BILL 2011-42

****** Third Reading ******

Memo

To: Mayor and City Council

From: David Watson, City Manager

Date: April 28, 2011

Re: Sales Tax Holiday – Back to School 2011

Since 2006 the City of Cameron has opted to not participate with the State of Missouri in recognizing a "Sales Tax Holiday" for the first weekend in August. This sales tax holiday was designed to help our families with school age children or dependents kindergarten thru college in their back to school expenses. The holiday is an exemption from state and local sales tax for only those items needed for going back to school such as computers, clothes, and general school supplies. Staff cannot access enough data to determine what these tax amounts due to the City would be. However, we have heard from retail providers that customers go to Liberty and St. Joseph as these communities do approve the local sales tax holiday and with them goes other purchases not included under the holiday. There is a very good possibility that Cameron misses out on some sales tax by not having the holiday.

As we all recognize it is costly to send our children to school and many families struggle with providing educational material so their children can acquire a quality education that gives them a competitive edge on their future.

RECOMMENDATION

Staff recommends that Council approve the attached bill a "Sales Tax Holiday" for the first weekend in August for back to school supplies as defined by the State of Missouri.

Bill 2011-42

AN ORDINANCE FOR THE CITY OF CAMERON, CLINTON AND DeKALB COUNTIES, MISSOURI TO RESCIND ORDINANCE 5288 AND ENACT A NEW ORDINANCE TO OPT IN TO THE STATE (BACK TO SCHOOL) SALES TAX HOLIDAY

WHEREAS, the Missouri General Assembly has passed and the Governor has signed, House Bill 64 that establishes a so-called "sales tax holiday" for the first weekend in August; and

WHEREAS, the legislation does not provide for the reimbursement to local governments for lost revenues; and

WHEREAS, the sales tax holiday is intended to provide tax relief to families with children attending school by exempting the sales tax on clothing, personal computers, and school supplies; and

WHEREAS, the City of Cameron desires to participate in the Sales Tax Holiday to allow all citizens a savings in preparation for the coming school year.

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF CAMERON, CLINTON AND DeKALB COUNTIES, MISSOURI, AS FOLLOWS:

Section 1. The City of Cameron hereby rescinds Ordinance 5288 excepting the City of Cameron, Clinton and DeKalb Counties, Missouri from the "Back to School Sales Tax Holiday."

Section 2. The City of Cameron, Clinton and DeKalb Counties, Missouri, hereby determines that it will participate in the provisions of Section 144.049 RSMo, exempting sales of certain clothing, personal computers, certain computer software and school supplies that occur within the boundaries of said City beginning at 12:01 a.m. on the first Friday in August and ending at midnight on the Sunday following.

Section 3. the City Clerk is hereby directed to send written notice to the State of Missouri Department of Revenue as soon as possible, but no later than June 15, 2011, of the decision to opt back in the "Sales Tax Holiday", by forwarding a cover letter and certified copy of this ordinance.

Section 4. This ordinance shall be in full force and effect from and after the date of its passage and approval.

Passed and approved on first reading this 2nd day of May 2011.
Passed and approved on second reading this 16th day of May 2011.
Passed and approved on third and final reading this _____ day of _____ 2011.

_____
Mayor Dennis M. Clark

ATTEST:
_____ City Clerk

third reading