

AN ORDINANCE TO OPT OUT OF THE STATE IMPOSED SALES TAX HOLIDAY BETWEEN AUGUST 1 AND 3, 2014.

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 Counsel of the City of Gladstone hereby declines to grant the temporary sales tax exemption provided for under Section 144.049 RSMo., 2005, 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 17, 2014, 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 24th DAY OF FEBRUARY 2014.

Jean B. Moore, Mayor

ATTEST:

Cathy Swenson, City Clerk

1st Reading:

2nd Reading:



7010 N Holmes Gladstone, Missouri 64118 816-436-2200 Fax 816-436-2228 Gladstone.mo.us

February 11, 2014

TO: Kirk Davis, City Manager
FROM: Debra Daily, Director of Finance *DD*
RE: 2014 August Sales Tax Holiday August 1 – 3, 2014

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 is just over \$3,000 for the General Fund. For all funds, the average sales tax reduction is \$6,800. Cumulative sales tax reduction amounts to \$27,400 and \$59,000 respectively. This is the maximum economic effect, both annually and cumulatively, that could be attributed to participation in the Sales Tax Holiday based on our current affected business base.

| Historical Sales Tax Holiday Analysis | |
|---|----------|
| Average Sales Tax Reduction – General Fund Only | \$ 3,000 |
| Average Sales Tax Reduction – All Funds | \$ 6,800 |
| Cumulative Sales Tax Reduction – General Fund | \$27,400 |
| Cumulative Sales Tax Reduction – All Funds | \$59,000 |

Gladstone once again has the option of participating by taking no action to “opt out”. Council action to “opt out” would need to take place no later than June 17th to meet required State deadline. A proposed “opt out” ordinance has been provided for your review and this ordinance is on the regular agenda for February 24, 2014 in the event the Council decides to not participate in this sales tax holiday.

In order to assist Council in this decision, Finance conducted research to determine which Missouri municipalities opted out (did not participate) in the August Tax Holiday in FY13. 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 FY13**

- 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
- Carl Junction
- Carthage
- Cassville
- Centertown
- Chamois
- Charlack
- Chillicothe
- Claycomo
- Clayton
- Collins
- Columbia
- Cool Valley
- 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
- Fulton
- 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
- Kennett
- 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
- Montgomery City
- Moscow Mills
- Mount Vernon
- Mountain Grove
- Naylor
- Neosho
- New Haven
- New Madrid
- New Melle
- Nixa
- Noel
- Norborne
- North Kansas
City
- 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