

The City of



CITY COUNCIL ACTION REPORT

Meeting Date: February 13, 2017

Administration – Finance

Prepared by: Dan Estes
Assistant City Administrator/Finance Director

No. 020-17

SUBJECT: An Ordinance allowing the “2017 Show Me Green Sales Tax Holiday” to apply to the local sales taxes of the City of Liberty, Missouri from April 19 to April 25, 2017.

RECOMMENDED ACTION: Approve the ordinance.

SUMMARY:

- The “Show Me Green Sales Tax Holiday” runs for a seven-day period from April 19th through April 25th
- During the sales tax holiday, qualifying Energy Star certified new appliance purchases will be exempt from State sales tax
- Local jurisdictions can opt to exempt their local sales taxes by ordinance approval

BACKGROUND:

The State of Missouri has established a seven day period from April 19th to April 25th as the “Show Me Green Sales Tax Holiday”. During this period, qualifying Energy Star certified new appliances are exempted at the time of purchase from State sales taxes for each item costing up to \$1,500 per appliance.

Other taxing entities can also exempt their respective sales taxes by enacting an ordinance and submitting the same to the Department of Revenue at least forty-five days prior to the start of the “holiday”. Participation determination can be done annually or it can be set in a more permanent manner.

The City participated in this event since 2013. In order to participate in 2017, a 2017 ordinance will need to be approved.

Staff has attached relevant event information on the “holiday” that was secured off the State’s web site. As the State regulates the items that will be tax exempt and procedures employed, any retailer or customer questions received by the City will be directed to DOR for resolution.

PREVIOUS ACTION:

The City has participated since 2013.

POLICY ISSUE: N/A

FINANCIAL CONSIDERATIONS:

Budgeted item
Expenditure

Non-budgeted item

Unknown

Not applicable

ATTACHMENTS:

Ordinance
Excerpts from the Department of Revenue Web site

Document No. _____

ORDINANCE NO. _____

AN ORDINANCE ALLOWING THE "2017 SHOW ME GREEN SALES TAX HOLIDAY" TO
APPLY TO THE LOCAL SALES TAXES OF THE
CITY OF LIBERTY, MISSOURI,
FROM
APRIL 19 TO APRIL 25, 2017

WHEREAS, Sec. 144.526, RSMo. establishes the "Show Me Green Sales Tax Holiday" to exempt retail purchases of certain qualifying appliances from state sales tax; and

WHEREAS, Sec. 144.526.4, RSMo. also provides that political subdivisions in the State may allow the Show Me Green Sales Tax Holiday to apply to local sales taxes by enacting an ordinance to do so; and

WHEREAS, the Show Me Green Sales Tax Holiday encourages the purchase of energy efficient appliances by exempting them from sales tax, thereby effectively reducing the consumer's cost for such appliances; and

WHEREAS, incentivizing consumer awareness of and investment in energy efficient appliances can reasonably be expected to reduce energy consumption across the state and have the added benefit of promoting retail sales activity in order to assist in overcoming the economic crises we all face; and

WHEREAS, the City Council finds and believes that the City of Liberty's participation in the Show Me Green Sales Tax Holiday by also exempting qualifying purchases from local sales taxes will enhance the incentive to consumers and further advance the laudable goals the Holiday is intended to accomplish as aforesaid;

BE IT ORDAINED, by the City of Liberty, Clay County, Missouri, as follows:

SECTION I

For purposes of this Ordinance, the following terms shall mean:

- (1) "*Appliance*", clothes washers, clothes dryers, water heaters, trash compactors, dishwashers, conventional ovens, ranges, stoves, air conditioners, furnaces, refrigerators and freezers.
- (2) "*Energy star certified*", any appliance approved by both the United States Environmental Protection Agency and the United States Department of Energy as eligible to display the energy star label, as amended from time to time.

SECTION II

By enacting this ordinance the City of Liberty hereby elects to allow the Show Me Green Sales Tax Holiday established by Sec. 144.526, RSMo., to apply to its local sales taxes so that there shall be exempted from local sales taxes all retail sales of any energy star certified new appliance, up to one thousand five hundred dollars per appliance, during a seven-day period beginning at 12:01 a.m. on April 19, 2017 and ending at midnight on April 25, 2017. This provision shall apply only to the 2017 Show Me Green Sales Tax Holiday and does not enroll City of Liberty in subsequent Show Me Green Sales Tax Holidays.

SECTION III

This ordinance shall not apply to any retailer when less than two percent of the retailer's merchandise offered for sale qualifies for the sales tax holiday. Such retailer shall offer a sales tax refund in lieu of the sales tax holiday.

SECTION IV

The Deputy City Clerk shall take any and all steps necessary to notify the Missouri Department of Revenue not less than forty-five calendar days prior to the beginning date of the sales tax holiday of the adoption of this Ordinance and the election to allow the Show Me Green Sales to Holiday to apply within the City of Liberty.

SECTION V

This Ordinance shall be in full force and effect from and after its passage by the City Council and approval by the mayor according to law.

PASSED by the City Council this ____ day of _____, 2017.

MAYOR

ATTEST:

DEPUTY CITY CLERK

APPROVED by the Mayor this ____ day of _____, 2017.

MAYOR