

 **CITY OF COLUMBIA**  
**PROP 1**  
**— USE TAX —**  
**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](https://www.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.