

FAILED

AN ORDINANCE TO OPT OUT OF THE STATE IMPOSED SALES TAX HOLIDAY BETWEEN AUGUST 4th AND 6th, 2017.

Legislative Findings

1. 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
2. The legislation does not provide for the reimbursement to local governments for lost revenues, and
3. The sales tax holiday will significantly reduce local revenues, and
4. Municipalities depend on sales tax revenues to provide essential services for the citizens, including police, fire, ambulance, parks, streets, code enforcement, and emergency preparedness and response, among other services.; and
5. These sales taxes were approved by a vote of the people who expect the promised services, and
6. The legislation authorizes local governments to opt out of the sales tax holiday by ordinance of the governing body,

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GLADSTONE AS FOLLOWS:

Section One. The City Council of the City of Gladstone hereby declines to grant the temporary sales tax exemption provided for under Section 144.049 RSMo., for sales of certain clothing, personal computers, certain computer software, and school supplies that occur within the boundaries of the City of Gladstone beginning at 12:01 a.m. on the first Friday in August and ending at midnight on the Sunday following from local sales taxes.

Section Two. The City Clerk is hereby directed to send written notice to the State of Missouri Department of Revenue as soon as possible, but no later than June 19, 2017, of the decision to opt out of the "Sales Tax Holiday," by forwarding a cover letter and certified copy of this ordinance.

Section Three. This ordinance shall be in full force and effect from and after the date of its passage and approval.

PASSED, SIGNED AND MADE EFFECTIVE BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI THIS 23rd DAY OF JANUARY, 2017.

Jean B. Moore, Mayor

ATTEST:

Ruth Bocchino, City Clerk

1st Reading: January 23, 2017

2nd Reading: January 23, 2017



Department of Finance
Memorandum

DATE: January 17, 2017
TO: Scott Wingerson, City Manager
FROM: Debra Daily, Director of Finance *DD*
RE: 2017 “Back to School Sales Tax Holiday”

Section 144.049, RSMo, establishes a Back-To-School Sales Tax Holiday during a three-day period beginning at 12:01 a.m. on the first Friday in August and ending at midnight on the following Sunday. Purchases of clothing, school supplies, computers, and certain other items defined by the statute are exempt from sales tax for this time period only. Only purchases for personal use qualify.

The City of Gladstone has traditionally participated in the Back to School Sales Tax Holiday since 2004. Analysis of the economic effect of City participation has shown that the annual average sales tax reduction for this sales tax holiday could be estimated at just over \$3,000 for the General Fund. For all funds, the average sales tax reduction is \$7,500. This is the projected economic effect, that could be attributed to participation in the Sales Tax Holiday based on our current affected business base.

Sales Tax Holiday Analysis	
Average Sales Tax Reduction – General Fund Only	\$ 3,000
Average Sales Tax Reduction – All Funds	\$ 7,500

Gladstone has the option of participating in the August Sales Tax Holiday or may “opt out” or decline to grant the August Sales Tax Holiday exemption. To “opt out” means that the City does not want to participate in the tax exemption. The proposed “opt out” ordinance has been provided for your review and this ordinance is on the regular agenda for January 23, 2017. Last year, the Council chose to participate in the Tax Holiday by putting the bill on its First Reading and then voted all “nay”. The ordinance would be passed only if the Council chooses to decline to grant the temporary sales tax exemption for the August Sales Tax Holiday. Council action would need to take place no later than June 12 to meet required State deadline for submission.

In past years to assist Council decision making, Finance conducted research to determine which Missouri municipalities opted out (did not participate) in the August Tax Holiday in FY16. Please reference the attached list. If you have any questions or comments, please contact me at your convenience.

Listing of Missouri Municipalities that "Opted Out" in FY16

- Alton
- Ash Grove
- Ashland
- Battlefield
- Bellerive Acres
- Berkeley
- Beverly Hills
- Black Jack
- Blackwater
- Bland
- Bloomfield
- Bolivar
- Boonville
- Branson
- Brentwood
- Bridgeton
- Byrnes Mill
- Cabool
- California
- Camdenton
- Canton
- Cape Girardeau
- Carl Junction
- Carthage
- Cassville
- Centertown
- Chamois
- Charlack
- Chillicothe
- Claycomo
- Clayton
- Collins
- Columbia
- Cool Valley
- Crestwood
- Crystal City
- Des Peres
- Desloge
- DeSoto
- Doniphan
- Edmundson
- Eldon
- Eldorado Springs
- Ellisville
- Ellsinore
- Elsberry
- Everton
- Fair Grove
- Farmington
- Fayette
- Fenton
- Ferguson
- Festus
- Flint Hill
- Freeman
- Fremont Hills
- Frontenac
- Garden City
- Gerald
- Glasgow
- Granby
- Grandin
- Grant City
- Green City
- Greendale
- Half Way
- Hartville
- Hawk Point
- Hayti
- Higginsville
- Hollister
- Holts Summit
- Houston
- Ironton
- Jane
- Jefferson City
- Joplin
- Kingdom City
- Kirkwood
- Koshkonong
- Ladue
- Laurie
- Leadington
- Liberal
- Licking
- Loma Linda
- Malden
- Manchester
- Maplewood
- Marble Hill
- Marceline
- Marlborough Village
- Marshfield
- Marthasville
- Merriam Woods Village
- Meta
- Moberly
- Monett
- Montgomery City
- Moscow Mills
- Mount Vernon
- Mountain Grove
- Naylor
- Neosho
- New Haven
- New Madrid
- New Melle
- Nixa
- Noel
- Norborne
- Northwoods
- Oakland
- Osage Beach
- Overland
- Owensville
- Ozark
- Palmyra
- Paris
- Pattonsburg
- Peculiar
- Pevely
- Platte Woods
- Poplar Bluff
- Purdy
- Qulin
- Reeds Spring
- Richmond Heights
- Riverside
- Rock Hill
- Rockaway Beach
- Savannah
- Sedalia
- Seligman
- Shelbina
- Shrewsbury
- Skidmore
- Smithton
- Smithville
- Springfield
- St Ann
- St Elizabeth
- St Mary
- St Peters
- Ste Genevieve
- Stockton
- Sugar Creek
- Taos
- Thayer
- Town & Country
- Trenton
- Twin Oaks
- University City
- Urich
- Vandalia
- Velda
- Walnut Grove
- Warson Woods
- Washburn
- Waynesville
- Webster Groves
- West Plains
- Willard
- Willow Springs