

ORDINANCE NO. 200691

Amending Chapters 40 and 68, Code of Ordinances, by repealing Sections 40-23, 40-24, 40-111, 68-387, 68-388, and 68-566, and enacting new sections of like number and subject matter which allows all the filing of City revenues and supporting documentation to be made by electronic filing.

WHEREAS, electronic filing of various tax withholding returns is now customary in many jurisdictions and is required by the Internal Revenue Service and the State of Missouri for larger employers; and

WHEREAS, electronic filing would reduce administrative costs for the City and enhance collections of revenues; and

WHEREAS, paper returns have not been supplied by the City since 2007 and taxpayers have had to download printed forms online; and

WHEREAS, many Kansas City businesses and individuals are accustomed to filing electronic tax withholding returns with the Internal Revenue Service and the State of Missouri and would not be unduly burdened filing electronically to the City; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That Chapters 40 and 68, Code of Ordinances of the City of Kansas City, Missouri, are hereby amended by repealing Section 40-23, Application for license to include amount of gross receipts, gross business or gross commissions, or other factors upon which fee is based; Section 40-24, Certified statement of gross business or commissions; Section 40-111, Hotel, motel or tourist court; Section 68-387, Returns by taxpayers; Section 68-388, Payment of tax to accompany return; and Section 68-566, Filing of returns; remittance schedule, and enacting in their place new sections of like numbers and subject matter, to read as follows:

Sec. 40-23. Application for license to include amount of gross receipts, gross business or gross commissions, or other factors upon which fee is based.

(a) *Required information.* Each applicant for an occupation license, in all cases where the fee for such license is based on annual gross receipts, annual gross business or annual gross commissions, shall include with his or her application the amount as nearly equal to the annual gross receipts, annual gross business or annual gross commissions of his or her business or occupation for the next preceding calendar year, using as the basis for such computation the same figure shown by his or her books and records, by his or her federal and state income tax returns, by his or her state sales tax returns, or by any other records or copies thereof, which correctly and accurately show such gross annual business, gross annual commissions or annual gross receipts of the applicant for such period; and each applicant for such license, in all cases where the fee for such license is

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based on conditions or factors other than gross annual business, annual gross commissions or annual gross receipts, shall include in his or her application a true and accurate statement of such conditions or factors upon which such license fee is or shall be based. The application shall be submitted in a form prescribed by the commissioner.

(b) *Right to audit.* The commissioner of revenue and the director of finance, or any deputy or agent thereof, or certified public accountant employed thereby, shall have the right at all reasonable times during regular business hours to audit or examine the books and records of the applicant or licensee for the purpose of determining the truthfulness and accuracy of any statements made by the applicant or licensee in an application for a current or preceding year's occupation license. All applications accepted by the commissioner of revenue shall be accepted subject to audit. No license shall be issued to any applicant so long as the applicant refuses to permit such audit or examination to be made on all prior years' licenses.

Sec. 40-24. Certified statement of gross business or commissions.

Every person for whom a license is provided in this chapter, the amount of which license fee is to be computed upon the gross annual business or gross annual commissions of such person, may be required to furnish the city with a certified statement showing the amount of such gross annual business or gross annual commissions done or received, which statement shall not be made public or used by the city except for the purpose of establishing a correct basis for fixing and collecting the amount of the license fee as provided in this chapter. The statement shall be submitted in a form prescribed by the commissioner. All books of account showing the amount of such gross annual business or gross annual commissions shall be opened to the inspection of the city officials charged with the duty of issuing the license provided for in this chapter and collecting for the license.

Sec. 40-111. Hotel, motel or tourist court.

(a) *Amount of fee.* Every individual person or business entity as described in Section 40-61, engaged in the business of renting, leasing, or letting living quarters, sleeping accommodations, rooms or a part thereof, in connection with any hotel, motel or tourist court in the city shall pay to the city a license fee as follows:

\$1.50 per occupied room by a guest per day on all hotels, motels and tourist courts in the city.

(b) *Definitions.* Definitions for purposes of this section are as follows:

- (1) *Guest* means a person who occupies a room in a hotel, motel or tourist court.
- (2) *Hotel, motel or tourist court* means any structure or building, under one management, which contains rooms furnished for the accommodation or

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lodging of guests, with or without meals being so provided, and kept, used, maintained, advertised or held out to the public as a place where sleeping accommodations are sought for pay or compensation by transient guests or permanent guests, and having more than eight bedrooms furnished for the accommodation of such guests.

- (3) *Occupied room* includes a room occupied by a non-paying guest. Complimentary rooms shall be considered occupied rooms for purposes of the license fee, except for:
- a. Rooms donated by a hotel, motel or tourist court to families of patients receiving medical care in hospitals in the Kansas City metropolitan area;
 - b. Rooms donated by a hotel, motel or tourist court for raffles, auctions or similar fund-raising events to benefit charitable, educational, religious or other tax-exempt organizations;
 - c. Rooms provided without charge by a hotel, motel or tourist court to meeting or convention planners during a pre-event site inspection;
 - d. Rooms provided without charge by a hotel, motel or tourist court to representatives of business entities making a visit to evaluate the city as a business location or relocation site;
 - e. Rooms provided without charge by a hotel, motel or tourist court to its employees, management or owners, or to the employees or management of its parent company or hotel or motel franchise entity.

(c) *Due date; issuance of licenses; reports.* Quarterly licenses shall be required. The license fee under this section shall be paid to the commissioner of revenue quarterly, due and payable on the following dates, for the preceding periods as listed, based on the actual number of occupied rooms within the respective period. The licensee shall make true reports on the dates listed below to the commissioner of revenue, in a form prescribed by the commissioner, giving such information that may be necessary to determine the number of occupied rooms to which the license fee shall apply within the preceding three-month period.

Date License Fee/Report Due	Period Covered
April 30	January 1 through March 31
July 31	April 1 through June 30
October 31	July 1 through September 30

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January 31	October 1 through December 31
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The licensee must make any adjustments within 60 days of the end of the relevant quarterly license period (which is March 31, June 30, September 30 or December 31) or within 60 days after ceasing to engage in the business so licensed, whichever first occurs, on the basis of the actual number of occupied rooms to which the license fee applies during the quarterly license period. Any overpayment shall be credited to the next succeeding quarter's license fee, or otherwise paid or refunded to the licensee.

(d) *Examination of books and records.* The commissioner of revenue and his or her authorized representative shall have the right at all reasonable times during business hours to make such examination and inspection of the books and records of the licensee as may be necessary to determine the correctness of such reports.

(e) *Penalties for nonpayment.* For each and every month, or part thereof, any such license fee provided for under this section remains unpaid after the fee becomes due and payable, there shall be added to such license fee, as a penalty, ten percent of the amount of such license fee for the first month, or part thereof, the fee is unpaid, and for each and every month thereafter two percent of the amount of such license fee shall be added until the fee is fully paid. In no case shall the total penalty exceed 30 percent of the fee.

Sec. 68-387. Returns by taxpayers.

(a) Except as provided in this section, each individual or business whose earnings or profits are subject to the tax imposed by this article shall make and file a return with the commissioner by the 15th day of the fourth month following the taxable year. The return shall be made in a form prescribed by the commissioner and showing the amount of tax due and owing and such other pertinent information as the commissioner may require.

(b) Any business or individual may request an extension of time to file by submitting a request for an extension in a form prescribed by the commissioner.

(c) All requests for extensions of time to file must be submitted by the 15th day of the fourth month following the end of the taxable year and must be accompanied by a payment of at least 90 percent of the estimated tax balance due. The underpayment of tax liability with an extension request will subject the taxpayer to the interest and penalties set forth in this section.

(d) After delinquency, extensions of time to pay shall not be granted except for exceptional mitigating circumstances for the cause of the delinquency and demonstrated proof of financial ability to repay the delinquency. If the taxpayer meets such criteria, the commissioner, in his or her discretion, may permit the taxpayer to enter into a payment agreement, in a form prescribed by the commissioner, to pay the tax, along with interest and penalties, in installments for a period not to exceed six months. Failure to make any installment payment due under the agreement shall cause the entire balance due to

become payable immediately, and subject to recovery and collection as provided in this article.

Sec. 68-388. Payment of tax to accompany return.

Each taxpayer making a return shall at the time of the filing thereof pay to the commissioner the amount of tax shown as due thereon. For any prior payments made or tax withheld at source, credit shall be taken on the return and the balance, if any, shall be submitted at the time of the filing of the return. If an extension of time to file is granted, any tax deemed to be due and owing will be deemed to be due on the original due date. The return shall be in a form as prescribed by the commissioner.

Sec. 68-566. Filing of returns; remittance schedule.

(a) Every person receiving payment subject to the convention and tourism tax shall make a return to the commissioner showing taxable sales and the amount of tax levied for a specified period of time and shall remit to the commissioner, with the return, the taxes levied. The return shall be in a form as prescribed by the commissioner.

(b) The frequency of filing and remitting the convention and tourism tax shall be determined by the applicable provisions contained in RSMo 144.080 and 144.081 governing the state sales tax. When the state has determined that state sales tax is to be reported and remitted on a quarter-monthly, monthly, quarterly or annual basis, the same schedule shall apply to the convention and tourism tax. Persons are required to notify the commissioner of the filing frequency on the application for a permit. . If the state changes a remittance schedule for a person, the commissioner is to be notified of the change within ten days after official notification from the state.

Approved as to form and legality:

Dustin E. Johnson
Assistant City Attorney