

HB 1029 -- SALES TAX

SPONSOR: Fountain Henderson

SALES TAX

Currently, certain adjoining counties may jointly impose a sales tax throughout each of their respective counties for public recreational purposes including the financing, acquisition, construction, operation, and maintenance of recreational projects and programs. The sales taxes will not become effective unless approved by a majority of the voters in each county.

This bill changes the authorization language so that the counties do not have to act jointly. Each county is individually authorized to impose, upon voter approval, its own tax for public recreational purposes. Upon enactment, this bill applies to Bollinger and Cape Girardeau counties (Sections 67.782, 67.783, and 67.785, RSMo).

Beginning January 1, 2026, this bill eliminates any local or state sales or use tax on the retail sale of food (Section 144.014).

This bill also eliminates local sales tax on sales of all necessary personal hygiene products and toiletries, as specified in the bill (Section 144.030).

This bill exempts from sales tax all sales of used tangible personal property, including any tangible personal property that is sold a second time or any number of additional subsequent times after the initial point of sale, at an auction. The provisions of this bill do not apply to motor vehicles, trailers, boats, or outboard motors purchased or acquired for use on the highways or waters of this state which are required to be titled (Sections 144.030 and 144.615).

TRANSIENT GUEST TAX

This bill authorizes any city with more than 2,700 but fewer than 3,000 inhabitants and located in a county with more than 50,000 but fewer than 60,000 inhabitants and with a county seat with more than 17,000 but fewer than 21,000 inhabitants, upon voter approval, to impose a transient guest tax not to exceed 6% of the charges per occupied room per night, to be used for the purposes of promoting tourism, economic development, and the retention and growth of any military base near the city. Upon enactment, this provision applies to Knob Noster and Wentzville (Section 67.1009).

This bill authorizes certain cities, upon voter approval, to impose a transient guest not to exceed 6% of the charges per occupied room

per night, to be used for municipal purposes. Upon enactment, this provision applies to the city of Harrisonville (Section 67.1013).

This bill adds any city with more than 8,000 but fewer than 9,000 inhabitants and partially located in a county with more than 19,000 but fewer than 22,000 inhabitants to the list of cities and counties authorized in the bill to impose, upon voter approval, a transient guest tax of between 2% and 5% per occupied room per night for tourism purposes. Upon enactment, the bill applies to the City of Cameron (Section 67.1360).

Currently, certain cities are authorized to impose a transient guest tax of up to 6% and a tax of up to 2% on the gross receipts derived from the retail sales of food by every person operating a food establishment for certain purposes. As originally enacted, the bill applied to the city of Lamar Heights. This bill allows a municipality to increase the tax rate on retail sales of food to 6% and would allow both taxes to be used for general revenue purposes. The description of the authorized cities is expanded, and upon enactment the bill applies to the city of Lamar Heights (Section 94.838).

This bill is similar to HCS HBs 876, 771, 767 & 551 (2023).