

AN ORDINANCE ESTABLISHING
A TAX ON MEALS AND
PROVIDING FOR THE ADMINISTRATION THEREOF

BE IT ORDAINED, by the Town Council of the Town of Port Royal, Virginia, that:

Section 1. Imposition of tax; amount.

There is hereby imposed a tax on the retail sale of meals prepared for human consumption. The tax shall be in the amount of four per centum (4%) of the amount paid for such meals. Said tax shall be in addition to any sales and use taxes imposed by the Commonwealth of Virginia or the County of Caroline, but shall apply in lieu of the tax on prepared food and beverages or any similar tax imposed by the County of Caroline.

Section 2. Definitions.

For the purpose of this Ordinance, the following terms shall have the meanings indicated:

DELICATESSEN - An establishment, or portion of an establishment such as a grocery store or supermarket, that sells prepared sandwiches or salads as well as ingredients of sandwiches or salads.

MEALS - Any and all foods and beverages, including alcoholic beverages, ready for immediate consumption, purchased in or from a restaurant, dining room, delicatessen, grill, coffee shop, cafeteria, cafe, snack bar, lunch counter, confectionery, bakery, lunch wagon, caterer, public or private club, resort, bar, tavern or lounge, or similar establishment, whether purchased for consumption on or off the premises.

RETAIL SALE - Sale other than for the purpose of resale.

TOWN - The Town of Port Royal.

TREASURER - the Treasurer of the Town of Port Royal or his/her deputy.

Section 3. Collection

Every seller of meals subject to the tax imposed hereby shall collect the tax imposed under this Article from the purchasers of meals at the time payment for such meal is made, whether in cash, on credit or by credit card. The tax shall be added to the

- B. In the event that a false report is submitted to the Treasurer with the intent to defraud the town of any tax due under this Article, in addition to any criminal penalties which may be imposed by law, the Treasurer shall impose a penalty of fifty percent (50%) of the tax due for each and every collection period for which a false report was filed.

Section 7. Exclusions and exceptions.

The tax imposed hereby shall not apply to:

- A. Any food or beverage sold through vending machines.
- B. Any prepackaged snack foods except when sold as part of a meal.
- C. Meals furnished by restaurants to employees as part of their compensation for which no charge is made to the employee.
- D. Meals provided by day-care centers or by educational institutions to students or employees.
- E. Meals furnished by a hospital, medical clinic, convalescent home, nursing home, home for adults, community home, shelter or similar facility to its patients, residents or employees.
- F. Meals furnished by a nonprofit charitable or governmental organization to the elderly, infirm, handicapped or needy, either in their homes or at a central location.
- G. Meals sold by a nonprofit, educational, religious, charitable or benevolent organization on an occasional basis as a fundraising activity.
- H. Meals which are otherwise exempt from taxation under the Virginia Retail Sales and Use Tax Act.

Section 8. Deduction from tax due.

For the purpose of compensating sellers of meals for the collection of the tax imposed by this Article, every seller of meals shall be allowed three percent (3%) of the amount of the tax due and accounted for in the form of a deduction from such seller's monthly tax payment, provided that the tax is not delinquent at the time of payment. The amount deducted shall be shown on the report required by Section 4(B) of this Ordinance.

cost of the meals by the seller. Taxes collected by the seller shall be held in trust for the town until paid.

Section 4. Records, reporting and payment.

- A. Every seller of meals shall maintain accurate records of the amount paid to the seller monthly for meals and the tax collected thereon.
- B. Every seller of meals shall file a monthly report with the Treasurer setting forth the amount collected by the seller for meals and the amount of tax collected thereon during the previous month. The tax collected shall be submitted to the Treasurer of the Town with the report. Reports and the tax proceeds shall be submitted to the Treasurer not later than the 20th day of the month next following the month of collection.
- C. Records shall be maintained by every seller of meals for a period of three (3) years.

Section 5. Inspection of records; assessment of tax and penalties.

- A. The Treasurer shall have the power to examine records relating to the sale of meals and the taxes thereon and the purchase of ingredients for meals at reasonable times and without unreasonable interference with the businesses of sellers of meals for purpose of administering and enforcing the provisions of this Article.
- B. In the event that no report or tax is remitted as required herein or if the Treasurer has reason to believe that an incorrect report or incorrect amount of taxes has been submitted, the Treasurer may proceed in such manner as he or she may deem best to gather information on which to estimate the correct amount of the tax due. Based on such information, the Treasurer shall assess against the seller of meals such tax and penalties provided for in this Article, and shall notify such seller of meals, by certified or registered mail sent to the seller's last-known address, of such tax and penalties. The total amount thereof shall be payable to the Treasurer within ten (10) days from the date of mailing of the notice.

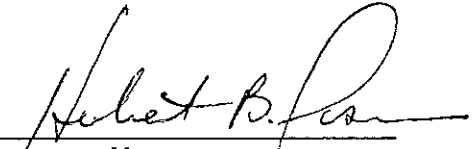
Section 6. Violations and penalties.

- A. If any seller of meals whose duty it is to do so shall fail to file any report required by this Article or to remit to the Treasurer any tax imposed hereby within the time and in the amount specified herein, there shall be added to the tax due a penalty of ten percent (10%) of the amount in default for unpaid taxes and ten percent (10%) of the taxes collected as shown on any overdue report. An additional penalty of like amount shall be added to the tax for every additional month such report or tax is overdue, until a maximum penalty of twenty-five percent (25%) is imposed.

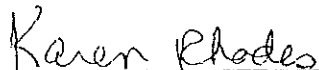
This ordinance shall be effective beginning at 12:01 a.m. on July 1, 1991.

If any section, subsection, or portion of this ordinance should be held invalid by a Court of competent jurisdiction, such finding shall not affect the remainder of the ordinance, which will continue in full force and affect.

Adopted by the Town Council of the Town of Port Royal this 17 day of JUNE 1991.

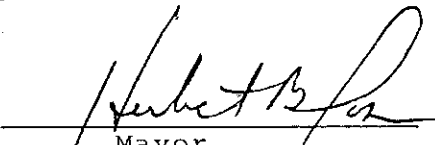


Mayor



Clerk

Approved this 17 day of JUNE, 1991.



Mayor