SECOND REGULAR SESSION

# HOUSE BILL NO. 1687

## 99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE QUADE.

5398H.01I
D. ADAM CRUMBLISS, Chief Clerk

## AN ACT

To amend chapter 67, RSMo, by adding thereto one new section relating to a sales tax for early childhood education programs.

*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A.  Chapter 67, RSMo, is amended by adding thereto one new section, to be known as section 67.1790, to read as follows:

67.1790.  1.  **The governing body of any county of the first classification with more than two hundred sixty thousand but fewer than three hundred thousand inhabitants, or any city within such county, may impose by order or ordinance a sales tax on all retail sales made within the county or city that are subject to sales tax under chapter 144 for the purpose of funding early childhood education programs in the county or city.  The tax shall not exceed one quarter of one percent and shall be imposed solely for the purpose of funding early childhood education programs in the county or city.  The tax authorized in this section shall be in addition to all other sales taxes imposed by law and shall be stated separately from all other charges and taxes.  The order or ordinance imposing a sales tax under this section shall not become effective unless the governing body of the county or city submits to the voters residing within the county or city, at a general election, a proposal to authorize the governing body of the county or city to impose a tax under this section.**

**2.  The question of whether the tax authorized by this section shall be imposed shall be submitted in substantially the following form:**

**OFFICIAL BALLOT**

16          **Shall .......................... (name of county/city) impose a (countywide/citywide) sales tax**
17    **at a rate of ..... (insert percentage) percent for the purpose of funding early childhood**
18    **education in the county or city?**
19                              ☐ **YES**                              ☐ **NO**
20    **If you are in favor of the question, place an "X" in the box opposite "YES". If you are**
21    **opposed to the question, place an "X" in the box opposite "NO".**
22
23    **If a majority of the votes cast on the question by the qualified voters voting thereon are in**
24    **favor of the question, the order or ordinance shall become effective on the first day of the**
25    **second calendar quarter after the director of revenue receives notice of adoption of the tax.**
26    **If a majority of the votes cast on the question by the qualified voters voting thereon are**
27    **opposed to the question, the county or city shall not impose the sales tax authorized under**
28    **this section unless and until the question is resubmitted under this section to the qualified**
29    **voters and such question is approved by a majority of the qualified voters voting on the**
30    **question.**
31          **3. On or after the effective date of any tax authorized under this section, the county**
32    **or city which imposed the tax shall enter into an agreement with the director of revenue**
33    **for the purpose of collecting the tax authorized in this section.  On or after the effective**
34    **date of the tax, the director of revenue shall be responsible for the administration,**
35    **collection, enforcement, and operation of the tax, and sections 32.085 and 32.087 shall**
36    **apply.  All revenue collected under this section by the director of revenue on behalf of any**
37    **county or city, except for one percent for the cost of collection deposited in the state's**
38    **general revenue fund, shall be deposited in a special trust fund, which is hereby created**
39    **and shall be known as the "Early Childhood Education Sales Tax Trust Fund" and shall**
40    **be used solely for the designated purposes.  Moneys in the fund shall not be deemed to be**
41    **state funds and shall not be commingled with any funds of the state.  The director may**
42    **make refunds from the amounts in the trust fund and credited to the county or city for**
43    **erroneous payments and overpayments made and may redeem dishonored checks and**
44    **drafts deposited to the credit of such county or city.  Any funds in the special trust fund**
45    **that are not needed for current expenditures shall be invested in the same manner as other**
46    **funds are invested.  Any interest and moneys earned on such investments shall be credited**
47    **to the fund.**
48          **4. In order to permit sellers required to collect and report the sales tax to collect the**
49    **amount required to be reported and remitted, but not to change the requirements of**
50    **reporting or remitting the tax, or to serve as a levy of the tax, and in order to avoid**
51    **fractions of pennies, the governing body of the county or city may authorize the use of a**

52  **bracket system similar to that authorized in section 144.285, and, notwithstanding the**
53  **provisions of that section, this new bracket system shall be used where this tax is imposed**
54  **and shall apply to all taxable transactions.  Beginning with the effective date of the tax,**
55  **every retailer in the county or city shall add the sales tax to the sale price, and this tax shall**
56  **be a debt of the purchaser to the retailer until paid and shall be recoverable at law in the**
57  **same manner as the purchase price.  For purposes of this section, all retail sales shall be**
58  **deemed to be consummated at the place of business of the retailer.**
59  **5.  All applicable provisions in sections 144.010 to 144.525 governing the state sales**
60  **tax and section 32.057, the uniform confidentiality provision, shall apply to the collection**
61  **of the tax, and all exemptions granted to agencies of government, organizations, and**
62  **persons under sections 144.010 to 144.525 are hereby made applicable to the imposition**
63  **and collection of the tax.  The same sales tax permit, exemption certificate, and retail**
64  **certificate required by sections 144.010 to 144.525 for the administration and collection of**
65  **the state sales tax shall satisfy the requirements of this section, and no additional permit**
66  **or exemption certificate or retail certificate shall be required, except that the director of**
67  **revenue may prescribe a form of exemption certificate for an exemption from the tax.  All**
68  **discounts allowed the retailer under the state sales tax for the collection of and for payment**
69  **of taxes are hereby allowed and made applicable to the tax.  The penalties for violations**
70  **provided in section 32.057 and sections 144.010 to 144.525 are hereby made applicable to**
71  **violations of this section.  If any person is delinquent in the payment of the amount**
72  **required to be paid under this section, or in the event a determination has been made**
73  **against the person for taxes and penalty under this section, the limitation for bringing suit**
74  **for the collection of the delinquent tax and penalty shall be the same as that provided in**
75  **sections 144.010 to 144.525.**
76  **6.  The governing body of any county or city that has adopted the sales tax**
77  **authorized in this section may submit the question of repeal of the tax to the voters at a**
78  **general election.  The ballot of submission shall be in substantially the following form:**
79  **Shall .......................... (name of county/city) repeal the sales tax imposed at a rate of**
80  **........ (insert percentage) percent for the purpose of funding early childhood education in**
81  **the county or city?**
82                     ☐ **YES**                     ☐ **NO**
83  **If you are in favor of the question, place an "X" in the box opposite "YES". If you are**
84  **opposed to the question, place an "X" in the box opposite "NO".**
85
86  **If a majority of the votes cast on the question by the qualified voters voting thereon are in**
87  **favor of repeal, that repeal shall become effective on December thirty-first of the calendar**

88  year in which such repeal was approved.  If a majority of the votes cast on the question by
89  the qualified voters voting thereon are opposed to the repeal, the sales tax authorized in
90  this section shall remain effective until the question is resubmitted under this section to the
91  qualified voters and is approved by a majority of the qualified voters voting thereon.

92      7.  Whenever the governing body of any county or city that has adopted the sales
93  tax authorized in this section receives a petition signed by ten percent of the registered
94  voters of the county or city voting in the last gubernatorial election calling for an election
95  to repeal the sales tax imposed under this section, the governing body shall submit to the
96  voters of the county or city a proposal to repeal the tax.  If a majority of the votes cast on
97  the question by the qualified voters voting thereon are in favor of the repeal, the repeal
98  shall become effective on December thirty-first of the calendar year in which such repeal
99  was approved.  If a majority of the votes cast on the question by the qualified voters voting
100  thereon are opposed to the repeal, the sales tax authorized in this section shall remain
101  effective until the question is resubmitted under this section to the qualified voters and the
102  repeal is approved by a majority of the qualified voters voting on the question.

103      8.  If the tax is repealed or terminated by any means, all funds remaining in the
104  special trust fund shall continue to be used solely for the designated purposes, and the
105  county or city shall notify the director of revenue of the action at least thirty days before
106  the effective date of the repeal, and the director may order retention in the trust fund, for
107  a period of one year, of two percent of the amount collected after receipt of such notice to
108  cover possible refunds or overpayment of the tax and to redeem dishonored checks and
109  drafts deposited to the credit of such accounts.  After one year has elapsed after the
110  effective date of abolition of the tax in such county or city, the director shall remit the
111  balance in the account to the county or city and close the account of that county or city.
112  The director shall notify each county or city of each instance of any amount refunded or
113  any check redeemed from receipts due the county or city.

114      9.  The governing body of each county or city imposing the tax authorized under
115  this section shall select an existing community task force to administer the revenue from
116  the tax received by the county or city.  Such revenue shall be expended only upon approval
117  of an existing community task force selected by the governing body of the county or city
118  to administer the funds and only in accordance with a budget approved by the county or
119  city governing body.

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