
How you can help make a difference

City of Lake Ozark residents will have the opportunity on April 7 to approve the imposition of a 2.75 percent **Use Tax on out-of-state purchases.**

The funds raised would help pay for improvements to the city's streets.

As noted before, this **Use Tax would not be applied to purchases made at your local business.** If you order an article of clothing, or toy for your child, or personal hygiene item online from a business that does not have a presence in Missouri, you would pay a Use Tax at the same rate of 2.75 percent. A Use Tax is a way to compensate cities (in this case Lake Ozark) for sales tax lost when purchases are made out-of-state.

Ballot Language

Here's what Lake Ozark residents will see when they go to the polls April 7. A simple "yes" or "no" vote is asked.

Shall the City of Lake Ozark, Missouri, impose a local Use Tax to be used to fund transportation improvements at the same rate as the total local sales tax rate, currently 2.75%, 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? A Use Tax Return shall not be required to be filed by persons whose purchases from out-of-state vendors do not exceed two thousand dollars in any calendar year.

What to know...

- If you pay a local sales tax you won't pay a Use Tax. You pay one or the other, but **NEVER BOTH.**

- Passage would require out-of-state businesses to pay the same tax as everyone else when their goods are purchased online and delivered in Lake Ozark.

- A Use Tax levels the playing field** on local taxes between local retailers and out-of-state vendors.

- The purchase of vehicles, trailers, boats and outboard motors are treated differently than other retail purchases. When Missouri residents buy a car at an auto dealership, no sales tax is paid on the purchase at that time. When the resident goes to license the vehicle, trailer, boat or outboard motor with the Missouri Department of Revenue, the local sales tax will be imposed based on the address of the registrant. The Use Tax would not apply.

- The use tax is not double taxation.** If you buy something at a Lake Ozark business, you're paying the local sales tax of 2.75 percent. Currently, you aren't paying that tax when you buy something online from an out-of-state vendor. It's actually a benefit to the online seller by not having to collect the tax. We want Lake Ozark to benefit also.

This brochure was produced with the assistance of private donations.

Vote YES for the Use Tax

A Use Tax for the City of Lake Ozark will make a positive difference for all of us and our visitors
— it will help us enjoy
better and safer roads for the future.



Valley Road below Bagnell Dam Blvd.

What is a Use Tax?

In the simplest terms, a Use Tax is a sales tax imposed on the purchase of goods by Lake Ozark residents from **out-of-state vendors that don't have a presence in Missouri**. It is **not** an addition to the sales tax charged at businesses in the city of Lake Ozark.

The Use Tax is applied to the same types of products subject to a traditional sales tax. The difference is where the goods are purchased and shipped. When individuals make purchases at retail stores **in Lake Ozark**, they pay the sales tax that is applicable at that location — in this case 2.75 percent. On the other hand, purchases that are shipped to Lake Ozark residents from **out-of-state vendors** are not taxed at the local level, but would be subject to a Use Tax if Lake Ozark voters agree April 7 at the General Municipal Election.

The amount of Use Tax due on a transaction depends on the combined (local and state) Use Tax rate in effect where the tangible personal property is delivered — in this case within the city limits of Lake Ozark. While the sales tax rate is based on the point of sale, the Use Tax rate is determined based on the point of delivery. It applies to out-of-state businesses that do not have a presence in Missouri.



So...

The state of Missouri imposes a Use Tax at 4.225 percent, the same as the state retail sales tax. The state already imposes and collects that 4.225 percent sales tax, money the state uses for its needs. Local jurisdictions such as Lake Ozark have the power to impose a sales tax and also may impose a Use Tax, giving Lake Ozark the ability to collect its own sales Use Tax — **again on out of state purchases**.

A Use Tax would be collected like any other sales tax. It is added to the cost of the item purchased, and the business collecting the tax then has to file a report with the state and submit the amount taxed. The state in turn remits the tax to the collecting city – in this case Lake Ozark.

On a \$100 out of state purchase, residents would pay an additional \$2.75 — money that would be returned to Lake Ozark for the use in improving the city's transportation system.

How would the Use Tax funds be used in Lake Ozark?

We all agree that the streets in Lake Ozark are quickly deteriorating. Take a look around; drive or walk the streets.

Historically, the city has focused on improving its sewer system to meet residential, retail and industrial growth. The city recently completed a \$6 million upgrade that meets Missouri Department of Natural Resources guidelines. Now, it's time to focus on the city's arterial system.

A Street Assessment study recently conducted by Cochran Engineering identified the need to address the approximately 90 lane miles of deteriorating streets.

Cost to improve all of the streets is estimated at between \$5 and \$7 million. Improvements to Bagnell Dam Blvd. alone would cost about \$2.9 million. The longer we wait to make improvements, the more it will cost.

The city was recently denied a \$3 million matching fund grant from the state. The city's share would have been \$1.5 million. That makes Use Tax approval even more vital in helping the city improve.

Funds from the Use Tax would generate about \$134,000 a year based on Missouri Municipal League information. That amount would help pay any loans the city incurs in fixing the streets.