

April 5 Ballot Issue
Proposition 2
Out of State Vehicle
Sales Tax Renewal

Proposition 2 is not a new tax:

This is a renewal of an existing tax, only affecting vehicles purchased from a non-Missouri dealer. A Missouri Supreme Court Case in 2012 said motor vehicles purchased from a non-Missouri dealer should be taxed under a motor vehicle titling tax not of a sales tax, since the City does not and did not have a use tax in place prior to August 2013. State Legislature approved a temporary fix to restore the taxes until November 2016. Voters must approve the ballot issue in order for the tax to be retained.

A yes vote means:

There will be no increase to your existing taxes and no change to City revenue. All motor vehicles, regardless of method or location of purchase, will be subject to City sales tax. Missouri licensed dealers will be placed on a level playing field with non-licensed dealers.

A no vote means:

Vehicles purchased through a source other than a Missouri licensed dealer will still be subject to Lawrence County and State taxes. The City will no longer receive taxes on these purchases. In state dealerships will be at a competitive disadvantage with non-licensed dealers.

In-state purchases are not affected by this ballot issue

In-state purchases of motor vehicles will remain subject to the full City sales tax rate regardless of this vote. This vote only affects the taxation on vehicles purchased out-of-state or purchased directly from an individual, regardless of buyer or purchasers residence.