

COMMONWEALTH OF KENTUCKY
CITY OF LONDON

SUMMARY OF LONDON CITY ORDINANCE NO. 2003-08 ENTITLED "AN
ORDINANCE ESTABLISHING A RESTAURANT RETAIL SALES TAX

This is a summary of London City Ordinance No. 2003-08 entitled, "An Ordinance Establishing a Restaurant Retail Sales Tax." This Ordinance imposes a tax of Three Percent (3%) of the gross retail sales of restaurants doing business within the City of London; this tax is in addition to other general taxes and occupational and business license taxes paid to the City of London. A definition of "restaurant" is included within the ordinance, but an exemption is made for schools, food vending machines, single service beverage establishments and "non-profit charitable" organizations. Temporary food stands, booths, street concessions and similar operations are not exempt from the tax.

The City is entitled to a collection and distribution and service fee equal to .0425 percent of all money collected. The City is entitled to an additional One percent (1%) of the Three percent (3%) of the gross retail sales for recreational purposes.

Any late payment of the Three percent (3%) sales tax shall be subject to a penalty of Ten percent (10%) plus interest at the rate of Six percent (6%) against the total amount of tax over due; the penalty is compounded each month. A lien is imposed upon any property of the restaurant facility to secure the unpaid tax.

The restaurant owner who collects the tax is entitled to deduct on each return Two percent (2%) of the first One Thousand Dollars (\$1,000.00) of tax due and One and a Quarter Percent (1.25%) of the tax in excess of One Thousand Dollars (\$1,000.00) provided the amount due is not delinquent at the time of payment. The taxpayer is required to maintain records to support the amount of tax paid and the City may examine such documents upon notification in writing to the taxpayer.

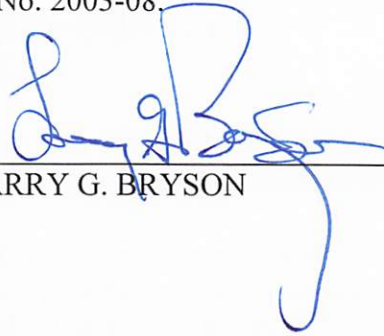
Any person who refuses to file a return or pay a tax due is guilty of a misdemeanor and is subject to a fine of not more than One Hundred Dollars (\$100.00) for each violation or imprisonment for not more than thirty days (30) or both.

The Tourism and Convention Commission shall annually submit to the City Council a request for funds for the operation of the Commission for the ensuing year. The City Council is required to budget funds for the operation of the Commission in its annual budget. The funds generated from the sales tax are required to be maintained in a separate special account and these monies may not be used for any purpose other than promoting recreational, convention and tourist activity as stated in KRS 91A.390.

The Treasurer of the Commission is required to be bonded in an amount equal to the largest amount of money on hand at any given month.

Any information obtained by the Tourism Commission or the City is confidential information. The effective date of this Ordinance is effective from publication.

This Summary is prepared by Larry G. Bryson, the City Attorney, an attorney licensed and authorized to practice law within this Commonwealth and is certified as an accurate Summary of Ordinance No. 2003-08.



LARRY G. BRYSON

First Reading Date: August 4, 2003

Second Reading Date: September 2, 2003

THIS ORDINANCE DID NOT PASS. NO MOTION WAS MADE TO APPROVE THE SECOND READING.