

FIRST REGULAR SESSION

# HOUSE BILL NO. 644

## 101ST GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE FALKNER.

1305H.011

DANA RADEMAN MILLER, Chief Clerk

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### AN ACT

To repeal sections 32.310, 144.605, and 144.757, RSMo, and to enact in lieu thereof five new sections relating to use taxes.

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

Section A. Sections 32.310, 144.605, and 144.757, RSMo, are repealed and five new sections enacted in lieu thereof, to be known as sections 32.310, 144.575, 144.605, 144.637, and 144.757, to read as follows:

- 32.310. 1. The department of revenue shall create and maintain a mapping feature on its official public website that displays sales **and use** tax information of political subdivisions of this state that have taxing authority, including the current tax rate for each sales **and use** tax imposed and collected. Such display shall have the option to showcase the borders and jurisdiction of the following political subdivisions on a map of the state to the extent that such political subdivisions collect sales **or use** tax:
- (1) Ambulance districts;
  - (2) Community improvement districts;
  - (3) Fire protection districts;
  - (4) Levee districts;
  - (5) Library districts;
  - (6) Neighborhood improvement districts;
  - (7) Port authority districts;
  - (8) Tax increment financing districts;
  - (9) Transportation development districts;
  - (10) School districts; or

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 (11) Any other political subdivision that imposes a sales **or use** tax within its borders  
18 and jurisdiction.

19 2. The mapping feature shall also have the option to superimpose state house of  
20 representative districts and state senate districts over the political subdivisions.

21 3. A political subdivision collecting sales **or use** tax listed in subsection 1 of this section  
22 shall provide to the department of revenue mapping and geographic data pertaining to the  
23 political subdivision's borders and jurisdictions. The political subdivision shall certify the  
24 accuracy of the data by affidavit and shall provide the data in a format specified by the  
25 department of revenue. Such data shall be sent to the department of revenue by April 1, 2019,  
26 and shall be updated and sent to the department if a change in the political subdivision's borders  
27 or jurisdiction occurs thereafter.

28 4. The department of revenue may contract with another entity to build and maintain the  
29 mapping feature.

30 5. By July 1, 2019, the department shall implement the mapping feature using the data  
31 provided to it under subsection 3 of this section.

**144.575. 1. For the purposes of this section, the following terms shall mean:**

2 (1) "Marketplace facilitator", a person that contracts with sellers to facilitate, for  
3 consideration, regardless of whether deducted as fees from the transaction, the sale of the  
4 seller's products through an electronic marketplace operated by a person and engages:

5 (a) Either directly or indirectly, through one or more affiliated persons, in any of  
6 the following:

7 a. Transmitting or otherwise communicating the offer or acceptance between the  
8 purchaser and marketplace seller;

9 b. Owning or operating the infrastructure, electronic or physical, or technology  
10 that brings purchasers and marketplace sellers together;

11 c. Providing a virtual currency that purchasers are allowed or required to use to  
12 purchase products from the marketplace seller; or

13 d. Software development or research and development activities related to any of  
14 the activities described under paragraph (b) of this subdivision if such activities are  
15 directly related to an electronic marketplace operated by a person or an affiliated person;  
16 and

17 (b) In any of the following activities with respect to the marketplace seller's  
18 products:

19 a. Payment processing services;

20 b. Fulfillment or storage services;

21 c. Listing products for sale;

- 22           **d. Setting prices;**  
23           **e. Branding sales as those of the marketplace facilitator;**  
24           **f. Order taking;**  
25           **g. Advertising or promotion; or**  
26           **h. Providing customer service or accepting or assisting with returns or exchanges.**

27

28   **A marketplace facilitator is a seller and shall comply with the provisions of this chapter.**  
29   **A marketplace facilitator does not include a third-party financial institution appointed by**  
30   **a merchant or a marketplace facilitator to handle various forms of payment transactions,**  
31   **such as processing credit cards and debit cards, and whose sole activity with respect to**  
32   **marketplace sales is to facilitate the payment transactions between two parties;**

33           **(2) "Marketplace seller", a seller that makes sales through any electronic**  
34   **marketplace operated by a marketplace facilitator;**

35           **(3) "Person", any individual, firm, copartnership, joint venture, association,**  
36   **corporation, municipal or private, whether organized for profit or not, state, county,**  
37   **political subdivision, state department, commission, board, bureau or agency except the**  
38   **department of transportation, estate, trust, business trust, receiver or trustee appointed by**  
39   **the state or federal court, syndicate, or any other group or combination acting as a unit;**

40           **(4) "Purchaser", any person who is the recipient, for a valuable consideration, of**  
41   **any sale of tangible personal property acquired for use, storage, or consumption in this**  
42   **state;**

43           **(5) "Retail sale", the same meaning as defined under section 144.011, excluding**  
44   **motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats, and outboard motors**  
45   **required to be titled under the laws of the state and subject to tax under subdivision (9) of**  
46   **subsection 1 of section 144.020;**

47           **(6) "Seller", a person selling or furnishing tangible personal property or rendering**  
48   **services on the receipts from which a tax is imposed under section 144.020 or 144.540.**

49           **2. By January 1, 2022, marketplace facilitators that reach the threshold provided**  
50   **under paragraph (g) of subdivision (2) of section 144.605 shall register with the department**  
51   **to collect and remit sales tax on sales made through the marketplace facilitator's**  
52   **marketplace by or on behalf of a marketplace seller that are delivered in the state, whether**  
53   **by the marketplace facilitator or another person. Such retail sales shall include those made**  
54   **directly by the marketplace facilitator and shall also include those retail sales made by**  
55   **marketplace sellers through the marketplace facilitator's marketplace. The collection and**  
56   **reporting requirements of this subsection shall not apply to retail sales other than those**  
57   **made through a marketplace facilitator's marketplace.**

58           **3. Marketplace facilitators that collect sales tax under this section shall report and**  
59 **remit the tax in accordance with the provisions of chapter 144 and shall maintain records**  
60 **of all sales delivered to a location in the state, including copies of invoices showing the**  
61 **purchaser, address, purchase amount, and sales tax collected. Such records shall be made**  
62 **available for review and inspection upon request by the department.**

63           **4. Marketplace facilitators who properly collect and remit to the department, in a**  
64 **timely manner, sales tax on sales in accordance with the provisions of this section, by or on**  
65 **behalf of marketplace sellers, shall be eligible for any discount provided under this**  
66 **chapter.**

67           **5. The marketplace facilitator shall provide the purchaser with a statement or**  
68 **invoice showing that the sales tax was collected and shall be remitted on the purchaser's**  
69 **behalf.**

70           **6. Any taxpayer who remits sales tax under this section shall be entitled to refunds**  
71 **or credits to the same extent and in the same manner provided under section 144.190 for**  
72 **taxes collected and remitted under this section.**

73           **7. Marketplace facilitators shall be subject to the penalty provisions, procedures,**  
74 **and reporting requirements of this chapter.**

75           **8. No class action shall be brought against a marketplace facilitator in any court**  
76 **of this state on behalf of customers arising from or in any way related to an overpayment**  
77 **of sales or use tax collected on sales facilitated by the marketplace facilitator, regardless**  
78 **of whether that claim is characterized as a tax refund claim. Nothing in this subsection**  
79 **shall affect a customer's right to seek a refund as provided under section 144.190.**

80           **9. A marketplace facilitator shall be relieved of liability under this section for**  
81 **failure to collect and remit the correct amount of tax to the extent that the error was due**  
82 **to incorrect or insufficient information given to the marketplace facilitator by the**  
83 **marketplace seller; provided, however, this subsection shall not apply if the marketplace**  
84 **facilitator and the marketplace seller are the same entity or related entities.**

          144.605. The following words and phrases as used in sections 144.600 to 144.745 mean  
2 and include:

3           (1) "Calendar quarter", the period of three consecutive calendar months ending on March  
4 thirty-first, June thirtieth, September thirtieth, or December thirty-first;

5           (2) "Engages in business activities within this state" includes:

6           (a) Maintaining or having a franchisee or licensee operating under the seller's trade name  
7 in this state if the franchisee or licensee is required to collect sales tax pursuant to sections  
8 144.010 to 144.525;

9           (b) Soliciting sales or taking orders by sales agents or traveling representatives;

10 (c) A vendor is presumed to engage in business activities within this state if any person,  
11 other than a common carrier acting in its capacity as such, that has substantial nexus with this  
12 state:

13 a. Sells a similar line of products as the vendor and does so under the same or a similar  
14 business name;

15 b. Maintains an office, distribution facility, warehouse, or storage place, or similar place  
16 of business in the state to facilitate the delivery of property or services sold by the vendor to the  
17 vendor's customers;

18 c. Delivers, installs, assembles, or performs maintenance services for the vendor's  
19 customers within the state;

20 d. Facilitates the vendor's delivery of property to customers in the state by allowing the  
21 vendor's customers to pick up property sold by the vendor at an office, distribution facility,  
22 warehouse, storage place, or similar place of business maintained by the person in the state; or

23 e. Conducts any other activities in the state that are significantly associated with the  
24 vendor's ability to establish and maintain a market in the state for the sales;

25 (d) The presumption in paragraph (c) **of this subdivision** may be rebutted by  
26 demonstrating that the person's activities in the state are not significantly associated with the  
27 vendor's ability to establish or maintain a market in this state for the vendor's sales;

28 (e) Notwithstanding paragraph (c) **of this subdivision**, a vendor shall be presumed to  
29 engage in business activities within this state if the vendor enters into an agreement with one or  
30 more residents of this state under which the resident, for a commission or other consideration,  
31 directly or indirectly refers potential customers, whether by a link on an internet website, an  
32 in-person oral presentation, telemarketing, or otherwise, to the vendor, if the cumulative gross  
33 receipts from sales by the vendor to customers in the state who are referred to the vendor by all  
34 residents with this type of an agreement with the vendor is in excess of ten thousand dollars  
35 during the preceding twelve months;

36 (f) The presumption in paragraph (e) **of this subdivision** may be rebutted by submitting  
37 proof that the residents with whom the vendor has an agreement did not engage in any activity  
38 within the state that was significantly associated with the vendor's ability to establish or maintain  
39 the vendor's market in the state during the preceding twelve months. Such proof may consist of  
40 sworn written statements from all of the residents with whom the vendor has an agreement  
41 stating that they did not engage in any solicitation in the state on behalf of the vendor during the  
42 preceding year provided that such statements were provided and obtained in good faith;

43 **(g) a. Beginning October 1, 2021, a vendor engages in business activities within this**  
44 **state if:**

45           **(i) The cumulative gross receipts from the vendor's sales of tangible personal**  
46 **property to purchasers for the purpose of storage, use, or consumption in this state are one**  
47 **hundred thousand dollars or more during any twelve-month period, as determined under**  
48 **subparagraph b. of this paragraph; or**

49           **(ii) The vendor enters into two hundred or more separate transactions for the sale**  
50 **of tangible personal property to purchasers for the purpose of storage, use, or consumption**  
51 **in this state during any twelve-month period, as determined under subparagraph b. of this**  
52 **paragraph;**

53           **b. Following the close of each calendar quarter, a vendor shall determine whether**  
54 **the vendor met either of the requirements provided under subparagraph a. of this**  
55 **paragraph during the twelve-month period ending on the last day of the preceding**  
56 **calendar quarter. If the vendor met either of such requirements for any such twelve-**  
57 **month period, the vendor shall collect and remit the tax as provided under section 144.635**  
58 **for a period of no less than twelve months, beginning no more than three months following**  
59 **the close of the preceding calendar quarter, and shall continue to collect and remit the tax**  
60 **for as long as the vendor is engaged in business activities within this state, as provided**  
61 **under this paragraph, or otherwise maintains a substantial nexus with this state;**

62           (3) "Maintains a place of business in this state" includes maintaining, occupying, or  
63 using, permanently or temporarily, directly or indirectly, by whatever name called, an office,  
64 place of distribution, sales or sample room or place, warehouse or storage place, or other place  
65 of business in this state, whether owned or operated by the vendor or by any other person other  
66 than a common carrier acting in its capacity as such;

67           (4) "Person", any individual, firm, copartnership, joint venture, association, corporation,  
68 municipal or private, and whether organized for profit or not, state, county, political subdivision,  
69 state department, commission, board, bureau or agency, except the state transportation  
70 department, estate, trust, business trust, receiver or trustee appointed by the state or federal court,  
71 syndicate, or any other group or combination acting as a unit, and the plural as well as the  
72 singular number;

73           (5) "Purchase", the acquisition of the ownership of, or title to, tangible personal property,  
74 through a sale, as defined herein, for the purpose of storage, use or consumption in this state;

75           (6) "Purchaser", any person who is the recipient for a valuable consideration of any sale  
76 of tangible personal property acquired for use, storage, or consumption in this state;

77           (7) "Sale", any transfer, barter, or exchange of the title or ownership of tangible personal  
78 property, or the right to use, store, or consume the same, for a consideration paid or to be paid,  
79 and any transaction whether called leases, rentals, bailments, loans, conditional sales, or  
80 otherwise, and notwithstanding that the title or possession of the property or both is retained for

81 security. For the purpose of this law the place of delivery of the property to the purchaser, user,  
82 storer, or consumer is deemed to be the place of sale, whether the delivery be by the vendor or  
83 by common carriers, private contractors, mails, express, agents, salesmen, solicitors, hawkers,  
84 representatives, consignors, peddlers, canvassers, or otherwise;

85 (8) "Sales price", the consideration including the charges for services, except charges  
86 incident to the extension of credit, paid or given, or contracted to be paid or given, by the  
87 purchaser to the vendor for the tangible personal property, including any services that are a part  
88 of the sale, valued in money, whether paid in money or otherwise, and any amount for which  
89 credit is given to the purchaser by the vendor, without any deduction therefrom on account of the  
90 cost of the property sold, the cost of materials used, labor or service cost, losses or any other  
91 expenses whatsoever, except that cash discounts allowed and taken on sales shall not be included  
92 and "sales price" shall not include the amount charged for property returned by customers upon  
93 rescission of the contract of sales when the entire amount charged therefor is refunded either in  
94 cash or credit or the amount charged for labor or services rendered in installing or applying the  
95 property sold, the use, storage, or consumption of which is taxable pursuant to sections 144.600  
96 to 144.745. The sales price shall not include usual and customary delivery charges that are  
97 separately stated. In determining the amount of tax due pursuant to sections 144.600 to 144.745,  
98 any charge incident to the extension of credit shall be specifically exempted;

99 (9) "Selling agent", every person acting as a representative of a principal, when such  
100 principal is not registered with the director of revenue of the state of Missouri for the collection  
101 of the taxes imposed pursuant to sections 144.010 to 144.525 or sections 144.600 to 144.745 and  
102 who receives compensation by reason of the sale of tangible personal property of the principal,  
103 if such property is to be stored, used, or consumed in this state;

104 (10) "Storage", any keeping or retention in this state of tangible personal property  
105 purchased from a vendor, except property for sale or property that is temporarily kept or retained  
106 in this state for subsequent use outside the state;

107 (11) "Tangible personal property", all items subject to the Missouri sales tax as provided  
108 in subdivisions (1) and (3) **of subsection 1** of section 144.020;

109 (12) "Taxpayer", any person remitting the tax or who should remit the tax levied by  
110 sections 144.600 to 144.745;

111 (13) "Use", the exercise of any right or power over tangible personal property incident  
112 to the ownership or control of that property, except that it does not include the temporary storage  
113 of property in this state for subsequent use outside the state, or the sale of the property in the  
114 regular course of business;

115 (14) "Vendor", every person engaged in making sales of tangible personal property by  
116 mail order, by advertising, by agent or peddling tangible personal property, soliciting or taking

117 orders for sales of tangible personal property, for storage, use, or consumption in this state, all  
118 salesmen, solicitors, hawkers, representatives, consignees, peddlers or canvassers, as agents of  
119 the dealers, distributors, consignors, supervisors, principals or employers under whom they  
120 operate or from whom they obtain the tangible personal property sold by them, and every person  
121 who maintains a place of business in this state, maintains a stock of goods in this state, or  
122 engages in business activities within this state, and every person who engages in this state in the  
123 business of acting as a selling agent for persons not otherwise vendors as defined in this  
124 subdivision. Irrespective of whether they are making sales on their own behalf or on behalf of  
125 the dealers, distributors, consignors, supervisors, principals or employers, they must be regarded  
126 as vendors and the dealers, distributors, consignors, supervisors, principals, or employers must  
127 be regarded as vendors for the purposes of sections 144.600 to 144.745.

**144.637. 1. The director of revenue shall provide and maintain a database that  
2 describes boundary changes for all taxing jurisdictions and the effective dates of such  
3 changes for the use of vendors collecting the tax imposed under sections 144.600 to 144.746.**

**4 2. For the identification of counties and cities, codes corresponding to the rates shall  
5 be provided according to Federal Information Processing Standards (FIPS) as developed  
6 by the National Institute of Standards and Technology. For the identification of all other  
7 jurisdictions, codes corresponding to the rates shall be in a format determined by the  
8 director.**

**9 3. The director shall provide and maintain a database that assigns each five- and  
10 nine-digit zip code to the proper rates and taxing jurisdictions. The lowest combined tax  
11 rate imposed in the zip code area shall apply if the area includes more than one tax rate in  
12 any level of taxing jurisdiction. If a nine-digit zip code designation is not available for a  
13 street address, or if a vendor is unable to determine the nine-digit zip code designation  
14 applicable to a purchase after exercising due diligence to determine the designation, the  
15 vendor may apply the rate for the five-digit zip code area. For purposes of this section,  
16 there shall be a rebuttable presumption that a vendor has exercised due diligence if the  
17 vendor has attempted to determine the nine-digit zip code designation by utilizing software  
18 approved by the director that makes this designation from the street address and the five-  
19 digit zip code applicable to a purchase.**

**20 4. The director may provide address-based boundary database records for  
21 assigning taxing jurisdictions and associated rates in addition to the requirements of  
22 subsection 3 of this section. The database records shall be in the same approved format  
23 as the database required under subsection 3 of this section and shall meet the requirements  
24 developed under the federal Mobile Telecommunications Sourcing Act, 4 U.S.C. Section  
25 119(a). If the director develops address-based assignment database records, vendors shall**



26 be required to use such database records. A vendor shall use such database records in  
27 place of the five- and nine-digit zip code database records provided for in subsection 3 of  
28 this section. If a vendor is unable to determine the applicable rate and jurisdiction using  
29 an address-based database record after exercising due diligence, the vendor may apply the  
30 nine-digit zip code designation applicable to a purchase. If a nine-digit zip code  
31 designation is not available for a street address or if a vendor is unable to determine the  
32 nine-digit zip code designation applicable to a purchase after exercising due diligence to  
33 determine the designation, the vendor may apply the rate for the five-digit zip code area.  
34 For the purposes of this section, there shall be a rebuttable presumption that a vendor has  
35 exercised due diligence if the vendor has attempted to determine the tax rate and  
36 jurisdiction by utilizing software approved by the director and makes the assignment from  
37 the address and zip code information applicable to the purchase. If the director has met  
38 the requirements of subsection 3 of this section, the director may also elect to certify  
39 address-based databases provided by third parties for assigning tax rates and jurisdictions.  
40 The databases shall be in the same approved format as the database records under this  
41 section and shall meet the requirements developed under the federal Mobile  
42 Telecommunications Sourcing Act, 4 U.S.C. Section 119(a). If the director certifies an  
43 address-based database provided by a third party, a vendor may use such database in  
44 place of the database records provided for in this subsection.

45 **5. The electronic databases and database records provided for in subsections 1 to**  
46 **4 of this section shall be in downloadable format as determined by the director. The**  
47 **databases and database records may be directly provided by the director or provided by**  
48 **a third party as designated by the director. The databases and database records shall be**  
49 **provided at no cost to users. The provisions of subsections 3 and 4 of this section shall not**  
50 **apply if the purchased product is received by the purchaser at the business location of the**  
51 **vendor.**

52 **6. No vendor shall be liable for reliance upon erroneous data provided by the**  
53 **director on tax rates, boundaries, or taxing jurisdiction assignments.**

144.757. 1. Any county or municipality, except municipalities within a county having  
2 a charter form of government with a population in excess of nine hundred thousand, may, by a  
3 majority vote of its governing body, impose a local use tax if a local sales tax is imposed as  
4 defined in section 32.085 at a rate equal to the rate of the local sales tax in effect in such county  
5 or municipality; provided, however, that no ordinance or order enacted pursuant to sections  
6 144.757 to 144.761 shall be effective unless the governing body of the county or municipality  
7 submits to the voters thereof at a municipal, county or state general, primary or special election  
8 a proposal to authorize the governing body of the county or municipality to impose a local use

9 tax pursuant to sections 144.757 to 144.761. Municipalities within a county having a charter  
 10 form of government with a population in excess of nine hundred thousand may, upon voter  
 11 approval received pursuant to paragraph (b) of subdivision (2) of subsection 2 of this section,  
 12 impose a local use tax at the same rate as the local municipal sales tax with the revenues from  
 13 all such municipal use taxes to be distributed pursuant to subsection 4 of section 94.890. The  
 14 municipality shall within thirty days of the approval of the use tax imposed pursuant to paragraph  
 15 (b) of subdivision (2) of subsection 2 of this section select one of the distribution options  
 16 permitted in subsection 4 of section 94.890 for distribution of all municipal use taxes.

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

28  YES

NO

29  
 30 If you are in favor of the question, place an "X" in the box opposite "YES". If  
 31 you are opposed to the question, place an "X" in the box opposite "NO".  
 32

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

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

45 public an audited comprehensive financial report detailing the management and  
 46 use of the countywide portion of the funds each year.

47  
 48 A use tax is the equivalent of a sales tax on purchases from out-of-state sellers  
 49 by in-state buyers and on certain taxable business transactions. [~~A use tax return~~  
 50 ~~shall not be required to be filed by persons whose purchases from out-of-state~~  
 51 ~~vendors do not in total exceed two thousand dollars in any calendar year.]~~

52 **Approval of this question will eliminate the disparity in tax rates collected**  
 53 **by local and out-of-state sellers by imposing the same rate on all sellers.**

54  YES  NO

55  
 56 If you are in favor of the question, place an "X" in the box opposite "YES". If you  
 57 are opposed to the question, place an "X" in the box opposite "NO".

58  
 59 (b) The ballot of submission in a municipality within a county having a charter form of  
 60 government with a population in excess of nine hundred thousand shall contain substantially the  
 61 following language:

62 Shall the municipality be authorized to impose a local use tax at the same rate as  
 63 the local sales tax by a vote of the governing body, provided that if any local sales  
 64 tax is repealed, reduced or raised by voter approval, the respective local use tax  
 65 shall also be repealed, reduced or raised by the same action? [~~A use tax return~~  
 66 ~~shall not be required to be filed by persons whose purchases from out-of-state~~  
 67 ~~vendors do not in total exceed two thousand dollars in any calendar year.]~~

68 **Approval of this question will eliminate the disparity in tax rates collected**  
 69 **by local and out-of-state sellers by imposing the same rate on all sellers.**

70  YES  NO

71  
 72 If you are in favor of the question, place an "X" in the box opposite "YES". If you  
 73 are opposed to the question, place an "X" in the box opposite "NO".

74  
 75 (3) The ballot of submission in any city not within a county shall contain substantially  
 76 the following language:

77 Shall the \_\_\_\_\_ (city name) impose a local use tax at the same rate as the local  
 78 sales tax, [~~currently at a rate of \_\_\_\_\_ (insert percent)~~] which includes the  
 79 capital improvements sales tax and the transportation tax, provided that if any  
 80 local sales tax is repealed, reduced or raised by voter approval, the respective

81 local use tax shall also be repealed, reduced or raised by the same action? [~~A use~~  
 82 ~~tax return shall not be required to be filed by persons whose purchases from~~  
 83 ~~out-of-state vendors do not in total exceed two thousand dollars in any calendar~~  
 84 ~~year.] **Approval of this question will eliminate the disparity in tax rates**  
 85 **collected by local and out-of-state sellers by imposing the same rate on all**  
 86 **sellers.**~~

87  YES  NO

88  
 89 If you are in favor of the question, place an "X" in the box opposite "YES". If you  
 90 are opposed to the question, place an "X" in the box opposite "NO".

91  
 92 (4) If any of such ballots are submitted on August 6, 1996, and if a majority of the votes  
 93 cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the  
 94 ordinance or order and any amendments thereto shall be in effect October 1, 1996, provided the  
 95 director of revenue receives notice of adoption of the local use tax on or before August 16, 1996.  
 96 If any of such ballots are submitted after December 31, 1996, and if a majority of the votes cast  
 97 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 on the first day of the calendar  
 99 quarter which begins at least forty-five days after the director of revenue receives notice of  
 100 adoption of the local use tax. If a majority of the votes cast by the qualified voters voting are  
 101 opposed to the proposal, then the governing body of the county or municipality shall have no  
 102 power to impose the local use tax as herein authorized unless and until the governing body of the  
 103 county or municipality shall again have submitted another proposal to authorize the governing  
 104 body of the county or municipality to impose the local use tax and such proposal is approved by  
 105 a majority of the qualified voters voting thereon.

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

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

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