ADMINISTRATIVE HEARING COMMISSION OF MISSOURI

MARY CHRISTESON, Petitioner, v. DIRECTOR OF REVENUE, Respondent.	))))))))))	No. 25-0283

DECISION

Mary Christeson is liable to the Director of Revenue (Director) for the vehicle sales tax assessed against her in the amount of $2,032.50.

Procedure

On February 18, 2025, Christeson filed a complaint appealing the Director's final decision assessing her vehicle sales tax. The Director filed an answer on April 23, 2025. On October 30, 2025, we held a hearing on the matter. Kent L. Brown represented the Director; Christeson appeared *pro se*.

Findings of Fact

1. Christeson leased a 2020 Kia that was deemed a total loss. Following the loss, Christeson purchased a 2019 Nissan.

2. When she registered the Nissan, Christeson "proceeded to pay what they asked me to pay to license the car at the time." Tr. at 8.

3. On January 17, 2025, the Director sent Christeson a final decision assessing her $2,032.50 in unpaid sales tax on the purchase of the Nissan. The letter was the first indication Christeson had that she owed sales tax on the vehicle.

Conclusions of Law

This Commission has authority over appeals from the Director's final decisions. Section 621.050.1.[1] Our duty in a tax case is not merely to review the Director's decision, but to find the facts and determine, by the application of existing law to those facts, the taxpayer's lawful tax liability for the period or transaction at issue. *See J.C. Nichols Co. v. Director of Revenue*, 796 S.W.2d 16, 20-21 (Mo. banc 1990). Christeson has the burden of proving that she is entitled to a tax exemption under the law. Section 621.050.2.[2]

Section 144.027.1 states, in relevant part:

> When a motor vehicle, trailer, boat or outboard motor for which all sales or use tax has been paid is replaced due to theft or a casualty loss in excess of the value of the unit, the director shall permit the amount of the **insurance proceeds plus any owner's deductible obligation, as certified by the insurance company, to be a credit against the purchase price of another motor vehicle**, trailer, boat or outboard motor which is purchased or is contracted to purchase within one hundred eighty days of the date of payment by the insurance company as a replacement motor vehicle, trailer, boat or outboard motor.

(Emphasis added.) Tax credits and exemptions from taxation are construed strictly against the taxpayer, and any doubt or ambiguity is resolved against the taxpayer. *Hermann v. Director of Revenue*, 47 S.W.3d 362, 365 (Mo. banc 2001); *see also*, *Branson Props. USA, L.P. v. Director of Revenue*, 110 S.W.3d 824, 825 (Mo. banc 2003).

Section 301.010(45), RSMo Supp. 2023, in effect when the Director issued the assessment, defines an owner as:

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[1] Unless otherwise noted, statutory references are to RSMo 2016.

[2] Although we are not bound by the amount in the Director's notice of tax deficiency, Christeson must produce evidence proving that she either "is not liable for [sales] tax or is liable for less than what the director assessed." *Custom Hardware Engineering & Consulting, Inc. v. Director of Revenue*, 358 S.W.3d 54, 58 (Mo. banc 2012).

> any person, firm, corporation or association, who holds the legal title to a vehicle . . . or in the event a vehicle is the subject of an agreement for the conditional sale or lease thereof, with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional . . . lessee . . . then such conditional . . . lessee . . . shall be deemed the owner[.]

Christeson acknowledged that she leased the Kia, but did not indicate that she held a conditional lease. Accordingly, the lessor, who held the title to the Kia, was the owner of the vehicle. The credit established by § 144.027.1 applies to the purchase price of a vehicle purchased to "replace" a lost vehicle. This indicates that the two vehicles must be owned by the same entity. Because Christeson did not own the Kia, she was not eligible for the tax credit under § 144.027.1 when she purchased the Nissan. Moreover, even if Christeson had owned the Kia, she failed to produce evidence that she purchased the replacement vehicle within 180 days of the date she received the insurance pay-out, or that tax was paid on the Kia, as required by § 144.027.1.

Christeson alleges in her complaint that she followed the instructions, given to her by the dealership and the Department of Revenue, for filing the paperwork necessary to receive the tax credit, and was "surprise[d]" to receive the assessment "years" after the transaction took place. Compl. at 1. In the interest of fairness, she asks us to forgive the entire payment. Section 144.220.3 establishes a three-year limitation period for the assessment of sales tax, stating that absent fraud, neglect, or refusal to pay, "every notice of additional amount proposed to be assessed under this chapter shall be mailed to the person within three years after the return was filed or required to be filed." In this instance, the tax at issue was due when Christeson registered the Nissan, as provided by § 144.440. Because no tax return was required to be filed, it is not clear that § 144.220.3 applies in this situation. However, assuming the three-year limitation period for an assessment began when Christeson registered the Nissan, because Christeson presented no evidence establishing the date she registered the Nissan, we cannot conclude that the notice was untimely. Therefore, we find she is not entitled to relief under § 144.220.3.

While we empathize with Christeson, we find no provision in Chapter 144 that grants us the discretion to waive the sales tax assessment. “The key principle is that administrative agencies—legislative creations—possess only those powers expressly conferred or necessarily implied by statute.” *Bodenhausen v. Mo. Bd. of Regis'n for Healing Arts*, 900 S.W.2d 621, 622 (Mo. banc 1995) (citation omitted). Neither this Commission, the Director, nor her subordinates have the power to alter the law. *See Lynn v. Dir. of Revenue*, 689 S.W.2d 45, 49 (Mo. banc 1985). Furthermore, even if we found the Director’s agent provided incorrect information to Christeson or that the delay in issuing the assessment caused her an undue hardship, this Commission lacks equitable powers. *See Soars v. Soars-Lovelace, Inc*., 142 S.W.2d 866, 871 (Mo. 1940). Consequently, Christeson is liable for the assessed vehicle sales tax.

Summary

We find Christeson liable to the Director for vehicle sales tax in the amount of $2,032.50.

SO ORDERED on February 24, 2026.

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CAROLE L. ILES
Commissioner