

What is a use tax?

It replaces the local sales tax that is lost on goods or materials that are purchased out-of-state – anything from steel to lumber, computers to fax machines, chemicals to sheet rock, or office furniture to loading ramps.

Why is it called a “use tax”?

It is called a “use tax” because the out-of-state goods or materials are shipped into Missouri and “used” by the purchaser.

Why do we need it?

The use tax is designed to eliminate the unfair economic advantage that interstate sellers (those who sell across state lines) have over hometown merchants. It's a pro-Missouri tax!

A good example is DeLong's Inc., a steel fabricator in Jefferson City, MO. When an out-of-state steel company, a DeLong's competitor, sells to an industry in Missouri and does not have to charge a local sales tax, the competitor enjoys a price advantage. In other words, any in-state industry can purchase materials (steel or welding gloves, file cabinets, bib overalls, laptops, etc.) from out-of-state at a cheaper price because it can avoid paying a local sales tax.

Does the state collect a state use tax?

Yes. It is equal to the in-state sales tax rate -- .04225%.

Voting “yes” for our local use tax will level the playing field between Missouri merchants who must tax and out-of-state vendors who sell goods tax-free.

- ☛ It's a pro-Missouri tax!
- ☛ It primarily affects big business and industry.
- ☛ It does not affect most consumers, due to the \$2,000 exemption.
- ☛ It is identical to a local sales tax, but it is applied to sales transacted across state lines.
- ☛ It eliminates the incentive to purchase goods from out-of-state.
- ☛ It stops outsiders from having a permanent tax holiday!
- ☛ It removes the pressure to raise local taxes to make up for sales tax revenue lost to other states.



Preserve our local economy.

Keep business at home!

Buying out-of-state hurts our economy!



Support your local merchants!

Vote “yes” on our local use tax!

Andrew
Atchison
Bates
Benton
Caldwell
Carroll
Cass
Chariton
Clay
Clinton
Cole
Dade
Davies
DeKalb
Gentry
Harrison
Henry
Holt
Johnson
Lafayette
Lawrence
Lewis
Linn
Livingston
Marion
Marion
Mercer
Miller
Monroe
Nodaway
Pettis
Platte
Ralls
Ray
Shelby
St. Charles
Stone
Washington
Worth

Missouri collects a state use tax, which is the same as its sales tax rate of .04225%.

As of April 1, 2012, 39 counties collect a use tax, which is the same as their individual sales tax rates.

Vote "yes" on our local use tax and eliminate the incentive for buying out-of-state.

Prepared by the
Missouri
Association
of Counties

Who pays the local use tax?

If an out-of-state vendor (seller) has a facility or selling agents in Missouri, the vendor collects our local use tax and returns it to the Missouri Department of Revenue, who, in turn, sends it back to our county.

Most of these large national chains collect Missouri's state use tax when buyers order from catalogs, on line, or travel out-of-state to make purchases and have them shipped back to avoid paying sales tax.

If an out-of-state vendor does not have a facility or selling agents in Missouri, the individual consumer (purchaser) is required to file a use tax return with the MO Department of Revenue, but only if he has more than \$2,000 in purchases in a calendar year.

The average consumer ordering from a catalog company will pay relatively little, if any, use tax. Those exceeding the \$2,000 limit are large-scale purchasers, primarily big business and industry.

However, big business and industry do not pay a use tax on raw materials which they use to manufacture products for resale. If they buy steel to erect a new facility, 250 pairs of safety glasses, or 75 computers – that's another story!

- ☛ cars
- ☛ file folders
- ☛ safety glasses
- ☛ sheet rock
- ☛ fleece jackets
- ☛ printers
- ☛ bib overalls
- ☛ tires
- ☛ boats
- ☛ paint
- ☛ fax machines
- ☛ desk lamps
- ☛ laptops
- ☛ keyboards
- ☛ office furniture
- ☛ lumber
- ☛ aerating pumps
- ☛ first aid kits
- ☛ wrenches
- ☛ stationery
- ☛ batteries
- ☛ loading ramps
- ☛ waterproof boots
- ☛ chemicals
- ☛ concrete blocks
- ☛ software
- ☛ canvas pants
- ☛ monitors
- ☛ table saws
- ☛ boat motors
- ☛ 3-ring binders
- ☛ steel
- ☛ file cabinets
- ☛ back braces
- ☛ welding gloves
- ☛ computers
- ☛ jewelry

Our local use tax revenue could help to pave a gravel road, fix a deteriorated bridge that a school bus crosses, or employ another deputy in the sheriff's department.

It will preserve county services and remove the pressure to raise local taxes to make up for sales tax revenue lost to other states.