

PROPOSITION U

Streets & Sidewalks



Local Use Tax in St. Elizabeth

At the general election on Tuesday, November 5, 2024, St. Elizabeth citizens will have the opportunity to vote on Proposition U, a local use tax that would ensure purchases placed online from vendors located outside of the state are subject to the same local tax rates as those purchases made from St. Elizabeth businesses.

BALLOT LANGUAGE

Shall the Village of St. Elizabeth impose a local use tax at the same rate as the local sales tax, currently at a rate of 1% provided that, if any local sales tax is repealed, reduced or raised by voter approval, the respective local use tax also shall be repealed, reduced or raised by the same action?

WHAT WILL THE REVENUE BE USED FOR?

STREETS AND SIDEWALKS: Construction, maintenance and repair of and improvements to local streets, infrastructure, sidewalks and capital improvements including but not limited to grant-related projects requiring matching funds.

RECENT GRANT FUNDED IMPROVEMENTS



SMALL EXAMPLE OF REPAIRS NEEDED



Paid for by the Village of St. Elizabeth, MO

What is a use tax?

A local use tax is a tax applied to purchases made online from out-of-state businesses and shipped to a location in St. Elizabeth.



Use Tax = Out-of-State Sales Tax = In St. Elizabeth

A local use tax is applied to the same type of products subject to traditional sales tax. If you purchase an item at a retail store in St. Elizabeth, you pay city sales tax. On the other hand, if you purchase an item through the internet or by catalog from an out-of-state business and have the item shipped to St. Elizabeth, then the use tax would apply.

It is one or the other. You would never pay both.

What happens if the use tax passes?

If it passes, the use tax would allow St. Elizabeth, as funds permit, to address more street and sidewalk repairs and improvements. St. Elizabeth, like 290 other Missouri cities that have already passed a use tax including Westphalia, Vienna, and Eldon, will also have a source of funding to leverage matching federal and state grants for future grant applications.

What happens if the use tax does not pass?

If it does not pass St. Elizabeth will experience continued revenue decreases for infrastructure needs, making it more difficult to address our aging streets and sidewalks.

How much revenue could the use tax generate?

It is estimated that the use tax will generate up to \$40,000 per year based on Missouri Department of Revenue's online web portal at <https://dor.mo.gov/public-reports/#pubtax>. As brick-and-mortar sales decrease and online sales increase, passing of this tax will provide stability for the future of St. Elizabeth.

FIND OUT MORE INFORMATION

Public Meetings: August 7th 7:00 PM or October 23rd 7:00PM at the St. Elizabeth Community Center
Online Webinar: stelizabethmo.org/town-council

What is the impact to a citizen?

St. Elizabeth collects a 1% local sales tax on all goods or services purchased from local businesses. The use tax would be imposed at the same rate (1%). If the local sales tax rate is reduced or raised by voter approval, the local use tax rate would also be reduced or raised by the same action.

A \$100 online order of pet food from a company like Amazon would result in an additional \$1.00 in use tax, which would help the Village of St. Elizabeth repair, maintain and extend the streets and sidewalks in front of your house and throughout the town. In Jefferson City that same purchase would result in a 2.25% local sales tax (\$2.25), so it would still be cheaper to buy that dog food on Amazon.

Currently, St. Elizabeth residents pay a 5.6% use tax on items shipped from out-of-state vendors. This is the county and state portion of the use tax. If passed that would change to 6.6%. The use tax is already in place. Passing of it would simply allow St. Elizabeth to get its portion.