

SECOND REGULAR SESSION

HOUSE BILL NO. 1955

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES DOUGHERTY (Sponsor) AND SALVA (Co-sponsor).

Read 1st time March 6, 2006 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

5405L.01I

AN ACT

To amend chapter 82, RSMo, by adding thereto one new section relating to local sales tax.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 82, RSMo, is amended by adding thereto one new section, to be
2 known as section 82.875, to read as follows:

**82.875. 1. The governing body of any home rule city with more than one hundred
2 thirteen thousand two hundred but fewer than one hundred thirteen thousand three
3 hundred inhabitants may impose, by order or ordinance, a sales tax on all retail sales made
4 within the city which are subject to sales tax under chapter 144, RSMo. The tax authorized
5 in this section shall not exceed two percent of the gross receipts of such retail sales, may be
6 imposed in increments of one-eighth of one percent, and shall be imposed solely for the
7 purpose of funding police services provided by the police department of the city. The tax
8 authorized in this section shall be in addition to all other sales taxes imposed by law, and
9 shall be stated separately from all other charges and taxes. The order or ordinance shall
10 not become effective unless the governing body of the city submits to the voters residing
11 within the city at a state general, primary, or special election a proposal to authorize the
12 governing body of the city to impose a tax under this section.**

**13 2. The ballot of submission for the tax authorized in this section shall be in
14 substantially the following form:**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

15 **Shall (insert the name of the city) impose a sales tax at a rate of (insert rate**
16 **of percent) percent, solely for the purpose of funding police services provided by the police**
17 **department of the city?**

18 ☐ **YES**

☐ **NO**

19

20 **If you are in favor of the question, place an "X" in the box opposite "YES". If you are**
21 **opposed to the question, place an "X" in the box opposite "NO".**

22

23 **If a majority of the votes cast on the question by the qualified voters voting thereon are in**
24 **favor of the question, then the tax shall become effective on the first day of the second**
25 **calendar quarter immediately following notification to the department of revenue. If a**
26 **majority of the votes cast on the question by the qualified voters voting thereon are**
27 **opposed to the question, then the tax shall not become effective unless and until the**
28 **question is resubmitted under this section to the qualified voters and such question is**
29 **approved by a majority of the qualified voters voting on the question.**

30 **3. All revenue collected under this section by the director of the department of**
31 **revenue on behalf of any city, except for one percent for the cost of collection which shall**
32 **be deposited in a special trust fund, which is hereby created and shall be known as the**
33 **"City Police Services Sales Tax Fund", and shall be used solely for the designated**
34 **purposes. Moneys in the fund shall not be deemed to be state funds, and shall not be**
35 **commingled with any funds of the state. The director may make refunds from the amounts**
36 **in the trust fund and credited to the city for erroneous payments and overpayments made,**
37 **and may redeem dishonored checks and drafts deposited to the credit of such city. Any**
38 **funds in the special trust fund which are not needed for current expenditures shall be**
39 **invested in the same manner as other funds are invested. Any interest and moneys earned**
40 **on such investments shall be credited to the fund.**

41 **4. On or after the effective date of the tax, the director of revenue shall be**
42 **responsible for the administration, collection, enforcement, and operation of the tax, and**
43 **sections 32.085 and 32.087, RSMo, shall apply. In order to permit sellers required to**
44 **collect and report the sales tax to collect the amount required to be reported and remitted,**
45 **but not to change the requirements of reporting or remitting the tax, or to serve as a levy**
46 **of the tax, and in order to avoid fractions of pennies, the governing body of the city may**
47 **authorize the use of a bracket system similar to that authorized in section 144.285, RSMo,**
48 **and notwithstanding the provisions of that section, this new bracket system shall be used**
49 **where this tax is imposed and shall apply to all taxable transactions. Beginning with the**
50 **effective date of the tax, every retailer in the city shall add the sales tax to the sale price,**

and this tax shall be a debt of the purchaser to the retailer until paid, and shall be recoverable at law in the same manner as the purchase price. For purposes of this section, all retail sales shall be deemed to be consummated at the place of business of the retailer.

5. All applicable provisions in sections 144.010 to 144.524, RSMo, governing the state sales tax, and section 32.057, RSMo, the uniform confidentiality provision, shall apply to the collection of the tax, and all exemptions granted to agencies of government, organizations, and persons under sections 144.010 to 144.525, RSMo, are hereby made applicable to the imposition and collection of the tax. The same sales tax permit, exemption certificate, and retail certificate required by sections 144.010 to 144.525, RSMo, for the administration and collection of the state sales tax shall satisfy the requirements of this section, and no additional permit or exemption certificate or retail certificate shall be required; except that, the director of revenue may prescribe a form of exemption certificate for an exemption from the tax. All discounts allowed the retailer under the state sales tax for the collection of and for payment of taxes are hereby allowed and made applicable to the tax. The penalties for violations provided in section 32.057, RSMo, and sections 144.010 to 144.525, RSMo, are hereby made applicable to violations of this section. If any person is delinquent in the payment of the amount required to be paid under this section, or in the event a determination has been made against the person for taxes and penalty under this section, the limitation for bringing suit for the collection of the delinquent tax and penalty shall be the same as that provided in sections 144.010 to 144.525, RSMo.

6. The governing body of any city that has adopted the sales tax authorized in this section may submit the question of repeal of the tax to the voters on any date available for elections for the city. The ballot of submission shall be in substantially the following form:

Shall (insert the name of the city) repeal the sales tax imposed at a rate of (insert rate of percent) percent for the purpose of funding police services provided by the police department of the city?

☐ YES

☐ NO

If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed to the question, place an "X" in the box opposite "NO".

If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of repeal, that repeal shall become effective on December thirty-first of the calendar year in which such repeal was approved. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the repeal, then the sales tax authorized in this section shall remain effective until the question is resubmitted under this section to

87 the qualified voters and the repeal is approved by a majority of the qualified voters voting
88 on the question.

89 7. Whenever the governing body of any city that has adopted the sales tax
90 authorized in this section receives a petition, signed by a number of the registered voters
91 of the city equal to at least two percent of the number of registered voters of the city voting
92 in the last gubernatorial election, calling for an election to repeal the sales tax imposed
93 under this section, the governing body shall submit to the voters of the city a proposal to
94 repeal the tax. If a majority of the votes cast on the question by the qualified voters voting
95 thereon are in favor of the repeal, the repeal shall become effective on December thirty-
96 first of the calendar year in which such repeal was approved. If a majority of the votes cast
97 on the question by the qualified voters voting thereon are opposed to the repeal, then the
98 sales tax authorized in this section shall remain effective until the question is resubmitted
99 under this section to the qualified voters and the repeal is approved by a majority of the
100 qualified voters voting on the question.

101 8. If the tax is repealed or terminated by any means, all funds remaining in the
102 special trust fund shall continue to be used solely for the designated purposes, and the city
103 shall notify the director of the department of revenue of the action at least thirty days
104 before the effective date of the repeal and the director may order retention in the trust
105 fund, for a period of one year, of two percent of the amount collected after receipt of such
106 notice to cover possible refunds or overpayment of the tax and to redeem dishonored
107 checks and drafts deposited to the credit of such accounts. After one year has elapsed after
108 the effective date of abolition of the tax in such city, the director shall remit the balance in
109 the account to the city and close the account of that city. The director shall notify each city
110 of each instance of any amount refunded or any check redeemed from receipts due the city.

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