

**Mammoth Lakes Town Council**  
**Agenda Action Sheet**

**Meeting Date:** October 04, 2017

**Prepared By:** Rob Patterson - Administrative Services / Finance Director

**Submitting Department:** Finance

**Title:** Appeal of Transient Occupancy Tax, Tourism Business Improvement District Fees, Enforcement charges, penalties and interest due from Kerry A. and Guy D. Melker.

**Recommended Motion:** Make a finding of noncompliance with the Code, and uphold the Notice of Determination amount due of \$13,663.48. This amount includes penalty and interest by month of rental as well as TOT, TBID, Fraud penalty, enforcement charges and administrative citations.

**Background Information:** Finance staff identified an illegal online advertisement and initiated an enforcement case on July 7, 2016. This was a revenue violation meaning it was illegal because the proper certificates had not been issued and no tax was being collected and remitted to the Town. In this case, Mr. Melker had previously obtained a business tax certificate and TOT certificate to legally operate his property. However, these certificates were closed 1 year later due to no monthly tax returns being submitted on the account.

We did receive a call from Mrs. Melker in response to our first citation, however no information requested was provided for several months. It was not until an assessment was performed that we received some of the documentation requested. For that purpose we are requesting the initial citation be upheld.

Through owner-supplied documentation, Town finance staff determined that Mr. & Mrs. Melker had received \$33,730 in rental income since July 2013 and issued a Notice of Determination for all taxes and charges totaling \$13,663.48. Through the process of review of supplied information, Town finance staff determined that Mr. & Mrs. Melker were collecting tax from these transient rentals and were not submitting those taxes to the town. Standard practice for our team is to add a 25% Tax fraud penalty to cases where we confirm tax collection. In this enforcement case, the tax fraud penalty of \$1,538.55 is included in the above notice of determination. Mr. Melker is appealing the notice of determination, specifically the tax fraud penalties applied to this case.

This enforcement case was conducted in accordance with our standard process and all penalties and interest were applied based upon consistent application of our Municipal Code. The attached staff report will include details of the enforcement action as well as the tax penalty, interest and fees in this case.

**Attachments:**

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