

HCS HB 2349 -- LOCAL SALES TAX COLLECTION

SPONSOR: Koenig

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Ways and Means by a vote of 10 to 0. Voted "Do Pass with HCS" by the Select Committee on Financial Institutions and Taxation by a vote of 9 to 0.

This bill simplifies the laws regarding local sales and use tax administration and collection. The bill specifies that:

- (1) When a city annexes or detaches property, the city clerk must forward a certified copy of the ordinance to the Director of the Department of Revenue within 10 days of adoption of the ordinance. The tax rate in the added or abolished territory must become effective on the first day of the calendar quarter after 120 days' notice to sellers of the change;
- (2) When a political subdivision changes the tax rate or the local sales tax boundary, the change must become effective on the first day of the calendar quarter after 120 days' notice to sellers;
- (3) When specified political subdivisions repeal an existing tax, the repeal must become effective on the first day of the calendar quarter after 120 days' notice to sellers; and
- (4) When a city or county abolishes an existing tax the repeal will be effective December 31 of the same year and the director must be notified 90 days prior to the effective date.

The bill also:

- (1) Authorizes the department director to retain 1% of the amount of any local sales or use taxes collected by the department for the cost of collection; and
- (2) Requires the department director to perform all functions regarding the administration, collection, enforcement, and operation of all sales taxes.

This bill is similar to HCS HB 1067 (2015).

PROPONENTS: Supporters say that while this bill is large, it is uncontroversial and simplifies the local sales and use tax collection process. Local sales tax laws have been passed over a period of time and this helps clean up the language. It is a good first step towards enacting the streamlined sales tax.

Testifying for the bill were Representative Koenig; Missouri Budget Project; and the Missouri Association Of Counties.

OPPONENTS: There was no opposition voiced to the committee.