

Use Tax Presentation

Presentation Outline

- What is the Use Tax?
- Is there a need for it?
- How would it help the City?
- What could it pay for?
- Discussion/Direction

Use Tax Working Group

- Brian Head – City Attorney
- Donnie Rodgers – DLSMS
- Rick McDowell - LSEDC
- George Binger – City Engineer
- Cheryl Nash – Creative Services Manager
- Bette Wordelman – Finance Director
- Joe Snook – Parks Administrator
- Andrew Felker – Chamber of Commerce
- Steve Arbo – City Manager

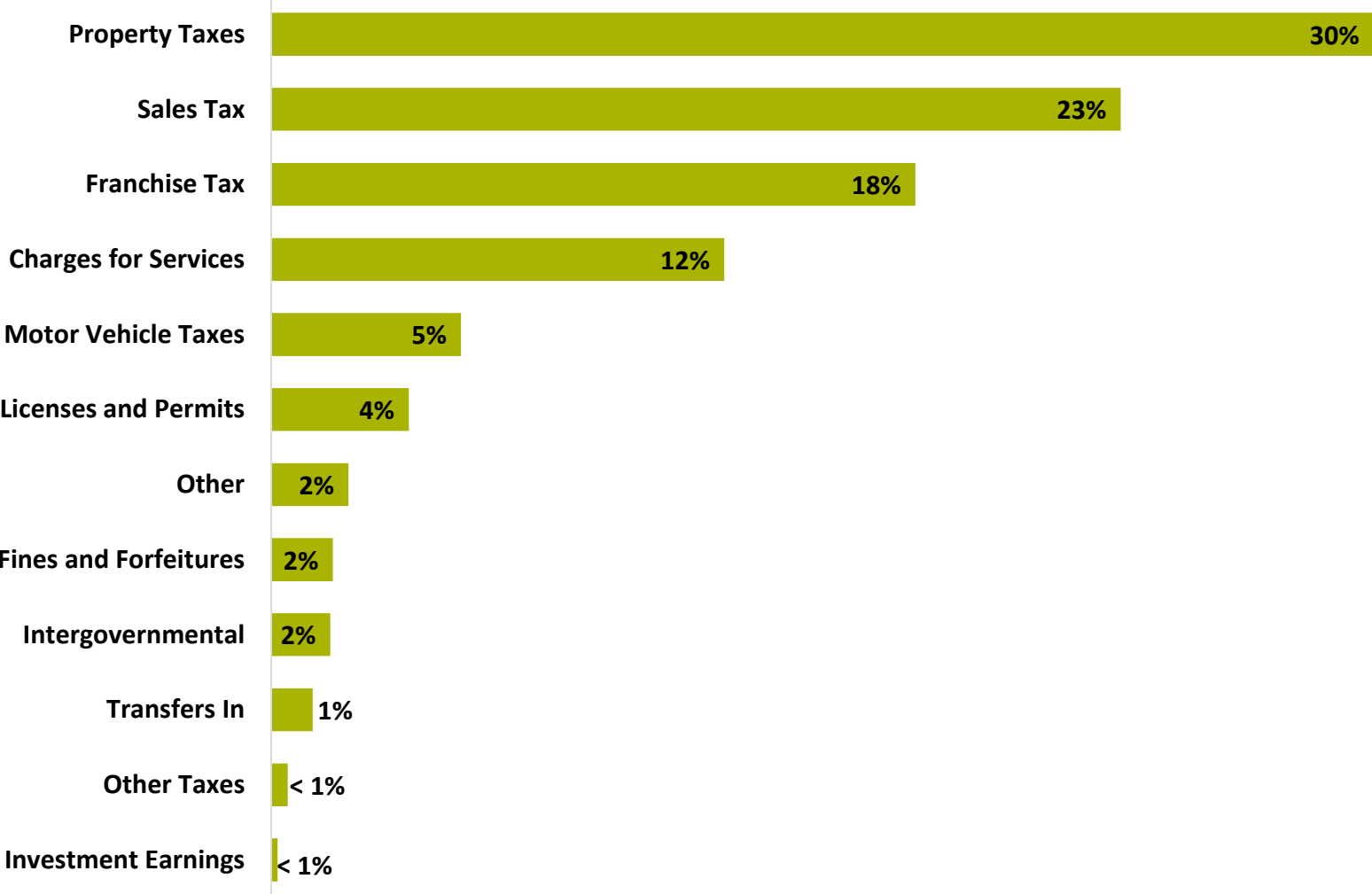
What is the Use Tax?

- *“The local use tax is a sales tax imposed on the purchase of goods by Missouri residents from out of state vendors ONLY, those who don’t charge sales tax on purchases.”* Missouri Municipal League
- Would apply to online or catalog sales from out-of-state businesses that also have a physical presence in the state.
- The use tax would be a new way of applying our existing sales tax
- The State of Missouri is already collecting the use tax

What is the Use Tax?

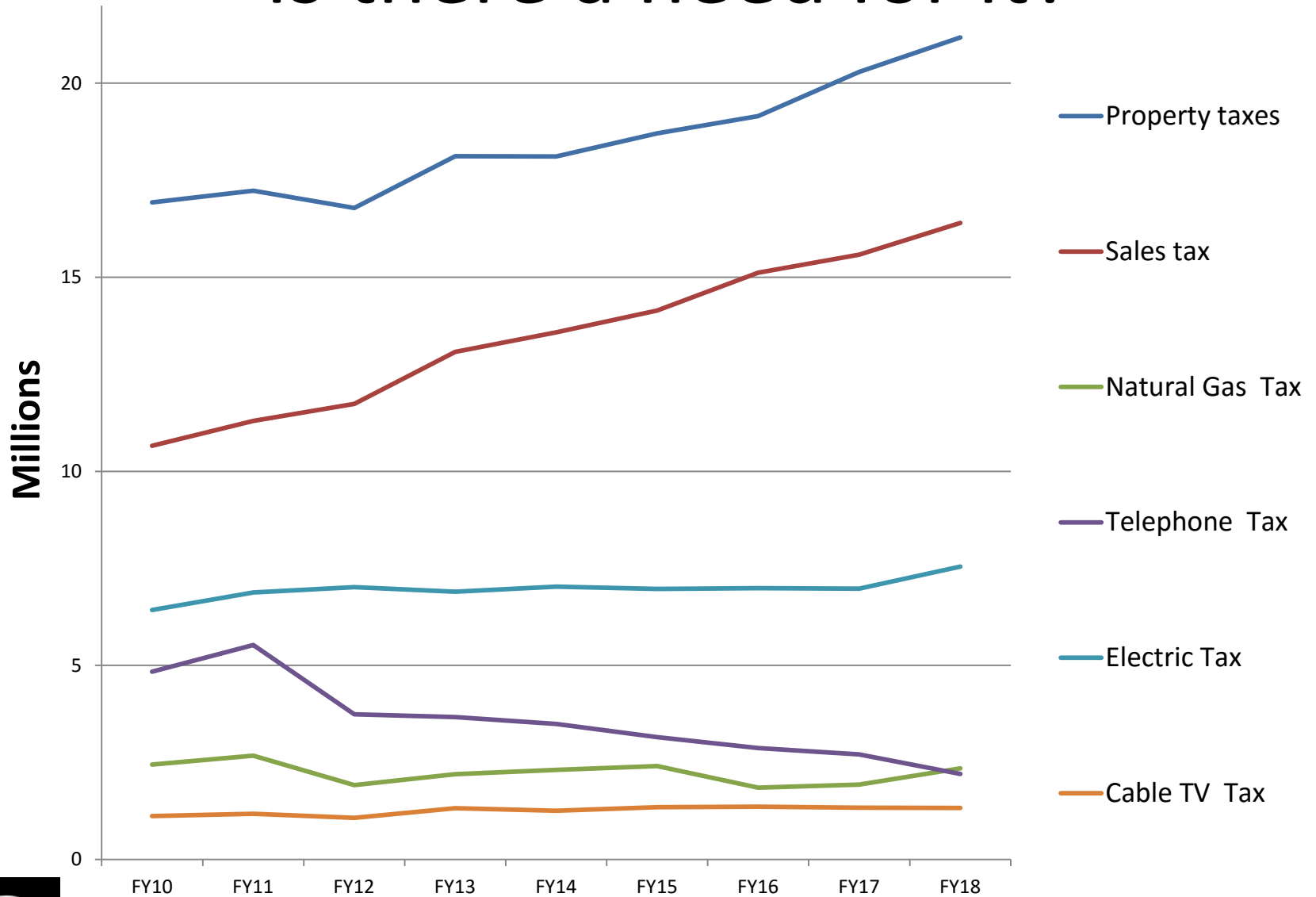
Maryville Video

Is there a need for it?





Is there a need for it?



How could it help the City?

- Captures revenue (\$1.3m) to protect municipal services
- Assures an equally competitive environment for our local businesses
- Creates diversity to the revenue stream
- Modernizes revenue stream for the future

How could it be assigned?

- The use tax could mirror existing sales tax (2.25%) allocations....
 - General Operating Expenses (1% or \$590K)
 - Capital Improvements (CIP) (.5% or \$295k)
 - Road and Bridge Maintenance(.5% or \$295k)
 - Parks (.25% or \$147k)
- However State law allows discretion regarding allocation

Discussion

- Is there Council support for a use tax to be considered by the voters?
- Placement on the April 2, 2019 ballot would require Council action by January 15 meeting