

HCS HB 812 -- ST. LOUIS COUNTY SALES TAX

SPONSOR: Leara

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Local Government by a vote of 8 to 3. Voted "Do Pass with HCS" by the Select Committee on State and Local Governments by a vote of 10 to 0.

Currently, under Section 66.620, RSMo, cities in St. Louis County are divided into two groups, Group A and Group B, for the purpose of distributing the county sales tax imposed under Sections 66.600 to 66.630 and the special municipal sales tax imposed by cities in St. Louis County under Section 94.850. Beginning January 1, 2016, this bill changes the distribution formula so that municipalities in Group B must receive at least 50% of the amount of taxes generated within the municipalities based on location where the sales were deemed consummated. The Director of the Department of Revenue will make adjustments for each municipality in Group B located wholly or partly within the taxing county that would receive a distribution that is less than 50% of the amount of taxes generated within the municipality based on the location in which the sales were deemed consummated if no adjustment were made and calculate the difference between the amount that the distribution to each municipality would have been without any adjustment and the amount that equals 50% of the amount of taxes generated within the municipality based on the location in which the sales were deemed consummated. When a municipality is partly in Group A and partly in Group B, the director must calculate 50% of the amount of taxes generated within the municipality based on the location in which the sales were deemed consummated by multiplying 50% by the amount of all county sales taxes collected by the director under Sections 66.600 to 66.630, less 1% for the cost of collection, that are generated within the municipality based on the location in which the sales were deemed consummated, regardless of whether the taxes are deemed consummated in Group A or Group B.

The bill also authorizes St. Louis County, upon voter approval, to impose a sales tax of up to .5% for law enforcement services.

PROPOSERS: Supporters say that some cities contribute substantially more than they receive, and some cities receive substantially more than they contribute. The current pooling system is an inequitable, unjustifiable, excessive, irrational, unfair, and unconstitutional redistribution of revenue.

Testifying for the bill were Representative Leara and City of Chesterfield.

OPPONENTS: Those who oppose the bill say that it would create a tremendous dent in many cities' budgets and could lead to a cut in police and other vital municipal services. Only seven cities would benefit by this scheme.

Testifying against the bill were Tom Schneider, City of Florissant; Thomas Curran, St. Louis County Executive Office; Gerry Welch, City of Webster Groves; James McGee, City of Vinita Park; and Tim Woerther, City of Wildwood.