

What is a use tax?

A use tax is a tax on the purchase of goods by Missouri residents from out-of-state vendors. Products exempt from the sales tax would be exempt from the use tax.

What is the rate of the local use tax?

The local use tax rate is the same rate as the local sales tax rate, which is currently 2.5% in Raymore.

When does a local use tax ordinance take effect?

If the city voters approve a local use tax at the April 2 Ballot, then the tax becomes effective on Oct. 1, 2024.

How is a local use tax collected?

The online or catalog vendor will collect the local use tax, along with the state use tax, and remit both to the Missouri Department of Revenue (MoDOR).

What does the state charge for the collection of a local use tax and how is the use tax accounted for?

The director revenue is required to deposit all city use taxes collected in a special City Use Tax Trust Fund, less 1% for the cost of collection. The 1% deducted, less the cost of premiums on surety bonds, is deposited in the State General Revenue Fund. The director of revenue of the state is to keep an accurate record of the amount of money collected from each city.



**Questions? Contact Communications Manager
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How much will my city receive from a local use tax?

The City would have been on track to collect more than \$1.9 million from online and out-of-state purchases in 2023 (due in part to large purchases from our incoming businesses at the Raymore Commerce Center). However, as of Feb. 8, 2024, the numbers aren't in yet from the last quarter of 2023, so we don't know the exact amount. The City would have collected \$1.3 million in 2022, if a use tax had been in place.

How can a local use tax benefit my community?

As internet purchases increase, local revenues decrease. Funds generated from a local use tax can be used for vital municipal services including: public works, police, parks and street improvements.

If I make a purchase that has a sales tax, will a local use tax be added on to that purchase?

No. The sales tax applies to purchases made at local retailers within Missouri, while the local use tax applies to purchases made from out-of-state vendors. Purchases cannot fall into both groups and cannot be taxed twice.

What changes did the legislature make in the 2021 "Wayfair" legislation (SB 153)?

The major modifications the legislature made to Missouri's use tax law was to require all online and catalog vendors to collect and remit the local and state use tax, including those vendors that do not have a physical presence in the state. Also, online vendors who facilitate transaction for a third-party vendor must collect and remit local and state use taxes on those facilitated transactions. Essentially, the new law makes the collection and remittance of the use tax similar to the way the sales tax is collected and remitted to the Missouri Department of Revenue.