



LOCAL USE TAX INFORMATION

Vote April 2nd



What if I vote YES?

- Maryville will collect a local use tax at the same rate as the local sales tax from some online out-of-state businesses where it is not currently enforced.
- An estimated \$245,000 in annual revenue will be recaptured for approved sales tax initiatives.
- Existing sales tax collected on vehicles purchased out-of-state will continue, keeping \$45,000 in revenue that Maryville currently relies on.
- The amount of sales tax you pay on local purchases stays the same.



What if I vote NO?

- Maryville will not collect a local use tax on online purchases made from out-of-state vendors.
- Maryville will lose revenue from existing out-of-state vehicle sales resulting in a reduction of \$45,000 annually to the General Fund.
- As online sales increase, local sales tax revenues available for community improvements will decrease.
- Local brick-and-mortar stores continue to pay local sales tax, while no City sales tax is charged to online purchases from out-of-state vendors.

Annual revenues recaptured from use tax would be equivalent to:



2 miles of street repair



Personnel expenses & benefits for 5 police officers



Sales tax revenues of 6 JCPenney's



1.3x annual MAC budget

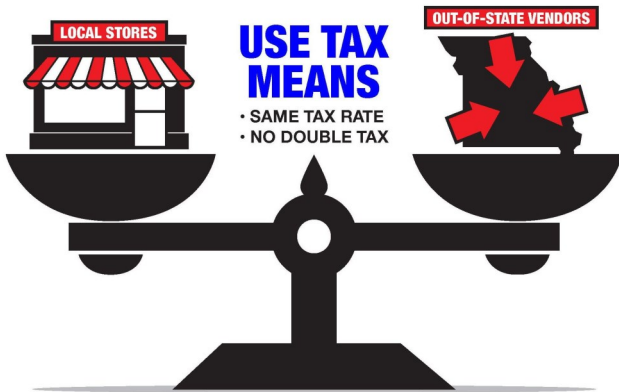
What will Maryville use local use tax revenues for?

A use tax captures the same local sales tax rate from online out-of-state vendors and is used in the same manner and rate as approved by voters. The City's sales tax rate is 2.375% and is used to provide support to the General Fund (police, fire, street maintenance, etc.), capital improvements (streets, sidewalks, equipment, etc.), for operation and maintenance of Mazingo Lake Recreation Park, and for support of Maryville Parks & Recreation.

How does this impact Maryville businesses?

Currently, by not charging the local use tax, out-of-state vendors have a competitive advantage over Maryville's local businesses. As online sales increase, the gap advantage and reduced local revenue from this loophole will continue to widen. The use tax does not apply to items intended for resale by a business.

LOCAL USE TAX ELECTION **FAQs**



VOTE APRIL 2ND

➤ What is a Local Use Tax?

A local use tax is a method to apply the local sales tax rate to the purchase of goods from online out-of-state vendors, including catalog and direct market sales. The use tax is always the same rate as the local sales tax and customers can **never** be charged both.

➤ Why is this on the ballot?

The U.S. Department of Commerce estimates that 11% of all retail sales now occur online and will continue to increase. If those sales are made with out-of-state vendors, they are not subject to the local sales tax. Prior to the rise of online shopping, consumers were purchasing those items from local businesses and contributing to the local sales tax initiatives. The proposed use tax ensures an equal tax rate for those purchases made from online out-of-state vendors.

➤ Does it cover Motor Vehicle Sales Tax?

YES — If a use tax is approved the City of Maryville will continue to collect an out-of-state sales tax on motorized vehicles, boats, and trailers. As mandated by the state, the motor vehicle sales tax must be reauthorized by voters before the end of 2022 or Maryville will lose approximately \$45,000 annually in existing revenue.

➤ How will this apply to me?

If you make an online purchase from an out-of-state vendor and it's shipped from out-of-state, you will pay a local use tax of 2.375%.

However...

If you buy items online from a vendor within Missouri you will **not** pay the local use tax.

If you shop at a local Maryville retailer you will **not** pay the use tax.

If you are a Maryville business who sells items through a catalog or online store, the use would **not** apply.

The City of Maryville current local sales tax rate is 2.375%. This will **NOT** change with adoption of a use tax.

Any purchase will either pay the current local sales tax (in town purchases) or the local use tax, but **NOT** both.

➤ Do other cities have a local use tax?

More than 160;
including:

St. Joseph, MO
Stanberry, MO
Tarkio, MO
Kirksville, MO
Warrensburg, MO
Chillicothe, MO
Gallatin, MO

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