

LOCAL BUSINESS TAX VERIFICATION

AUDIT: Pursuant to City Code, every business is required to update and report annually all information necessary for the City to make a proper determination of the amount of tax due. Further, the City has the right to verify the correctness of the local business tax being paid by a business by conducting in person, on-premise audits of local business tax receipt holders.

ACTUAL TAX BASIS: Your local business tax is figured at the time of initial application for a local business tax receipt based on the type and size of your business, and may vary over time as a business expands or contracts. Enter your business's actual number of workers, inventory, seats, etc. in the box provided. For example, if your restaurant has 38 seats, enter 38. If your manufacturing company employs 87 workers, enter 87 in the box. The different tax bases for most business types are:

- **MANUFACTURING AND ALL SERVICE BUSINESSES:** Number of workers employed (see definition below)
- **MERCHANTS:** Amount of inventory (see definition below)
- **ENTERTAINMENT/LEISURE:** Occupancy of the space owned or leased by the business at the business location
- **LODGING:** Total number of rooms, apartments, or living units available to rent, lease or use
- **COMMERCIAL PROPERTY:** Total number of commercial units or spaces available for rent, lease or use
- **RESTAURANTS/RELATED BUSINESSES:** Total number of seats available including the bar area
- **STORAGE:** Total square footage of space that is available to be rented, leased or used at the business location
- **TRANSPORTATION:** Total number of vehicles or vessels available to be rented, leased or used
- **UTILITY:** Type of utility (electric, fuel pipeline, fuel energy, telecommunications, television station)

The actual tax basis is subject to audit by the City. Should the updated tax basis result in additional taxes owed, you will be billed. Should the updated tax basis result in less tax being owed, you will receive a refund.

DEFINITION OF “NUMBER OF WORKERS EMPLOYED”: The total of a) the average number of workers reported on your State of Florida Quarterly Unemployment Tax Report (Form UTC-6) or other equivalent form agreed to by the City for the quarter ending March 31, 2010 plus b) any full or part-time workers that your business directly contracted with or leased from third party organizations during the same period who are not covered under a).

DEFINITION OF “AMOUNT OF INVENTORY”: Must be the same as the amount reported on one of the following forms corresponding to your business: 1) If a corporation, your Federal Form 1120 Schedule L or Florida Form F-1120 Schedule III-B; or 2) If a partnership, your Federal Form 1065 Schedule L or Florida Form F-1065 Schedule III-C; or 3) If a sole proprietorship, your Federal Form 1040 Schedule C; or 4) another equivalent form agreed to by the City for the year ending December 31, 2010.

CUSTOMER SERVICE: Should you have any questions regarding your local business tax, please call the City of Hollywood Treasury Services Division/Local Business Tax Receipting office at (954) 921-3225 between the hours of 8 A.M. and 5 P.M.