RESOLUTION NUMBER 8

WHEREAS, the Missouri General Assembly has enacted the Municipal Telecommunications Business License Tax Simplification Act, sections 92.074 to 92.098 RSMo.;

WHEREAS, section 92.080 RSMo. requires each municipality imposing a business license tax on a telecommunications company to comply with sections 92.074 to 92.098 RSMo.;

WHEREAS, section 92.083 RSMo. specifies that sections 92.074 to 92.098 RSMo. do not repeal any existing municipal ordinance imposing a business license tax on a telecommunications company as long as it complies with section 92.086 RSMo.;

WHEREAS, the City of St. Louis has an existing municipal ordinance imposing a business license tax on telecommunications companies, known as the Telephone Company Alternative Tax, sections 23.34.010 to 23.34.090 of the Revised Code of the City of St. Louis;

WHEREAS, prior to enactment of the Municipal Telecommunications Business License Tax Simplification Act, pursuant to the provisions of the Telephone Company Alternative Tax, the City of St. Louis imposed a tax of ten percent (10%) on gross receipts of all persons, firms or corporations engaged in a general telephone business;

WHEREAS, section 92.086 RSMo requires that a municipality adjust its business license tax rate on telecommunications companies to a percentage determined on a tax base equal to the total amount of telecommunication business license taxes collected by a municipality for fiscal year 2005, increased by fifty percent of the difference between such amount and the business license tax receipts that would have been yielded by applying the gross receipts percentage rate in effect for the municipality prior to the effective date of sections 92.074 to 92.098 RSMo., to the total gross receipts for all wireless telecommunications services provided by telecommunications companies;

WHEREAS, pursuant to information provided by the Missouri Department of Revenue, the adjusted tax rate calculated in accordance with the immediately preceding clause for the City of St. Louis has been determined to be nine and five-tenths percent (9.5%);

WHEREAS, section 92.086 RSMo. provides that, effective July 1, 2006, all business license taxes shall be based solely and exclusively on those gross receipts of telecommunications companies for the retail sale of telecommunications services which are subject to taxation under sections 144.010 and 144.020, RSMo;

WHEREAS, section 92.086 RSMo. provides that there may be a further adjustment of the foregoing tax rate for bills rendered on or after July 1, 2007;

WHEREAS, the City of St. Louis is currently challenging the constitutionality of the Municipal Telecommunications Business License Tax Simplification Act in the Missouri Supreme Court, and if said Act is held unconstitutional, then the foregoing adjusted tax rate may be determined as null and void;

NOW THEREFORE BE IT RESOLVED by the Board of Aldermen of the City of St. Louis that its business license tax shall be based solely and exclusively on those gross receipts of telecommunications companies for the retail sale of telecommunications services which are subject to taxation under sections 144.010 and 144.020, RSMo, which shall be assessed at a rate of nine and five-tenths percent (9.5%) of gross receipts, beginning on July 1, 2006, and continuing until June 30, 2007, or until the date that the Missouri Supreme Court issues a decision that the Municipal Telecommunications Business License Tax Simplification Act is unconstitutional, whichever occurs sooner; and that if the Missouri Supreme Court issues a decision that the Municipal Telecommunications Business License Tax Simplification Act is unconstitutional, then in such event, the tax rate of nine and five-tenths percent (9.5%) shall be immediately null and void as of the date of issuance of that decision, and there shall immediately be in effect a tax rate of ten percent (10%) of gross receipts.

Introduced on the 28th day of April, 2006 by:

Honorable Stephen Conway, Alderman 8th Ward

Adopted this the _____ day of _____, 2006 as attested by:

_____	_____
Patrick J. Connaghan	James F. Shrewsbury
Clerk, Board of Aldermen	President, Board of Aldermen