

HCS SCS SB 238 -- LOCAL SALES TAX COLLECTION

SPONSOR: Gross (Faith)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Ways and Means by a vote of 13 to 0.

This substitute clarifies that cities, in addition to counties, may levy a sales tax and impose 25 cents on each \$100 of assessed valuation on taxable property for the purpose of providing certain services including counseling, family support, and temporary residential services to youth. The substitute allows for the lawful collection of the revenues derived from the local sales tax by the Department of Revenue. All revenues collected under the property tax and all revenues collected under the local sales tax, less 1% for the cost of collection, will be deposited in the Community Children's Services Fund created in the substitute.

FISCAL NOTE: No impact on state funds in FY 2006, FY 2007, and FY 2008.

PROPONENTS: Supporters say that the bill corrects an error in the law when it was enacted. The original bill authorized the local sales tax and property tax in the cities of St. Louis and St. Charles that has been passed at the county and city level. The original bill did not provide for the collection of the sales tax revenue by the Department of Revenue and did not mention the word "city" in the section. No local voter approval is needed.

Testifying for the bill was Senator Gross.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that it provides authorization for the department to collect the tax, retain 1% for administration, and remit the balance to the newly created fund. Currently, the department is collecting the tax under a contractual agreement.

Others testifying on the bill was the Department of Revenue.

Karla Strobel, Legislative Analyst