

SECOND REGULAR SESSION

HOUSE BILL NO. 1599

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FRAKER.

4804H.011

D. ADAM CRUMBLISS, 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Section A. Section 144.757, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.757, to read as follows: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 Shall the _____ (county or municipality's name) impose a local use tax at the same rate
 20 as the total local sales tax rate, currently _____ (insert ~~[percent]~~ **percentage**), provided that if
 21 the local sales tax rate is reduced or raised by voter approval, the local use tax rate shall also be
 22 reduced or raised by the same action? ~~[A use tax return shall not be required to be filed by~~
 23 ~~persons whose purchases from out-of-state vendors do not in total exceed two thousand dollars~~
 24 ~~in any calendar year.]~~ **Approval of this question will remove a competitive disadvantage that**
 25 **local retailers face against certain online and out-of-state retailers who are not currently**
 26 **subject to the local sales tax by imposing such tax equally.**

27 YES NO

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

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

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 36 county sales tax is repealed, reduced or raised by voter approval, the local use tax rate shall also
 37 be repealed, reduced or raised by the same voter action?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

43 A use tax is the equivalent of a sales tax on purchases from out-of-state sellers by in-state
 44 buyers and on certain taxable business transactions. ~~[A use tax return shall not be required to be~~
 45 ~~filed by persons whose purchases from out-of-state vendors do not in total exceed two thousand~~
 46 ~~dollars in any calendar year.]~~ **Approval of this question will remove a competitive**
 47 **disadvantage that local retailers face against certain online and out-of-state retailers who**
 48 **are not currently subject to the local sales tax by imposing such tax equally.**

49 YES NO

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

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

55 Shall the municipality be authorized to impose a local use tax at the same rate as the local
56 sales tax by a vote of the governing body, provided that if any local sales tax is repealed, reduced
57 or raised by voter approval, the respective local use tax shall also be repealed, reduced or raised
58 by the same action? ~~[A use tax return shall not be required to be filed by persons whose~~
59 ~~purchases from out-of-state vendors do not in total exceed two thousand dollars in any calendar~~
60 ~~year.]~~ **Approval of this question will remove a competitive disadvantage that local retailers**
61 **face against certain online and out-of-state retailers who are not currently subject to the**
62 **local sales tax by imposing such tax equally.**

63 YES NO

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

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

68 Shall the _____ (city name) impose a local use tax at the same rate as the local sales tax,
69 currently at a rate of _____ (insert ~~[percent]~~ **percentage**), which includes the capital
70 improvements sales tax and the transportation tax, provided that if any local sales tax is repealed,
71 reduced or raised by voter approval, the respective local use tax shall also be repealed, reduced
72 or raised by the same action? ~~[A use tax return shall not be required to be filed by persons whose~~
73 ~~purchases from out-of-state vendors do not in total exceed two thousand dollars in any calendar~~
74 ~~year.]~~ **Approval of this question will remove a competitive disadvantage that local retailers**
75 **face against certain online and out-of-state retailers who are not currently subject to the**
76 **local sales tax by imposing such tax equally.**

77 YES NO

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

80 (4) ~~[If any of such ballots are submitted on August 6, 1996, and if a majority of the votes~~
81 ~~cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the~~
82 ~~ordinance or order and any amendments thereto shall be in effect October 1, 1996, provided the~~
83 ~~director of revenue receives notice of adoption of the local use tax on or before August 16,~~
84 ~~1996.]~~ If any of such ballots are submitted after December 31, 1996, and if a majority of the
85 votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then
86 the ordinance or order and any amendments thereto shall be in effect on the first day of the
87 calendar quarter which begins at least forty-five days after the director of revenue receives notice

88 of adoption of the local use tax. If a majority of the votes cast by the qualified voters voting are
89 opposed to the proposal, then the governing body of the county or municipality shall have no
90 power to impose the local use tax as herein authorized unless and until the governing body of the
91 county or municipality shall again have submitted another proposal to authorize the governing
92 body of the county or municipality to impose the local use tax and such proposal is approved by
93 a majority of the qualified voters voting thereon.

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

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

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