



# City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: Law

To: City Council

From: City Manager & Staff

Council Meeting Date: August 6, 2018

Re: Authorize Tolling Agreements with Telephone Companies Operating within the City During the Pendency of Any Review or Audit of Payment of Gross Receipts License Taxes

## Executive Summary

This resolution will authorize the city manager to execute tolling agreements with telephone companies operating within the City during the pendency of any review or audit of payment of gross receipts license taxes.

## Discussion

The gross receipts license taxes paid by telecommunications companies is decreasing within the City. City staff has a concern that companies are not paying the tax on the required revenue streams. In order to determine whether or not companies are paying the appropriate amount of gross receipts license taxes, the City has the right to perform an audit. The audit will determine the existence or extent of a possible underpayment of the gross receipts license tax.

Because there is a statute of limitations that runs in the event litigation is not filed, the City is asking the companies to agree that the statute of limitations will be tolled during the pendency of any audit. In the event a resolution of the appropriate amount of gross receipts license taxes is not reached following conclusion of the audit, the City would have the option of filing suit at the conclusion of the audit to litigate any unresolved issues without any loss of any current claims under the statute of limitations. The tolling agreements are necessary for the City to preserve all of its claims while the audits are being conducted.

The resolution will authorize the City Manager to enter into tolling agreements with New Cingular Wireless PCS, LLL (AT&T Mobility), Southwestern Bell Telephone Company (AT&T), and any other telephone company during which there is a review and potential audit for underpayment of the gross receipts license tax. If an audit is deemed necessary, the audit(s) will be conducted through the Law Department and funded with FY 2017 incentive-based budget savings.

## Fiscal Impact

Short-Term Impact: Unknown.

Long-Term Impact: Unknown.



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## Strategic & Comprehensive Plan Impact

### Strategic Plan Impacts:

Primary Impact: Economy, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

### Comprehensive Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

## Legislative History

Date	Action
N/A	N/A

## Suggested Council Action

Adoption of the resolution.