

HB 2111 -- LOCAL SALES TAXES IN ST. LOUIS COUNTY

SPONSOR: Montecillo

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, 2015, this bill changes the distribution of the county sales tax to the county and Group A and Group B cities according to a specified formula.

Beginning January 1, 2016, the Director of the Department of Revenue must distribute the county sales tax revenue to each city, town, and village located wholly or partially within the county, and to the county in an amount equal to the percentage ratio that the population of the city, town, village, or part thereof in St. Louis County, and the unincorporated area within the county has to the total population of the county as a whole.

Currently, 75% of the revenue from the county sales tax imposed on the purchase and sale of motor vehicles, trailers, boats, and outboard motors is distributed to the cities, towns, villages, and county according to the formula established in Section 66.620, and the remaining 25% is distributed based upon the number of transactions occurring within the taxing jurisdiction. The bill revises this separate distribution during 2015, and beginning January 1, 2016, all revenue from the county sales tax imposed on the purchase and sale of motor vehicles, trailers, boats, and outboard motors must be distributed according to the formula established in Section 66.620.

The bill also increases the sales tax rate options that a city, town, or village in St. Louis County can impose, upon voter approval, by authorizing a rate of three-eighths of 1% and one-half of 1%. Currently, the options are a rate of one-eighth of 1% or one-fourth of 1%.

Beginning January 1, 2015, the Director of the Department of Revenue must distribute the special municipal sales tax imposed by cities in St. Louis County under Section 94.850 to the city levying the tax based on the location in which the sales were deemed consummated.

The bill contains a nonseverability clause and if any provision is held to be invalid by a final judgment by a court and the decision is not subject to appeal, the decision must invalidate all of the remaining provisions of the bill.