

HCS HB 1067 -- LOCAL SALES TAX COLLECTION

SPONSOR: Koenig

COMMITTEE ACTIONS: Voted "Do Pass with Amendments" by the Standing Committee on Ways and Means by a vote of 11 to 1. Voted "Do Pass with HCS" by the Select Committee on Financial Institutions and Taxation by a vote of 10 to 0.

This bill simplifies the laws regarding local sales and use tax administration and collection. The bill specifies that:

(1) When a city annexes or detaches property, the city clerk must forward a certified copy of the ordinance to the Director of the Department of Revenue within 10 days of adoption of the ordinance. The tax rate in the added or abolished territory must become effective on the first day of the calendar quarter after 120 days' notice to sellers of the change;

(2) When a political subdivision changes the tax rate or the local sales tax boundary, the change must become effective on the first day of the calendar quarter after 120 days' notice to sellers; and

(3) When specified political subdivisions repeal an existing tax, the repeal must become effective on the first day of the calendar quarter after 120 days' notice to sellers.

The bill also:

(1) Authorizes the department director to retain 1% of the amount of any local sales or use taxes collected by the department for the cost of collection; and

(2) Requires the department director to perform all functions regarding the administration, collection, enforcement, and operation of all sales taxes.

PROPONENTS: Supporters say that while the bill is large, it is uncontroversial and simplifies the local sales and use tax collection process. Local sales tax laws have been passed over a period of time and this helps clean up the language. It is a good first step towards enacting the streamlined sales tax.

Testifying for the bill were Representative Koenig; Missouri Association of Counties; Missouri Municipal League; and Missouri Budget Project.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that every so often it is good to do clean up.

Testifying on the bill was Ray McCarty.