



Finance Department Revenue Division



Businesses operating in Kansas City, Missouri are subject to a number of tax obligations, permit and license requirements, zoning restrictions and other requirements at the city level. As a guide to concert halls, other entertainment venues, and entertainment professionals, the City of Kansas City, Missouri is providing this reference to its business license and earnings tax requirements. This is intended as an overview of the city's business license and earnings tax requirements for entertainment venues and those in the entertainment business. For the complete requirements of the city's business license and earnings tax provisions, taxpayers and their advisors should consult the Code of Ordinances. The Code of Ordinances of the City of Kansas City, Missouri is available in the office of the City Clerk or on-line at www.kcmo.org. Business license applications and tax forms may be obtained at the office of the Revenue Division in City Hall or on-line at www.kcmo.org.

BUSINESS LICENSE

General Requirement for a Kansas City Business License

Under its Charter the City of Kansas City may license, tax and regulate all businesses, occupations, professions, vocations or activities that are not exempt under state law. The application procedure and license fees for particular business categories are contained in Chapter 40 of the Code of Ordinances. The license requirement is not limited to those who have a permanent office or place of business in the city, but also applies to anyone engaged in a business activity in the city, including those who stage concerts or other entertainment events. In addition to these Chapter 40 business license requirements, the City of Kansas City requires special licenses for businesses in certain regulated industries, such as adult entertainment businesses and establishments where alcoholic beverages are served. The license requirements for these regulated industries are not included in this guide. Questions about such licenses should be directed to the Regulated Industries Division of the Neighborhood and Community Services Department, (816) 784-9000.

Business licenses under Chapter 40 are annual licenses except where otherwise provided under the Code of Ordinances. Annual licenses are issued as of January 1 and expire on December 31. If a business subject to an annual license begins activity in the city after the first of the year the license may be issued for the remainder of the calendar year.

Specific License Categories and Fees for Entertainment Events and Professionals

Below are some of the license categories and fees for entertainment events and entertainment professionals. It is common for these fees to be based on gross receipts from the event, although some of the licenses require annual fees, monthly fees or daily fees.

LICENSE CATEGORY	FEE
Boxing matches and prizefights Code §40-339	\$1.00 per \$1,000 gross receipts
Concert Code §40-343	\$1.00 per \$1,000 gross receipts
Concert manager or agent Code §40-95	\$62.50 per year plus \$6.25 per concert for each concert in excess of 10 per year
Dance Hall or dance house Code §40-97	\$15 per day \$18.75 per month \$125 per year
Equestrian exhibition Code §40-103	\$12.50 per day
Public lecturer Code § 40-142	\$12.50 per day
Show or exhibition Code §40-150	\$12.50 per day
Theatrical agent Code §40-158	\$75 per year
Theatrical booking agent Code §49-159	\$75 per year
Wrestling match	\$1.00 per \$1,000 of gross receipts
Miscellaneous: Athletic contest, circus, band or orchestra, opera, theater.	Computed upon annual gross receipts per fee table in Section 40-63(a), Code of Ordinances.

License Procedure

Any entertainment venue or entertainment professional required to obtain a Kansas City business license shall comply as follows:

- (1) Prior to the performance of an event, complete and file with the City of Kansas City, Missouri, a Registration Application, KCMO Form RD-100 (Attachment #1).
- (2) Prior to the performance of an event, secure the appropriate business license based on the classifications in the Code of Ordinances. The Business License Section of the Revenue Division will assist you in determining the proper license category.

Additional Information Requested from Concert Venues

To assist the City with compliance of its business license and earnings tax requirements, the Revenue Division requests that all entertainment venues complete a "Calendar of Events" schedule providing information about upcoming events, and file this form with the City within 60 days of the beginning of the calendar year. (Attachment #2)

City-owned or operated venues that collect city business license fees for events will complete the "Inter-Account Transfer Voucher" (Finance Department Form 1271-033, MI No. 1-02i).

EARNINGS AND PROFITS TAX

Kansas City has a one percent tax on earnings and net profits. The tax applies to:

- (1) All earnings of resident individuals of the city;
- (2) All earnings of nonresident individuals for services performed or rendered in the city;
- (3) Net profits of all unincorporated businesses conducted by residents;
- (4) Net profits of all unincorporated businesses earned as a result of work done or services performed or rendered or business or other activities conducted in the city by nonresidents;
- (5) Net profits of all corporations as a result of work done or services performed or rendered or business or other activities conducted in the city.

Payment of the earnings and profits tax is not limited to city residents. Nonresident individuals and businesses are subject to the tax for their business activities conducted in the city. Nonresident wage earners are subject to the earnings tax for earnings paid for services rendered in Kansas City. Nonresident businesses, incorporated or unincorporated, must pay a one percent tax on net profits from their activities in the city.

The earnings tax on wage earners requires withholding by their employers. Any employer who either maintains an office or transacts any business in the city and makes payments of earnings subject to the earnings tax to either a resident or nonresident individual must withhold the earning tax due. Employers must remit the payments as a trustee for the city and file quarterly and annual returns. Due dates and return requirements for employers are specified in Section 68-386 of the Code of Ordinances. Questions by employers about withholding and remittance of the earnings tax should be directed to the Revenue Division.

Various entertainers who perform in Kansas City are nonresidents who tour the country and perform in concerts or shows. These nonresident entertainers who perform in Kansas City are subject to the earnings tax. Nonresident entertainers who are wage earners will be subject to the earnings tax on all earnings paid for services performed in Kansas City, and their employers will be required to withhold and remit the earnings tax to the Revenue Division. The failure of the employer to withhold the earnings tax does not relieve the employee from the duty of making a return. Nonresident performers who are self-employed or operate as a business entity will be required to file a profits tax return and pay tax on their net profit from performances in the city.

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For answers to questions or general information about city business license requirements, license fees and earnings and profits taxes you may contact the Revenue Division/Finance Department at (816) 513-1089.

Judy Hadley,
Commissioner of Revenue

**APPENDIX A – SELECTED BUSINESS LICENSE PROVISIONS,
CODE OF ORDINANCES, CITY OF KANSAS CITY, MISSOURI**

Section 40-22 *Doing business without license; false statements in application for license.*

Any person required by this chapter to obtain an occupation license, who shall engage in any business, occupation, pursuit, profession, or trade, or in keeping or maintaining any institution, establishment, article, utility or commodity, for which such license is required, without first procuring and paying for such license; and every manager, agent, officer or employee of any such person who shall assist any such person in engaging in such unlicensed activity after receiving notice that such person has not procured and paid for such license; and any person, including any such manager, agent, officer or employee, who knowingly makes any false statement in any application for any such occupational license as to any gross annual business, annual gross receipts or gross annual commissions, or as to any other conditions or factors upon which such license fee is or shall be based, shall be guilty of an ordinance violation.

Section 40-61 *Businesses and activities for which license is required.*

Every corporation, company, association, joint stock company or association, partnership and person, and their lessees, trustees or receivers appointed by any court whatsoever, engaged in any business occupation, pursuit, profession or trade, or in the keeping or maintaining of any institution, establishment, article, utility or commodity, which are or may hereafter be specified in the Charter, section 1(57), such section being incorporated in this article by reference, or specified otherwise in this chapter or in the statutes of the state, shall procure and pay for a license therefore from the city, and such license fees shall be in the respective amount set out in this article and chapter, except as otherwise provided in this Code or other ordinances.

Section 40-95 *Concert, professional, manager or agent*

Any person acting as manager or agent for professional concerts shall procure a license for such vocation and shall pay therefore an annual fee of \$62.50; provided that for each concert in excess of ten given in any year there shall be an additional fee of \$6.25 for each additional concert.

Section 40-97 *Dance hall or dance house*

(a) Per day..... \$15.00
 (b) Per month..... \$18.75
 (c) Per year..... \$125.00

Section 40-103 *Equestrian exhibition*
 Per day..... \$12.50

Section 40-142 *Public lecturer*
 Per day..... \$12.50

Section 40-150 *Show or exhibition*

All shows and exhibitions not otherwise specifically named in this chapter (exempting nonprofit associations) exhibiting livestock and agricultural products of any kind, but not including in such exemption any concession, manufacturer's agent or sales representative operating in connection therewith, per day.....\$12.50.

Section 40-158 *Theatrical agent*
 Per year..... \$75.00.

Section 40-159 *Theatrical booking agent*
 Per year..... \$75.00

Section 40-339 *Boxing matches and prizefights, professional*

(a) *License required.* No person shall give, assist, take part in or permit the giving in any building, hall, or other place owned or controlled by him, any professional boxing match or prizefight for which admission is charged, unless before commencement of such match, a license therefor shall be procured.

(b) *License fee.* The license fee required to be paid to the city for such license shall be \$1.00 per \$1,000.00 of the total gross receipts for such match.

(c) *Advance deposit.* The city may issue such license in advance of the giving of such match, provided the person seeking such license shall place in the hands of the revenue division a cash deposit sufficient to cover the probable amount of such license fee and authorizing the application of such deposit upon such fee at the determination of the proper amount of such fee. Any surplus remaining from such deposit, after the license fee shall have been paid, shall be returned to the person making such deposit, and any deficit arising thereunder after the application of the deposit to the payment of such license fee shall be paid to the city. Each person giving, assisting taking part in or permitting any building, hall or other place owned or controlled by him to be used for the giving of any such boxing match or prizefight is hereby required, within ten days after the giving of any such match or contest, to pay to the city any deficit arising after the amount of deposit shall have been applied to the payment of such license fee.

Section 40-343

Concert, professional

(a) *License required.* No person shall give, assist, take part in or permit the giving in any building, hall or other place owned or controlled by him, any professional concert for which admission is charged, unless, before the commencement of such concert, a license therefore shall be procured.

(b) *License fee.* The license fee required to be paid to the city for such license shall be \$1.00 per \$1,000.00 of the total gross receipts for such concert.

(c) *Advance deposit.* The city may issue such license in advance of the giving of such concert, provided the person seeking such license shall place in the hands of the revenue division a cash deposit sufficient to cover the probable amount of such license fee and authorizing the application of such deposit upon such fee at the determination of the proper amount of such fee. Any surplus remaining from such deposit, after the license fee shall have been paid, shall be returned to the person making such deposit, and any deficit arising thereunder after the application of the deposit to the payment of such license fee shall be paid to the city. Each person giving, assisting, taking part in or permitting any building, hall or other place owned or controlled by him to be used for the giving of any such concert is hereby required, within ten days after the giving of any such concert, to pay to the city any deficit arising after the amount of the deposit shall have been applied to the payment of such license fee.

Section 40-368

Wrestling Match, Professional

(a) *License required.* No person shall give, assist, take part in or permit the giving in any building, hall or other place owned or controlled by him, any professional wrestling match for which admission is charged unless, before the commencement of such match, a license therefore shall be procured.

(b) *License fee.* The license fee required to be paid to the city for such license shall be \$1.00 per \$1,000.00 of the total gross receipts for such match.

(d) *Advance deposit.* The city may issue such license in advance of (the) giving of such match provided the person seeking such license shall place in the hands of the revenue division a cash deposit sufficient to cover the probable amount of such license fee and authorizing the application of such deposit upon such fee at the determination of the proper amount of such fee. Any surplus remaining from such deposit, after the license fee shall have been paid, shall be returned to the person making such deposit; and any deficit arising thereunder after the application of the deposit to the payment of such license fee shall be paid to the city. Each person giving, assisting, taking part in or permitting any building, hall or other place owner or controlled by him to be used for the giving of any such wrestling match is hereby required, within ten days after the giving of any such match, to pay to the city any deficit arising after the amount of deposit shall have been applied to the payment of such license fee.

**APPENDIX B – SELECTED EARNINGS AND PROFITS TAX PROVISIONS,
CODE OF ORDINANCES, CITY OF KANSAS CITY, MISSOURI**

Section 68-381 *Definitions (selected)*

Earnings means compensation paid for personal services, whether denominated as wages, salary, commission, bonus or otherwise, whether paid or payable, in cash or in property.

Net profits means the gross receipts from the operation of a business less deductions for ordinary and necessary business expenses as determined for the purpose of federal taxable income with adjustments as detailed in the regulations adopted pursuant to this article.

Section 68-382 *Imposition of tax.*

A tax for general revenue purposes of 1.0 percent per year is hereby imposed on:

- (1) All earnings of resident individuals of the city.
- (2) All earnings of nonresident individuals for services performed or rendered in the city.
- (3) Net profits of all unincorporated businesses conducted by residents.
- (4) Net profits of all unincorporated businesses earned as a result of work done or services performed or rendered or business or other activities conducted in the city by nonresidents.
- (5) Net profits of all corporations earned as a result of work done or services performed or rendered or business or other activities conducted in the city.

Section 68-386 *Collection at source; withholdings.*

Each employer maintaining an office or transacting any business within this city and making payment of any earnings taxable under this article to a resident or nonresident individual shall deduct and withhold from such earnings for each payroll period one percent of such earnings as earnings tax. The employer shall remit the amount of earnings tax withheld to the director in the manner prescribed in this article.

(1) *Exempted employees.* No employer shall be required to withhold the tax due on any earnings paid to employees for whom the employer is not required to withhold social security tax under the Federal Insurance Contributions Act.

(2) *Nonresident employers.* Any nonresident employer making payment of any earnings taxable under this article to a resident or nonresident who performs services partly or wholly within the city, shall be subject to the provisions of this article. Further any nonresident employer will subject itself to the provisions of this article if it willingly withholds or opens a withholding account with the city for tax due under this article from residents of the city

(3) *Employee as trustee.* Each employer, in collecting the tax, shall be deemed to hold the withheld tax until payment is remitted to the city as trustee for the city.

(Refer to Code of Ordinances for remaining subsections of 68-386.)

Section 68-401

Penalty for violation of article

Any person subject to the provisions of this article, or any officer, agent, servant or employee thereof, who shall fail, neglect or refuse to make any report or return required by this article; or any employer or officer, agent, servant or employee thereof who shall fail, neglect or refuse to deduct, withhold and pay the taxes imposed by this article; or any taxpayer or any officer, agent, servant or employee thereof who, after having been served with a notice of assessment, shall willfully refuse to pay the tax, penalty and interest imposed by this article, or who shall refuse to permit the director or any of his duly authorized agents or employees to examine any books, records and papers under the taxpayer's control, or who shall willfully make any incomplete, false or fraudulent return, or who shall attempt to do anything whatsoever to avoid the full disclosure of the amount of earnings or profits of any taxpayer, shall be charged with an ordinance violation and subject to the maximum monetary penalties and all other penalties prescribed in section 1-17.

REGISTRATION APPLICATION

RD-100

REV. 11/07

CITY OF KANSAS CITY, MISSOURI
 FINANCE DEPARTMENT
 REVENUE DIVISION
 414 EAST 12TH STREET
 3RD FLOOR-WEST ROOM 301W
 KANSAS CITY, MO 64106-2786

Phone - (816) 513-1135 / FAX - (816) 513-1221

REASON FOR SUBMITTING REGISTRATION FORM (check all that apply).

- | | | | |
|---------------------------------------------------|----------------------------------------------------|----------------------------------------------|---------------------------------------|
| <input type="checkbox"/> Business License Account | <input type="checkbox"/> C & T - Hotel Account | <input type="checkbox"/> Profits Account | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> C & T - Food Account | <input type="checkbox"/> Cigarette License Account | <input type="checkbox"/> Withholding Account | |

SOCIAL SECURITY / FEDERAL ID NUMBER	MISSOURI SALES TAX NUMBER
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INDIVIDUAL'S LEGAL NAME OR BUSINESS LEGAL NAME	BUSINESS NAME
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MAILING ADDRESS

LOCAL BUSINESS ADDRESS (IF ANY)

BUSINESS TELEPHONE NUMBER	LOCAL BUSINESS TELEPHONE	CONTACT NAME
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GENERAL INFORMATION

Type of Organization

Type of Business

Classification of Business

- | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Corporation
<input type="checkbox"/> Trust/Association
<input type="checkbox"/> Individual/Sole Proprietorship
<input type="checkbox"/> Partnership
<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other, specify: _____ | <input type="checkbox"/> Retail Trade
<input type="checkbox"/> Wholesale Trade
<input type="checkbox"/> Manufacturing
<input type="checkbox"/> Construction
<input type="checkbox"/> Governmental
<input type="checkbox"/> Restaurant | <input type="checkbox"/> Finance
<input type="checkbox"/> Real Estate
<input type="checkbox"/> Service
<input type="checkbox"/> Hotel/Motel
of rooms: _____
<input type="checkbox"/> Other, specify: _____ | <input type="checkbox"/> Profit

<input type="checkbox"/> Non-profit (If not-for-profit, attach copy of exemption certificate)

<input type="checkbox"/> Voluntary Withholding Only (Nonresident employers) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

DATE OF INCORPORATION (IF APPLICABLE)	STATE OF INCORPORATION (IF APPLICABLE)
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KCMO BUSINESS START DATE	FISCAL YEAR-END DATE	NUMBER OF EMPLOYEES
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DESCRIBE (IN DETAIL) THE NATURE OF BUSINESS PERFORMED IN KCMO

LIST ALL OWNERS, PARTNERS OR OFFICERS (Attach additional names on separate sheet):

Name	Home Address and Telephone Number	Position	Social Security Number

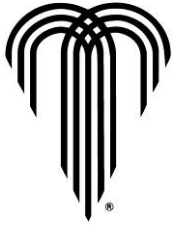
For REVENUE DIVISION Use Only (Enter Account ID):

- | | | |
|-----------------------------------------------|------------------------------------------------|--------------------------------------------------------------------------------|
| <input type="checkbox"/> OCC: _____ | <input type="checkbox"/> C & T (Hotel): _____ | <input type="checkbox"/> Profits: _____ |
| <input type="checkbox"/> C & T (Food): _____ | <input type="checkbox"/> WIHO: _____ | <input type="checkbox"/> Other: _____ <input type="checkbox"/> SIC CODE: _____ |

Under penalties of perjury, I declare this return (and accompanying documentation) to be true, correct and complete. I authorize the Commissioner of Revenue or delegate to discuss this tax return and accompanying documentation with my preparer YES NO

Signature of Taxpayer	Print Name	Date	Phone
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Visit our website at www.kcmo.org/finance.nsf/web/forms for all Revenue forms



Finance Department Revenue Division



Occupational License – Gross Receipts Contact Data For 20____ Year

<u>NAME OF EVENT</u>	<u>FEIN/SSN</u>	<u>ADDRESS OF COMPANY OR VENUE</u>	<u>CONTACT PERSON NAME & PHONE#</u>

NOTE: Please use a second copy of this form for additional events if necessary,



IATV - INTER - ACCOUNT TRANSFER VOUCHER
CITY OF KANSAS CITY, MISSOURI

DEPARTMENT: _____

BUSINESS UNIT: _____

DATE: _____

JOURNAL ID: _____

LEDGER GROUP: _____

JOURNAL SOURCE: _____

(4) FUND	(6) DEPT ID	(6) ACCOUNT	(4) SUB-FIELD	(5) ABC	(3) OPER UNIT	(up to 12) * PROJECT	(3) CLASS	DEBIT AMOUNT	CREDIT AMOUNT
CHARGE:									

FOR ACCOUNTS USE ONLY:									

CREDIT:									

FOR ACCOUNTS USE ONLY:									

TOTALS 0.00 0.00

DESCRIPTION:

CHARGE: _____

CREDIT: _____

* PROJECT: The data entry person will do a 'look-up' to select the Project Number; the selection will need to include the PC Business Unit, Activity, and Resource Analysis Type

PREPARED BY: _____

CHARGE APPROVED BY: _____

CREDIT APPROVED BY: _____

DATE: _____

DATE: _____

DATE: _____