

FMS:lmc
7/22/92

AN ORDINANCE 76178

AUTHORIZING PAYMENT IN THE AMOUNT OF \$34,835.96 TO THE INTERNAL REVENUE SERVICE FOR AN ASSESSMENT OF A LIABILITY FOR FAILURE TO WITHHOLD AND PAY CERTAIN EMPLOYEE/EMPLOYER PAYROLL TAXES.

WHEREAS, the City of San Antonio Finance Department was notified in April, 1992 that the Internal Revenue Service (IRS) would be conducting a "classification audit" on the City to determine the City had properly distinguished payments between "employees" versus "independent contractors" in compliance with the IRS Common Law Factors, Publication 937; and

WHEREAS, the IRS completed its review of said records for calendar year 1991, and has ruled that certain payments were improperly classified as "independent contractors" and actually subject to payroll taxes and payroll withholding; and

WHEREAS, the IRS has assessed the City a liability of \$34,835.96, to be paid no later than July 31, 1992; NOW THEREFORE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The Internal Revenue Service completed a review of the City's payrolls of employees and compensation to independent contractors to test the circumstances of compensation paid to independent contractors for a determination whether any of the remuneration being paid to the City's Independent Contractors was subject to the Internal Revenue Code's requirements for withholding the social security/medicare and income taxes at source. The IRS determined that the following remuneration was subject to withholding of taxes:

- Golf Concessionaires Contract Pay
- Election Judges
- Police Officer Outside Pay
- Art Instructors Contract Pay
- Expense Allowances
- Car Allowances

Under IRS regulations, findings of the social security/medicare and income taxes required to have been withheld in 1991 were ascertained and an assessment is made for the retroactive taxes not collected and demanded to be paid to IRS and these taxes were found to be \$34,835.96.

SECTION 2. The Department of Finance and the City's Independent Auditors acquiesce in the IRS Auditor's findings, and the withholding requirements will be implemented on the above remunerations henceforth. The bill from IRS for \$34,835.96 is authorized to be paid in full settlement of the above matter.

SECTION 3. The amount of \$34,835.96 is authorized to be encumbered and paid to IRS from the following accounts:

Fund	Activity	Index No.	Amount
11	80-02-18	419440	\$ 24,107.84
54	26-09-04	428136	6,066.24
29	28-01-01	572131	<u>4,661.88</u>
	Total		\$ 34,835.96

PASSED AND APPROVED on this the 73RD day of July, 1992.


MAYOR

ATTEST: 
ASSISTANT City Clerk

APPROVED AS TO FORM: Tom Finlay
City Attorney

92-31

ARTS & CULTURAL AFFAIRS
AVIATION
BUILDING INSPECTIONS
BUILDING INSPECTIONS HOUSE NUMBER
CITY ATTORNEY
MUNICIPAL COURT (HOLLIS YOUNG
REAL ESTATE (FASSNIDGE)
REAL ESTATE (HUBBARD)
REAL ESTATE (WOOD)
TRIAL SECTION
CITY MANAGER
TRAVIS BISHOP, ASST. TO MGR.
CODE COMPLIANCE
INTERGOVERNMENTAL RELATIONS
CITY PUBLIC SERVICE-GENERAL MGR.
CITY PUBLIC SERVICE-MAPS/RECORDS
CITY WATER BOARD-GENERAL MGR.
COMMERCIAL RECORDER
COMMUNITY DEVELOPMENT (BASEMENT)
COMMUNITY INITIATIVES
CONVENTION & VISITORS BUREAU
CONVENTION FACILITIES
DOME DEVELOPMENT OFFICE
ECONOMIC DEVELOPMENT
FINANCE DIRECTOR
ASSESSOR
CONTROLLER
GRANTS
RISK MANAGEMENT
TREASURY
FIRE DEPARTMENT
HOUSING TRUST
INFORMATION RESOURCES
INTERNATIONAL RELATIONS
LIBRARY
MANAGEMENT SERVICES (BUDGET)
MANAGEMENT SERVICES (PERSONNEL)
MARKET SQUARE
METROPOLITAN HEALTH DISTRICT
MUNICIPAL CODE CORP. (PUBLICATION)
MUNICIPAL COURTS
PARKS & RECREATION
PLANNING
LAND DEVELOPMENT SERVICES
POLICE DEPARTMENT
POLICE DEPT.-GROUND TRANSPORTATION
PUBLIC INFORMATION OFFICE
PUBLIC UTILITIES
PUBLIC WORKS
CAPITAL PROJECTS
CENTRAL MAPPING
ENGINEERING
PARKING DIVISION
REAL ESTATE (BILL TOUDOUZE)
SOLID WASTE
TRAFFIC ENGINEERING
PURCHASING & GENERAL SERVICES
WASTEWATER MANAGEMENT
1 NORMA
1 SUZIE V.
1 DICK

ITEM NO. 37
DATE: JUL 23 1992

MEETING OF THE CITY COUNCIL

MOTION BY: _____ SECONDED BY: _____

ORD. NO. 76178 ZONING CASE _____

RESOL. _____ PETITION _____

	ROLLCALL	AYES	NAYS
ROGER PEREZ PLACE 1			
FRANK PIERCE PLACE 2			
LYNDA BILLA BURKE PLACE 3			
FRANK D. WING PLACE 4			
JUAN F. SOLIS III PLACE 5			
HELEN AYALA PLACE 6			
YOLANDA VERA PLACE 7			ABSENT
BILL THORNTON PLACE 8			
WEIR LABATT PLACE 9			
LYLE LARSON PLACE 10			
NELSON WOLFF PLACE 11 (MAYOR)			

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CONSENT AGENDA