BILL NO.: <u>5097</u> **ORDINANCE NO.: ________**

Introduced by: Councilman Theodore Hoskins

AN ORDINANCE OF THE CITY OF BERKELEY, MISSOURI, AUTHORIZING AND DIRECTING THE SUBMISSION OF A BALLOT PROPOSITION TO THE QUALIFIED VOTERS OF THE CITY OF BERKELEY, MISSOURI TO CONSIDER IMPOSING A LOCAL USE TAX AT THE SAME RATE AS THE LOCAL SALES TAX

WHEREAS, the City has imposed total local sales taxes, as defined in Section 32.085 RSMo, at the total rate of 2%; and

WHEREAS, the City is authorized, under Section 144.757 RSMo, to impose a local use tax at a rate equal to the rate of the total local sales taxes in effect in the City; and

WHEREAS, the proposed City use tax cannot become effective until approved by the voters at a municipal, county or state general, primary, or special election.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BERKELEY, MISSOURI, AS FOLLOWS:

Section 1. Pursuant to the authority granted by, and subject to, the provisions of Section 144.600 through 144.761 RSMo, a use tax for general revenue purposes is imposed for the privilege of storing, using, or consuming within the City any article of tangible personal property. This tax does not apply with respect to the storage, use or consumption of any article of tangible personal purchased, produced or manufactured outside this state until the transportation of the article has finally come to rest withing this City or until the article has become commingled with the general mass of property of this City.

Section 2. The rate of the tax shall be equal to the total local sales tax in effect. If any city sales tax is repealed or the rate thereof is reduced or raised by voter approval, the city use tax rate also shall be deemed to be repealed, reduced, or raised by the same action repealing, reducing, or raising the city sales tax.

Section 3. This tax shall be submitted to the qualified voters of the City of Berkeley, Missouri, for their approval, as required by the provisions of Section 144.757 RSMo, at the General election hereby called and to be held in the City on Tuesday, the 7th day of April, 2026. The ballot of submission shall contain substantially the following language:

> Shall the City of Berkeley impose a local use tax at the same rate as the total local sales tax rate, provided that if the local sales tax rate is reduced or raised by voter approval, the local use tax rate shall also be reduced or raised by the same action?
>
> ☐ Yes ☐ No
>
> If you are in favor of the question, fill in the box opposite “Yes.”
> If you are opposed to the question, fill in the box opposite “No.”

Section 4. Within ten (10) days after the approval of this ordinance by the qualified voters of the City of Berkeley, Missouri, the City Clerk shall forward to the Director of Revenue of the State of Missouri by United States registered mail or certified mail, a certified copy of this ordinance together with certifications of the election returns and accompanied by a map of the City clearly showing the boundaries thereof.

Section 5. This ordinance shall be in full force and effect from and after its passage and approval.

1st Reading this 06th day of October 2025

2nd Reading this ______ day of ________ 2025

3rd Reading, PASSED and APPROVED, this ____ **day of** ______ **2025**

____
Rita Crawford-Graham, Mayor

ATTEST:

____
Deanna L. Jones, City Clerk

____
Approved as to Form:
Phillip C. Boyd, City Attorney

Final Roll Call:

Councilwoman Holmes	Aye ___ Nay ___ Absent ___ Abstain __
Councilwoman Williams	Aye ___ Nay ___ Absent ___ Abstain __
Councilman Hoskins	Aye ___ Nay ___ Absent ___ Abstain __
Councilwoman Anthony	Aye ___ Nay ___ Absent ___ Abstain __
Councilwoman Hindeleh	Aye ___ Nay ___ Absent ___ Abstain __
Mayor Crawford-Graham	Aye ___ Nay ___ Absent ___ Abstain __

PROPOSITION U

LOCAL USE TAX

PROP. U

Know The Facts!

Funds Community Services • Generates Local Revenue
NOT A Double Tax!

What is a local Use Tax?

A Use Tax is a tax on the purchase of goods by Missouri residents from out-of-state vendors. Products exempt from the sales tax would be exempt from the Use Tax.

I already pay sales tax. Is this the same thing?

No. The sales tax applies to purchases made at local retailers within Missouri, while the Use Tax applies to purchases made from out-of-state vendors. Purchases cannot fall into both groups and cannot be taxed twice.

How can a Use Tax benefit my community?

As internet purchases increase, local revenues decrease. Funds generated from the Use Tax can be used to pay for vital municipal services including: public safety, additional sidewalks and parks, and emergency equipment.

What is the rate of the Use Tax?

The local Use Tax rate is the same rate as the local sales tax rate. If the local Sales Tax is reduced or raised by voter approval, the local Use Tax shall also be reduced or raised by the same action.

PROP. U
Local Use Tax

Election Day: April 7, 2026

Learn more at: https://stlmuni.org/municipal-league-of-st-louis/news-and-information/use-tax-info/

This fact sheet was prepared by the Missouri Municipal League and the Municipal League of Metro St. Louis solely to educate and inform about Proposition U.

Paid for by the City of Berkeley

The purpose of the proposal is to assess the same tax rate on out-of-state purchases as local purchases.

- If you already pay local sales tax on a purchase, you will NOT pay a Use Tax on the same purchase.
- The local Use Tax rate is the same amount as the sales tax rate.
- A local Use Tax ensures out-of-state purchases are taxed at the same rate as purchases from your local business.
- A local Use Tax produces local funds for community services.
- Funds generated will help pay for public safety, roads, sidewalks, parks, and emergency vehicles/ equipment.