

AGENDA ITEM

May 17, 2022

Subject: Use Tax for November 2022 Election

Department: Administration

A use tax would ensure that purchases from online vendors located outside of the state are subject to the same local tax rates as those purchases made from Nevada businesses.

It would also help the City maintain its revenue while continuing to provide the services our residents expect.

Manager Notes:

- As of September, 2021, 232 municipalities have passed the use tax.

BILL NO. 2022-051

ORDINANCE NO.

A SPECIAL ORDINANCE OF THE CITY OF NEVADA, MISSOURI, IMPOSING A USE TAX FOR GENERAL REVENUE PURPOSES AT THE RATE EQUAL TO THE TOTAL LOCAL SALES TAXES IN EFFECT AND PROVIDING FOR SUBMISSION OF THE PROPOSAL TO THE QUALIFIED VOTERS OF THE CITY FOR THEIR APPROVAL AT THE ELECTION CALLED AND TO BE HELD IN THE CITY ON NOVEMBER 8, 2022.

WHEREAS, the City of Nevada (the "City") has imposed local sales taxes as defined in Section 32.085 RSMo; and,

WHEREAS, the City is authorized, under Section 144.757 RSMo, to impose a local use tax at a rate equal to the rate of the total local sales taxes in effect in the City; and,

WHEREAS, the proposed City use tax cannot become effective until approved by the voters at a municipal, county or state general, primary, or special election; and,

WHEREAS, the City Council seeks to allow the voters of the City to decide whether they want to impose a local use tax at the General Election on November 8, 2022.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEVADA, MISSOURI THAT:

Section 1: Pursuant to the authority granted by, and subject to, the provisions of Sections 144.600 through 144.761 RSMo, a use tax for general revenue purposes is imposed for the privilege of storing, using, or consuming within the City any article of tangible personal property. This tax does not apply with respect to the storage, use or consumption of any article of tangible personal property purchased, produced, or manufactured outside this state until the transportation of the article has finally come to rest within this City or until the article has become commingled with the general mass of property of this City.

Section 2: The rate of the tax shall be equal to the total local sales tax in effect. If any city sales tax is repealed or the rate thereof is reduced or raised by voter approval, the city use tax rate also shall be deemed to be repealed, reduced, or raised by the same action repealing, reducing or raising the city sales tax.

Section 3: This tax shall be submitted to the qualified voters of the City of Nevada, Missouri, for their approval, as required by the provisions of Section 144.757 RSMo, at the General Election hereby called and to be held in the City on Tuesday, the 8th day of November, 2022. The ballot of submission shall contain substantially the following language:

Shall the City of Nevada impose a local use tax at the same rate as the total local sales tax rate, provided that if the local sales tax rate is reduced or raised by voter approval, the local use tax rate shall also be reduced or raised by the same action?

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."

Section 4: The use tax shall become effective only upon approval thereof by a majority of the votes cast on the proposal by the qualified voters of the City voting thereon.

Section 5: The City Clerk shall prepare and cause to be forwarded to the Board of Election Commissioners of Vernon County, Missouri, a Notice of Election in compliance with this Ordinance and take such other steps as may be required so that an election may be lawfully conducted. The Board of Election Commissioners of Vernon County shall conduct such election according to the law and certify the results thereof. Said Board of Election Commissioners shall designate such polling places as shall be required for said election and shall appoint such necessary election officials as may conduct thereof. Said Board of Election Commissioners shall be required by law and shall do and perform such other necessary acts as may be required to conduct such election in accordance with the statutes of the State of Missouri and the Ordinances of the City.

Section 6: Within ten (10) days after the approval of this ordinance by the qualified voters of Nevada, Missouri, the City Clerk shall forward to the Director of Revenue of the State of Missouri (Taxation Division, Local Tax Unit, P.O. Box 3380, Jefferson City, Missouri 65105-3380) by United States certified mail, a certified copy of this ordinance together with certifications of the election returns and accompanied by a map of the City clearly showing the boundaries thereof.

Section 7: This Ordinance shall be in full force and effect from and after its passage and approval.

PASSED, APPROVED, and ADOPTED by the City Council of the City of Nevada, Missouri, this ___ day of June, 2022.

George Knox, Mayor

(Seal)
ATTEST

Stephanie M. Martin, City Clerk