



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: Law

To: City Council

From: City Manager & Staff

Council Meeting Date: April 17, 2023

Re: Imposing an Additional Sales Tax on the Retail Sale of Adult Use Marijuana

Executive Summary

An ordinance has been prepared that would impose the additional sales tax on the retail sale of adult use marijuana approved by the voters on April 4, 2023.

Discussion

On April 4, 2023, the voters approved the imposition of an additional sales tax on the retail sale of adult use marijuana by a vote of 12,165 in favor and 5,757 against Proposition 1. An ordinance has been prepared that would impose the additional sales tax as approved by the voters.

Notice of approval of the sales tax will be provided to the Missouri Department of Revenue. The sales tax becomes effective on the first day of the second calendar quarter after approval – which is October 1, 2023. The Department of Revenue prepares the sales tax charts for the applicable businesses and provides notification to the businesses.

The receipt of the sales tax by the city is dependent on reporting periods and payment remittance schedule for the individual business, which may be either monthly, quarterly, or annual depending on the amount of tax collected. In general, there is anywhere between 90-180 day delay between payment of the tax by the consumer to distribution of the tax to the city. Sales tax paid by consumers to businesses in October are due to be reported to the Department of Revenue from the business on November 30 for a monthly filer and due on January 31 for a quarterly filer. The Department of Revenue processes the payments and generally distributes the payment to the city by the 10th day of the month after the month in which the tax return was processed. The first opportunity for the city to receive any revenues from this sales tax will be around January 10, 2024 for monthly filers and March 10, 2024 for quarterly filers.

Fiscal Impact

Short-Term Impact: Unknown.

Long-Term Impact: Unknown.

Strategic & Comprehensive Plan Impact

[Strategic Plan Impacts:](#)

Primary Impact: Organizational Excellence, Secondary Impact: Reliable Infrastructure, Tertiary Impact: Not Applicable



City of Columbia

701 East Broadway, Columbia, Missouri 65201

[Comprehensive Plan Impacts:](#)

Primary Impact: Not Applicable, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

Legislative History

Date	Action
01/17/2023	B353-22 (Ordinance No. 05232): Calling a special election, to be held on April 4, 2023, on the question whether to impose an additional sales tax of three percent (3%) on the retail sale of adult use marijuana.

Suggested Council Action

Passage of the ordinance.