TOWN OF ADDISON, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS AUTHORIZING THE REPAYMENT OF OVERPAID LOCAL SALES AND USE TAXES IN FORTY NINE MONTHLY INSTALLMENTS FOR A TOTAL AMOUNT OF $827,540.76.00; AUTHORIZING THE CITY MANAGER TO EXECUTE A REPAYMENT AGREEMENT WITH THE TEXAS COMPTROLLER OF PUBILC ACCOUNTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on February 17, 2016 the Town of Addison, Texas was notified by the Texas Comptroller of Public Accounts that the Town was overpaid $827,540.76 in local sales and use taxes because a taxpayer relocated its business to a different city without notifying the Texas Comptroller's office of the move. The business incorrectly collected and reported the local tax to the Town of Addison in error. The taxes have been reallocated to the correct taxing city and the Town of Addison must repay the taxes to the State of Texas.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

Section 1. The Town of Addison will repay the overpaid local sales and use taxes in forty nine (49) monthly installments in a total amount not to exceed $827.540.76, and the City Manager is authorized to execute the letter agreement with the Texas Comptroller of Public Accounts attached hereto and incorporated herein as **Exhibit A**.

Section 2. This Resolution shall take effect from and after its date of adoption.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the 28th day of June, 2016.

_____
Todd Meier, Mayor

ATTEST:

By: _____
Laura Bell, City Secretary

APPROVED AS TO FORM:

By: _____
Brenda N. McDonald, City Attorney

EXHIBIT A

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

February 17, 2016

Ms. Amanda Turner
Accounting Manager
Town of Addison
PO Box 9010
Addison, TX 75001-9010

Dear Ms. Turner:

This letter is to notify you that the Town of Addison was overpaid $827,540.76 in local sales and use taxes. A taxpayer moved their business to a location in a different city and did not notify our office of the move. They have incorrectly collected and reported the local tax to Addison in error. Since the local tax has been reallocated to the correct taxing city, it must now be repaid to the State by the Town of Addison.

The options to repay the erroneous amount are as follows:

- ☐ 1) Full reimbursement by one time check*,
- ☐ 2) Apply all monthly collections to the overpaid amount until the amount has been repaid, or
- ☐ 3) Enter into a 49 month payback agreement where a monthly deduction of $16,889.00 will be deducted for 48 months with a final deduction of $16,868.76. This deduction would start the month after we receive your response or two months after the date of our letter if we do not receive a response. Additionally, future significant audit payments may be applied toward the repayment amount to reduce the length of the payback and notifications of those applications will be sent.

No fees of any type will be assessed on the payback amount.

If you choose option 1, "full reimbursement by one time check," the payback amount should be adjusted by the 2% service fee. Multiply the payback amount by 2% (.02); subtract the 2% amount from the payback amount, then pay the adjusted amount.

Please mark an X in the applicable box above for the option you wish to choose, have a town official sign at the bottom, and return this letter using the enclosed self- addressed envelope.

If you have any questions or need additional information, you may call me toll free at (800) 531-5441, ext. 50550. My mailing address is PO Box 13528, Austin, TX, 78711, the FAX number is (512) 475-1523 or my email is shirley.kaatz@cpa.texas.gov.

Sincerely,

Shirley Kaatz

Shirley Kaatz
Revenue Accounting Division
Tax Allocation Section

Date _____
Town Official Name_____
Title _____
Signature_____