SUPREME COURT OF MISSOURI

Crescent Plumbing Supply Co. v. Dir. of Revenue

565 S.W.3d 665 (Mo. banc 2019) · Decided December 18, 2018

SUMMARY

The Missouri Supreme Court affirmed the Administrative Hearing Commission’s decision denying Crescent Plumbing Supply Co.’s sales-tax refund request as untimely. The court held that three transfers of tangible personal property constituted separate retail sales under Missouri tax law, and that the refund limitations period ran from the date Crescent remitted the overpaid tax.

CASE DETAILS

COURT	Supreme Court of Missouri
WRITING FOR THE COURT	Per curiam
JURISDICTION	Missouri
DECIDED	December 18, 2018
DISPOSITION	affirmed
PROCEDURAL POSTURE	Crescent petitioned the Supreme Court of Missouri for review of the Administrative Hearing Commission's decision affirming the Director of Revenue's denial of a sales-tax refund claim as untimely.
STANDARD OF REVIEW	The Supreme Court reviews the AHC's interpretation of revenue statutes de novo and affirms if the decision is authorized by law, supported by competent and substantial evidence based on the whole record, free of mandatory procedural violations, and not clearly contrary to the legislature's reasonable expectations.
PRECEDENTIAL VALUE	published precedential opinion of the Supreme Court of Missouri
PARTIES	Crescent Plumbing Supply Co. v. Director of Revenue

TOPICS

sales and use tax · tax refunds · tax statute of limitations · statutory interpretation · administrative law

PRACTICE AREAS

sales and use tax · tax refunds · administrative law · statutory interpretation

QUESTIONS PRESENTED

1. What is the date of overpayment for purposes of Missouri's three-year sales-tax refund limitation under section 144.190.2?
2. Whether the three transfers of water-heating systems and components constituted one retail sale or three separate retail sales under Missouri sales-tax law.
3. Whether the refund claim for sales taxes remitted on the December 2012 and February 2013 transactions was timely.

HOLDINGS

1. The date of overpayment is the date on which the taxpayer remits a payment in excess of what is due, not the date on which the related tax return was due.
2. The December 2012, February 2013, and June 2013 transfers were three separate retail sales under Missouri sales-tax law.
3. Crescent's refund claim was untimely as to the sales taxes remitted for the December 2012 and February 2013 sales because it was filed more than three years after the April 26, 2013 remittance.

KEY QUOTATIONS

> *"The legislature's own construction of its language by means of definition of the terms employed should be followed in the interpretation of the statute to which it relates and is intended to apply and supersedes the commonly accepted dictionary or judicial definition and is binding on the courts."* (at 669)

> *"Because three separate sales at retail occurred as defined under Missouri sales tax law, Crescent was required to file its return and remit the sales tax it had collected on the first two sales with its March 2013 return, which was due by April 30, 2013."* (at 669)

FACTUAL BACKGROUND

Crescent sold and shipped water-heating systems and related components to Murphy's Florida customer on three dates: December 27, 2012, February 4, 2013, and June 28, 2013. It collected Missouri sales tax on each transaction and remitted the tax for the first two sales on April 26, 2013, with its quarterly return. Crescent filed a refund claim on May 11, 2016, arguing that all three transactions constituted one sale under a single contract and that the refund period ran from a later return due date.

PROCEDURAL HISTORY

The Director of Revenue refunded the sales tax from Crescent's June 2013 sale but denied a refund of taxes remitted for December 2012 and February 2013 sales because Crescent filed its refund claim more than three years after remitting those taxes. The Administrative Hearing Commission affirmed, and Crescent sought review in the Supreme Court of Missouri, which affirmed the AHC.

DISPOSITION

affirmed

CASES CITED

- Union Elec. Co. v. Dir. of Revenue, 425 S.W.3d 118, 121 (Mo. banc 2014)
- Circuit City Stores, Inc. v. Dir. of Revenue, 438 S.W.3d 397, 399 (Mo. banc 2014)
- Ford Motor Co. v. Dir. of Revenue, 97 S.W.3d 458, 462 (Mo. banc 2003)
- Hearst Corp. v. Dir. of Revenue, 779 S.W.2d 557, 558-59 (Mo. banc 1989)
- State v. Hermanns, 641 S.W.2d 768, 769 (Mo. banc 1982)