

OCCUPATIONAL LICENSE TAX (NET PROFITS)

ORDINANCE NO. 2023- 2

AN AMENDMENT TO ORDINANCE NO. 2006-1 RELATING TO THE IMPOSITION AND ADMINISTRATION OF AN OCCUPATIONAL LICENSE REQUIREMENT, AND PAYMENT OF AN OCCUPATIONAL LICENSE FEE BY PERSONS AND BUSINESS ENTITIES CONDUCTING BUSINESS, OCCUPATIONS AND PROFESSIONS WITHIN MERCER COUNTY KENTUCKY

BE IT ORDAINED AND ENACTED BY
THE FISCAL COURT OF MERCER COUNTY ORDINANCE 2023- 2

WHEREAS, the Mercer County Fiscal Court, hereinafter the County, deems it necessary and appropriate to amend its existing ordinance pertaining to occupational license taxation by increasing the payroll tax by 0.55% and the net profit tax by 0.55% to increase revenue so that existing and new services may be funded; and

WHEREAS, the County deems it necessary and appropriate to further amend the Administrative Provisions section related to the time period one may apply for a refund or credit regarding taxes collected.

NOW, THEREFORE, BE IT ORDAINED BY THE MERCER COUNTY FISCAL COURT, that Mercer County Ordinance 2006-1 is amended as follows:

§ 1—DEFINITIONS— shall remain unchanged.

§ 2—OCCUPATIONAL LICENSE APPLICATION REQUIRED— shall remain unchanged.

§ 3—OCCUPATIONAL LICENSE FEE PAYMENT REQUIRED—§ 3(1) is hereby amended to read as follows, with all other paragraphs remaining unchanged:

(1) Except as provided in subsection (2) and (5) of this section, every person or business entity engaged in any business for profit and any person or business entity that is required to make a filing with the Internal Revenue Service or the Kentucky Revenue Cabinet shall be

required to file and pay to the county an occupational license tax for the privilege of engaging in such activities within the county. The occupational license tax shall be measured by 1.0% of:

- (a) all wages and compensation paid or payable in the county for work done or services performed or rendered in the county by every resident and nonresident who is an employee;
- (b) the net profit from business conducted in the county by a resident or nonresident business entity.

§ 4—APPORTIONMENT— shall remain unchanged.

§ 5—EMPLOYERS TO WITHHOLD— shall remain unchanged.

§ 6—RETURNS REQUIRED— shall remain unchanged.

§ 7—EXTENSIONS— shall remain unchanged.

§ 8—REFUNDS— shall remain unchanged.

§ 9—FEDERAL AUDIT PROVISIONS— shall remain unchanged.

§ 10—ADMINISTRATIVE PROVISIONS— § (10)(1) shall remain unchanged and § 10(2) is hereby amended to read as follows:

(2) Any tax collected pursuant to the provisions of this ordinance may be refunded or credited within two (2) years of the date prescribed by law for the filing of a return ~~or the date the money was paid to the county, whichever is the later~~, except that:

- (a) In any case where the assessment period contained in Section (9) of this ordinance has been extended by an agreement between the business entity and the county, the limitation contained in this subsection shall be extended accordingly.

(b) If the claim for refund or credit relates directly to adjustments resulting from a federal audit, the business entity shall file a claim for refund or credit within the time provided for in this subsection or six (6) months from the conclusion of the federal audit, whichever is later.

For the purposes of this subsection and subsection (3) of this section, a return filed before the last day prescribed by law for filing the return shall be considered as filed on the last day.

§ 11—INFORMATON TO REMAIN CONFIDENTIAL—shall remain unchanged.

§ 12—PENALTIES—shall remain unchanged.

§ 13—USE OF OCCUPATIONAL LICENSE TAX—shall remain unchanged.

§ 14—SEVERABILTY—shall remain unchanged.

§ 15—ADOPTION—This ordinance amendment shall become effective January 1, 2024.

GIVEN FIRST READING AND PASSED March 14, 2023

GIVEN SECOND READING AND PASSED March 28, 2023

PUBLISHED IN THE HARRODSBURG HERALD March 30, 2023

APPROVED:



SARAH STEELE
MERCER COUNTY JUDGE/EXECUTIVE

ATTEST:



SANDY SANDERS,
MERCER COUNTY FISCAL CLERK