

Governor Nixon warns lawmakers of "after the fact" taxes on motor vehicle sales
News

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Of more than 122,702 Missourians who would owe retroactive tax, 89 percent purchased vehicles from private individuals. According to the Missouri Governor's office, a retroactive car tax would overwhelmingly target Missourians who purchased vehicles from private individuals. The retroactive tax House Bill No. 1329 attempts to impose on more than 122,702 Missourians, without a vote of the people, overwhelmingly targets Missourians who purchased vehicles from friends, neighbors and other private individuals.

Last week, Gov. Jay Nixon wrote to the General Assembly to explain that overriding his veto of House Bill No. 1329 would result in retroactive local taxes, without a vote of the people, owed by a total of more than 122,702 Missourians who have purchased vehicles since March 21, 2012. Of this total, approximately 108,000 Missourians - or 89 percent - purchased those vehicles from friends, neighbors or other private individuals.

Approximately 14,000 Missourians purchased those vehicles from dealerships located outside the state of Missouri.

None of these 122,702 Missourians owed local vehicle use taxes at the time of purchase because the transaction occurred after the Missouri Supreme Court's unanimous ruling in *Street v. Department of Revenue*. House Bill No. 1329, which was passed by the General Assembly but vetoed by Gov. Nixon, attempted to tax these purchases retroactively - despite the Supreme Court's unanimous ruling, and without a vote of the people.

Prior to the Supreme Court's ruling, 39 Missouri counties had voter-approved use taxes. Since the legislature adjourned in May, two additional counties, Dunklin and Osage, have approved use taxes as well. But, in a number of local jurisdictions, such as the cities of Laurie and Tarkio and in Howard County, voters turned down a use tax at the polls in August. In November, a use tax will be on the ballot in a number of other jurisdictions, including the cities of Kennett and St. Joseph and Adair and Buchanan counties.

The legislature will convene for its annual veto session on Wednesday, September 12th.