

CITY OF ELKTON, KENTUCKY OCCUPATIONAL LICENSE TAX RETURN

GENERAL INSTRUCTIONS: ANY PERSON(S) WHO ENGAGED IN ANY BUSINESS FOR ALL OR PART OF ONE YEAR SHALL PAY A LICENSE FEE BASED UPON **GROSS RECEIPTS FROM THE PRECEDING CALENDAR OR FISCAL YEAR**. ALL ITEMS ON THIS APPLICATION MUST BE ANSWERED. FAILURE TO DO SO WILL DELAY THE PROCESSING OF YOUR APPLICATION AND COULD RESULT IN A PENALTY CHARGE. INSTRUCTIONS ARE PROVIDED FOR YOUR ASSISTANCE ON THE REVERSE SIDE. **COPIES OF ALL APPLICABLE FEDERAL TAX FORMS MUST BE ATTACHED TO THIS RETURN. PLEASE PRINT OR TYPE ALL ANSWERS.**

NAME OF BUSINESS _____
 MAILING ADDRESS _____ CITY _____ STATE _____ ZIP _____
 FEDERAL ID OR SOCIAL SECURITY NUMBER _____
 BUSINESS PHONE (_____) _____ FAX (_____) _____ EMAIL _____
 FISCAL YEAR END DATE ____ / ____ / ____ IF NO LONGER CONDUCTING BUSINESS IN ELKTON, ENTER CLOSING DATE ____ / ____ / ____
 LICENSE TAX CALCULATION (Complete only one column, whichever is applicable)

	INDIVIDUAL	PARTNERSHIP	CORPORATION
1) Gross Receipts or Sales from Federal Schedule C of Form 1040 <i>(Attach Schedule C Pages 1 and 2, Schedule C-EZ)</i>	1. _____		
2) Non-employee Compensation as Reported on Forms 1099 as "Other Income" on Federal Form 1040 <i>(Attach Form 1040 Page 1 and Forms 1099)</i>	2. _____		
3) Gross Receipts from Federal Schedule E of Form 1040 <i>(Attach Schedule E)</i>	3. _____		
4) Gross Income from Federal Schedule F of Form 1040 <i>(Attach Schedule F Pages 1 and 2)</i>	4. _____		
5) Gross Receipts or Sales from Federal Form 1065 <i>(Attach Federal Form 1065 Pages 1, 2, and 3, Schedule of Other Deductions, and Form 8825 Rental Income/Expense)</i>		5. _____	
6) Gross Receipts or Sales from Form 1120 or 1120A, or Gross Receipts or Sales from Form 1120S <i>(Attach Form 1120 or 1120A Pages 1 and 2, or Form 1120S Pages 1, 2, and 3, Schedule of Other Deductions, and Form 8825 Rental Income/Expense)</i>			6. _____
7) Gross Receipts from "Gross Rents" from Federal Form 1120 <i>(Attach Federal Form 1120)</i>			7. _____
8) Gross Receipts from Rental Real Estate of a Partnership or S Corporation <i>(Attach Federal Form 8825)</i>		8. _____	8. _____
9) Total Gross Receipts (Add lines 1 through 8)	9. _____	9. _____	9. _____
10) Sales and Excise Taxes Paid	10. _____	10. _____	10. _____
11) Returned Goods and Allowances	11. _____	11. _____	11. _____
12) Total Deductions (Add Line 10 plus Line 11)	12. _____	12. _____	12. _____
13) Adjusted Gross Receipts (Line 9 minus Line 12)	13. _____	13. _____	13. _____
14) Allocation Percentage (If you had sales and payroll outside Elkton, use "Average Percentage" from Schedule 1, Line 4 below. If all Sales and payroll are conducted in Elkton, Allocation Percentage is 100%.)	14. _____	14. _____	14. _____
15) Subject Earnings (Multiply Line 13 x Line 14)	15. _____	15. _____	15. _____
16) Fee Calculation (Line 15 x .00125)	16. _____	16. _____	16. _____
17) License Fee Due Subject to Following: If Line 16 is \$6.25 OR LESS, Enter EXEMPT If Line 16 is between \$6.26 and \$62.50, Enter Minimum Fee of \$62.50 If Line 16 is between \$62.51 and \$3,125.00, Enter the Amount on Line 16 If Line 16 is greater than \$3,125.01, Enter Maximum Fee of \$3,125.00.	17. _____	17. _____	17. _____
18) Penalty (See Instructions on Reverse Side. Minimum \$25.00)	18. _____	18. _____	18. _____
19) Interest (See Instructions on Reverse Side.)	19. _____	19. _____	19. _____
20) Total Due	20. _____	20. _____	20. _____

SCHEDULE 1: ALLOCATION PERCENTAGE (Only to be used if both sales and payroll conducted outside Elkton. NOTE: All percentages should be carried out four (4) decimal places.)

	Column A In City of Elkton Only	Column B Total Everywhere	Column C Percentage
1. SALES FACTOR - Gross Receipts (Less other allowable deductions)....	\$ _____ (A)	\$ _____ (B)	_____ % A÷B
2. PAYROLL FACTOR - Total Wages & Salaries.....	\$ _____ (A)	\$ _____ (B)	_____ % A÷B
3. Total Percents (Line 1 Column C plus Line 2 Column C).....			_____ %
4. Average Percentage (If both Line 1 Column C and Line 2 Column C are greater than zero, divide Total Percents on Line 3 by 2 and... enter here. If either Line 1 Column C or Line 2 Column C is NOT greater than zero, enter amount from Line 3 here.)			_____ %

I AFFIRM THAT THIS RETURN (INCLUDING ANY ACCOMPANYING STATEMENTS) HAS BEEN EXAMINED BY ME, AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, IS TRUE, CORRECT AND COMPLETE RETURN, MADE IN GOOD FAITH, PURSUANT TO CITY OF ELKTON ORDINANCE 2007-11, AS AMENDED, AND THE REGULATIONS ISSUED UNDER AUTHORITY THEREOF.

SIGNATURE OF OWNER / PARTNER / CORPORATE OFFICER _____ DATE _____ PREPARED BY _____ PHONE NUMBER _____ DATE _____

YOUR APPLICATION MUST BE SIGNED - THE CITY OF ELKTON WILL NOT ISSUE A BUSINESS LICENSE TO ANY BUSINESS SUBMITTING AN APPLICATION THAT IS NOT ACCOMPANIED BY THE CORRECT FEDERAL TAX FORMS AND PROPER PAYMENT.

INSTRUCTIONS AND INFORMATION

FILING DATES

PAYMENT OF LICENSE FEE ALONG WITH COMPLETED RENEWAL FORM WITH ATTACHED FEDERAL TAX RETURN IS DUE ON OR BEFORE APRIL 15 OF EACH YEAR FOR BUSINESSES OPERATING ON A CALENDAR YEAR. IF THE BUSINESS ENTITY OPERATES ON A FISCAL YEAR OTHER THAN A CALENDAR YEAR, THE BUSINESS ENTITY SHALL FILE THE RENEWAL ON OR BEFORE THE 15TH DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE BUSINESS ENTITY'S FISCAL YEAR.

REMITTANCE ADDRESS

MAIL COMPLETED RETURN AND ALL ATTACHMENTS TO: CITY OF ELKTON, KENTUCKY, PO BOX 578, ELKTON, KY 42220.

TOTAL GROSS RECEIPTS

THE OCCUPATIONAL LICENSE TAX DUE FOR EACH CALENDAR YEAR SHALL BE MEASURED BY THE AMOUNT OF THE GROSS RECEIPTS (**NOT NET PROFIT**) DURING THE PREVIOUS CALENDAR YEAR OR FISCAL YEAR. GROSS RECEIPTS MEANS ALL REVENUES OR PROCEEDS DERIVED FROM THE SALE, LEASE, OR RENTAL OF GOODS, SERVICES, OR PROPERTY BY A BUSINESS ENTITY REDUCED BY THE FOLLOWING: (A) SALES AND EXCISE TAXES PAID; AND (B) RETURNS AND ALLOWANCES.

SALES AT RETAIL – FOR RETAIL BUSINESSES ENTITIES WITH A PLACE OF BUSINESS LOCATED IN ELKTON, GROSS RECEIPTS SHALL INCLUDE THE GROSS RECEIPTS FROM ALL RETAIL SALES GENERATED BY THE ELKTON PLACE OF BUSINESS TO PERSONS OR OTHER BUSINESS ENTITIES WITHIN THE CITY AND TO PERSONS OR BUSINESS ENTITIES OUTSIDE THE CITY. SALES AT WHOLESALE – FOR BUSINESS ENTITIES THAT CONDUCT BUSINESS AT THE WHOLESALE LEVEL, WHETHER LOCATED IN THE CITY OR NOT, GROSS RECEIPTS SHALL INCLUDE ONLY THOSE SALES MADE INSIDE THE CITY. HOWEVER, FOR A SALE TO BE CONSIDERED TOTALLY OUTSIDE THE CITY, THE ENTIRE TRANSACTION MUST OCCUR OUTSIDE THE CITY, MEANING THE GOODS MUST BE PHYSICALLY ORDERED AND PHYSICALLY RECEIVED OUTSIDE THE CITY. SERVICE – BUSINESS ENTITIES, WHETHER LOCATED IN THE CITY OR NOT, THAT PROVIDE A SERVICE, SHALL INCLUDE THOSE GROSS RECEIPTS FROM SERVICES PROVIDED ONLY TO PERSONS OR OTHER BUSINESS ENTITIES LOCATED WITHIN ELKTON.

TAX RATE

THE TAX RATE FOR CALCULATING THE OCCUPATIONAL LICENSE FEE ON GROSS RECEIPTS IN ELKTON IS .125% (.00125).

BUSINESS ALLOCATION FACTOR (APPORTIONMENT)

FOR BUSINESS ENTITIES WITH **BOTH PAYROLL AND SALES REVENUE** IN MORE THAN ONE TAX DISTRICT, MULTIPLY THE GROSS RECEIPTS BY A FRACTION, THE NUMERATOR OF WHICH IS THE **PAYROLL FACTOR**, WHICH IS DESCRIBED IN SUBSECTION (A) OF THIS SECTION, PLUS THE **SALES FACTOR**, WHICH IS DESCRIBED IN SUBSECTION (B) OF THIS SECTION, AND THE DENOMINATOR OF WHICH IS THE NUMBER TWO, AND FOR BUSINESS ENTITIES WITH **SALES REVENUE ONLY** IN MORE THAN ONE TAX DISTRICT, BY MULTIPLYING THE GROSS RECEIPTS BY THE **SALES FACTOR** AS SET FORTH IN SUBSECTION (B) OF THIS SECTION.

(A) THE **PAYROLL FACTOR** IS A FRACTION, THE NUMERATOR OF WHICH IS THE TOTAL AMOUNT OF COMPENSATION PAID OR OTHERWISE PAYABLE BY THE BUSINESS ENTITY DURING THE REPORTING PERIOD WHICH IS ATTRIBUTABLE TO SERVICES PERFORMED BY THE BUSINESS ENTITY'S EMPLOYEES IN THE CITY, AND THE DENOMINATOR OF WHICH IS THE TOTAL COMPENSATION PAID OR OTHERWISE PAYABLE BY THE BUSINESS ENTITY DURING THE REPORTING PERIOD FOR ALL OF THE SERVICES PERFORMED BY THE BUSINESS ENTITY'S EMPLOYEES WHEREVER LOCATED. COMPENSATION ATTRIBUTABLE TO EMPLOYEES IN THE CITY IS BASED ON THE TIME THAT THE EMPLOYEES PERFORMED SERVICES IN THE CITY.

(B) THE **SALES FACTOR** IS A FRACTION, THE NUMERATOR OF WHICH IS THE TOTAL SALES REVENUE OF THE BUSINESS ENTITY IN THE CITY DURING THE REPORTING PERIOD, AND THE DENOMINATOR OF WHICH IS THE TOTAL SALES REVENUE OF THE BUSINESS ENTITY EVERYWHERE DURING THE REPORTING PERIOD.

EXEMPT FILERS

ANY FILER THAT IS EXEMPT AS SHOWN ON LINE 17 IS NOT REQUIRED TO SUBMIT FEDERAL FORMS, HOWEVER YOU MUST COMPLETE THE TAX RETURN AND SUBMIT TO THE CITY SO THAT YOU ARE ISSUED A LICENSE FOR THE YEAR.

PENALTY AND INTEREST

ANY BUSINESS ENTITY FAILING TO FILE A COMPLETED APPLICATION AND FAILING TO PAY THE CORRECT LICENSE FEE ON OR BEFORE THE FILING DATES OUTLINED ABOVE, SHALL PAY A PENALTY EQUAL TO FIVE PERCENT (5%) OF THE ANNUAL LICENSE TAX DUE FOR EACH CALENDAR MONTH OR FRACTION THEREOF. THE TOTAL PENALTY IMPOSED UNDER THIS SECTION SHALL NOT EXCEED TWENTY-FIVE PERCENT (25%) OF THE TOTAL TAX DUE, NOR SHALL IT BE LESS THAN TWENTY-FIVE DOLLARS (\$25). IN ADDITION TO THE PENALTIES PRESCRIBED IN THIS SECTION, SUCH BUSINESS ENTITY SHALL ALSO PAY, AS PART OF THE LICENSE TAX, AN AMOUNT EQUAL TO TWELVE PERCENT (12%) PER ANNUM SIMPLE INTEREST ON ANY UNPAID LICENSE TAX WHICH WAS DUE AND PAYABLE TO THE CITY UNDER THIS ARTICLE FROM THE TIME THAT THE LICENSE TAX IS FINALLY PAID TO THE CITY. A FRACTION OF A MONTH IS COUNTED AS AN ENTIRE MONTH.

EXTENSION OF TIME

AN **APPLICATION FOR AN EXTENSION OF TIME TO FILE FORM** MUST BE FILED BY THE FILING DATE AND MUST BE ACCOMPANIED BY A COPY OF THE FEDERAL EXTENSION AND AN ESTIMATED LICENSE TAX FEE. THE ESTIMATED FEE PAID SHALL BE ADJUSTED UPON FILING OF THE FINAL RETURN. HOWEVER, ANY AMOUNT DUE UPON FILING THE FINAL RETURN SHALL BE SUBJECT TO PENALTIES AND INTEREST.

COPY OF FEDERAL INCOME TAX FORMS

EVERY BUSINESS ENTITY NOT EXEMPT FROM THE LICENSE FEE SHALL SUBMIT A COPY OF ALL APPLICABLE FEDERAL INCOME TAX RETURN FORMS FOR THE CORRESPONDING ACCOUNTING PERIOD AT THE TIME OF FILING THIS RETURN. THE RETURN IS NOT CONSIDERED COMPLETE UNTIL ALL APPLICABLE FORMS ARE RECEIVED BY THE CITY.

CONFIDENTIALITY

ALL FINANCIAL INFORMATION SUBMITTED TO THE CITY IS CONSIDERED CONFIDENTIAL AND PRIVILEGED INFORMATION AND IS PROTECTED BY STATE AND LOCAL LAWS FROM DISCLOSURE TO THE PUBLIC.

STATEMENT AND TRANSMITTAL OF NON-EMPLOYEE COMPENSATION

ANY BUSINESS WHICH PAID A NON-EMPLOYEE \$600 OR MORE FOR SERVICES PERFORMED IN THE CITY IS REQUIRED TO FILE A **STATEMENT AND TRANSMITTAL OF NON-EMPLOYEE COMPENSATION FORM** DISCLOSING THIS INFORMATION TO THE CITY FOR THE PREVIOUS CALENDAR YEAR.

THE FULL ORDINANCE PERTAINING TO OCCUPATIONAL LICENSE TAXES AND ADDITIONAL FORMS MAY BE FOUND ON THE CITY OF ELKTON WEBSITE AT WWW.ELKTONKY.COM.