

## GENERAL INFORMATION

The City of Cordova Municipal Code requires that a Sales Tax be imposed and collected on the sale of all goods and services, not otherwise specifically exempted, in section 5.40. It is the responsibility of each and every business to collect and remit sales tax to the City on a timely basis. A copy of the Municipal Code is provided to all new businesses when an original business license application is made to the City, and is available at City Hall for review.

**Seller's Discount (compensation):** A business is entitled to compensate themselves for the collection and accounting of sales tax. Sellers may compensate themselves for 2% of the sales tax due, not to exceed \$200.00. Businesses filing monthly returns receive a compensation of 2% of the sales tax due per month, up to \$200.00. If there are delinquent taxes, penalties or interest outstanding to the City, this discount is not allowable.

**Estimated Tax:** In the event the city treasurer is unable to ascertain the tax due to be remitted by a seller by reason of the failure of the seller to keep accurate books, allow inspection, file a return or file a false return, the city treasurer may make an estimate of the tax due based on any evidence in his/her possession. Notice of the estimate of taxes due shall be furnished to the seller and shall become final for the purpose of determining liability of the seller to the city thirty days thereafter, unless the seller earlier files an accurate return, per section 5.40.110 of our Municipal Code.

**Penalty for Violations:** The failure to collect, report and remit sales tax is subject to civil penalties. The failure to file sales tax returns timely will result in a penalty of \$25.00 for the first return not timely filed and \$50.00 for each next return not timely filed within a one year period. A penalty of 10% of the taxes due shall be incurred for the first month of delinquency, and an additional 5% of each month thereafter, not to exceed 20% of the taxes due to be transmitted. Additionally, interest will accrue at the rate of 15% on the unpaid tax from the delinquent date. A business that fails to collect sales tax will incur a civil penalty of double the tax amount that should have been collected. Within 90 days of the delinquent date, a sales tax lien will be filed on the real and personal property of the business/owner. Other provisions of the Municipal code may apply.

If there are any questions or information required as to the handling of sales matters, please refer to the sales tax section 5.40 of the Municipal Code, or contact City Hall at (907) 424-6200.