



# Missouri's Troubling Sales Tax Mosaic

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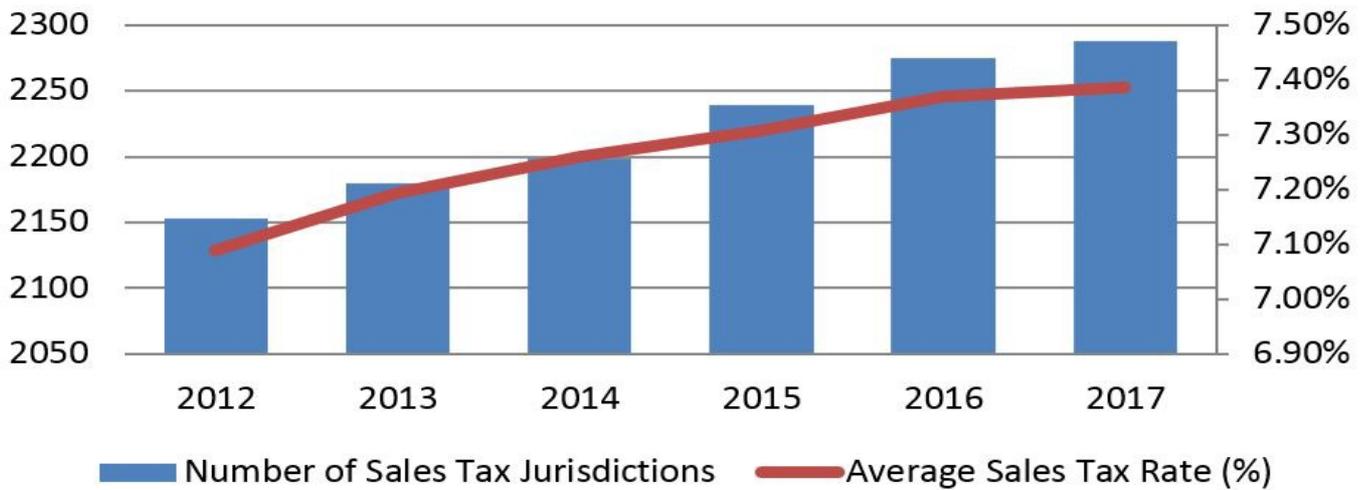


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By: *Graham Renz*

What do owners of the luxurious [Intercontinental Hotel](#) in Kansas City and the [St. Louis Cardinals](#) have in common? They're both leveraging special sales tax districts to subsidize their private ventures. The number of sales tax jurisdictions in Missouri has ballooned by 33% over the past 20 years. As the chart below shows, this growth correlates with rising sales tax rates. In short: the more districts, the higher the taxes.

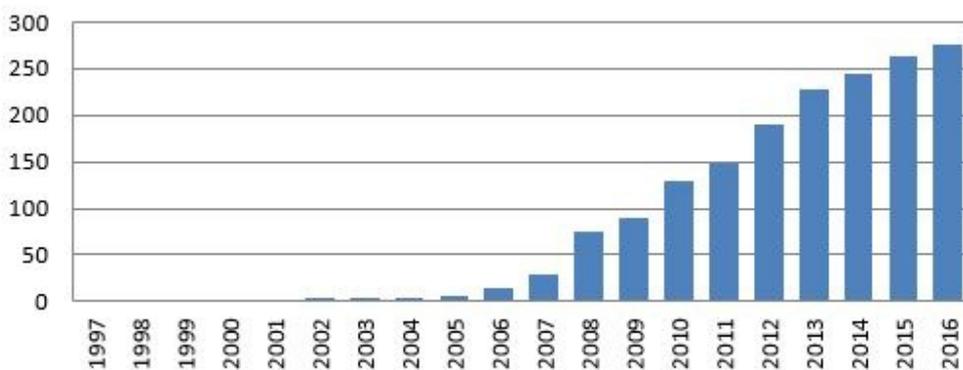
## Statewide Sales Tax Jurisdiction and Rate Growth



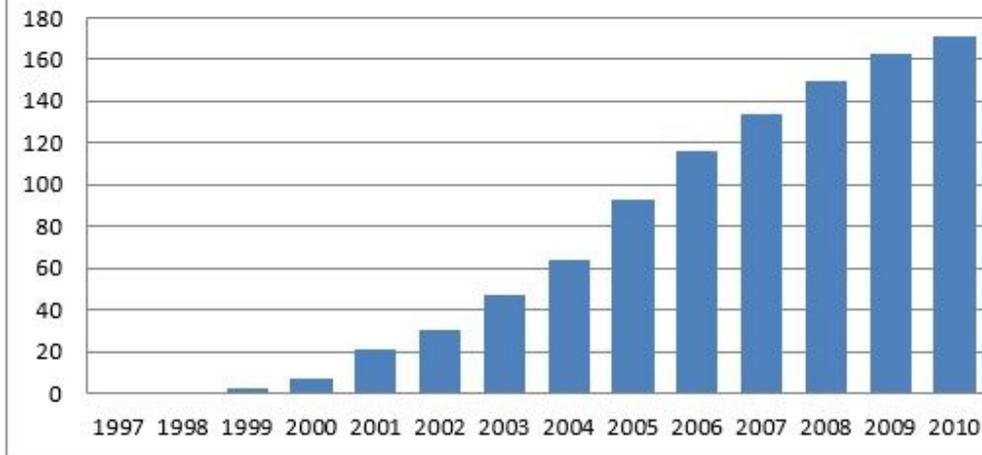
Source: Missouri Department of Revenue

Almost all of these new taxing districts are community improvement districts (CIDs) or transportation development districts (TDDs). These CIDs and TDDs are quasi-governmental districts formed [through questionable processes](#) that allow for even just a *single voter* to authorize *millions in spending*. What's worse is that taxpayers often have [no clue these districts exist](#), or that they're [paying into them](#). The charts below depict CID and TDD growth over the past 20 and 14 years, respectively.

## Community Improvement Districts in Missouri 1997-2016



## Transportation Development Districts in Missouri 1997-2010



Both CIDs and TDDs have bad track records in Missouri. Despite collecting and spending billions in taxpayer dollars, they often [lack transparency](#) , [accountability](#) , and other basic [principles of good government](#) . Of the [34 TDD audits](#) the State Auditor’s office has completed over the past 10 years, a third concluded the TDDs under consideration were in bad financial shape. And nearly all audits indicated other issues, ranging from conflicts of interest, uncompetitive bidding practices, to a failure to comply with basic accounting standards. Some CIDs have even [filed for bankruptcy](#) .

Isn’t it time policymakers in the Show-Me state rein in the growth of these taxing districts? Increasing taxes on ordinary consumers like you and I, often to pay for privately-owned projects we’ll see no return on (e.g., the [proposed Chesterfield Ice Complex](#) , [City Foundry project](#) , or [over-budget Loop Trolley](#) ), is not sound economic or fiscal policy. When it comes to taxes and taxing districts, often, less is more.

### About the Author



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Advancing liberty with responsibility by promoting market solutions for Missouri public policy.

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