



Legislation Text

File #: ORD-21:046, **Version:** 1

AN ORDINANCE LEVYING A TAX UPON THE GROSS RECEIPTS OF PREPARED FOODS BY ESTABLISHMENTS IN THE CITY OF JONESBORO; PRESCRIBING THE PROCEDURE FOR THE COLLECTION AND ENFORCEMENT OF THE TAX; PRESCRIBING THE PURPOSES FOR WHICH REVENUES DERIVED FROM COLLECTION OF THE TAX MAY BE USED; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO

WHEREAS, the City of Jonesboro, Arkansas has many benefits to offer visitors to the city, and is presently not taking full advantage of its resources for the attraction of visitors and residents, particularly in the area of public parks; and

WHEREAS, the development of such resources would result in many economic and other benefits to the city and its inhabitants and visitors; and

WHEREAS, the Advertising and Promotions Commission has unanimously requested that the City Council adopt a two percent (2%) tax on the gross receipts from the sale of prepared foods in the City of Jonesboro to further these goals.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS:

SECTION 1: The following language is added to the Jonesboro Code of Ordinances as Chapter 62 - Taxation - Article II - Division I - GROSS RECEIPT TAX - Prepared Foods:

1. DEFINITIONS

- (a) Gross Receipt Tax: A tax of two percent (2%) upon the gross revenues derived from the sale of prepared food at any establishment or place of business who shall offer for sale prepared foods within the City of Jonesboro.
- (b) Establishment: All restaurants, cafes, cafeterias, delicatessens, drive-in restaurants, carry-out restaurants, food trucks, catering, markets, convenience stores, and other similar establishments who offer for sale to the general public food or beverages prepared at the establishment.
- (c) Gross Revenues: Gross Revenues are those revenues derived solely from the sale of prepared foods or drinks to the public.
- (d) Prepared foods or drinks: Food sold in a heated state or heated by the seller; two or more

food ingredients mixed or combined by the seller for sale as a single item; or food sold with an eating utensil provided by the seller, including a plate, knife, fork, spoon, glass, cup, napkin, or straw.

2. GROSS RECEIPTS TAX

- (a) The tax shall be collected from the purchaser or user of the food or beverage by the establishment selling such food or beverage. The taxpayer shall remit to the City the collections, in sufficient time to be received by the 20th day of each month, all collections of the tax for the preceding month, accompanied by reports on forms to be provided by the City of Jonesboro and the Arkansas Excise Tax Return Form (ET-1 Form) required by the State of Arkansas. Collection of said tax shall begin January 1, 2022.
- (b) All taxes, interest, penalties, and costs collected pursuant to this tax as levied by the City of Jonesboro shall be credited to the City of Jonesboro Advertising and Promotion Fund.
- (c) The City of Jonesboro, or its authorized agent, shall have the right during normal business hours to inspect the books, records, and accounts of all establishments governed by the provisions of this Chapter.
- (d) Upon failure to deliver the tax levied under the provisions of this Chapter to the City of Jonesboro by the twentieth (20th) day of each month for the preceding calendar month, a penalty of ten percent (10%) of the tax due shall be added.
- (e) Any establishment who shall remit a sum less than the actual tax due shall be liable to the City of Jonesboro for interest at the rate of one percent (1%) per month on the difference between what was actually paid and what was actually due as the tax for that calendar month.
- (f) The proceeds of the tax collected under this subchapter shall be used, spent, or pledged by the City of Jonesboro Advertising and Promotion Commission for the purchase, establishment, construction, reconstruction, repair, maintenance, improvement, equipping, and operation of public recreation facilities in the city or county where the city is located if the city owns an interest in the center or facility, including, but not limited to, facilities constituting city parks, and also for the payment of the principal of, interest on, and fees and expenses in connection with bonds as provided in this subchapter in the manner as shall be determined by the Commission for the purpose of such payment.

SECTION 2: The provisions of this Ordinance are hereby declared to be severable. If any provision shall be held to be invalid or to be inapplicable to any person or entity or under any circumstances, such invalidity or inapplicability shall not affect the remaining provisions of this Ordinance.

SECTION 3: All Ordinances and Resolutions, or parts thereof, in conflict, in whole or in part, with any of the provisions of this Ordinance are hereby repealed to the extent of such conflict.

PASSED AND APPROVED THIS 2ND DAY OF NOVEMBER 2021.