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City of Brentwood
2348 S. Brentwood Blvd.
Brentwood, MO 63144 | 314.962.4800
www.brentwoodmo.org

For more information, contact:
Janet Levy, Communications Manager
314.963.8653
jlevy@brentwoodmo.org

Prop. 1 Could Bring Revenue for Brentwood City Services

Use Tax Proposal Will Not Change Sales or Property Tax Rate

Brentwood, Missouri – Sept. 30, 2020 – Brentwood residents will find Proposition 1, a use tax proposal, on the Nov. 3 ballot. The City's Board of Aldermen unanimously voted in August to place the use tax on the ballot. This proposal will not increase or change the local sales tax rate. Brentwood's sales tax rate will remain exactly the same.

If approved, the use tax is expected to provide revenue for city services, something city leaders say residents have come to expect when living in Brentwood.

"The City is committed to providing the quality services Brentwood residents value," David Dimmitt, City of Brentwood mayor, says. "The use tax will provide revenue for city services without increasing local sales or property taxes. We estimate, if approved, the use tax will generate between \$295,000 and \$385,000 annually for the City of Brentwood."

Like cities around the country, Dimmitt says Brentwood is also seeing changes in how purchases are made.

"We see the changes in our economy as more purchases now come from untaxed out-of-state and online purchases rather than from our local retailers," Dimmitt says. "This change has resulted in a loss of potential tax revenue to the City. The use tax will subject all retail sales to the same tax rate and allow the City to collect local taxes from these purchases. There is already a State of Missouri use tax and you will not pay the Brentwood portion unless you pay the state portion."

Currently, Brentwood's local retailers collect sales taxes. While some out-of-state retailers collect local sales tax, others do not. The use tax would apply to these purchases where the local sales tax does not apply. The State of Missouri already has a use tax in place. Prop. 1 would add the local portion.

The use tax is not a double tax and does not increase the sales or property tax. Purchases include either the state and local sales tax, or the state and city use tax, never both.

According to Dimmitt, one of the reasons the use tax is being considered is because no one will pay both taxes. Most online sales already include local and state taxes, so this would not be an additional tax on those purchases. The use tax is collected by many cities and counties throughout Missouri including Richmond Heights, Maplewood and Clayton.

"It's important to remember the use tax is not an additional sales tax," Dimmitt says.

For more information about Brentwood's Proposition 1, including answers to Frequently Asked Questions, visit www.brentwoodmo.org/prop1.

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The City of Brentwood, Missouri, celebrated its centennial in 2019. Brentwood is a full-service community with a unique blend of quality residential neighborhoods and one of the most thriving business districts in the St. Louis metropolitan area. Located within minutes of downtown St. Louis, Brentwood is known as the "City of Warmth" because of its small-town charm and friendly atmosphere. Learn more at www.brentwoodmo.org.