

RESOLUTION NO. 4 (2018)

A RESOLUTION ADOPTING A SALES TAX CREDIT AND FEE STRUCTURE FOR THE CITY OF CRAIG, COLORADO

WHEREAS, beginning July 1, 2018, the City of Craig will begin to collect the local city sales tax as presently constituted, and will issue sales tax licenses to businesses;

WHEREAS, it is common practice by tax collecting entities to allow a credit to businesses for the time associated with filing the sales tax returns, which credit is known as the Vendor Service Fee;

WHEREAS, the City also wishes to adopt certain fees to help offset a part of the operational costs associated with the collection of the sales tax from businesses, particularly the fees charged to the City for online vendor reporting and licensing through a third party provider;

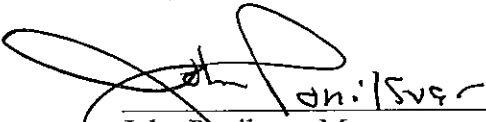
WHEREAS, the City Council determines that the fee structure proposed is appropriate and prudent to the sound operation of the city sales tax collection by the Finance Director and that such fees are not unreasonable in light of the direct costs associated with the collection of the city sales tax.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF CRAIG, COLORADO:

The City Council hereby adopts the credit and fees for the licensing and collection of the city sales tax, commencing July 1, 2018, as follows:

1. Vendor Service Fee – filers will be entitled to an allowance or credit of 3.33% of sales tax due if such returns are filed when due and are not filed late. There shall be a maximum monthly allowance of \$300 per filing.
2. Annual Sales Tax Licensing Fee -- \$20 annually due on the 1st day of January of each year. This fee would be waived for the period of July 1, 2018 to December 31, 2018. Renewals for 2019 and each year thereafter would be sent out in October 2018 for 2019 licensing fee and each October thereafter. License renewal late fees would be \$30 if received in January, \$35 if received in February and \$40 if received in March or later. Such late fees would include the \$20 Annual Sales Tax Licensing Fee.
3. Late Filing Fee for Sales Tax – A 10% penalty with a \$15 minimum amount, which also applies to late filed Zero Tax Due filers.
4. Monthly Interest Rate of 1.5% of the balance due on late payment remittances for city sales tax.
5. Fees for Submission Type/Payment Type.
 - Filers submitting a paper return will pay a \$15 processing fee.
 - Credit card payments are subject to a 2.5% fee of amount due
 - ACH payments are \$0 cost to filer
 - Online submission of a sales tax return of \$0 cost to filer
 - Check payments are subject to a \$5 processing fee

READ AND APPROVED THIS 10th DAY OF APRIL, 2018, BY THE CITY COUNCIL OF THE CITY OF CRAIG, COLORADO.



John Ponikvar, Mayor

ATTEST:



Kathy Larson, City Clerk

