

AGENDA ITEM

May 17, 2022

Subject: Back to School Sales Tax Holiday

Department: Finance

Certain back-to-school purchases, such as clothing, school supplies, computers, and other items as defined by the statutes, are exempt from sales tax during the Back to School Sales Tax Holiday. The three-day holiday begins at 12:01 a.m. on Friday, August 5th and runs through Sunday, August 7th.

Municipalities may opt out of participating in the holiday by passing an ordinance declaring the desire not to participate.

The City of Nevada has participated in the Back to School Sales Tax Holiday since 2005.

Manager Notes:

- **If this ordinance is passed** the City will opt out of the sales tax holiday and **City sales tax will be charged.**
 - If the Ordinance passes (Majority **Votes Yes**) the City of Nevada **WILL** collect Sales Taxes during this event.
 - If the Ordinance fails (Majority **Votes No**) the City of Nevada **WILL NOT** collect Sales Taxes during this event
- Larger Cities within 60 miles of Nevada that still collected Sales Tax during the 2021 event:: *Carthage, Carl Junction, Joplin, Eldorado Springs, Bolivar*
- Larger Cities within 60 miles of Nevada that opt-out and did not collect Sales Tax during the 2021 event: *Lamar, Clinton, Butler, Harrisonville, Webb City*
- If the Ordinance passes the Missouri Department of Revenue must be notified 45 days (June 21, 2022) in advance of the event.

BILL NO. 2022-041

ORDINANCE NO.

A SPECIAL ORDINANCE OF THE CITY OF NEVADA, MISSOURI, PROHIBITING THE PROVISIONS OF SECTION 144.049 RSMo, FROM EXEMPTING SALES TAX OF CERTAIN ITEMS THAT OCCUR WITHIN THE BOUNDARIES OF THE CITY OF NEVADA, MISSOURI DURING AUGUST 5, 6 AND 7, 2022.

WHEREAS, the Missouri General Assembly has passed and the Governor has signed, House Bill 64 that establishes a so-called “sales tax holiday” for the first weekend in August, and

WHEREAS, the legislation does not provide for the reimbursement to local governments for lost revenues, and

WHEREAS, municipalities depend on sales tax revenues to provide essential services for the citizens, including police, fire, parks, streets, code enforcement, etc., and

WHEREAS, the legislation authorizes local governments to opt out of the sales tax holiday by ordinance of the governing body,

SECTION 1. The City of Nevada hereby determines that it will prohibit the provisions of Section 144.049 RSMo, from exempting sales of certain clothing, personal computers, certain computer software, and school supplies that occur within the boundaries of said City during the “Back to School Sales Tax Holiday” held during August 5, 6 and 7, 2022.

SECTION 2. The City Clerk is hereby directed to send written notice to the State of Missouri Department of Revenue as soon as possible, but not less than forty-five (45) calendar days prior to the beginning date of the sales tax holiday of the decision to opt out of the “Back to School Sales Tax Holiday”, by forwarding a cover letter and certified copy of this ordinance.

SECTION 3. This ordinance shall be in full force and effect from and after its date of passage and approval.

PASSED, APPROVED AND ADOPTED, by the City Council of the City of Nevada, Missouri this _____ day of _____, 2022.

(seal)
ATTEST:

George Knox, Mayor

Stephanie M. Martin, City Clerk