godfrey
Director, Taxation Division