

City of Searcy

ADVERTISING & TOURISM PROMOTION COMMISSION “A&P Commission”

WHAT IS THE ‘A&P’?

The Advertising & Tourism Promotion tax (referred to as the ‘A&P’ tax), was established by Searcy City Ordinance No. 2019-08 on March 12, 2019. and levied a:

1 percent (1%) tax on prepared food and non-alcoholic beverage sold by restaurants, cafes, cafeterias, delicatessens, drive-in restaurants, carry-out restaurants, convenience stores, grocery store restaurants, and any other, similar, business in Searcy engaged in the selling of prepared food and beverages for on- or off-premises consumption.

3 percent (3%) tax on the portion of the gross receipts or gross proceeds received from the renting, leasing or otherwise furnishing of hotel, motel, or short-term rental accommodations for sleeping, meeting, or party room facilities, cabins, cottages, bed and breakfasts, camp grounds, for profit but excluding any such rental or lease of any such accommodation for periods of thirty (30) days or more.

Prepared food is any food item that is altered by quantity or content:

- any food item that is cooked on the premises by the establishment for sale to a customer
- a fountain drink would be subject to the tax, whereby a can of soft drink would not
- a pre-packaged bag of nacho chips/potato chips would not be taxed, however, an on-premises prepared serving of nachos (cheese and nacho chips) would be

Although this is a city tax, state laws govern the makeup of the A&P Commission and set forth guidelines for any expenditure of the funds collected. Payment of the tax is made directly to the City of Searcy A&P, and any expenditure must be approved by the A&P Commission.

WHEN DOES COLLECTION BEGIN?

The A&P Tax should be assessed beginning **June 1, 2019**, and should be remitted no later than the last day of the following month. The first remittance is due no later than **July 31, 2019**. If payment is postmarked by the 20th of the month you may apply a 2% discount. If postmarked after the last day of the month a 5% penalty will be added and should be remitted at the time of the payment.

WHO ARE THE COMMISSIONERS?

The A&P Commission consists of seven members: two City Council members, four from the restaurant, hotel and tourism industry, and one at large position. The initial terms of the Commissioners are staggered 1, 2, 3 and 4 year terms, with re-appointment terms of four years. Commissioners must be electors of the City of Searcy.

WHY WAS THE A&P ESTABLISHED?

The tourism industry is one of Arkansas's greatest assets. Goals of the A&P Commission include attracting visitors to the community through the creation and promotion of events, attractions and tourism-related activities and to enhance the city's overall quality of life, through the development of community parks and other recreational facilities.

INVOLVEMENT WITH THE COMMISSION

- ❖ Read all correspondence mailed to your business from the City of Searcy A&P Commission. Reporting forms and other general information may be mailed periodically to keep you informed.
- ❖ Be a partner in special promotions or events.
- ❖ Keep the City of Searcy A&P Commission updated on any changes that take place within your business such as a change of management/ownership, address, phone or fax numbers, email and website. Up-to-date information is very important as it is used in brochures, maps, etc.
- ❖ Notify City of Searcy A&P Commission if you would be willing to hold a position on the Commission as vacancies occur.
- ❖ Do not hesitate to call the City of Searcy A&P Commission, if you have any questions.

CITY ORDINANCE 2019-08 ESTABLISHING THE A&P TAX AND ADVERTISING AND TOURISM PROMOTION COMMISSION AND CITY ORDINANCE 2009-22 PROVIDING FOR THE ADMINISTRATION OF THE A&P TAX AND THE GOVERNANCE OF THE A&P COMMISSION CAN BE FOUND ONLINE AT www.cityofsearcy.org