

HB 641 -- LOCAL SALES TAXES

SPONSOR: Koenig

Beginning January 1, 2016, this bill requires all new local sales taxes and local sales tax increases to be submitted to the voters of the tax jurisdiction for retention or repeal every 10 years. However, if the local sales tax proceeds are used for debt service, the tax will be submitted to the voters every 30 years. If a majority of the voters are in favor of the retention of the tax, the tax will remain imposed. If a majority of the voters are not in favor of retaining the tax, then it will be repealed effective December 31 of the same calendar year as the vote. An exception is created in this bill for any municipality that does not currently impose a local sales tax or imposes a local sales tax of less than 1% as of January 1, 2016.

The bill requires any new local sales tax or local sales tax increase not required to be submitted to voters to be reviewed for retention or repeal every 10 years by the same source that originally imposed the tax.