

City of Shrewsbury Local Use Tax

Online sales and the **global economy** have changed how business is done. Yet, tax collection is quickly becoming **outdated**. **This move begins to correct that.**

Simply put, on **April 7, 2020**, Shrewsbury voters will be asked if the sales taxes that belong to the City, which total 1.5%, may be applied to online sales. This tax would mirror the one currently placed on the sale of goods at brick and mortar stores in the City. Any future movement of those rates would also apply to this rate.

Passage of the use tax will not increase Shrewsbury's sales or property taxes.

What is it, and when will it affect me?

A use tax is a sales tax imposed on the purchase of goods by Missouri residents or businesses from out-of-state vendors. The use tax is applied to the same type of products subject to traditional sales taxes.

The use tax does not apply to purchases made by Missouri residents from a Missouri retailer. The use tax applies only to purchases made from out-of-state vendors and **only upon purchases in excess of \$2,000.00.**

This means consumers and businesses that make more than \$2,000 worth of purchases from out-of-state vendors (that don't collect the use tax up front) must self-report their use tax debt.

However, residents who do not currently self-report will not suddenly need to self-report as a result of the City passing this local use tax.

What do I pay at the register now?

When you go to the store, and pay sales taxes, a very small part of that is the Shrewsbury sales tax. Shrewsbury's sales taxes currently total **only 1.5%** of the sales taxes that you pay when you shop in the City.

Will I continue to pay that same rate at the same Shrewsbury stores?

Yes. This use tax only applies the 1.5% rate to items purchased from out-of-state vendors. It is not added to any current rates you pay at Shrewsbury stores.

Will this help level the "Playing Field" for local businesses?

Yes. Currently, businesses located here in Shrewsbury must impose sales tax rates that online vendors do not have to produce, giving non-local businesses a competitive advantage. This will begin to help level the playing field for our local businesses.

Amazon is collecting taxes now. What taxes are they currently collecting, and would this local use tax now be collected by Amazon?

Amazon currently collects the State's 4.225% sales taxes and remits it to Missouri. It does not currently collect this 1.5% Shrewsbury tax. This will enable it to do so.



How much revenue has Shrewsbury lost without a local use tax?

In the previous **five years**, the City of Shrewsbury has lost an estimated **\$587,441** in revenue. Here is an annual breakdown of foregone revenue.

Year	Estimated Local Use Tax Revenue
2018	\$128,740
2017	\$108,331
2016	\$127,934
2015	\$114,635
2014	\$107,801

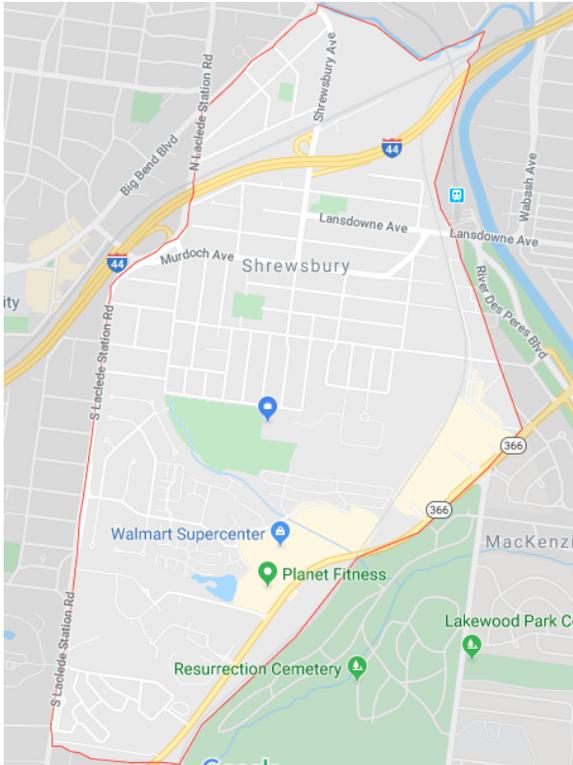
With a global marketplace trending ever more towards online sales, this foregone revenue total will only grow at an exponential rate.

This local use tax will enable the City of Shrewsbury to begin adjusting its taxation structure to meet the requirements of an ever-widening global economic system.



Questions?
Visit Shrewsbury's website at www.cityofshrewsbury.com
or
call City Hall at 314-647-5975.

Where do I vote?



To find your polling location, please visit <https://www.stlouisco.com/Your-Government/Elections/Voting-in-StLouis-County> or call our main office line at 314-647-5795 for further information.

City of Shrewsbury Polling Locations

1. Shrewsbury City Center
5200 Shrewsbury Avenue
2. St. Michael's Gym
7630 Lansdowne Avenue
3. Cure of Ars Church
670 S. Laclede Station Road

Looking to Contact Your Elected Officials?

Shrewsbury's elected officials always encourage resident input. If you need help contacting your elected officials, or don't know which ward you live in, give city staff a call at 314-647-5795, and we will be happy to help you.

Mayor

Sam Scherer
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Ward 1

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Voter Information Pamphlet April 7, 2020