

Bond Case Briefs

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DI Supply I, LLC v. Director of Revenue

Supreme Court of Missouri, en banc - March 17, 2020 - S.W.3d - 2020 WL 1270752

Limited liability company (LLC) taxpayer and its members petitioned for review of decision from administrative hearing commission, which determined that taxpayer's room furnishing sales to hotels were not exempt from sales tax under resale exemption.

The Supreme Court held that:

- Use tax definition of "sale" cannot be used sales tax resale exemption cases, abrogating *Brambles Industries, Inc. v. Director of Revenue*, 981 S.W.2d 568, *Kansas City Power & Light Co. v. Director of Revenue*, 83 S.W.3d 548, and *Ronnoco Coffee Co., Inc. v. Director Of Revenue*, 185 S.W.3d 676, and
- Room furnishing sales to hotels were not exempt from sales tax under resale exemption.

Sales tax and use tax definitions of "sale," though similar, have different requirements, and as such, employment of the use tax definition of "sale" cannot be used in sales tax resale exemption cases; abrogating *Brambles Industries, Inc. v. Director of Revenue*, 981 S.W.2d 568, *Kansas City Power & Light Co. v. Director of Revenue*, 83 S.W.3d 548, and *Ronnoco Coffee Co., Inc. v. Director of Revenue*, 185 S.W.3d 676. Mo. Ann. Stat. § 144.010.1(13).

Room furnishing sales to hotels managed by hospitality company were not exempt from sales tax under resale exemption, since the room furnishings that taxpayer sold to hotels were not resold to hotel guests, and consequently, there was no transfer of title or ownership of the room furnishings.