



CITY COUNCIL STAFF REPORT

DATE: November 7, 2012 CONSENT CALENDAR

SUBJECT: PROPOSED RESOLUTION AUTHORIZING THE EXAMINATION OF SALES OR TRANSACTIONS AND USE RECORDS BY THE BOARD OF EQUALIZATION TO CITY SALES TAX AUDITORS

FROM: David H. Ready, City Manager

BY: Department of Finance and Treasury

SUMMARY

The City Council will consider the adoption of a resolution authorizing MuniServices to examine the City's sales and use tax records from the State Board of Equalization.

RECOMMENDATION:

1. Adopt Resolution No. _____, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, AUTHORIZING THE EXAMINATION OF SALES OR TRANSACTIONS AND USE TAX RECORDS".

STAFF ANALYSIS:

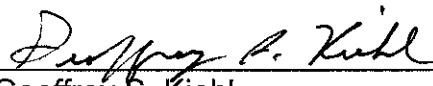
The City of Palm Springs has had an agreement with MuniServices, LLC since July 2006 for sales and use tax auditing services. This agreement allows MuniServices to represent the City for purposes of examining Board of Equalization (BOE) records pertaining to sales and use tax records to identify errors and omissions.

After the passage of Measure J, the City entered into an agreement with the BOE to administer and collect the additional local sales and use taxes Measure J will provide. This action extends MuniServices' permission to obtain and examine the sales and use tax data to include the amounts collected under Measure J beginning April 1, 2012. The BOE requires this permission be granted through a resolution formally adopted by the City Council.

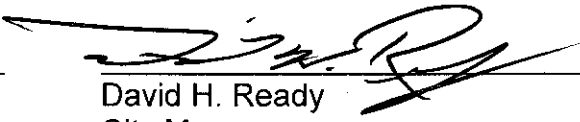
ITEM NO. 24

FISCAL IMPACT:

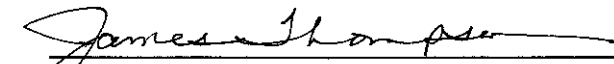
None. There are no additional costs for these services.



Geoffrey S. Kiehl
Director of Finance and Treasurer



David H. Ready
City Manager



James Thompson
Chief of Staff / City Clerk

Attachments:
Proposed Resolution

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF PALM SPRINGS AUTHORIZING THE
EXAMINATION OF SALES OR TRANSACTIONS
AND USE TAX RECORDS**

WHEREAS, the City of Palm Springs has entered into a contract with the State Board of Equalization to perform all functions incident to the administration and collection of local sales and use taxes; and

WHEREAS, the City of Palm Springs entered into a contract with the State Board of Equalization to perform all functions incident to the administration and collection of local transactions and use taxes; and

WHEREAS, the City Council of the City of Palm Springs deems it necessary and desirable for authorized representatives of the City to examine confidential sales and transactions and use tax records of the Board pertaining to sales and transactions and use taxes collected by the Board for the City; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board records and establishes criminal penalties for the unlawful disclosure of information contained in, or derived from sales or transactions and use tax records of the Board; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board records including requiring the adoption of a resolution authorizing access to the sales, transactions, and use tax records;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PALM SPRINGS HEREBY RESOLVES AS FOLLOWS:

Section 1. The Director of Finance and Treasurer or other officer or employee of the City designated in writing by the City Manager to the State Board of Equalization (hereafter referred to as "Board") is hereby appointed to represent the City with authority to examine all of the sales and transactions and use tax records of the Board pertaining to sales or transactions and use taxes collected for the City by the Board of Equalization pursuant to the contract between the City and the Board under the Bradley-Burns Uniform Local Sales and Use Tax Law or the Transactions and Use Tax Law. The information obtained by examination of Board records shall be used only for purposes related to the collection of City sales or transactions and use taxes by the Board pursuant to the contract.

Section 2. The Director of Finance and Treasurer or other officer or employee of the City designated in writing by the City Manager to the Board is hereby appointed to represent the City with authority to examine those sales and transactions and use tax records of the Board for purposes related to the following governmental functions of the City:

- a) functions related to Sales, Transaction, and/or Use Tax collection or administration; and

- b) functions related to budgeting and forecasting of revenue; and
- c) other governmental functions as specified in writing by City Manager.

Section 3. MuniServices, LLC is hereby designated to examine the sales and transactions and use tax records of the Board pertaining to sales and transactions and use taxes collected for the City by the Board. MuniServices, LLC meets all of the following conditions:

- a) has an existing contract with the City to examine sales and transactions and use tax records;
- b) is required by that contract to disclose information contained in, or derived from those sales and transactions and use tax records only to the officer or employee authorized under Section 1 (or Section 2) of this resolution to examine the information;
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d) is prohibited by that contract from retaining the information contained in, or derived from those sales and transactions and use tax records after that contract has expired.

The information obtained by examination of Board records shall be used only for purposes related to the collection of City's sales and transactions and use taxes by the Board pursuant to the contracts between the City and the Board of Equalization and for purposes relating to the governmental functions designated in Section 2.

Section 4. This resolution supersedes all prior sales and transactions and use tax resolutions of the City of Palm Springs adopted pursuant to subdivision (b) of Revenue and Taxation Section 7056.

Introduced, approved and adopted this _____ day of _____, 20__.

(Name & Title)

(Attest)

(Signature)

(Date)

(Certification on next page)

I, James Thompson, City Clerk of the City of Palm Springs, California do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Palm Springs, at a regular meeting of said Council held on the _____ day of _____, 20___, by the following vote:

Ayes: (Names of Councilmembers)

Noes: (Names of Councilmembers)

Absent: (Names of Councilmembers)

(s) _____
City Clerk

