

CITY OF WINCHESTER



On April 3, 2018, Winchester voters will decide the following ballot issue regarding a USE TAX.

PROPOSITION U

A use tax can be thought of as a sales tax on goods purchased from out-of-state vendors shipped to Missouri. The use tax does not apply if the purchase is from a Missouri retailer and subject to Missouri sales tax. The tax is imposed directly upon the person that stores, uses, or consumes tangible personal property in Missouri.

You will never pay both a sales and a use tax. It is one or the other, depending on the type of purchase. And the USE TAX rate would always be the same as the sales tax rate (currently 0.5%). The USE TAX would go up or down with the sales tax rate.

The USE TAX will not increase the sales tax. If approved, the USE TAX means the city would begin to collect its 0.5% portion of the USE TAX (in lieu of the local sales tax) from some online retailers and other places where it is not currently enforced.

If the USE TAX is not passed, Winchester businesses will continue to collect sales tax, while online stores won't collect any local tax. Passage of the USE TAX does not mean all online retailers would begin to collect the use tax in lieu of sales tax. *Enforcement is determined by the federal and state governments.* Local businesses will be at a disadvantage to competing businesses that use out-of-state vendors.

On February 1, 2017 Amazon began collecting the Missouri USE TAX. News stories incorrectly suggested Amazon would collect Missouri sales tax. *Amazon accounted for 43 percent of all online revenue in 2016.* Amazon will make up 50% of all U.S. E-Commerce by 2021.

Other cities have approved the USE TAX. This is a local option USE TAX. It is authorized in Section 144.757 - 144.761, RSMo. A local use tax rate must equal the imposing jurisdiction's total local sales tax. 142 Municipalities (650 have sales tax); 62 Counties, Special Districts 269 - April of 2017. The USE TAX revenue is general purpose.

Election Day - Tuesday, April 3

Poll Hours: 6 am-7pm