

SECOND REGULAR SESSION

HOUSE BILL NO. 1361

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES KOMO (Sponsor), BURLISON AND SCHIEFFER (Co-sponsors).

3863L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 67, RSMo, by adding thereto one new section relating to political subdivision sales taxes.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 67, RSMo, is amended by adding thereto one new section, to be known as section 67.2750, to read as follows:

67.2750. 1. The governing body of any political subdivision levying a tax on personal property to provide funding for such political subdivision may, by resolution, abolish such property tax and impose a replacement sales tax on all retail sales made within the political subdivision which are subject to sales tax under chapter 144. No political subdivision shall impose the tax on personal property and the sales tax authorized under this section simultaneously. The tax authorized in this section shall be imposed at a rate necessary to produce the same revenue produced by the tax on personal property in the previous year, and shall be imposed solely for the same purposes as the property tax was imposed. The governing body may reduce the tax on personal property and impose the sales tax in increments over a stated period of years, and such period of years shall be included in the resolution and on the ballot required under this section. The tax authorized in this section shall be in addition to all other sales taxes imposed by law, and shall be stated separately from all other charges and taxes.

2. No such resolution adopted under this section shall become effective unless the governing body of the political subdivision submits to the voters residing within the political subdivision at a state general, primary, or special election a proposal to authorize the governing body to impose a tax under this section. The ballot submission shall be in

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 substantially the following form: "Shall..... (insert political subdivision) replace the tax on
19 personal property with a sales tax at a rate of (insert percentage) percent over
20 (insert years) years?" If a majority of the votes cast on the question by the qualified voters
21 voting thereon are in favor of the question, then the tax shall become effective on the first
22 day of the second calendar quarter after the director of revenue receives notification of
23 adoption of the local sales tax. If a majority of the votes cast on the question by the
24 qualified voters voting thereon are opposed to the question, then the tax shall not become
25 effective unless and until the question is resubmitted under this section to the qualified
26 voters and such question is approved by a majority of the qualified voters voting on the
27 question.

28 3. All revenue collected under this section by the director of the department of
29 revenue on behalf of the political subdivision, except for one percent for the cost of
30 collection which shall be deposited in the state's general revenue fund, shall be deposited
31 in a special trust fund, which is hereby created and shall be known as the "Political
32 Subdivision Property Tax Replacement Sales Tax Fund", and shall be used solely for the
33 designated purposes. Moneys in the fund shall not be deemed to be state funds, and shall
34 not be commingled with any funds of the state. The director may make refunds from the
35 amounts in the fund and credited to the political subdivision for erroneous payments and
36 overpayments made, and may redeem dishonored checks and drafts deposited to the credit
37 of such political subdivision. Any funds in the special fund which are not needed for
38 current expenditures shall be invested in the same manner as other funds are invested.
39 Any interest and moneys earned on such investments shall be credited to the fund.

40 4. The governing body of any political subdivision that has adopted the sales tax
41 authorized in this section may submit the question of repeal of the tax to the voters on any
42 date available for elections for the political subdivision. If a majority of the votes cast on
43 the question by the qualified voters voting thereon are in favor of the repeal, that repeal
44 shall become effective on December thirty-first of the calendar year in which such repeal
45 was approved. If a majority of the votes cast on the question by the qualified voters voting
46 thereon are opposed to the repeal, then the sales tax authorized in this section shall remain
47 effective until the question is resubmitted under this section to the qualified voters and the
48 repeal is approved by a majority of the qualified voters voting on the question.

49 5. Whenever the governing body of any political subdivision that has adopted the
50 sales tax authorized in this section receives a petition, signed by a number of registered
51 voters of the district equal to at least ten percent of the number of registered voters of the
52 subdivision voting in the last gubernatorial election, calling for an election to repeal the
53 sales tax imposed under this section, the governing body shall submit to the voters of the

54 political subdivision a proposal to repeal the tax. If a majority of the votes cast on the
55 question by the qualified voters voting thereon are in favor of the repeal, the repeal shall
56 become effective on December thirty-first of the calendar year in which such repeal was
57 approved. If a majority of the votes cast on the question by the qualified voters voting
58 thereon are opposed to the repeal, then the sales tax authorized in this section shall remain
59 effective until the question is resubmitted under this section to the qualified voters and the
60 repeal is approved by a majority of the qualified voters voting on the question.

61 6. If the tax is repealed or terminated by any means, all funds remaining in the
62 special trust fund shall continue to be used solely for the designated purposes, and the
63 political subdivision shall notify the director of the department of revenue of the action at
64 least ninety days before the effective date of the repeal and the director may order
65 retention in the trust fund, for a period of one year, of two percent of the amount collected
66 after receipt of such notice to cover possible refunds or overpayment of the tax and to
67 redeem dishonored checks and drafts deposited to the credit of such accounts. After one
68 year has elapsed after the effective date of abolition of the tax in such political subdivision,
69 the director shall remit the balance in the account to the political subdivision and close the
70 account of that political subdivision. The director shall notify each political subdivision
71 of each instance of any amount refunded or any check redeemed from receipts due the
72 political subdivision.

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