

Ironton Local Use Tax

Frequently Asked Questions

Learn more at:

irontonmo.gov

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 are 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 total local sales tax rate. In Ironton, the total local sales tax rate is 2%. If Ironton voters approve the local use tax, the use tax rate will be 2%. If the local sales tax is reduced or raised by voter approval, the local use tax shall also be reduced or raised by the same action.

Is the Missouri Department of Revenue currently collecting the local use tax and holding those funds for cities?

The local use tax is only imposed upon voter approval. The Missouri Department of Revenue will not collect a local use tax for Ironton, until Ironton citizens approve of the local use tax. Additionally, the Department of Revenue is not holding any fund for cities to be turned over upon passage of the use tax.

When will the Ironton use tax ordinance take effect?

The local use tax question will be on the April 5, 2022, ballot. If the Ironton voters approve the local use tax, then the tax becomes effective July 1, 2022.

How is the use tax collected?

Online or catalog vendors will collect the local use tax, along with the state use tax, and remit both to the Missouri Department of Revenue. The Department of Revenue will pay the local use tax to Ironton.

How much will Ironton receive from a local use tax?

It is difficult to accurately estimate the prospective revenue from a local use tax. This will be discussed at a public meeting. The public meeting will be held:

March 28, 2022, 6:00 PM

Arcadia Valley Career Technology Center

650 West Park Drive

Ironton, MO

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

The major modifications the legislation 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 transactions 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 and to Ironton.