

# E-TAX facts

On Tuesday, April 5, 2016, Kansas City voters will be asked to renew the city's earning tax.

## WHAT IS THE EARNINGS TAX?

The earnings tax (sometimes referred to as "e-tax") is a 1 percent tax on an individual's earned income such as salaries, wages, commissions, tips and other compensation. It generates revenue that pays for a wide variety of city services used by all those who live and work in Kansas City, Missouri. In addition to helping fund basic operations such as repairing roads and weekly trash collection, the revenue from the earnings tax also pays for police officers, firefighters, paramedics and ambulance services. Revenue from the earnings tax also helps fund snow removal, codes inspection, historic preservation and other city needs.

The earnings tax generates approximately \$230 million annually and is paid by all businesses and people who live or work in Kansas City, Missouri.

## WHO PAYS EARNINGS TAX?

All Kansas City, Missouri, residents are required to pay the earnings tax, even if they work outside the city. Nonresidents are required to pay the earnings tax on income earned within Kansas City, Missouri, city limits. The tax also applies to the net profits of businesses.

## WHO DOES NOT PAY EARNINGS TAX?

Retirees whose income is from Social Security, pensions, retirement accounts and other non-earned income sources do not pay the e-tax. Others who are exempt include active military in combat zones and non-profits.

## BY THE NUMBERS:

**\$230 million**

approximate amount the e-tax generates for the city's General Fund per year

**40%**

of revenue the e-tax generates for the General Fund.

**YES**

A yes vote means the earnings tax will continue. State law calls for a renewal vote every five years.

**74%**

approximate percent of the General Fund that pays for public safety needs, such as police officers, firefighters, ambulance services and Municipal Court operations.

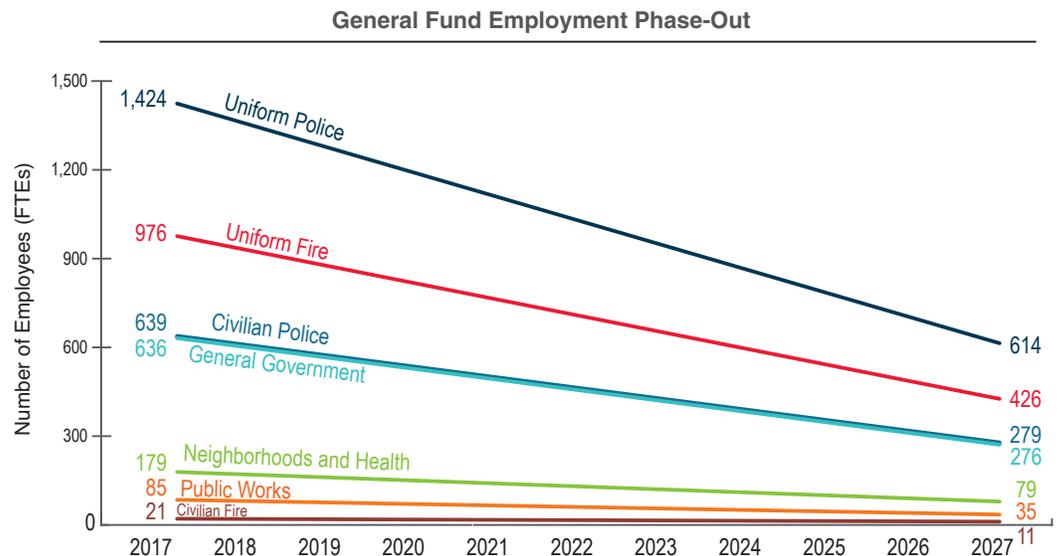
**50%**

of the e-tax that is paid by nonresidents.

**NO**

A no vote means the earnings tax will be phased out by 10 percent a year over the next 10 years.

The City's Finance Department prepared a chart showing how those cuts could impact city services if all of the E-tax reduction was offset through cutting staff.



On Tuesday, April 5, 2016, polls will be open from 6 a.m. to 7 p.m.

Ballot language for the renewal of Kansas City's earnings tax will read as follows:

**QUESTION**  
(Continuation of Earnings Tax)

Shall the earnings tax of 1%, imposed by the City of Kansas City, be continued for a period of five (5) years commencing January 1 immediately following the date of this election?

\_\_\_\_\_ Yes \_\_\_\_\_ No

For information about polling places, please contact your designated election board:

Kansas City:  
[www.kceb.org](http://www.kceb.org) or 816-842-4820

Clay County:  
[www.claycoelections.com](http://www.claycoelections.com) or 815-415-8683

Platte County:  
[www.plattemovotes.org](http://www.plattemovotes.org) or 8160858-3387

Cass County:  
[www.casscounty.com](http://www.casscounty.com) or 816-380-8101



This fact sheet was produced by the City Communications Office, a division of the City Manager's Office of the City of Kansas City, Missouri.

For more information about the city's earnings tax and revenue collection, please visit [kcmo.gov/etax](http://kcmo.gov/etax)