

HCS HBs 876, 771, 676 & 551 -- SALES TAX (Hurlbert)

COMMITTEE OF ORIGIN: Standing Committee on Local Government

This bill modifies provisions relating to various sales taxes.

SALES TAX

Currently, certain adjoining counties may jointly impose a sales tax throughout each of their respective counties for public recreational purposes including the financing, acquisition, construction, operation, and maintenance of recreational projects and programs. The sales taxes will not become effective unless it is approved by a majority of the voters in each county.

This bill changes the authorization language so that the counties do not have to act jointly. Each county is individually authorized to impose, upon voter approval, its own tax for public recreational purposes. Upon enactment, this bill applies to Bollinger and Cape Girardeau counties (Sections 67.782, 67.783, and 67.785, RSMo).

Beginning January 1, 2024, this bill eliminates any local or state sales or use tax on the retail sale of food (Section 144.014).

This bill also eliminates local sales tax on sales of all necessary personal hygiene products and toiletries, as described in the bill (Section 144.030).

This bill exempts from sales tax all sales of used tangible personal property, including any tangible personal property that is sold a second time or any number of additional subsequent times after the initial point of sale, at an auction. The provisions of this bill shall not apply to motor vehicles, trailers, boats, or outboard motors purchased or acquired for use on the highways or waters of this state which are required to be titled (Sections 144.030 and 144.615).

This bill repeals a provision of law that prohibits an emergency services board in a county with a charter form of government and with more than 200,000 but fewer than 350,000 inhabitants from imposing a sales tax for emergency services or for providing central dispatching for emergency services greater than one-quarter of one percent. If the tax was greater than that amount on July 9, 2019, the Board was required to lower the tax rate. Upon enactment, this provision only applies to Jefferson County (Section 190.327).

Currently, certain fire protection districts in certain counties are authorized to impose a sales tax to provide revenues for

operation of the fire protection district. The bill changes the description of one of the counties listed to reflect that it is now a charter county. Upon enactment, the description that includes Clay County will be updated (Section 321.246).

TRANSIENT GUEST TAX

This bill authorizes any city with more than 2,700 but fewer than 3,000 inhabitants and located in a county with more than 50,000 but fewer than 60,000 inhabitants and with a county seat with more than 17,000 but fewer than 21,000 inhabitants, upon voter approval, to impose a transient guest tax not to exceed 6% of the charges per occupied room per night, to be used for the purposes of promoting tourism, economic development, and the retention and growth of any military base near the city. Upon enactment, this provision applies to Knob Noster and Wentzville (Section 67.1009).

This bill authorizes certain cities, upon voter approval, to impose a transient guest not to exceed 6% of the charges per occupied room per night, to be used for municipal purposes. Upon enactment, this provision applies to the city of Harrisonville (Section 67.1013).

This bill adds any city with more than 8,000 but fewer than 9,000 inhabitants and partially located in a county with more than 19,000 but fewer than 22,000 inhabitants to the list of cities and counties authorized in the bill to impose, upon voter approval, a transient guest tax of between 2% and 5% per occupied room per night for tourism purposes. Upon enactment, the bill applies to the City of Cameron (Section 67.1360).

Currently, certain cities are authorized to impose a transient guest tax of up to 6% and a tax of up to 2% on the gross receipts derived from the retail sales of food by every person operating a food establishment for certain purposes. As originally enacted, the bill applied to the city of Lamar Heights. This bill would allow a municipality to increase the tax rate on retail sales of food to 6% and would allow both taxes to be used for general revenue purposes. The description of the authorized cities is expanded, and upon enactment the bill applies to the city of Lamar Heights (Section 94.838).

PUBLIC SAFETY SALES TAX

This bill adds certain cities to the list of cities in Section 94.900, RSMo, authorized to impose, upon voter approval, a sales tax in the amount of up to 0.5% on all retail sales for the purpose of improving public safety, which will be limited to expenditures on equipment, salaries and benefits, and facilities for police, fire, and emergency medical providers. Cities enacting this tax

are prohibited from reducing the public safety budget of the city by the tax revenue amount. Upon enactment, this applies to the cities of Smithville, Odessa, and Marshall (Section 94.900).

The bill also adds certain cities to the list of cities in Section 94.902 authorized to impose, upon voter approval, a sales tax in the amount of up to 0.5% on all retail sales for the purpose of improving public safety, including but not limited to expenditures on equipment, city employee salaries and benefits, and facilities for police, fire, and emergency medical providers. Upon enactment, this applies to the cities of Lincoln, Cole Camp, Branson West, and Clinton (Section 94.902).