



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the review of the Department of Revenue - Sales and Use Tax

Collection of Local Sales Taxes	The computerized mapping system administered by the Department of Revenue (DOR) to assign tax rates to local taxing jurisdictions for motor vehicle sales tax transactions does not always provide accurate information to taxpayers.
Refunds	State law does not require vendors to return sales and use tax refunds and related interest to the original purchaser when applicable, resulting in a windfall for the vendor. The General Revenue Fund does not receive reimbursement from local funds for their proportionate share of interest paid on refunds of sales and use taxes.
Other Sales and Use Tax Issues	The DOR does not adequately capture and track information regarding some sales and use tax exemptions. State laws allowing retailers to retain a portion of sales taxes collected if they remit to the DOR in a timely manner result in state and local governments forgoing significant revenues, are more generous to businesses than surrounding states, and significantly benefit the state's largest retailers. The General Assembly has not passed legislation to allow Missouri to participate in the Streamlined Sales and Use Tax Agreement, costing the state millions in potential sales tax revenue.

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.