
REQUESTED COUNCIL MEETING DATE: July 3 & July 17, 2018
ITEM: Use Tax / Ballot Issue

ORIGINATING DEPARTMENT: General Admin
ATTACHMENTS: Ordinance

ROUTING ORDER

INTERIM CITY MANAGER: Dana Daniel *DD* **DATE:** 6-20-18
FINANCE DIRECTOR: Daphne Pevahouse **DATE:**
CITY CLERK: Rachel Holcomb **DATE:**
CITY ATTORNEY: Steve Hays **DATE:**

PURPOSE:

Seek Council approval for ballot language.

BACKGROUND:

Council previously approved a request to put a 'Use Tax' proposal on the ballot.

In Missouri a municipality is required to seek approval from its voters for the implementation of a Use Tax. Without a Use Tax no tax can be imposed on purchases by a Missouri resident from out of state vendors that do not have a physical presence in or a contract with the state of Missouri.

Additionally this also hurts our local business owners, in that the absence of a Use Tax can encourage purchases from out of state vendors (ie: vehicles).

RECOMMENDATION:

Staff requests Council to approve and authorize Mayor to sign the attached ordinance.

AN ORDINANCE OF THE CITY OF NEOSHO, MISSOURI, IMPOSING A USE TAX FOR GENERAL REVENUE PURPOSES AT THE RATE OF TWO AND ONE-HALF PERCENT (2.5%) PURSUANT TO THE AUTHORITY GRANTED BY AND SUBJECT TO THE PROVISIONS OF SECTIONS 144.600 THROUGH 144.781 RSMO; PROVIDING FOR THE USE TAX TO BE REPEALED, REDUCED OR RAISED; AND PROVIDING FOR SUBMISSION OF THE PROPOSAL TO THE QUALIFIED VOTERS OF THE CITY FOR THEIR APPROVAL AT THE GENERAL ELECTION CALLED AND TO BE HELD IN THE CITY ON NOVEMBER 6th, 2018.

WHEREAS, the City has imposed total local sales taxes, as defined in Section 32.085 RSMo, at the rate of two and one-half percent (2.50%); and

WHEREAS, the City is authorized, under Section 144.757 RSMo, to impose a local use tax at a rate equal to the rate of the total local sales taxes in effect in the City; and

WHEREAS, the proposed City use tax cannot become effective until approved by the voters at a municipal, county or state general, primary or special election;

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NEOSHO, MISSOURI, AS FOLLOWS:

Section 1: Pursuant to the authority granted by, and subject to, the provisions of Sections 144.600 through 144.761 RSMo, a use tax for general revenue purposes is imposed for the privilege of storing, using or consuming within the City any article of tangible personal property. This tax does not apply with respect to the storage, use or consumption of any article of tangible personal property purchased, produced or manufactured outside this state until the transportation of the article has finally come to rest within this City or until the article has become commingled with the general mass of property of this City.

Section 2: The rate of the tax shall be two and one-half percent (2.50%). If any city sales tax is repealed or the rate thereof is reduced or raised by voter approval, the city use tax rate also shall be deemed to be repealed, reduced or raised by the same action repealing, reducing or raising the city sales tax.

Section 3: The City Clerk shall notify the County Clerk of the City's intention to hold such election and of the form of the ballot. The County Clerk shall act as election authority. Polling places for the election will be the Neosho High School, Northside Baptist Church, The Neosho Civic Center, Lampo Community Center, and NewMac Electric.

Section 4: This tax shall be submitted to the qualified voters of the City of Neosho, Missouri, for their approval, as required by the provisions of Section 144.757 RSMo, at the election hereby called and to be held in the City on Tuesday, the 6th day of November 2018. The ballot of submission shall contain substantially the following language;

Shall the City of Neosho, Missouri, impose a local use tax at the same rate as the total local sales tax rate, currently two and one-half percent (2.50%), 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 in total exceed two thousand dollars in any calendar year.

YES

NO

This ordinance shall be in full force and effect upon final passage and approval.

APPROVED after final passage this 17th day of July, 2018.

ATTEST:

CITY OF NEOSHO, CITY COUNCIL

Clerk

Mayor

APPROVED:

City Attorney