

FIRST REGULAR SESSION

# HOUSE BILL NO. 1033

## 101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MCGAUGH.

2227H.011

DANA RADEMAN MILLER, Chief Clerk

### AN ACT

To repeal section 144.757, RSMo, and to enact in lieu thereof one new section relating to local use taxes.

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

Section A. Section 144.757, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.757, to read as follows:

144.757. 1. Any county or municipality, except municipalities within a county having a charter form of government with a population in excess of nine hundred thousand, may, by a majority vote of its governing body, impose a local use tax if a local sales tax is imposed as defined in section 32.085 at a rate equal to the rate of the local sales tax in effect in such county or municipality; provided, however, that no ordinance or order enacted pursuant to sections 144.757 to 144.761 shall be effective unless the governing body of the county or municipality submits to the voters thereof at a municipal, county or state general, primary or special election a proposal to authorize the governing body of the county or municipality to impose a local use tax pursuant to sections 144.757 to 144.761. Municipalities within a county having a charter form of government with a population in excess of nine hundred thousand may, upon voter approval received pursuant to paragraph (b) of subdivision (2) of subsection 2 of this section, impose a local use tax at the same rate as the local municipal sales tax with the revenues from all such municipal use taxes to be distributed pursuant to subsection 4 of section 94.890. The municipality shall within thirty days of the approval of the use tax imposed pursuant to paragraph (b) of subdivision (2) of subsection 2 of this section select one of the distribution options permitted in subsection 4 of section 94.890 for distribution of all municipal use taxes.

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.

17           2. (1) The ballot of submission, except for counties and municipalities described in  
18 subdivisions (2) and (3) of this subsection, shall contain substantially the following language:

19

20           Shall the \_\_\_\_\_ (county or municipality's name) impose a local use tax at the  
21 same rate as the total local sales tax rate, [~~currently \_\_\_\_\_ (insert percent),~~  
22 provided that if the local sales tax rate is reduced or raised by voter approval, the  
23 local use tax rate shall also be reduced or raised by the same action? ~~[A use tax~~  
24 ~~return shall not be required to be filed by persons whose purchases from~~  
25 ~~out-of-state vendors do not in total exceed two thousand dollars in any calendar~~  
26 ~~year.]~~ **Approval of this question will eliminate the disparity in tax rates**  
27 **collected by local and out-of-state sellers by imposing the same rate on all**  
28 **sellers.**

29                               ☐ YES

☐ NO

30

31           If you are in favor of the question, place an "X" in the box opposite "YES". If  
32 you are opposed to the question, place an "X" in the box opposite "NO".

33

34           (2) (a) The ballot of submission in a county having a charter form of government with  
35 a population in excess of nine hundred thousand shall contain substantially the following  
36 language:

37

38           For the purposes of enhancing county and municipal public safety, parks, and job  
39 creation and enhancing local government services, shall the county be authorized  
40 to collect a local use tax equal to the total of the existing county sales tax rate [~~of~~  
41 ~~(insert tax rate)]~~, provided that if the county sales tax is repealed, reduced or  
42 raised by voter approval, the local use tax rate shall also be repealed, reduced or  
43 raised by the same voter action? Fifty percent of the revenue shall be used by the  
44 county throughout the county for improving and enhancing public safety, park  
45 improvements, and job creation, and fifty percent shall be used for enhancing  
46 local government services. The county shall be required to make available to the  
47 public an audited comprehensive financial report detailing the management and  
48 use of the countywide portion of the funds each year.

49

50           A use tax is the equivalent of a sales tax on purchases from out-of-state sellers  
51 by in-state buyers and on certain taxable business transactions. ~~[A use tax return~~  
52 ~~shall not be required to be filed by persons whose purchases from out-of-state~~

53 ~~vendors do not in total exceed two thousand dollars in any calendar year.]~~  
54 **Approval of this question will eliminate the disparity in tax rates collected**  
55 **by local and out-of-state sellers by imposing the same rate on all sellers.**

56 ☐ YES ☐ NO

57

58 If you are in favor of the question, place an "X" in the box opposite "YES". If you  
59 are opposed to the question, place an "X" in the box opposite "NO".

60

61 (b) The ballot of submission in a municipality within a county having a charter form of  
62 government with a population in excess of nine hundred thousand shall contain substantially the  
63 following language:

64

65 Shall the municipality be authorized to impose a local use tax at the same rate as  
66 the local sales tax by a vote of the governing body, provided that if any local sales  
67 tax is repealed, reduced or raised by voter approval, the respective local use tax  
68 shall also be repealed, reduced or raised by the same action? ~~[A use tax return~~  
69 ~~shall not be required to be filed by persons whose purchases from out-of-state~~  
70 ~~vendors do not in total exceed two thousand dollars in any calendar year.]~~  
71 **Approval of this question will eliminate the disparity in tax rates collected**  
72 **by local and out-of-state sellers by imposing the same rate on all sellers.**

73 ☐ YES ☐ NO

74

75 If you are in favor of the question, place an "X" in the box opposite "YES". If you  
76 are opposed to the question, place an "X" in the box opposite "NO".

77

78 (3) The ballot of submission in any city not within a county shall contain substantially  
79 the following language:

80

81 Shall the \_\_\_\_\_ (city name) impose a local use tax at the same rate as the local  
82 sales tax, ~~[currently at a rate of \_\_\_\_\_ (insert percent)]~~ which includes the  
83 capital improvements sales tax and the transportation tax, provided that if any  
84 local sales tax is repealed, reduced or raised by voter approval, the respective  
85 local use tax shall also be repealed, reduced or raised by the same action? ~~[A use~~  
86 ~~tax return shall not be required to be filed by persons whose purchases from~~  
87 ~~out-of-state vendors do not in total exceed two thousand dollars in any calendar~~  
88 ~~year.]~~ **Approval of this question will eliminate the disparity in tax rates**

89 **collected by local and out-of-state sellers by imposing the same rate on all**  
90 **sellers.**

91 ☐ YES

☐ NO

92

93 If you are in favor of the question, place an "X" in the box opposite "YES". If you  
94 are opposed to the question, place an "X" in the box opposite "NO".

95

96 (4) If any of such ballots are submitted on August 6, 1996, and if a majority of the votes  
97 cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the  
98 ordinance or order and any amendments thereto shall be in effect October 1, 1996, provided the  
99 director of revenue receives notice of adoption of the local use tax on or before August 16, 1996.  
100 If any of such ballots are submitted after December 31, 1996, and if a majority of the votes cast  
101 on the proposal by the qualified voters voting thereon are in favor of the proposal, then the  
102 ordinance or order and any amendments thereto shall be in effect on the first day of the calendar  
103 quarter which begins at least forty-five days after the director of revenue receives notice of  
104 adoption of the local use tax. If a majority of the votes cast by the qualified voters voting are  
105 opposed to the proposal, then the governing body of the county or municipality shall have no  
106 power to impose the local use tax as herein authorized unless and until the governing body of the  
107 county or municipality shall again have submitted another proposal to authorize the governing  
108 body of the county or municipality to impose the local use tax and such proposal is approved by  
109 a majority of the qualified voters voting thereon.

110 3. The local use tax may be imposed at the same rate as the local sales tax then currently  
111 in effect in the county or municipality upon all transactions which are subject to the taxes  
112 imposed pursuant to sections 144.600 to 144.745 within the county or municipality adopting  
113 such tax; provided, however, that if any local sales tax is repealed or the rate thereof is reduced  
114 or raised by voter approval, the local use tax rate shall also be deemed to be repealed, reduced  
115 or raised by the same action repealing, reducing or raising the local sales tax.

116 4. For purposes of sections 144.757 to 144.761, the use tax may be referred to or  
117 described as the equivalent of a sales tax on purchases made from out-of-state sellers by in-state  
118 buyers and on certain intrabusiness transactions. Such a description shall not change the  
119 classification, form or subject of the use tax or the manner in which it is collected.

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