

AN ORDINANCE TO OPT OUT OF THE STATE IMPOSED SALES TAX HOLIDAY BETWEEN AUGUST 5th AND 7th, 2016.

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 20, 2016, 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 22nd DAY OF FEBRUARY, 2016.

Mayor Bill Garnos

ATTEST:

Ruth Bocchino, City Clerk

1st Reading: February 22, 2016

2nd Reading: February 22, 2016



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February 17, 2016

TO: Kirk Davis, City Manager

FROM: Debra Daily, Director of Finance DD

RE: 2016 August Sales Tax Holiday August 5 - 7, 2016

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 February 22, 2016. 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 20 to meet required State deadline.

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 FY15. 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 FY15**

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
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
Monett
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