

ORDINANCE NO. 05-01-17A

**AN ORDINANCE ESTABLISHING THE TAX COLLECTION AGENT FOR RED BAY, ALABAMA**

**BE IT RESOLVED** by the Red Bay City Council, that the city Sales Tax levied by the Red Bay City Council shall be collected by Sales Tax Auditing & Collection Services (Agent), and the Mayor of the City of Red Bay is hereby authorized to contract with Agent for the collection services so agreed.

**EFFECTIVE DATE:** The effective date of this Resolution shall be January 17, 2005

APPROVED THIS 25 DAY OF January, 2005

  
City Clerk

STATE OF ALABAMA )

CITY OF RED BAY )

## TAX SERVICE CONTRACT

This Agreement made and entered into on this the 25 day of JAN 2005 by and between the City of Red Bay, Alabama, hereinafter referred to as CITY and Sales Tax Auditing & Collection Services, hereinafter referred to as STACS.

### WITNESSETH

WHEREAS, CITY is desirous of contracting with an entity for the purpose of handling the collection of its sales, use, and other taxes; and performing revenue examination services (auditing) and;

WHEREAS, STACS has offered its services as an independent contractor for the purpose of performing these services; and,

WHEREAS, the parties hereto are desirous of memorializing their agreement concerning the services to be provided by STACS and the consideration to be paid by CITY for said services.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein made and of the acts to be performed by the parties hereto, it is mutually agreed and each covenants and agrees as follows:

- 1) CITY will provide to STACS an updated copy of all ordinances, resolutions and agreements related to sales, use, and other taxes.
- 2) STACS will perform the following tax collection services:
  - a) STACS will notify taxpayers and prepare and mail forms and other documentation necessary to collect, document taxpayer payments and remit tax revenues to CITY.
  - b) Upon receipt of taxpayer remittance forms and tax payments, STACS will verify the accuracy of the taxpayers' tax calculations and record the amounts submitted for payment.
  - c) STACS will deposit tax monies in CITY'S bank account(s) generally on the same day of receipt but always within twenty-four (24) hours of receipt by STACS.
  - d) STACS will mail notices to taxpayers relating to delinquencies, under and over payments, and bad checks.
  - e) Each month STACS will provide CITY detailed and summary reports of tax collection activities.
- 3) STACS will perform the following revenue examination (auditing) services for CITY:
  - a) Identify candidates for audit and provide information for CITY to use to determine if an audit is appropriate. STACS will not initiate a local audit without prior approval by CITY.
  - b) When conducting audits initiated by other STACS clients, STACS will include CITY on the required list of entities for which the examination is being conducted. (as required by the Alabama Taxpayers' Bill of Rights)
  - c) Perform examinations of taxpayer records in accordance with the "Minimum Standard Examination Program" established by the Alabama Local Tax Institute of Standard and Training.
  - d) Present to CITY a monthly "Audit Findings Report" if applicable.

- e) Assist in the preparation of any legal documents that may be required to collect any amounts due from the taxpayer. (Note also that examiners are required by law to notify the taxpayer if any tax overpayments are discovered and the taxpayer is due any refunds.)
- 4) CITY will pay the following:
- a) For sales and use tax collection services, the sum of FIVE HUNDRED AND 00/100 (\$500.00) DOLLARS per month. STACS will bill CITY for services rendered pursuant to the consideration referred to in this paragraph on or before the tenth (10th) day of the month following the tax month for which tax payment is due and CITY shall pay STACS by the thirtieth (30th) day of the month in which STACS bills CITY.
  - b) For revenue examination (auditing) services, the sum of FORTY-FIVE and 00/100 (\$45.00) per hour. If overnight travel outside the State of Alabama is required, STACS will obtain prior written approval from CITY and STACS will be paid an agreed upon travel expense and daily per-diem amount. It is understood that each STACS client will only pay a prorated portion of audit fees when STACS is conducting audits for multiple clients at one time. Both parties, to this agreement, understand that State of Alabama legislation specifically prohibits any form of auditing on a contingency fee basis and further agree that STACS compensation is not, in any way, connected to the amounts discovered during audits nor connected to amounts finally received by CITY.
- 5) This Contract shall be for a term of one (1) years beginning April 1, 2005 and expiring March 30, 2006.
- 6) STACS shall not assign this Contract or any part thereof during the term of this Agreement, without the prior written approval of CITY.
- 7) CITY shall have the right to cancel this agreement, on sixty (60) days notice to STACS, for any reason.

IN WITNESS WHEREOF, this Agreement has been executed by the parties on this the 25 day of Jan 2005.

City of Red Bay

BY: Sammy Nelson

Title: MAYOR

ATTEST: Bunda B Holcomb

CITY CLERK

Sales Tax Auditing & Collection Services

BY: Donald H. Allen

Donald H. Allen

Title: OWNER