

HB 194 -- LOCAL SALES TAX ON MOTOR VEHICLES

SPONSOR: Redmon

COMMITTEE ACTIONS: Voted "Do Pass" by the Standing Committee on Ways and Means by a vote of 11 to 0. Voted "Do Pass" by the Select Committee on Financial Institutions and Taxation by a vote of 10 to 0.

This bill requires voter approval of the local taxing jurisdiction before the local sales tax can be imposed on the titling of motor vehicles, trailers, boats, or outboard motors purchased from a source other than a licensed Missouri dealer.

PROPOSERS: Supporters say that in 2012, the court changed the tax law on motor vehicles purchased out-of-state, stating that the purchase is a use tax and not a sales tax. The bill is an extension of a bill passed for collecting local use tax on out-of-state purchases of motor vehicles. The bill simply allows a city or county to re-submit the local sales tax on the titling of a motor vehicle on a ballot after November 2016. The bill allows more time to have the vote. It is important to make clarification in the event that a community wants to make future changes.

Testifying for the bill were Representative Redmon; Missouri Municipal League; Missouri Association of Counties; City of Lee's Summit; and Missouri Budget Project.

OPPOSERS: There was no opposition voiced to the committee.