

**CITY OF JOPLIN
COUNCIL AGENDA ITEM**

ITEM

Council Bill 2022-522 – reaffirming the gross receipts tax to be imposed upon electric corporations conducting business within the City and matters relating thereto.

MEETING DATE

June 20, 2022

ORIGINATING DEPARTMENT

Finance

ATTACHMENTS

Council Bill 2022-522 Ordinance

REVIEWED BY

Director of Finance: Leslie Haase; City Attorney: Peter Edwards; City Manager: Nicholas Edwards.

SUMMARY

This Council Bill reaffirms the gross receipts tax to be imposed upon electric corporations conducting business within the City.

BACKGROUND

The Missouri Public Service Commission (PSC) has granted a tariff increase of 7.38 percent to The Empire District Electric Company d/b/a Liberty (“Liberty”). Tariff increases in excess of 7 percent trigger certain requirements under Section 393.275.1, RSMo. to either roll back the rate of gross receipts taxes imposed by cities on Liberty or to pass an ordinance maintaining the existing rates despite the increase in the gross receipts to Liberty as a result of the tariff increase.

The statute requires cities to roll back the rate of the gross receipts tax within 60 days of the effective date of the tariff increase unless such cities pass an ordinance to maintain the existing rate. The PSC has established the effective date of the tariff increase granted to Liberty as June 2, 2022, and 60 days from that date is August 1, 2022.

This Council Bill reaffirms the gross receipts tax to be imposed upon electric corporations, including but not limited to Liberty, pursuant to Section 30-143 of the Joplin City Code, to be maintained at the existing rate of six (6) percent.

FUNDING SOURCE

N/A

RECOMMENDATION

Staff recommends adoption of this Council Bill on First Reading.