



## Christian County Commission

100 West Church St, Room 100  
Ozark, MO 65721

SCHEDULED

### MEETING ATTACHMENTS (ID # 5121)

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Meeting: 10/1/25 1:30 PM  
Department: County Clerk  
Category: Meeting Items  
Prepared By: Madi Hires Raines  
Initiator: Madi Hires Raines  
Sponsors:  
Doc ID: 5121

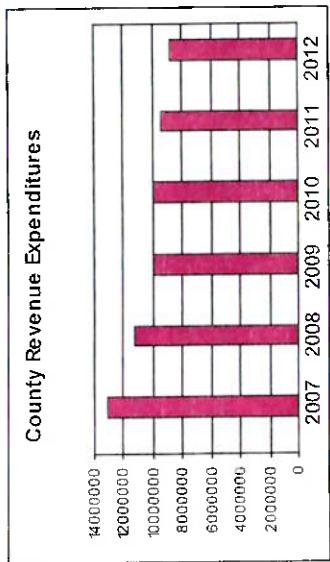
## Meeting Attachments

### ATTACHMENTS:

- 1 - 01 OCTOBER 2025 - USE TAX INITIATIVE PAMPHLET (2013)
- 2 - 01 OCTOBER 2025 - CITY OF OZARK FLIER (2020)
- 3 - 01 OCTOBER 2025 - CITY OF SIKESTON HANDOUT (2019)
- 4 - 01 OCTOBER 2025 - STREAMLINED SALES TAX GOVERNING BOARD INC. HANDOUT
- 5 - 01 OCTOBER 2025 - CITY OF SIKESTON COUNCIL LETTER (2019)
- 6 - 01 OCTOBER 2025 - CITY OF COLUMBIA PROP 1 USE TAX HANDOUT (2017)
- 7 - 01 OCTOBER 2025 - CITY OF COLUMBIA PROP 1 USE TAX HANDOUT (2022)

# What is the need?

This ballot initiative will allow the county to combat the downward trend in available funding which if continued would mean cuts to vital services.



November 5, 2013 Ballot Language:

## PROPOSITION "A"

SHALL THE COUNTY OF CHRISTIAN IMPOSE A LOCAL USE TAX AT THE SAME RATE AS THE TOTAL LOCAL SALES TAX RATE, CURRENTLY ONE AND ONE-HALF OF ONE PERCENT (1.50%), PROVIDED THAT IF THE LOCAL SALES TAX RATE IS REDUCED OR RAISED BY VOTER APPROVAL, THE LOCAL USE TAX RATE SHALL ALSO BE REDUCED OR RAISED BY THE SAME ACTION? A USE TAX RETURN SHALL NOT BE REQUIRED TO BE FILED BY PERSONS WHOSE PURCHASES FROM OUT-OF-STATE VENDORS DO NOT TOTAL EXCEED TWO THOUSAND DOLLARS (\$2,000.00) IN ANY CALENDAR YEAR.

Yes \_\_\_\_\_ No \_\_\_\_\_

## DID YOU KNOW?

- \* Christian County General Fund supports many services such as:
  - \* Law Enforcement, the Courts and Juvenile Services
  - \* Tax collections for school and fire districts
  - \* Official recording of documents for property sales and bank loans
  - \* Building Safety, Planning and Environmental Services
  - \* Elections
- \* Christian County has cut budgets for other services by nearly 15% in order to maintain vital law enforcement services.



# Christian County

**November 5, 2013**

Christian County voters will decide on  
a proposal for a **Use Tax**

## A Use Tax will:

- Support local businesses by leveling the playing field with out of state retailers
- Prevent cuts in vital services for citizens of Christian County

E-mail Christian County by visiting  
[countycommission@christiancountymo.gov](mailto:countycommission@christiancountymo.gov)

## A Use Tax means:

- **NO LOCAL SALES TAX INCREASE**

Paid for by: Lou Lapaglia, Ray Weter and  
Sam Yarnell

# What is it?

In common terms, a Use Tax is a tax applied to out-of-state purchases.

A Use Tax is applied at the same rate as the local sales tax.

The State of Missouri and the City of Springfield currently have use taxes. Christian County and Greene County do not. Voters are being asked to approve this measure in both counties.

It is estimated that a Use Tax would generate approximately \$250,000 annually in new revenue for Christian County.

It is important to note that a Use Tax is not an increase in local sales tax

*Providing reliable government services is a vital component needed to build a strong local economy. Revenue from the USE Tax will help the County maintain these important services as our burden increases with the State mandated transition to First Class status.*

-Commissioner Ray Weter

# Who benefits?

## LOCAL BUSINESS & OUR ECONOMY

A Use Tax helps maintain a level playing field for local businesses. This is a smart move toward stronger economic growth.

Local businesses invest in our

community and provide employment opportunities for our citizens.

Strong local business supports law enforcement and other County services by generating sales taxes and paying property taxes.

Every \$1 spent at a local business adds \$2.23 to our local economy.

## THE CITIZENS AND COUNTY SERVICES

Voter approval of this measure will allow the County to once again collect tax revenue on out-of-state vehicle and boat purchases, in compliance with a recent Missouri Supreme Court ruling.

Revenue from the Use Tax will help the County prevent cuts to vital services including law enforcement and other services which our citizens rely upon.

## How does this affect you?

*Support of the Use Tax in Christian County means support of local business which is an integral part of building a strong community where families will thrive and grow.*

*-Marc Truly, Nixa Chamber of Commerce - Executive Director*

*A Use Tax will allow the County to maintain vital services with no local sales tax increase!*

# KEY FACTS ABOUT THE 2020 USE TAX

## JOURNEY 2030

### WHAT IS A USE TAX?

A Use Tax is the same as a local sales tax; but charged on **OUT-OF-STATE** and **ONLINE** purchases.

It is the same rate as the local sales tax, and you are *NOT* charged both.

The current sales tax rate for Ozark is:

**2.375%**

#### WHAT DOES IT INCLUDE?

- LICENSED VEHICLES
- TRAILERS
- BOATS
- AS WELL AS DIRECT MARKET SALES

IT'S TIME TO EQUALIZE THE PLAYING FIELD!

Has it been passed in other cities?

**YES!**

206 CITIES IN MISSOURI  
HAVE PASSED A USE TAX  
INCLUDING:

**SPRINGFIELD, NIXA, WILLARD,  
KIMBERLING CITY, SEDALIA  
AND WEBB CITY.**

IT'S TIME FOR OZARK TO CATCH UP!

ON APRIL 7, 2020

# Vote Yes!

# How Does The 2020 Use Tax Affect Me?

If You  
Shop Online



You PAY A 2.375% LOCAL USE TAX

If You  
Shop Locally



You PAY A 2.375% LOCAL SALES TAX

BUT YOU **WILL NOT** PAY BOTH!

**JOURNEY 2030** is  
planning for the  
future of Ozark.



New revenue  
gained from the  
Use Tax will benefit:  
Public Safety,  
Parks, Trails,  
Playgrounds,  
Streets & Sidewalks.

To learn more or to get involved, visit [ozarkmissouri.com](http://ozarkmissouri.com)

ON APRIL 7, 2020

# Vote Yes!

## Use Tax FAQs

**Q: What question is going to be on the November 5, 2019 ballot?**

A: "Shall the City of Sikeston, Missouri, in order to eliminate the current sales tax advantage that Non-Missouri vendors have over Missouri vendors, place a local use tax on Out-of-State purchases? This would be at the same rate as the local sales tax, currently 3%. If any local sales tax is repealed, reduced or raised by voter approval, the respective local use tax rate shall also be repealed, reduced or raised by the same action. A use tax return shall not be required to be filed by persons whose purchases from Out-of-State vendors do not total more than two thousand dollars in any calendar year."

**Q: What is a "use tax?"**

A: A use tax is similar to a sales tax, but is imposed on sales of goods from non-Missouri vendors that are intended for use, storage, or consumption in Missouri. It is not a double tax, it is only imposed on sales that are not already subject to sales tax. Consumers will not pay both a sales tax and use tax.

**Q: Why is the City asking me to vote on this?**

A: Out of state vendors currently have an unfair advantage over our local businesses, because they can sell goods to be delivered or used here without charging any sales tax. A use tax would level the playing field for local vendors. In addition, as more and more sales have moved from local retailers to online and out of state retailers, sales tax revenues for essential city services and quality of life investments have not kept pace with inflation.

**Q: How would a use tax affect me?**

A: Certain out of state businesses (those with a physical presence in Missouri or a contract with the State) are required by Missouri law to collect use tax just as they normally collect sales tax on purchases you make in the store. Until the City has an approved use tax, these companies don't collect any revenues for the City to fund essential services like Police, Fire, Streets and Parks. Unless you personally make more than \$2,000 in out of state purchases that are not already subject to sales tax, you will not be required to file a use tax return yourself.

**Q: How would a use tax affect local retailers?**

A: Local "brick and mortar" stores face the challenge of modern shoppers visiting a store to view the physical products only to turn around and purchase the product online, thus avoiding the local sales tax. A use tax levels the playing field by imposing the same taxes on out-of-state retailers as local retailers. In 2019 so far, 27% more stores have closed nationwide than in all of 2018, and by 2026 more than 75,000 stores nationwide could close their doors largely due to competition from online retailers (*USA Today*, July 3, 2019).

**Q: Would the use tax have a sunset?**

A: The use tax rate would be the same rate as the total local sales tax, currently 3%. Per State law, if any of the local sales taxes sunset or are repealed, reduced or raised by voter approval, the respective local use tax rate shall also sunset or be repealed, reduced or raised by the same action.

**Q: Is use tax the same as internet sales tax?**

A: Not exactly. It is a tax on out-of-state sales that are not otherwise taxed. It will apply to some internet sales but not universally. The State of Missouri cannot require out-of-state companies that do not have a physical presence in Missouri, or do not have a contract with the State of Missouri, to collect and remit

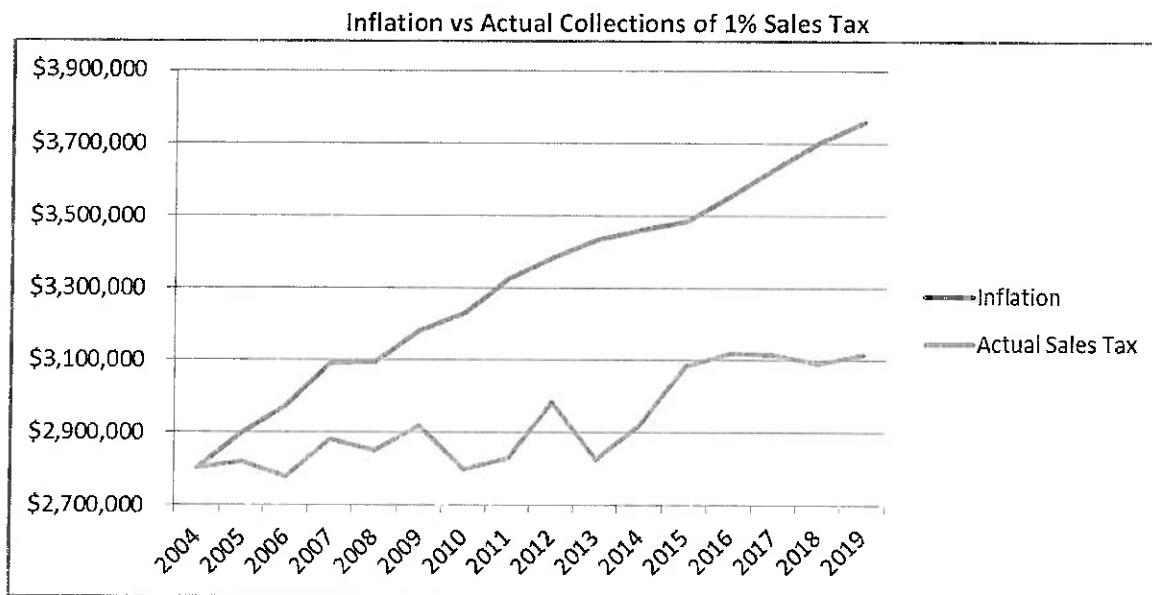
use tax. Neither sales taxes nor use taxes will apply to all internet sales until Federal regulations close all the loopholes. Individual consumers will not have to file a use tax return unless they make more than \$2,000 in out-of-state purchases that were not already taxed (this is already a State law).

**Q: What percentage of retail sales are made online?**

A: According to the US Department of Commerce, 9% of all retail sales are now occurring online, up from 3% ten years ago; if those sales involve out-of-state vendors, then the sales are not subject to the local sales tax. There is no reason to think this upward trend will not continue. The retail marketplace has fundamentally changed. Prior to the rise of online shopping, consumers were paying local sales tax on the goods they are now purchasing online. Passage of a use tax is essential to closing the online loophole.

**Q: What is the local trend for sales tax revenues?**

A: In the past 4 years since the new capital improvement sales tax has been collected, total sales tax collections have actually declined slightly, while total City operating expenses have grown about 8%. This is an unsustainable trend. Over the last 15 years, taxable sales have increased a total of 11.2%. In the same time period inflation has increased 31.4%.



**Q: What other local economic trends are observed?**

A: Under the Hancock Amendment to the Missouri Constitution, local property taxes grow only at the rate of inflation as determined by the State of Missouri. Property taxes only make up 14% of the City's revenues compared to sales taxes which make up 62%. In the last 6 years, Sikeston has experienced over \$166 million in residential and commercial construction, with at least 132 new single family homes built. Despite this growth, sales tax revenues have fallen far behind inflation, suggesting that the shift to online shopping has more than offset the increase in local customers.

**Q: How much would the use tax generate?**

A: In 2016 the Missouri Municipal League analyzed taxable sales around the State and estimated that a use tax in Sikeston could generate a little over \$400,000 annually.

**Q: How would the money generated by a use tax be used?**

A: The money generated by the use tax is essentially the same money that should have been generated by local sales taxes but has disappeared due to more and more sales shifting online. Any money generated by a use tax would fund essential City services such as Police, Fire, Streets and Parks operations, as well as investments in projects that enhance quality of life and economic vitality in Sikeston.

**Q: How does the City spend our money now?**

A: The City spends about 48% of the annual budget on Public Safety (Police, Fire, and 911), 19% on Public Works (Streets, Drainage, Airport and Maintenance), 15% on Administrative and Governmental Services (Finance, Human Resources, Risk Management, Administration), 10% on Solid Waste Disposal, 6% on Parks, and 2% on the Court.

**Q: How does use tax actually get collected?**

A: The State of Missouri already has a use tax in place at the same rate as the State of Missouri sales tax. When something that is subject to the use tax is purchased out-of-state for the intended storage, use or consumption in Missouri, AND local sales tax is not paid on the purchase, AND the seller has a physical presence in the State of Missouri or a contract with the State, then that seller collects use tax and remits it to the State of Missouri just like a Missouri seller would do with sales tax. If the above factors are not present, and the buyer purchases more than \$2,000 annually from out-of-state sellers, then the buyer is required by current State law to fill out a use tax return and submit it to the State of Missouri.

**Q: Would use tax apply to purchases made from sellers in other Missouri cities?**

A: No. If you buy a taxable item in another city or county, even if it is delivered to Sikeston, you pay the sales tax rate in that jurisdiction where the seller is located.

**Q: What other cities and counties have adopted a use tax?**

A: Voters in over 166 Missouri cities and 62 counties have adopted a use tax as of May 2018, including the following cities in our area: Dexter, New Madrid, Perryville, St Genevieve, Benton, Chaffee, Kennett, Miner, Bloomfield, Lilbourn, Parma, and Advance. Voters in New Madrid County, Scott County, and Cape Girardeau County have also adopted use taxes.

**Q: If voters approve the use tax, when will it go into effect?**

A: The tax would begin to be collected January 1, 2020.

# Streamlined Sales Tax Governing Board, Inc.

**Date:** February 2020

**To:** Members of the Missouri Legislature

**Re:** Information Regarding the Streamlined Sales Tax Governing Board

Dear Missouri State Legislator,

Representative Warren Love has introduced legislation in Missouri (HB 1967) that is intended to allow Missouri to join the Streamlined Sales Tax Governing Board (SSTGB). In an effort to give you a better understanding of the SSTGB, I am hopeful that you will take the time to read the information below that provides the background on our organization, a brief explanation of what we do and the success we have realized to date in our member states.

The effort that resulted in the formation of the Streamlined Sales Tax Governing Board began back in 2000. The goal of this effort was to find solutions for the complexities in state sales tax systems that resulted in the U.S. Supreme Court holding in *National Bellas Hess v. Illinois* (1967) and *Quill Corp. v. North Dakota* (1992) that a state may not require a seller to collect its sales and use taxes unless the seller has a physical presence in the state because of the undue burdens that would be imposed on the out-of-state sellers. In a nutshell, the Court ruled that the existing state sales tax systems were too complicated and imposed undue burdens on businesses that did not have a physical presence in the state.

Recognizing that e-commerce and remote sales were increasing significantly, that their existing systems were complicated - especially for multi-state businesses - and the voluntary compliance on the part of purchasers to directly remit the use tax already due on untaxed purchases from the remote sellers was extremely low, state legislators, tax administrators, accountants, attorneys and most importantly - business community members came together to:

- (a) Cooperatively discuss the sales tax collection and remittance related issues that imposed burdens on retailers and
- (b) Developed alternatives to reduce or eliminate these burdens.

This effort eventually lead to the development of the Streamlined Sales and Use Tax Agreement (SSUTA). The purpose of the SSUTA is to provide a roadmap on how to simplify and modernize sales and use tax administration in order to substantially reduce the burden of sales tax compliance – not only for remote sellers, but also for your own in-state sellers and the states.

# Streamlined Sales Tax Governing Board, Inc.

It is important to note that the SSUTA focuses on improving sales and use tax administration for all sellers and for all types of commerce (brick and mortar and remote sales alike) by having the states adopt the following simplification and uniformity principles (not an all-inclusive list):

- A. State level administration of sales and use tax collections.
- B. Uniform destination-based sourcing rules for interstate transactions
- C. Uniformity in the state and local tax bases and major definitions.
- D. Central, electronic registration system for all member states.
- E. Simplification of state and local tax rates and the provision of rate and jurisdiction databases.
- F. Simplified exemption administration.
- G. Simplified tax returns and remittance process.
- H. Offering of certified service providers and their related services.
- I. Protection of consumer privacy.

One of the most important concepts contained in the SSUTA is the Certified Service Provider (CSP) model for calculating, collecting, and reporting the taxes due. Under the CSP model, a seller can outsource nearly all its sales tax administration responsibilities. As part of the CSP services, the CSP will handle the set-up, integration and installation of its tax calculation software with that of the seller. In some cases, this is a simple plug and play – but in other instances, such as for those sellers that have an older enterprise accounting system, this will take additional effort on the part of the CSP.

The CSP's tax calculation software will identify which products and services are taxable, will calculate the appropriate state and/or local tax and will interface with the seller's accounting system. The software and services provided will also generate the necessary sales tax returns, file those tax returns and remit the tax to the appropriate taxing authority. In addition, if there are any audits of these sellers, the audits will be handled by the CSP. Prior to being approved as a CSP, each member state will have reviewed and certified the accuracy of the CSP's software. Each state also provides liability relief for errors that may result in the incorrect calculation of the tax amount once the CSP's software is certified.

This software and the related services are **provided at no charge** to sellers for those states where the seller meets the definition of a "volunteer seller." That definition is contained in the contract the SSTGB has with the CSPs. The reason the CSPs are willing to provide the software and services at no charge to these sellers is because the states allow the CSP to keep a percentage of the sales tax they collect and remit to the member states on behalf of the

# Streamlined Sales Tax Governing Board, Inc.

volunteer sellers. The details of the compensation paid to the CSPs are laid out in the CSP contract that is posted on the SSTGB website.

If you go back and review the list of the main simplification and uniformity requirements states must adopt to become members of the SSTGB that I included above, you will see that I didn't include anything about making states tax or exempt the sale of any certain product and/or service. While there are certain uniform definition requirements states must adhere to, there are no specific requirements indicating what a state can or cannot tax. That is left to you – the legislators of this state – to decide.

What we do at Streamlined is focused primarily on the administrative tasks and processes of calculating, collecting and reporting the taxes to make it easier for all sellers to voluntarily comply with the required administrative tasks - but leave it up to each state's legislature to determine what is taxable and what is exempt. It is also very important to note that nothing that is contained in the Streamlined Sales and Use Tax Agreement preempts or overrides your state laws. Your own laws ultimately determine what is taxable and what is exempt. If your laws conflict with the requirements of the SSUTA, then your state may be found to be out of compliance with the SSUTA and need to take some action to get back into compliance or face possible sanctions through our self-policing procedures. However, the SSTGB will not tell you what you ultimately can or cannot tax or exempt.

### The Wayfair Ruling

On June 21, 2018, the United States Supreme Court ruled in the case of *South Dakota v. Wayfair* that its prior decision in the *Quill* case – which required a physical presence in a state before the state could require them to collect its sales tax – was wrong and that physical presence in a state is not required to create a “substantial nexus.” Although the Court determined that physical presence was not necessary, it also indicated that some other principle in the Court’s Commerce Clause might still invalidate the South Dakota law at issue. The “other principle” to which the Court was referring was whether South Dakota’s laws discriminated against or imposed an “undue burden” on interstate commerce. The Court remanded the case back to the State of South Dakota to address these “other principles.” However, the litigants in the case settled with the State of South Dakota rather than trying to push the “undue burden” claim. It is possible the litigants settled with the State of South Dakota because they recognized all the work South Dakota had done to remove the “undue burdens” and would not have been successful.

Although the Court did not need to further discuss what South Dakota had done with respect to removing the “undue burdens” on interstate commerce, they took the liberty to explain some

# Streamlined Sales Tax Governing Board, Inc.

of the features in South Dakota's laws which it indicated appeared to be "...designed to prevent discrimination against or undue burdens upon interstate commerce..." Those features, according to the Court were: (1) there was a safe harbor to protect businesses with only limited business in South Dakota; (2) the law could not be applied retroactively; and (3) South Dakota had adopted the Streamlined Sales and Use Tax Agreement. The Court went on and identified some of the features of the Streamlined Sales and Use Tax Agreement including that (a) it standardized taxes to reduce administrative burdens and costs; (b) required a single, state level administration; (c) provides uniform definitions of products and services; (d) requires simplified rate structures; (e) other uniform rules; (f) provides sellers access to sales tax administration software paid for by the states; and (g) provides immunity for sellers who use the software from audit liability.

Recognizing that the United States Supreme Court pointed to the simplification and uniformity provisions contained in the Streamlined Sales and Use Tax Agreement as one of the reasons why South Dakota's tax system appeared to be designed to prevent discrimination against or undue burdens upon interstate commerce is one of the primary reasons Missouri should amend its statutes to bring the state into compliance with the Streamlined Sales and Use Tax Agreement. There have already been reports of groups that are looking for a state that requires remote sellers to collect and remit its sales and use tax to challenge and claim that it is imposing an "undue burden" on interstate commerce. Joining Streamlined will certainly help Missouri defend itself against that potential "undue burden" challenge by a remote seller.

## Where is Streamlined Today?

As the present point in time, twenty-four of the 46 states (and DC) that have a sales tax have adopted the simplification and uniformity provisions contained in the SSUTA. These states represent about 35 percent of the population. In addition, as of February 1, 2020 we have over 9,200 active retailers that have voluntarily registered through the Streamlined central registration system and agreed to collect and remit the appropriate state and local sales and use taxes in some or all of our member states, regardless of any physical presence in those states. Many of these retailers have been registered through our organization since before 2009 and to date, have remitted over \$4.5 billion of sales and use taxes that in many cases would have otherwise gone uncollected. Also, keep in mind that by everyone paying the sales and use taxes that are already legally due and owing, this will help prevent state and local governmental units from having to either make cuts to some of the essential services your citizens expect or for you to have to consider other possible methods to fund these services. As the volume of remote sales continues to rise, state and local governmental units will continue to see lower than expected growth in their sales tax revenues.

# Streamlined Sales Tax Governing Board, Inc.

Although Streamlined's initial goal was to have Congress pass federal legislation that recognized the work our member states did to make the collection and remittance of sales tax as simple and burden free as possible and allow states that have adopted these simplification and uniformity provisions to require remote sellers to collect and remit their sales and use taxes, since the United States Supreme Court's decision in *South Dakota v. Wayfair*, we are now urging Congress not to get involved, but instead let the states show them that they can implement this collection requirement in a fair and reasonable manner.

Requiring everyone, including remote sellers, to collect and remit your states sales and use taxes will help level the playing field between your own brick and mortar sellers and remote sellers and ultimately lead to everyone paying the same sales and use taxes they already legally owe – regardless of whom they make the purchase from – and without the government inadvertently picking winners and losers.

If you would like to speak to some state legislators from other states that have joined the Streamlined Sales Tax Governing Board and discuss their experiences, please feel free to reach out to Senators Wayne Harper or Curt Bramble (UT), Representative Brian Patrick Kennedy (RI), Senator Ann Rest (MN), Representative Gary Scherer (OH), Representative Tim Reed (SD) or Senator Jack Kolbeck (SD). They are all state legislators that have been actively involved with the Streamlined organization – some since its inception.

I appreciate you taking the time to read this and thoughtfully consider how joining Streamlined can help the State of Missouri, its local units of government, its citizens and its businesses.

I would also encourage you to feel free to reach out to me if you have any questions or want additional information regarding the Streamlined Sales Tax Governing Board and our operations.

Sincerely,

Craig Johnson, Executive Director  
Streamlined Sales Tax Governing Board, Inc.  
100 Majestic Drive, Suite 400  
Westby, WI 54667  
(608)634-6160 Office  
(608)509-8971 – Mobile  
[craig.johnson@sstgb.org](mailto:craig.johnson@sstgb.org)

# City of Sikeston, MO

## Council Letter

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Date of Meeting: August 5, 2019

Originating Department: City Manager

To the Mayor and City Council:

Subject: Use Tax Ballot Issue

Attachment(s):

1. Bill Number 6160
2. Frequently Asked Questions

Action Options:

1. Conduct 1<sup>st</sup> and 2<sup>nd</sup> Reading of Emergency Bill Number 6160
2. Other Action Council May Deem Necessary

Background:

Over 166 cities and 62 counties in Missouri have adopted a local use tax, including Scott County, New Madrid County, Cape Girardeau County and a number of nearby cities. A use tax is similar to a sales tax, but is imposed on sales of goods from non-Missouri vendors that are intended for use, storage, or consumption in Missouri. It is not a double tax; it is only imposed on sales that are not already subject to sales tax.

Out-of-state vendors currently have an unfair advantage over our local businesses, because they can sell goods to be delivered here without charging their local sales tax or our local sales tax. A use tax would level the playing field for local Sikeston vendors. In addition, as more and more sales have moved from local retailers to online and out of state retailers, sales tax revenue for essential city services and quality of life investments has not kept pace with inflation, reducing the city's buying power and ability to maintain the city services that make Sikeston a great place to live.

Over the last 15 years, taxable sales in Sikeston have increased a total of 11.2%. In the same time period the cumulative inflation rate has been 31.4%. In the past 4 years since the new capital improvement sales tax has been collected, total sales tax collections have actually declined as more and more people have embraced online shopping, which is largely untaxed.

According to the US Department of Commerce, 9% of all retail sales are now occurring online, up from 3% ten years ago; if these sales involve out-of-state vendors, then the sales are not subject to our local sales tax. There is no reason to think this upward trend will not continue. The retail marketplace has fundamentally changed. Prior to the rise of online shopping, consumers were paying local sales tax on the goods they are now purchasing online. Passage of a use tax is essential to closing the online loophole.

That said, the use tax is not exactly the same as an internet sales tax. It is a tax on out-of-state sales that are not otherwise taxed. It will apply to some internet sales but not universally. The State of Missouri cannot require out-of-state companies that do not have a physical presence in Missouri, or do not have a contract with the State of Missouri, to collect and remit use tax. Neither sales taxes nor use taxes will apply to all internet sales until Federal regulations close all the loopholes. Individual consumers will not have to file a use tax return unless they make more than \$2,000 in out-of-state purchases that were not already taxed (this is already a State law).

Much more information regarding the use tax and City finances is included in the attached Frequently Asked Questions.

Council is asked to conduct first and second readings and consider approval of the attached Emergency Bill Number 6160. The bill is presented as an emergency bill in order to comply with State of Missouri election statutes. The bill calls for the following question to be placed on the November 5, 2019 ballot:

Shall the City of Sikeston, Missouri, in order to eliminate the current sales tax advantage that Non-Missouri vendors have over Missouri vendors, place a local use tax on Out-of-State purchases?

This would be at the same rate as the local sales tax, currently 3%. If any local sales tax is repealed, reduced or raised by voter approval, the respective local use tax rate shall also be repealed, reduced or raised by the same action.

A use tax return shall not be required to be filed by persons whose purchases from Out-of-State vendors do not total more than two thousand dollars in any calendar year.

**INSTRUCTIONS TO VOTERS:** If you are in favor of the question, fill in the oval opposite "YES". If you are opposed to the question, fill in the oval opposite "NO".

Yes

No

 **CITY OF COLUMBIA**

# PROP 1

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## USE TAX

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**ELECTION: NOVEMBER 7, 2017**

On Aug. 21 City Council voted to place Proposition 1, a local Use Tax, on the Nov. 7, 2017 ballot. A local Use Tax is a tax that applies to purchases made from out-of-state vendors.

**Official Ballot Language**

Shall the City of Columbia, Missouri impose a local use tax at the same rate as the total local sales tax rate, currently two percent (2%), provided that if the local sales tax rate is reduced or raised by voter approval, the local use tax rate shall also be reduced or raised by the same action? A use tax return shall not be required to be filed by persons whose purchases from out-of-state vendors do not in total exceed two thousand dollars (\$2,000.00) in any calendar year.

YES  
 NO

If you are in favor of the proposition, darken the oval opposite "YES". If you are opposed to the proposition, darken the oval opposite "NO".

### Frequently Asked Questions about Proposition 1:

***I already pay Sales Tax, is this the same thing?***

No. The Sales Tax applies to purchases made at retail within Missouri, while the Use Tax applies to purchases made from out-of-state vendors. Purchases cannot fall into both groups and therefore a purchase would not be taxed twice.

***What is the Use Tax rate?***

The Use Tax is imposed at the same rate as the total local Sales Tax rate, currently two percent (2%). If the local Sales Tax rate is reduced or raised by voter approval, the local Use Tax rate shall also be reduced or raised by the same action.

***How is the Use Tax reported?***

Businesses report their use tax quarterly to the State of Missouri. If the business does not collect the tax, the consumer is responsible for self-reporting purchases subject to the Use Tax exceeding two thousand dollars (\$2,000.00) in a calendar year to the Missouri Department of Revenue. Residents self-report annually on their taxes due every April 15. This is not a new reporting obligation imposed by Proposition 1. The reporting requirement is currently in existence for the State Use Tax of 4.225%.

***How much will the City of Columbia receive from a local Use Tax?***

The Missouri Department of Revenue issues public information reports for Use Tax taxable sales and purchases by locality. From 2007 to 2016, the yearly average Use Tax taxable sales and purchases for Columbia was approximately \$45 million. Using the two percent (2%) local tax rate, the Use Tax revenue that Columbia would have received each year from 2007 to 2016 would have been approximately \$900,000.

***Why is this important to City of Columbia's residents?***

The Use Tax levels the playing field for local businesses who are required to pay the local Sales Tax. With no local Use Tax in place, consumers have an incentive to purchase items from out-of-state vendors instead of buying locally. This costs the city local jobs and tax revenue because millions of dollars are sent out of our state and local economy.

The City of Columbia needs to maintain this revenue stream for vital City services such as:

- Public safety (police and fire)
- Roads
- Sidewalks

***Do other Missouri cities have a Use Tax?***

Yes. Approximately half of all Missouri cities with populations of 2,000 or more already have a Use Tax in place. The City of Columbia does not. Large cities with a Use Tax are Kansas City, St. Louis and Springfield. Cities in the mid-Missouri area with a Use Tax are Boonville, Moberly and Fayette.

For more information and additional details for businesses, visit the City of Columbia website at [CoMo.gov/usetax](http://CoMo.gov/usetax) or the Missouri Department of Revenue at [dor.mo.gov/business/sales](http://dor.mo.gov/business/sales).

The Board of Aldermen has approved introducing Proposition U to the residents of Sunset Hills on the April 6, 2021 municipal election ballot. Proposition U is a use tax proposal that will not increase or change the local sales tax rate. Learn more on our website: [sunset-hills.com/propu](http://sunset-hills.com/propu).

## Just the Facts About Proposition U

**Proposition U will not increase the local sales tax.**

This proposal will not increase or change our local sales tax. For the vast majority of purchases made by local residents, passing this proposal will not change anything. The use tax is applied to some out-of-state and online purchases and is only collected when sales taxes are not. The State of Missouri already collects the state use tax; this proposal simply adds our local portion.

**Out-of-state retailers will be subject to the same tax rate as local retailers, leveling the playing field for local businesses.**

Local retailing the City of Sunset Hills collect sales taxes, but many out-of-state retailers do not. The use tax will subject all retail sales, in-state, out-of-state, and online purchases to the same tax rate.

**Proposition U will help Sunset Hills to maintain the current level of services enjoyed by our residents.**

As more and more retail sales shift to out-of-state purchases, Proposition U will help to ensure the City of Sunset Hills is able to continue provide top-notch municipal services like street repairs and snowplowing, an excellent police department, and continued maintenance of our many parks. Several area municipalities like Brentwood, Kirkwood, and Crestwood have implemented a use tax.

**Election Day is April 6th**

In any election, every vote is important. That's why it's critical that you remember to vote on April 6th and remind your friends and neighbors to do the same. With COVID-19, it is more important than ever to be familiar with absentee and in-person voting requirements.



# PROP 1

USE TAX  
Columbia, MO  
April 5, 2022

## USE TAX VOTER INFORMATION

The Columbia City Council has voted to call a special election on the question of whether to impose a local use tax. The election will take place Tuesday, April 5, 2022.

A use tax would ensure that purchases from online vendors located outside of the state are subject to the same local tax rates as those purchases made from Columbia vendors.

## OFFICIAL BALLOT LANGUAGE

### PROPOSITION 1

Shall the City of Columbia, Missouri impose a local use tax at the same rate as the total local sales tax rate, provided that if the local sales tax rate is reduced or raised by voter approval, the local use tax rate shall also be reduced or raised by the same action?

YES  NO

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

## WHAT IS A USE TAX?

- A use tax is a local tax on goods purchased from out of state (most often online) for delivery to and use in the City of Columbia.
- The City of Columbia collects a 2% local sales tax on all goods and services purchased from local businesses.
- Currently, that is not the case for purchases made online from out-of-state vendors.

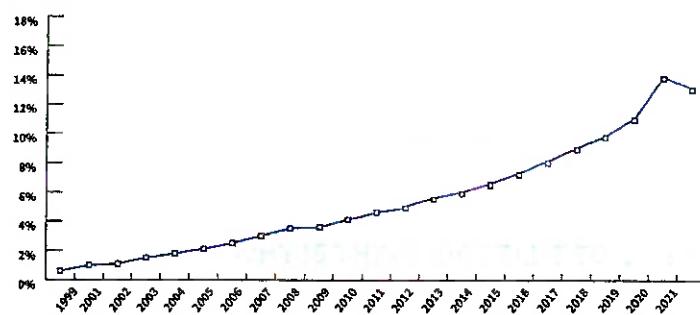
## WHAT IS PROP 1?

- If you purchase a piece of furniture at a store located here in Columbia, the vendor collects a state and local sales tax on that item.
- However, if the same person purchased the same piece of furniture online from a vendor located outside the state of Missouri, the vendor is not required to collect the same local sales tax.
- If voters approve Prop 1 on April 5, 2022, a 2% local use tax would be collected on goods and services purchased from out-of-state vendors.
- The revenue generated from the use tax would be allocated in the same manner as the City's local sales tax.

## MODERNIZING COLUMBIA'S REVENUE SOURCES

- Nationwide, online sales rose 30% during the pandemic and now represent more than 13% of total retail sales.
- Because of the prominence of online shopping, the City has missed out on approximately \$30 million in tax revenue over the last five years.
- If voters approve Prop 1, it's estimated that a use tax would bring \$5.6 million back into our community each year.
- Those additional funds would go toward public safety, public health, streets, sidewalks and more.

### ONLINE SHOPPING AS A PERCENT OF TOTAL RETAIL (NATIONWIDE)



## HOW WOULD THE CITY SPEND USE TAX REVENUE?

With a use tax, the city could fund and maintain the following:



7  
NEW  
FIREFIGHTERS



8  
NEW  
POLICE OFFICERS

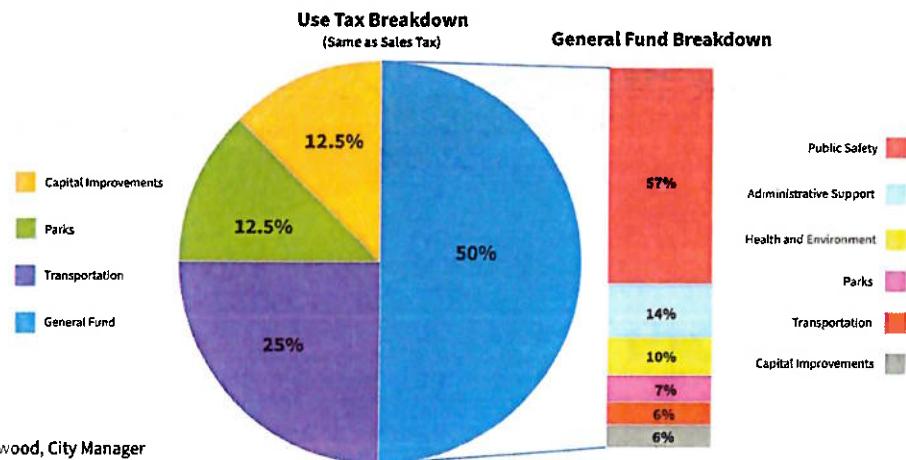


15  
LANE MILES OF ANNUAL STREET  
MAINTENANCE AND REPAIRS



30  
BLOCKS OF ANNUAL SIDEWALK  
MAINTENANCE AND REPAIRS

## WHAT WOULD A USE TAX MEAN FOR COLUMBIA BUSINESSES?



Paid for by the City of Columbia, Missouri. De'Carlon Seewood, City Manager  
701 E. Broadway, P.O. Box 6015, Columbia, MO 65205.

## FREQUENTLY ASKED QUESTIONS

- **DOES BOONE COUNTY ALSO HAVE A SEPARATE USE TAX QUESTION ON THE APRIL 5 BALLOT?**

Yes. Boone County has also placed its own use tax question on the April ballot. That means two use tax questions will be on the ballot, one for Boone County and one for the City of Columbia. Currently, neither the county nor the City collect a use tax.

- **I ALREADY PAY SALES TAX, IS THIS THE SAME THING?**

No. The sales tax applies to purchases made at retail within Missouri, while the use tax applies to purchases made from out-of-state vendors. Use tax is not a double tax. Residents would never have to pay both use and sales tax on the same purchase.

- **WHAT IS THE USE TAX RATE?**

The use tax is imposed at the same rate as the total local sales tax rate, currently 2%. If the local sales tax rate is reduced or raised by voter approval, the local use tax rate shall also be reduced or raised by the same action.

- **HOW MUCH WILL THE CITY OF COLUMBIA RECEIVE FROM A LOCAL USE TAX?**

It's estimated that the City would collect \$5.6 million annually through the use tax.

- **WHY IS THIS IMPORTANT TO CITY OF COLUMBIA RESIDENTS?**

With no local use tax in place, consumers have an incentive to purchase items from out-of-state vendors instead of buying locally. This costs the city local jobs and tax revenue because millions of dollars are sent out of our state and local economy.

The City of Columbia needs to maintain this revenue stream for vital City services such as:

- Public safety (police and fire)
- Roads
- Sidewalks

- **DO OTHER MISSOURI CITIES HAVE A USE TAX?**

Yes. More than 220 Missouri cities have a use tax. Large cities such as Kansas City, St. Louis and Springfield have a use tax. Cities in the mid-Missouri area with a use tax are Boonville, Fayette, Fulton, Holts Summit, Mexico, Moberly and Sturgeon.

- **WILL THE USE TAX APPLY TO ALL ONLINE PURCHASES?**

It depends on where the transaction occurs. If goods are purchased online from a vendor located in Missouri, sales tax is applied at the rate applicable to the vendor's location. If goods are purchased online from a vendor outside of Missouri the use tax applies.

### VOTING INFORMATION FOR APRIL 5, 2022, ELECTION

- **Last day to register to vote:**  
Wednesday, March 9
- **Application deadline to vote absentee by mail:**  
Wednesday, March 23
- **Deadline for absentee voting in person in the county clerk's office:**  
Monday, April 4
- **County clerk's office Saturday hours:**  
March 5 and April 2, 9 a.m. to 1 p.m.





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