

HCS HB 1561 -- ST. LOUIS COUNTY SALES TAX (Leara)

COMMITTEE OF ORIGIN: Standing Committee on Local Government

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, 2017, 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 the location where the sales were deemed consummated. Group A excludes St. Louis County while Group B includes St. Louis County.

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. If the county and Group B cities receive more than 50% of the sales tax revenue they generate such that some of the revenue would be given to Group B cities that receive less than 50% of their generated sales tax revenue, in no event will the contributing city or county receive less than the amount they received in 2014.

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.

St. Louis County is authorized to impose in the unincorporated parts of the county, upon voter approval, a sales tax of up to 0.5% for the purpose of providing law enforcement services. If the voters do not approve the sales tax, the proposal to impose the sales tax must not be resubmitted sooner than 36 months from the date of the last proposal. If the voters fail to approve the sales

tax a second time, the county cannot resubmit the issue a third time.