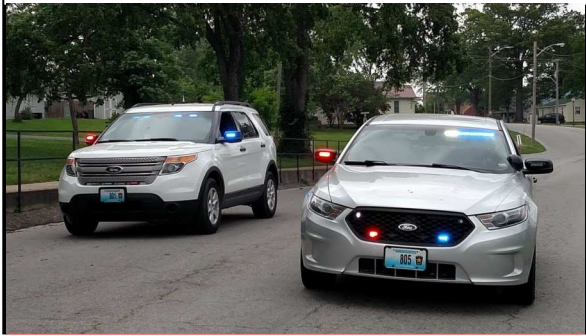




KNOW THE FACTS!

- A local Use Tax is a method of compensating cities/counties for sales tax lost when purchases are made across state lines and brought back to Missouri.
- If you already pay local sales tax, you will NOT pay a Use Tax.
- The current sales tax that you pay to a local business will NOT increase.
- A local Use Tax helps close a loophole that allows purchases made outside of Missouri to escape paying sales tax.
- A Use Tax supports local business and produces REVENUE STREAMS for your local community.
- Revenue generated will help pay for police/fire personnel, roads, sidewalks, parks, and emergency vehicles/equipment in Houston.

Official Ballot Language:

Shall the City of Houston, Missouri impose a local use tax at the same rate as the total sales tax rate, currently 1.50%, provided that if the local sales tax rate is reduced or raised by voter approval, the local use tax shall also be reduced or raised by the same action? A use tax return shall not be required to be filed by persons whose purchases from out-of-state vendors do not exceed two thousand dollars (\$2,000.00) in any calendar year.

- ☐ Yes
- ☐ No

The purpose of the proposal is to eliminate the current sales tax advantage that non Missouri vendors have over Missouri vendors.



This brochure was prepared and paid for by the City of Houston solely to educate and inform residents about a question that will be presented at the polls on April 3, 2018.

**Tona L. Bowen, City Administrator -
601 S. Grand - Houston, Mo 65483 -
417-967-3348**



Ballot Issue for April 3, 2018 Election LOCAL USE TAX

A "Yes" vote will help pay for:

- Police & Fire Personnel
 - Roads
 - Sidewalks
 - Parks
- Emergency Vehicles & Equipment

Generates Local Revenue



What is a local Use Tax?

A Use Tax is not a new tax, but is a tax imposed on the purchase of goods by Missouri residents from out-of-state vendors that is directed to communities that have passed a Use Tax. Products exempt from the sales tax would be exempt from the Use Tax. The state Use Tax rate is 4.225%, the same as the sales tax rate.

I already pay sales tax. Is this the same thing?

No. The sales tax applies to purchases made at retail within Missouri, while the Use Tax applies to purchases made from out-of-state vendors. Purchases cannot fall into both groups and cannot be taxed twice.

How can a Use Tax benefit my community?

Revenue generated from directing the Use Tax to your local community can be used to pay for additional public safety officers, additional sidewalks and parks, and emergency equipment and vehicles in Houston. With approximately 8 percent of all retail purchases being made online today, Houston stands to continue losing revenue that would support vital city services.

Helps YOUR Community



If I buy something from a Missouri retailer using the Internet, will the Use Tax apply?

No. The Use Tax does not apply if this purchase is from a Missouri retailer. Typically in such a situation, the sales tax based on the vendor's location would apply to the purchase.

What is the rate of the Use Tax?

The State of Missouri imposes a Use Tax at 4.225% percent, the same as the retail sales tax. The local Use Tax is imposed at the same rate as the total sales tax rate, which for Houston would be 1.5%. If the local Sales Tax is reduced or raised by voter approval, the local Use Tax shall also be reduced by the same action.

How much will my community receive from a Use Tax?

Using a 2% local Use Tax rate, for example, a community with a population of 12,000 would receive approximately \$120,000 annually, according to the Missouri Department of Revenue. Currently half of all Missouri cities with populations of 2,000 or more already have a Use Tax in place. Without a Use Tax, Houston does not benefit from out-of-state purchases made on the Internet.

NOT a "Double Tax"



The Use Tax mirrors the current sales tax and is not "double-tax". The Use Tax would only apply on out-of-state purchases where no sales tax was charged. If you pay sales tax, you do not pay Use Tax and vice-versa. A consumer never pays both.

Cost Example of an In-State Purchase Using Sales Tax:

Purchased Item Cost	1,000.00
Missouri Sales Tax (4.225%)	42.25
City of Houston (1.5%)	15.00
Texas County (1.875%)	18.75
Total	\$1,076.00

Cost Example of Out-of-State Purchase Using Local Use Tax:

Purchased Item Cost	1,000.00
Missouri Sales Tax (4.225%)	42.25
City of Houston (1.5%)	15.00
Texas County (1.875%)	18.75
Total	\$1,076.00