

SALES TAX OVERVIEW

A sales tax is levied on all sales, rents, and services made in the City at the rate of 3% of the selling price. The burden of this tax rests upon the consumer. The tax is not levied on raw seafood products that are taxed separately. The tax on services does not include salaries or wages received by an employee from an employer, but it does include consideration for furnishing labor and materials for accomplishing a specific result.

COLLECTION OF TAX

A collector must add the 3% sales tax to the selling price, rent, or service charge showing the tax as a separate and distinct item. Collectors must complete and file tax returns and remit the tax collected in accordance either quarterly or monthly.

If a collector chooses to file quarterly returns, collectors must, on or before the last day of the month succeeding the end of each quarter year ending March 31, June 30, September 30, and December 31, prepare a return for the preceding quarter year using forms furnished by the City. Tax returns must be filed every quarter even if the reported sales are zero. The returns must be filed personally at City Hall by 5:00 p.m. or postmarked on the last day of the month following the end of each quarter year. In the event the last day of the month falls on a legal holiday or a weekend, the return may be filed on the first business day following.

If a collector chooses to file monthly returns, monthly filings must be continuous for all months in a quarter. The collector of sales tax will be paid an amount equal to 2% of the gross tax collected, provided the tax return is filed and the tax is paid to the City on or before the 10th of each month immediately following the month in which the collection is made. A collector is only entitled to the discount if the collector has filed tax returns on a monthly basis for the entire quarter. Reports must be made using forms furnished by the City and available at City Hall.

PENALTY AND INTEREST

If the taxes are not paid when due and become delinquent, a penalty of 5% of the delinquent tax will be added to the delinquent tax for the first month, or any part thereof, and an additional 5% will be added to the tax due for each month, or fraction thereof, of delinquency until a total penalty of 15% of the sales tax due has accrued.

In addition to the penalty, interest assessed on delinquent tax will accrue at the rate of 10% per year. Interest will accrue from the date of delinquency until paid in full.