

FRANKLIN COUNTY NET PROFITS LICENSE FEE RETURN

ACCOUNTING

YEAR ENDED

PIDN

QUESTIONS (ALL QUESTIONS MUST BE ANSWERED FULLY)

1. Nature of Business _____
2. Federal ID or Social Security Number _____
3. If organization was discontinued, state when _____
dissolution _____ or sale of _____ if by sale, give name and address of successor _____
4. Did you have employees in Franklin County during year? Yes _____ No _____
5. Has Franklin County License Fee been withheld from all subject employees, and remitted quarterly in accordance with the regulations? Yes _____ No _____ If answer is "No" explain _____
6. Check which: _____ Corporation _____ Sub-Chapter S _____ Partnership _____ Individual Owner _____ Fiduciary _____ Other (state) _____
7. On which the return is prepared - Cash _____ Accrual _____
8. Have a Federal authorities changed the net income as originally reported for any prior year? Yes _____ No _____
If answer is "Yes" attach a schedule of changes for each year
9. Telephone Number _____
10. Principal Business Code _____

Name and Address of Business

PLEASE NOTIFY THIS OFFICE OF ANY CHANGES IN OWNERSHIP OR NAME AND ADDRESS SHOWN ABOVE

SCHEDULE A

1. Total Gross income per Federal Return, Form _____ (see attached copy)	\$ _____
2. Total Business Deductions per Federal Return.....	\$ _____
3. Net Business income per Federal Return.....	\$ _____
4. ADD items not deductible (Line F, Schedule B).....	\$ _____
5. Total (Line 3 plus Line 4).....	\$ _____
6. DEDUCT items not subject (Line L, Schedule B).....	\$ _____
7. ADJUST NET BUSINESS INCOME (Line 5 less Line 6).....	\$ _____
8. If Schedule C (Line 4) is used enter here AVERAGE PERCENTAGE.....	_____ %
9. NET PROFITS subject to Franklin County License Fee (Line 7 x Line 8)..	\$ _____
10. License Fee = greater of 1% of Line 9 or \$40 minimum.....	\$ _____
11. Less Estimated Payment(s)	\$ _____
12. Balance (Line 10 minus Line 11)	\$ _____
13. PENALTY - 5% per month or portion of month, not to exceed 25%. Minimum Penalty \$25.00 Date ____ / ____ / ____	\$ _____
14. Interest of 1% per month or portion of month	\$ _____
15. Available Credit from previous Over Payment.	\$ _____
16. Total due (Line 12 plus Line 13 plus Line 14 minus Line 15)	\$ _____

*** YOU MUST ENCLOSE ONE COPY OF FEDERAL RETURN AS APPLICABLE**
WE WILL NOT BE ABLE TO PROCESS YOUR NET PROFIT RETURN WITHOUT A COPY OF THE FEDERAL INCOME TAX RETURN

MAKE PAYABLE TO:
FRANKLIN COUNTY TREASURER

MAIL TO:
**FRANKLIN COUNTY
OCCUPATIONAL TAX COLLECTOR
P.O. BOX 594
FRANKFORT, KENTUCKY 40602
(502) 875-8709**

SCHEDULE B

NOTE: ADD AND/OR DEDUCT ONLY THOSE ITEMS WHICH ARE INCLUDED IN CALCULATING NET INCOME FOR FEDERAL RETURN

ADD ITEMS NOT DEDUCTIBLE

A. State or Local taxes based on income.....	\$ _____
B. License Fee under this ordinance.....	\$ _____
C. Net Operating Loss Deduction.....	\$ _____
D. Partner's Salaries (attach schedule).....	\$ _____
E. Other items (list).....	\$ _____
F. TOTAL ADDITIONS (enter on Line 4).....	\$ _____

DEDUCT ITEMS NOT SUBJECT

G. Interest on Corporate Bonds.....	\$ _____
H. Interest on U.S. Government Securities.....	\$ _____
I. Royalties on Patents, Copyrights.....	\$ _____
J. Dividends.....	\$ _____
K. Other - e.g., Alcoholic Bev Net, etc.....	\$ _____
(Attach Schedule)	
L. TOTAL DEDUCTIONS (enter on Line6)..	\$ _____

SCHEDULE C

BUSINESS ALLOCATION PERCENTAGE - DIVIDE (COL. A) by (COL. B) to obtain decimal. Carry out at least 6 places.

Allocation Factors

	Column A Franklin CTY. Factor	Column B Total Factor	Column C Percentage
1.Total Gross Business Receipts (see attached)	\$ _____	\$ _____	%
2.Total Wages, Salaries, and Other Personal Service Compensation Paid to Employees	\$ _____	\$ _____	%
3.TOTAL PERCENTS			%
4.AVERAGE PERCENTAGE (Line 3 divided by number of percents)		Enter on Line 8.....	%

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

**RETURN MUST
BE SIGNED**

Signature of Individual Preparing Return

Signature of Taxpayer

Date

This return must be filed and paid in full on or before **APRIL 15**, or within 105 days after close of fiscal year, sale, liquidation, or transfer.

****MAIL IN A COPY OF STATE OR FEDERAL REQUEST FOR EXTENSION OF TIME****
PLEASE MAKE A COPY OF THIS RETURN FOR YOUR RECORDS

INSTRUCTIONS

(PER KRS 67.750 TO 67.795; 68.197)

The Franklin County Net Profits License Fee is levied at the annual rate of 1 percent of the net profits of all occupations, trades, professions, or other businesses engaged in said activities in the County. The fee is levied against a partnership or association as a business entity. Therefore, the individual partners or members are not required to file a return on their distributive share of the profits. The Net Profits License Fee return to be filed by all businesses having some receipts and/or payroll within Franklin County must be based on the net income as reported by the state or federal government. The Net Profits License Fee Return must be filed before April 15, if license is a calendar year, or 105 days after the end of the fiscal year, sale, liquidation or transfer. Check or money orders should be made payable to the Franklin County Treasurer.

BASIS OF LICENSE FEE

In computing the amount due, the taxpayer begins with gross receipts as shown by the Federal Income Tax Return less deductions as determined by the Federal Return. Deduction for general business expense will be allowed to the extent recognized and approved as such in determining Federal Income tax but without deduction of state and local taxes based on income. All expenses connected with the acquisition or carrying of securities, the income from which is not subject under the ordinance, is not deductible.

Below in the column to the left is the type of business conducted to the right is the Federal Income Tax Form on which the Form 1 must be based:

Sole Proprietor	Federal form 1040, Schedule C or Schedule F
Estates & Trusts	Federal form 1041
Partnerships	Federal form 1065
Corporation	Federal form 1120
Sub-Chapter S Corporation	Federal form 1120S

If taxpayer pays License fee on 100% of Net Profits and has no Schedule B adjustments, he need fill in only Schedule A; however, all taxpayers must answer all questions:

- Line 1: Gross income per Federal Return Form
- Line 2: Enter total deductions as shown by the Federal Return
- Line 3: Enter Net Income as shown by Federal Return
- Line 4: Add subject items totaled on Line F, Schedule B
- Line 5: Total line 3 and 4
- Line 6: Deduct items not subject totaled on Line L of Schedule B
- Line 7: Enter Line 5 less Line 6
- Line 8: Enter average percentage as determined on Schedule C
- Line 9: Enter profits subject to Franklin County License Fee – Line 8 x Line 7
- Line 10: Enter greater of 1% of amount of Line 9 or \$40.00 Minimum License Fee.
- Line 11: Enter amount of Estimated Payment(s) if applicable.
- Line 12: Balance Line 10 minus Line 11.
- Line 13: Late Payment Penalty of 5% per month or portion of month not to exceed 25%. However, it shall not be less than \$25.00. This is assessed against any license fee unpaid on return due date, **except** for approved extensions of time.
- Line 14: Interest of 1% per month or portion of month assessed against any License Fee unpaid on return due date **including** approved extensions of time.
- Line 15: Available Credit from previous Over Payment.
- Line 16: Enter amount due (Line 12 plus Line 13 plus Line 14 minus Line 15).

Extension requests must be submitted in writing along with a copy of State or Federal application to the Franklin County Occupational Tax office before the due date of the Net Profit License Fee Return. Interest remains due from original due date.

SCHEDULE B

Schedule B is provided for the licensee to add (Line A-E) items which are subject to the License Fee. Most of these appear as a part of the deductions taken on the Kentucky Return; therefore, they must be added back on Line 4. Lines G-K of schedule B provide for the specific deduction of items not subject to the License Fee. Many of these items are only taxable for Kentucky or Federal Income Tax purposes so they must be deducted on Line 6. Attach applicable schedule explaining any deductions on Line K.

SCHEDULE C

Schedule C must be completed by taxpayers with business receipts and/or payroll in more than one tax district including Franklin County. Completion of Column A allocates to Franklin County the proportionate part of the taxpayer's total business activity attributes to the County excluding activity in the City of Frankfort. However, if one of the two factors (business receipts or payroll factor) is missing the remaining factor is the Average or Business Allocation percentage (line 4 of Section C).

ANY QUESTIONS SHOULD BE DIRECTED TO:

FRANKLIN COUNTY OCCUPATIONAL TAX ADMINISTRATOR; P.O. BOX 594; FRANKFORT, KY 40602; PHONE (502) 875-8709