



**Scott Fitzpatrick**  
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# CITIZENS SUMMARY

## Findings in the audit of the Department of Revenue Sales, Use, and Marijuana Taxes

### Timely Sales and Use Tax Discounts

As noted in multiple previous audit reports, state law allows retailers to retain a portion of sales and use taxes collected if they remit the taxes to the Department of Revenue (DOR) timely, resulting in the state and local governments forgoing significant revenues. Missouri's timely sales and use tax discount remains the most generous such discount in the nation, and significantly benefits the state's largest retailers. In addition, the DOR does not routinely report to the General Assembly the amount of timely sales and use tax discounts retained by businesses for its review and consideration.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.



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## RECOMMENDATION SUMMARY

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### **Recommendations in the audit of the Department of Revenue - Sales, Use, and Marijuana Taxes**

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#### **Timely Sales and Use Tax Discounts**

The General Assembly evaluate the benefit of continuing a timely sales tax discount. If such a discount is deemed beneficial to the State, consider possible reductions to the timely payment discount, the implementation of a monthly cap on the amount of discount retained, and changes to current state laws to require the Department of Revenue annually report the reduction of state revenue related to the timely discount to the General Assembly, applicable political subdivisions, and general public.