

CITY OF CAMPBELLSVILLE, TAYLOR COUNTY, KY

203 N. COURT ST., SUITE 10
CAMPBELLSVILLE KY 42718
(270) 465-9760 FAX 270-465-0380
tcocctax@windstream.net

June 14, 2009

Re: CITY OF CAMPBELLSVILLE, KY ORDINANCE NO. 09-03

Dear CITY OF CAMPBELLSVILLE,

Please accept this notice regarding Ordinance #09-03 whereby THE CITY OF CAMPBELLSVILLE, TAYLOR COUNTY, KY has levied an Occupational License Fee upon all businesses, persons and/or employers who are engaged or employed in any trade, occupation, or profession within the city limits of Campbellsville, KY for the health, education, safety, welfare and convenience of persons within Campbellsville, KY pursuant to KRS 92.281, 67.750B -67.790 and Section 181 of the KY Constitution.

The effective date of the withholding fee is JULY 1, 2009. Income earned within Campbellsville, KY on or after that date is subject to a 1% withholding fee from GROSS WAGES BEFORE ANY DEDUCTIONS. All withholdings shall be forwarded within 30 days ending quarters March 31st, June 30th, September 30th, and December 31st. Also, a 1% NET PROFITS fee on business activity within the City of Campbellsville, Taylor County, KY. Due to implementation mid-year the first Net Profit return due April 15, 2010 will be calculated on 50% of net profits per supporting schedules.

For your convenience the following informative documents included in this mailing:

- 1) **Summary of Ordinance #09-03:** Coming soon you may view this document at website www.taylorcounty.us under City Government or you may request a copy.
- 2) **Registration Form:** Per Ordinance ALL persons, trades, occupations, professions or businesses must complete this Questionnaire and returned within 14 days. This form can be mailed, faxed, emailed or hand delivered to the address above only.

Please use this notice to update and make necessary adjustments for the withholding fee. This fee is in addition to the 1% Taylor County occupational fee. For the protection and security of your financial documents; this fee will be administered, collected and dispersed by the current occupational tax office. When filing returns you will only have to submit one (1) copy of W-2's, 1099's, and IRS data to the collection office. If you should have any questions, please call for additional information or assistance.

Sincerely,

Occupational Tax Office Staff

NOTICE AND SUMMARY OF ORDINANCE

**CAMPBELLSVILLE CITY COUNCIL
ORDINANCE NO. 09-03**

An ordinance relating to the imposition and administration of an occupational license requirement, and payment of an occupational license tax by persons and business entities conducting businesses, occupations and professions within THE CITY OF CAMPBELLSVILLE, TAYLOR COUNTY, Kentucky, pursuant to KRS 92.281, 67.750 b - 67.790 and Section 181 of the Ky Constitution.

- Sect 1** **Definitions** of Association, Business Entity, Business, City, Compensation, Conclusion of the federal audit, Corporation, Domestic Servant, Employee, Employer, Federal Income Tax Return, Fiduciary, Final Determination of the federal audit, Fiscal Year, Internal Revenue Code, Itinerant Merchant, Kentucky State Income Tax Return, License Fee, Licensee, Limited Liability Company, Net Profit, Nexus, Occupational Tax Administrator, Partnership, Person, Questionnaire, Rental Unit, Return, Salaries, Wages, Commissions, and Compensation, Sales Revenue, Sole Proprietor, Tax district, Taxable net profit, Taxable year, Taxpayer, and Trade, Occupation or Profession.
- Sect 2** **Occupational License Fee:** Every person engaged in trade, occupation, profession or business required to file questionnaire. Persons or defined entities engaging in activity for profit, or filing Ky. Income Tax returns pay annual fee of one percent (1%) of compensation or net profits, unless exempted. Persons earning income within and without of the City of Campbellsville shall determine income on an allocation process as set forth, utilizing gross receipts, property and payroll. Income derived from hire, rental or leasing of personal property, including farming activity, wages, salaries, commissions or other income are subject to this ordinance. Income is determined by reference to certain income tax schedules based on the nature of the activity, such as schedules F, C, E, W-2, 1099, etc.
- Nexus:** Sufficient "connection" with the City of Campbellsville may be established by location of business, frequent and continuing entry into the City in the course of business, delivery of goods to city residents other than by mail or common carrier, contracting to buy or sell goods in the city, contracting substantial business activity in the city leading to a contract to sell goods.
- Sect 3** **Occupational License Tax Payment Required:** The tax is assessed against income before it "passes through" for partnerships, S corporations and other such entities. Dissolution, cease or withdrawal of operation during taxable year does not eliminate obligation. Same year as for tax year on federal return.
- Exemptions:** Banks, trust companies, savings and loan, etc; members of Ky national guard for active duty training, etc; compensation to election precinct workers for said work; Public Service Corporations and related activities under defined circumstances; persons or business licensed under KRS 243; insurance companies as defined; non taxable investment fund distributions; Natural persons over 65 exempt on first \$2,000 of wages or net profits, but sums must be withheld and refund filed; person engaged in agriculture employing less than five employees on regular basis (450 hrs per quarter) may file only annual return rather than quarterly; domestic service compensation exempt; and others pursuant to KRS 68.197.
- Sect 4** **Apportionment:** Net profit apportioned for businesses in multiple tax district by formula; computation of payroll factor; computation of sales factor; petition available to business entity or City if apportionment provisions prove unfair; apportionment measured by percentage within versus without the City.
- Sect 5** **Employers to Withhold:** All employers shall deduct and withhold. Returns and report to City required quarterly. Employer liable for not withholding, including other persons with authority to withhold. City has lien on employer property for not withholding, which commences as of date payment was required or date

of assessment. Reconciliation required by February 28 each year. Employer notice to employee required by January 31 each year of amount deducted. Employee remains personally liable if employee does not withhold. Payment by employees for periods ending March 31st, June 30th, September 30th and December 31st of each year.

- Sect 6 Returns Required:** All business entity returns for preceding year due April 15 of each year, or by 15th day of 4th month for those on fiscal year. Copy of federal return, etc, required with occupational tax return. Additional information or corrected return may be required by City. Business entity must maintain records. Federal "non-employee compensation" requirements involving \$600 or more in compensation. Fractional parts of a dollar, automatic extensions (due date on Holiday, etc) and limitations on credit and refunds.
- Sect 7 Extensions:** Authorized up to six months bearing 12% interest.
- Sect 8 Refunds:** Overpayments by employers will be refunded to same, with limit of two (2) years to apply.
- Sect 9 Federal Audit Provisions:** City may audit and any additional tax due shall be assessed within five (5) years, with exceptions.
- Sect 10 Administrative Provisions:** Prohibition of suit to restrain or delay collection or payments. Issues concerning refunds and other authority of administrator, etc.
- Sect 11 Information to Remain Confidential:** All information received shall be confidential.
- Sect 12 Penalties:** Failure to file annual return - 5% penalty of each calendar month, with limitation. Applies to business entity and employer. In addition to penalty, 12% interest. Civil actions may be commenced and/or class A misdemeanor. Separate fines for divulging confidential information.
- Sect 13 Collection and Use of Tax - Records:** Duty of administrator to pay expenses of office, etc.
- Sect 14 Severability:** Each section of Ordinance is severable.
- Sect 15 Minimum and Maximum Liability:** Minimum and maximum liabilities may be imposed.

Effective date: The effective date of the ordinance shall be July 1st, 2009.

Intent is for Ordinance to exist consistently with regard to method of computation, apportionment, administration, etc, with the Ordinance currently enacted by the Taylor Fiscal Court.

First reading and passage June 10th, 2009.

Second reading and passage June 13th, 2009.

Brenda Allen
Campbellsville Mayor

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THE CITY OF CAMPBELLSVILLE, TAYLOR COUNTY, KY COMPLIES WITH THE REQUIREMENTS OF KRS 92.281, 67.750B TO 67.790 AND SECTION 181 OF THE KY CONSTITUTION. WHEREBY EVERY PERSON OR BUSINESS ENGAGED IN ANY TRADE, OCCUPATION, OR PROFESSION, OR OTHER ACTIVITY OR ANYONE REQUIRED TO FILE A RETURN UNDER THIS ORDINANCE WITHIN THE CITY OF CAMPBELLSVILLE, TAYLOR COUNTY, KY SHALL BE REQUIRED TO COMPLETE AND EXECUTE THIS QUESTIONNAIRE PRESCRIBED BY THE OCCUPATIONAL TAX OFFICE. EACH PERSON SHALL BE REQUIRED TO COMPLETE A SEPARATE QUESTIONNAIRE FOR EACH SEPARATE BUSINESS.

BUSINESS ACTIVITY INCLUDES BUT NOT LIMITED TO SCEDULE F's FARMING ACTIVITY, RENTAL OR LEASING OF PERSONAL PROPERTY, *INCLUDES* FARM LAND/EQUIPMENT RENTAL, REAL ESTATE, *INCLUDES ALL* RESIDENTIAL, INDUSTRIAL/COMMERCIAL REAL ESTATE, PERSONS, ASSOCIATIONS, PARTNERSHIPS, CORPORATIONS, JOINT VENTURES, OR ANY ENTITY FILING A FEDERAL SCHEDULE E, SOLE PROPRIETORS FILING A FEDERAL FORM SCHEDULE C, OR ANY PERSON PRACTICING A BUSINESS, PROFESSION, TRADE OR OCCUPATION WITHIN THE CITY OF CAMPBELLSVILLE, TAYLOR COUNTY, KY.

QUESTIONNAIRE

Non-profit organizations will not be required to file the Netprofit License Fee Return provided a copy of an Internal Revenue Service (IRS) letter of exemption is submitted to support the non-profit status. Wages and salaries earned while working for a non-profit organization are not exempt from the occupational license fee and must be forwarded on a quarterly basis.

1. Business or Trade Name _____

2. Local Business Address _____
(No P.O. Boxes) _____

3. Forms Mailing Address _____
(If different from #2) _____

4. Business Telephone No. _____ Fax _____ E-Mail _____
Ownership: _____ Sole Proprietorship _____ Partnership
_____ C Corp. _____ S Corp _____ Non Profit

5. Email Address _____

6. Owners/Partners Names _____
Corp. Officers & Titles _____

COMPLETE BOTH SIDES BEFORE RETURNING

7. Owner Soc. Sec. Number - - Federal TIN - -

8. Nature of Business _____

9. Date Business Started / /
(In Taylor County)

10. Number of Employees _____

11. IRS Accounting period:
Calendar Year Ends 12/31 Fiscal Year Ends /

12. List any other business entities in Taylor County

13. Federal Employees or Individuals complete below INCLUDES US POST OFFICE, CORP, SSA, ETC

Name _____ SSN - -

City, State, & Zip _____

Business Phone () - Home Phone () -

Business & Address of employee _____

14. ATTENTION CONTRACTORS: You must provide a list of sub-contractors, including addresses

ATTENTION PARTNERSHIPS: You must provide a list of Partners, including addresses, use a separate sheet paper if necessary

UNDER PENALTIES OF PERJURY, I DECLARE THAT I HAVE EXAMINED THIS APPLICATION, AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, IT IS TRUE, CORRECT AND COMPLETE.

SIGNATURE _____ DATE _____