

Memo/Request for Action

To: Mayor & Council
From: Nathan Ingram, Chief Financial Officer
CC: Billy Peppers, City Manager
Date: July 21, 2016
Re: Management Recommendation - Mixed Drink Tax Audit

Mayor and Council,

Based on the findings of the recent mixed drink tax audit and a thorough review of GMA's report, management would like to make some recommendations for Council consideration.

As we have indicated to Council, the audit found 16 restaurants as under-reporting. As a result of these deficiencies, approximately \$25,000 of taxes, \$2,500 in penalties, and as much as \$65,000 in interest are due the City. Management recommends that the City provide (15) days upon notification of these findings for the effected businesses to appeal. Subsequent this time, Management recommends that the City provide a one-time interest abatement period of (30) days. This will provide those businesses with a grace period to pay the taxes and penalties without having to pay the interest.

If Council sees appropriate, to effectuate this we will need for Council to take action approving management the authority to abate interest for up to (30) days subsequent the dispute period.

Thank you for your time and direction.

Respectfully,

Nathan Ingram