

HB 1335 -- Sales Taxes in St. Louis County

Sponsor: Leara

Currently, cities in St. Louis County are divided into two groups, Group A and Group B, for the purpose of distributing the county sales tax and the special municipal sales tax imposed by cities in St. Louis County under Section 94.850, RSMo. Once a Group A city chooses to become part of Group B, it cannot revert back to Group A. A Group B city cannot choose to become a Group A city.

Beginning January 1, 2013, this bill provides that Group A will consist of all cities that adopt an ordinance to become part of Group A, as well as all unincorporated areas of the county. Group B will consist of all other cities.

From October 1, 2012, until December 1, 2012, and from the effective date of the next decennial census until December 1 of that census year, cities in St. Louis County may, by adoption of an ordinance, choose to become part of Group A or Group B, and may, by a separate declaration, provide that any area annexed or consolidated since April 1, 1993, is in Group A or Group B. Changes between Group A and Group B are allowed during these time periods.

If the city or a consolidated or annexed area adopts an ordinance changing groups, the clerk of the entity must notify the Director of the Department of Revenue of the transfer within 10 days, and the distribution to the city under the new group will begin on January 1 of the year following the notification.

The formula for the distribution of the county sales tax and the special municipal sales tax is changed by requiring that a Group B city that has imposed the special municipal sales tax receive at least 85% of the revenues collected in that city.

Currently, 10% of the county sales tax and the special municipal sales tax goes to St. Louis County for the unincorporated areas of the county that are not in either Group A or Group B. The bill repeals these provisions because the unincorporated areas will be included in Group A.