

# Missouri Tax Exemption Programs

## Sales Tax Exemptions for Manufacturers

Missouri manufacturing companies are exempt from state tax and local use tax, but not local sales tax. Section 144.054 RSMo, exempts purchase of machinery, equipment, materials and chemicals used or consumed in manufacturing, processing, compounding, mining, or producing any product or used in research and development related to manufacturing, processing, compounding, mining, or producing any product from state tax and local use tax, but not local sales tax.

The Missouri Department of Revenue will issue a state sales tax exemption to a manufacturing company for:

- Machinery equipment
- Chemicals
- Materials
- Energy sources
- Electrical energy
- Gas, whether natural, artificial, or propane
- Water
- Coal

The Sales/Use Tax Exemption Certificate must be given to the seller by the purchaser. The items listed above may be exempt if they are:

- Used or consumed in the manufacturing, processing, compounding, mining or producing of any product; or
- Used or consumed in the processing of recovered materials; or
- Used or consumed in research and development related to manufacturing, processing, compounding, mining, or producing any product

## Inventory Exemption

Manufacturers' inventories (raw materials, goods in process and finished goods) are exempt from inventory taxes.