

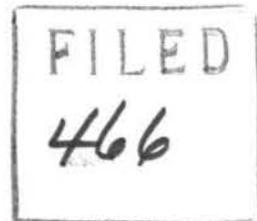
TAXATION (INTANGIBLE):  
LABOR UNIONS:

Intangible personal property in which labor unions have a legal, equitable, or beneficial interest is subject to the intangible personal property tax.

OPINION NO. 466

December 20, 1971

Honorable Thomas A. Walsh  
State Representative  
Room 314, State Capitol  
Jefferson City, Missouri 65101



Dear Representative Walsh:

In your recent opinion request you refer to an opinion of this office dated October 7, 1946 (No. 64) to the Honorable M. E. Morris, then Director of Revenue, holding that intangible personal property owned by charitable, religious and educational institutions is subject to the Missouri intangible personal property tax. Your specific question is whether the conclusion of this opinion encompasses intangible personal property tax held by labor unions?

That opinion, a copy of which is attached, extensively and ably discussed the constitutional basis for exemption from taxation. In addition, numerous judicial decisions are cited that are germane to the underlying question of the power to grant exemption from taxation.

An examination of the statutes dealing with intangible personal property tax (Chapter 146, RSMo 1969) clearly indicates that the legislature fully intended to subject intangible personal property held by labor unions to taxation. Section 146.030, RSMo 1969, indicates who is liable for intangible personal property tax. That section states:

"The tax for the year 1947 and each succeeding year shall be apportioned among those persons who during the preceding calendar year held or acquired the legal title to or equitable title or beneficial interest in intangible

Honorable Thomas A. Walsh

personal property subject to the property tax provided by section 146.020, according to the part of the entire yield of such property which they respectively received during the preceding calendar year, and each such person shall be liable for his resultant portion of said tax."

In determining the applicability of this section, one must refer back to the definitions section, section 146.010, to determine whether a labor union falls within the statutory classification of a "person." Section 146.010(2) defines person as follows:

"The term 'person' includes any individual, firm, copartnership, joint adventure, association, corporation, company, estate, trust, business trust, syndicate, executor, administrator, receiver or trustee appointed by the state or federal court, or any other group or combination acting as a unit."  
(Emphasis added)

It is clear that a labor union falls within the scope of the definition of the term "person". Traditionally labor unions have been considered associations. E.g., International Association of Machinists v. Gonzales, 356 U.S.617, 78 S.Ct. 923, 2 L.Ed.2d 1018 (1957); Local No. 218, Bakery and Confectionery Workers International Union of America v. Local American Bakery and Confectionery Workers International Union, AFL-CIO, 405 S.W.2d 917 (Mo. 1966); Forest City Mfg. Co. v. International Ladies' Garment Workers' Union, Local No. 104, 111 S.W.2d 934 (Mo.App.1938); Graham v. Grand Division Order of Railway Conductors, 107 S.W.2d 121 (Mo.App.1937).

The comprehensive definition of "person" in section 146.010 clearly indicates that the legislature attempted to encompass any extant or potential form of organization. Even if one could maintain that a labor union is not technically an association, it still would be subject to the intangible personal property tax as clearly it is "any other group or combination acting as a unit."

#### CONCLUSION

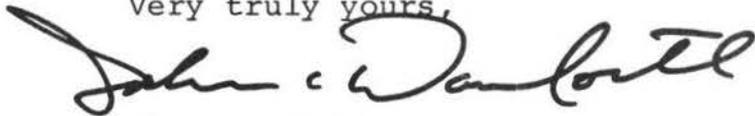
It is the conclusion of this office that intangible personal property in which labor unions have a legal, equitable, or beneficial interest is subject to the intangible

Honorable Thomas A. Walsh

personal property tax.

The foregoing opinion, which I hereby approve, was prepared by my assistant, Peter H. Ruger.

Very truly yours,

A handwritten signature in cursive script, reading "John C. Danforth". The signature is written in black ink and is positioned above the typed name.

JOHN C. DANFORTH  
Attorney General

enclosure: Op. No. 64  
10-7-46, Morris