

CITY OF ELKTON, KENTUCKY
PO BOX 578, ELKTON, KY 42220

2019 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/BUSINESS _____

MAILING ADDRESS _____ CITY _____ STATE _____ ZIP _____

FEDERAL ID OR SOCIAL SECURITY NUMBER _____ EMAIL _____

BUSINESS PHONE (_____) _____ FAX (_____) _____

FISCAL YEAR END DATE _____ / _____ / _____

FILING STATUS (CHECK ONE): INDIVIDUAL CORPORATION PARTNERSHIP S CORP OTHER: _____

CHECK ALL THAT APPLY: NO ACTIVITY AMENDED FINAL (complete line B) ADDRESS CHANGE

A. Did you have employees during this reporting year in our locality: YES NO

(Please note the Occupational License Tax on gross wages is 2.0% to be withheld from gross wages earned in Elkton).

B. If this is a final return, state reason for discontinuance: _____

Enter closing date: _____ / _____ / _____ List successor, if sold: _____

c. Did you make payments in the sum of \$600.00 or more for services rendered in the city limits of Elkton to any individual other than an employee? YES NO (If YES, you are required to submit "STATEMENT AND TRANSMITTAL OF NON-EMPLOYEE COMPENSATION" form with copies of 1099s to the city by the last day in February. If you have not already done so, please submit now).

OCCUPATIONAL LICENSE FEE CALCULATION

- 1) IF AN **INDIVIDUAL**, enter Gross Receipts from Federal Schedule C of Form 1040.....\$ _____
(Attach Form 1040 and applicable schedules)
- 2) IF AN **INDIVIDUAL**, enter non-employee Compensation as Reported on Forms 1099-MISC as.....\$ _____
"Other Income" on Federal Form 1040 (Attach Form 1040 and applicable schedules)
- 3) IF AN **INDIVIDUAL**, enter Rental Gross Receipts from Federal Schedule E of Form 1040.....\$ _____
(Attach Form 1040 and applicable schedules)
- 4) IF AN **INDIVIDUAL**, enter Capital Gain from Federal Form 4797, Form 6252, and/or Schedule D.....\$ _____
for property used in a trade or business (Attach federal schedules)
- 5) IF AN **INDIVIDUAL**, enter Farm Gross Receipts from Federal Schedule F of Form 1040.....\$ _____
(Attach Form 1040 and applicable schedules)
- 6) IF A **PARTNERSHIP**, enter Gross Receipts from Federal Form 1065 (Attach Federal Form 1065.....\$ _____
and applicable schedules)
- 7) IF A **CORPORATION**, enter Gross Receipts from Federal Form 1120 per Federal Form 1120S.....\$ _____
(Attach Form 1120 or 1120S and applicable schedules)
- 8) IF A **CORPORATION**, enter Gross Receipts from "Gross Rents" from Federal Form 1120.....\$ _____
(Attach Federal Form 1120)
- 9) **Gross Receipts from Rental Activity** of a **PARTNERSHIP** or **S CORPORATION**.....\$ _____
(Attach Federal Form 8825 and other applicable schedules)
- 10) **Total Gross Receipts** (Add lines 1 through 9).....\$ _____
- 11) **Sales and Excise Taxes Included in Gross Receipts**.....(_____)
- 12) **Returned Goods and Allowances Deduction**.....(_____)
- 13) **Total Deductions (Add Line 11 plus Line 12)**(_____)
- 14) **Adjusted Gross Receipts (Line 10 minus Line 13)**.....\$ _____

(Continued on next page)

- 15) Enter **Apportionment Percentage** from Schedule 1, Line 4 below **OR 100%** if all Sales.....%
and Payroll are conducted in Elkton
- 16) **Taxable Gross Receipts** (Multiply Line 14 x Line 15)\$
- 17) **License Fee Calculation** (Line 16 x .00125)\$
- 18) **License Fee Due - Calculation on Line 17 Subject to the Following:**
If Line 17 is \$6.25 OR LESS, Enter EXEMPT
If Line 17 is between \$6.26 and \$62.50, Enter Minimum Fee of \$62.50
If Line 17 is between \$62.51 and \$3,125.00, Enter the Amount on Line 17
If Line 17 is greater than \$3,125.01, Enter Maximum Fee of \$3,125.00.\$
- 19) **Enter estimated payment filed with extension and/or prior year credit on previous year return**.....\$
(Must match total already filed with city)
- 20) **Occupational License Fee Due** (Subtract Line 19 from Line 18).....\$
- 21) **Penalty** (See Instructions. Minimum \$25.00)\$
- 22) **Interest** (See Instructions)\$
- 23) **Total Amount Due** (Add Lines 20, 21, and 22)\$
- 24) **Overpayment** (If Line 23 is less than zero, enter how to apply overpayment: Credit to Next Year Refund

**SCHEDULE 1: APPORTIONMENT PERCENTAGE (Only to be used if both sales and payroll were conducted outside Elkton.
NOTE: All percentages should be carried out five (5) 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 Percentages (Line 1 Column C plus Line 2 Column C).....			%
4. Apportionment Percentage (If both Lines 1 Column B and Line 2 Column B are greater than zero, divide Line 3 by 2 and enter here. If either Line 1 Column B or Line 2 Column B is zero, enter amount from Line 3 here.)			%

SIGNATURE

I hereby certify that the statements made herein and in any supporting schedules are true, correct, and complete to the best of my knowledge under penalty of perjury.

Tax Preparer

Signature of Tax Preparer

Printed Name of Tax Preparer

Date

Phone Number

Email Address

Taxpayer

Signature of Owner/Partner/Corporate Officer

Printed Name of Owner/Partner/Corporate Officer

Date

Phone Number

Email Address

NOTE: THE CITY OF ELKTON WILL NOT ISSUE A LICENSE TO ANY BUSINESS SUBMITTING A RETURN THAT IS NOT ACCOMPANIED BY THE CORRECT FEDERAL TAX FORMS, APPLICABLE SCHEDULES, AND PROPER PAYMENT.

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

INSTRUCTIONS AND INFORMATION

FILING DATES

Payment of license fee along with completed renewal form with attached federal tax return and applicable schedules 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).

APPORTIONMENT PERCENTAGE

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 18 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 return 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 described 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 paid with return. 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 AND APPLICABLE SCHEDULES

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.