

AN ORDINANCE ALLOWING THE “SHOW ME GREEN SALES TAX HOLIDAY” TO APPLY TO THE LOCAL SALES TAXES OF THE CITY OF GLADSTONE BETWEEN APRIL 19 AND APRIL 25, 2014.

WHEREAS, Sec. 144.526, RSMo. Supp. 2008, establishes the “Show Me Green Sales Tax Holiday” to exempt retail purchases of certain qualifying appliances from state sales tax; and

WHEREAS, Sec. 144.526.4, RSMo. Supp. 2008 also provides that political subdivisions in the State may allow the Show Me Green Sales Tax Holiday to apply to local sales taxes by enacting an ordinance to do so; and

WHEREAS, the Show Me Green Sales Tax Holiday encourages the purchase of energy efficient appliances by exempting them from sales tax, thereby effectively reducing the consumer’s cost for such appliances; and

WHEREAS, incentivizing consumer awareness of and investment in energy efficient appliances can reasonably be expected to reduce energy consumption across the state and have the added benefit of promoting retail sales activity in order to assist in overcoming the economic crises we all face; and

WHEREAS, the City Council finds and believes that the City’s participation in the Show Me Green Sales Tax Holiday by also exempting qualifying purchases from local sales taxes will enhance the incentive to consumers and further advance the laudable goals the Holiday is intended to accomplish as aforesaid;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GLADSTONE as follows:

Section 1.

For purposes of this Ordinance, the following terms shall mean: (1) "*Appliance*", clothes washers and dryers, water heaters, trash compactors, dishwashers, conventional ovens, ranges, stoves, air conditioners, furnaces, refrigerators and freezers; and

(2) "*Energy star certified*", any appliance approved by both the United States Environmental Protection Agency and the United States Department of Energy as eligible to display the energy star label, as amended from time to time.

Section 2.

By enacting this ordinance the City of Gladstone hereby elects to allow the Show Me Green Sales Tax Holiday established by Sec. 144.526, RSMo. Supp. 2008, to apply to its local sales taxes so that there shall be exempted from local sales taxes all retail sales of any energy star certified new appliance, up to one thousand five hundred dollars per appliance, during a seven-day period beginning at 12:01 a.m. on April 19, 2014 and ending at midnight on April 25, 2014.

Section 3.

This ordinance shall not apply to any retailer when less than two percent of the retailer's merchandise offered for sale qualifies for the sales tax holiday. Such retailer shall offer a sales tax refund in lieu of the sales tax holiday.

Section 4.

The Missouri Department of Revenue shall be notified not less than forty-five calendar days prior to the beginning date of the sales tax holiday of the adoption of this Ordinance and the election to allow the Show Me Green Sales to Holiday to apply within the City of Gladstone.

Section 5.

This Ordinance shall be in full force and effect both from and after its passage and approval by the City Council.

**PASSED, SIGNED AND MADE EFFECTIVE BY THE COUNCIL OF THE CITY OF
GLADSTONE, MISSOURI, THIS 24TH DAY OF FEBRUARY 2014.**



Jean B. Moore, Mayor

ATTEST:



Cathy Swenson, City Clerk

1st Reading: February 24, 2014

2nd Reading: February 24, 2014



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February 11, 2014

TO: Kirk Davis, City Manager
FROM: Debra Daily, Director of Finance *DD*
RE: 2014 "Show Me Green Sales Tax Holiday Analysis"

On July 10, 2008 a bill was introduced by Sen. Jeff Smith (D-4) and Rep. Mike Sutherland (R-99) who proposed versions of Governor Blunt's "Show Me Green Sales Tax Holiday." Rep. Sutherland's HB 2250 eventually passed in the House and was subsequently included in the omnibus green energy bill – SB 1181.

SB 1181, Sections 143.121 & 144.526 – Tax Incentives for Energy Efficiency, enacted an income tax deduction for either the cost of a home energy audit conducted by an energy auditor certified by the Department of Natural Resources or for the cost of implementing any of the recommendations made in any such energy audit, or for both such activities. The acts also created the "Show Me Green Sales Tax Holiday."

For 2009 and every year thereafter, during the seven day period beginning on April 19th and ending April 25th, all sales of Energy Star certified new appliances will be exempt from state sales tax. Cities and other political subdivisions have the ability to "opt in" to the holiday by adopting an ordinance and sending it to the Dept of Revenue 45 days before the holiday. A proposed ordinance is provided in the event the Council decides to "opt in" and participate in the sales tax holiday for FY14.

Under the new Energy Star Sales Tax Holiday, only new energy efficient (energy star qualified) appliances qualify for sales tax exemption. The table on the following page provides a summary of qualifying appliances and also provides website links for your reference.

The tax effect for Gladstone can only be estimated for this type of tax holiday. As you are all aware, the current economy will also be a large factor in any consumer purchasing decisions. However, a generalized formula may be helpful in determining an estimated tax effect for Gladstone.

Sales Tax Holiday for Energy-Efficient Appliances

Incentive Type: Sales Tax Exemption
Eligible Efficiency Technologies: Clothes Washers/Dryers, Dishwasher, Refrigerators/Freezers, Water Heaters, Furnaces, Air conditioners, Trash Compactors, Ovens, Ranges, Stoves
Applicable Sectors: General Public/Consumer
Amount: 100% sales tax exemption
Maximum Incentive: None, but sale price limited to \$1,500 per appliance
Equipment Requirements: Appliances must be Energy Star certified
Website: <http://dor.mo.gov/business/sales/taxholiday/>
Authority 1: S.B. 1181
Date Enacted: 07/10/2008
Effective Date: 08/28/2008

The amount of consumer savings will be 4.225% for the state sales tax exemption. There would be an additional 2.50% savings for the consumer for the City sales tax portion should the City decide to participate and “opt in”. Therefore, using \$10,000 increments, for every \$10,000 spent in Gladstone, the net tax effect for the City would be the City share of sales tax or \$250. Accordingly, if a total of \$100,000 is spent for qualifying purchases within Gladstone, the City tax effect would be \$2,500.

Gladstone has the ability to “opt in” or participate in the holiday by adopting an ordinance and sending it to the Dept of Revenue 45 days before the holiday or by March 5, 2014. Municipalities that participated in FY13 are listed on the following page. A proposed ordinance is also provided for your review and this ordinance has been placed on the regular agenda in the event the Council decides to “opt in” and participate in this sales tax holiday.

If you have any questions or comments, please contact me at your convenience.

Below is the list of cities that participated in the 2013 Show-Me Green Sales Tax Holiday. City sales tax in these locations did not collect sales tax on the sale of qualifying holiday items.

- Airport Drive
- Arnold
- Aurora
- Belton
- Bethany
- Bowling Green
- Brookfield
- Butler
- Carrollton
- Cottleville
- Desloge
- Dexter
- Fenton
- Fredericktown
- Fulton
- Gladstone
- Hannibal
- Hazelwood
- Hermann
- Hillsboro
- Ironton
- Jackson
- Kahoka
- Kansas City
- Kirksville
- Lebanon
- Lee's Summit
- Lexington
- Liberty
- Macon
- Maryville
- Memphis
- Osceola
- Overland
- Park Hills
- Perryville
- Platte City
- Raymore
- Republic
- Richmond
- Rock Hill
- Rock Port
- Salisbury
- St Elizabeth
- Ste Genevieve
- Sunset Hills
- Tarkio
- Town & Country
- Union
- Warrensburg
- Washington
- Wentzville