

**AN ORDINANCE TO AMEND THE ABERDEEN CODE OF ORDINANCES TO ADOPT THE GROSS RECEIPTS METHOD OF PRIVILEGE LICENSE TAXATION**

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF ABERDEEN THE FOLLOWING:

**Section 1.** The term "gross receipts" as used in Town of Aberdeen Code of Ordinances Section 110.10 is amended to read as follows:

**§ 110.10 DEFINITIONS. . . .**

**GROSS RECEIPTS.** ~~Reserved.~~ The amount reported as gross receipts on a business' state income tax return, or on the federal income tax return filed with the state income tax return if the state return does not separately state gross receipts for the most recently completed tax year.

**Section 2.** Town of Aberdeen Code of Ordinances Section 110.24 is amended to read as follows:

**§ 110.24 COMPUTATION OF TAX BASED ON GROSS RECEIPTS.**

~~Reserved.~~

(A) In addition to paying the flat tax established herein, each business shall be liable for a privilege license tax based upon its annual gross receipts as follows:

The first \$500,000.00 of gross receipts shall be exempt from taxation based upon gross receipts.

All gross receipts above \$500,000.00 shall be taxed at a rate of \$0.50 per \$1,000.00 or fraction thereof.

For example a large retailer with yearly gross of receipts of \$45,000,000.00 would be liable for the flat privilege license tax and a gross receipts privilege license tax of \$22,250.00 ( $\$45,000,000.00 - \$500,000.00 = \$44,500,000.00 / \$1,000.00 = \$44,500.00 \times \$0.50 = \$22,250.00$ ).

(B) If a business has not been in operation long enough for gross receipts information to be available, the tax collector shall estimate gross receipts for the business on the basis of gross receipts of comparable businesses or any other information that the tax collector considers useful.

(C) On or before the July 31 immediately after the license year, each licensee who paid the privilege license tax for the past license year based on estimated gross receipts shall submit to the tax collector a sworn final report showing the amount of gross receipts for the license year. If the amount shown is more than estimated gross receipts, the licensee shall pay the amount of additional tax that would have been due had the estimate been accurate. If the amount shown is less than estimated gross receipts, the city shall refund to the licensee the difference between the actual tax paid and the amount of tax that would have been due had the estimate been accurate.

**Section 3.** The Town of Aberdeen Privilege License Tax Schedule is amended to increase flat tax rates as follows:

	DESCRIPTION	FLAT TAX	
A13	Administrative Support Location	<del>\$50.00</del>	<u>\$100.00</u>
B09	Business, General	<del>\$25.00</del>	<u>\$50.00</u>
M01	Manufacturing, Distribution and Wholesale	<del>\$100.00</del>	<u>\$200.00</u>
R03	Retail, General	<del>\$25.00</del>	<u>\$50.00</u>

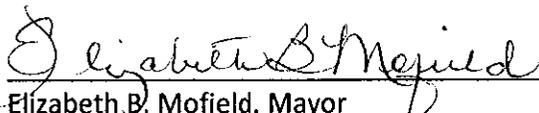
**Section 4.** All provisions of any town ordinance or resolution in conflict with this ordinance are repealed.

**Section 5.** This ordinance shall become effective beginning July 1, 2012.

The foregoing ordinance, having been submitted to a vote, received the following vote and was duly adopted this 29<sup>th</sup> day of March, 2012.

Ayes: 5  
Noes: 0  
Absent or Excused: NA

Dated: 3/29/2012

  
Elizabeth B. Mofield, Mayor

Attest:

  
Regina Rosy, Town Clerk