



PLEASE DO NOT COMBINE CHECK WITH ANY OTHER DEPT.

City ID No: _____

Kentucky Sales Tax Account No: _____

**MONTHLY RETURN OF RESTAURANT TAX
CITY OF ELIZABETHTOWN, KY
MONTH ENDING: _____**

1. Gross Taxable Receipts in Elizabethtown _____
(Excluding any non-food/alcohol sales) _____
2. Tax – 2% of Line 1 _____
3. Penalty (See Instructions # 2) _____
4. Interest (See Instructions # 3) _____
5. Total Payment Due (Lines 2 + 3 + 4) _____

Make check or money order payable to:

**DIRECTOR OF FINANCE
ATTN: RESTAURANT TAX
PO BOX 550
ELIZABETHTOWN, KY 42702-0550**

The return is due on or before the 20th of each month. A timely return must be filed, even if **NO** sales were made or **NO** tax is due.

I hereby certify that the information contained herein and in any supporting schedules are true, correct and complete to the best of my knowledge.

Signature of Individual Preparing Return Official Title Date

INSTRUCTIONS:

1. A return must be filed each month, even if no tax is due.
2. For each 30 days or fraction thereof that the return or payment is late, multiply line 2 by 5%. The maximum penalty due is 25% of line 5.
3. For each 30 days or fraction thereof that the return or payment is late, multiply line 2 by 0.5%.
4. On line 5, enter the total of line 2, line 3 and line 4.

Line 1: If your file electronically enter the amount from the total taxable amount line of the Kentucky Sales and Use Tax Form. If any alcohol or non-food sales are included in that line you will need to subtract out those sales and that total would go on line 1 Gross Taxable Receipts in Elizabethtown. If the Kentucky Sales and Use Tax Form is filed manually you would use line 22 and subtract out any alcohol or non-food sales.

Line 2: Multiply line 1 by 2% (0.2). This is the amount of the restaurant tax due.

Line 3: Penalty

Example: The December return is due by January 20th but the return was filed on March 16th. Tax due on the return was \$1,000.00.

Computation of Penalty:

Tax Due \$1,000.00

The return is 55 days late so the penalty is 10% (5% x 2 months) x 10

The maximum penalty due would be \$250 or \$1,000 x 25% \$100.00

Regardless of the number of months delinquent.

Line 4: Interest

Example: The December return is due by January 20th but the return was filed on March 16th. Tax due on the return was \$1,000.00.

Computation of Interest:

Tax Due \$1,000.00

The return is 55 days late so the penalty is 1% (0.5% x 2 months) x 01

Interest Due \$10.00

Line 5: Total together 2, 3 and 4. This is the total payment due.



MONTHLY RETURN OF RESTAURANT TAX COMPLETION GUIDE

CITY OF ELIZABETHTOWN, KENTUCKY

KENTUCKY LAW & THE TAX ON TAX ISSUE

According to 103 KAR 27:220, Section 5: The tax imposed by a city on a restaurant pursuant to KRS 91 A.400 shall be classified as a *license tax* that shall constitute gross receipts subject to sales tax according to the provisions of KRS 139.050.

Under KRS 139.050 gross receipts include “(1) (b) The cost of the materials used, labor or service cost, interests, losses all costs of transportation to the retailer, *all taxes imposed on the retailer*, or any other expense of the retailer.”

Basically the Kentucky Department of Revenue defines the restaurant tax as a “license tax” which enables it to be calculated on the customer’s restaurant bill before the state sales tax is applied.

Example:	Restaurant Bill	\$10.00
	Restaurant Tax (2%)	+ <u>.020</u>
		\$10.20
	Sales Tax (6%)	+ <u>0.62</u>
	Total charge for the bill would be	\$10.82

ELIZABETHTOWN CITY ORDINANCE NO. 22-2007

The effective date is October 1, 2007. The entire Ordinance may be downloaded from our website.

Section Four (4): On or before the twentieth (20th) day of each calendar month, each restaurant owner and/operator shall report to the City Director of Finance on forms provided by the City of Elizabethtown the gross amount of sales of the restaurant from food and beverages for the preceding calendar month, and a calculation of the tax due for that month by computing two percent (2%) of its gross sales from food and beverages. The owner/operator of the restaurant shall remit with the form the tax due to the City Director of Finance.

Section Seven (7): Interest and Penalties. Any person who fails to file any return required within the afore stated time due or who fails to pay such restaurant tax when same shall become due, shall be charged a penalty of Five Percent (5%) of the amount of the

unpaid restaurant tax for each month such return remains un-filed or tax unpaid, not exceeding a penalty of Twenty Five Percent (25%) in the aggregate.

All restaurant taxes imposed by this Ordinance which remains unpaid after they become due shall bear interest at the rate of one-half of one percent (.5%) per month (or part thereof).

The guide is intended to provide practical information to assist persons in fulfilling their restaurant tax obligations to the City of Elizabethtown.

For additional information or inquires, you may contact:

Director of Finance
City of Elizabethtown
P. O. Box 550
Elizabethtown, Ky. 42702-550
Phone: 270-765-6121
Or visit our website at www.elizabethtownky.org