

City of Maysville

Instructions: Gross Receipts License Fee Tax Return & Worksheet

Requirement: Every person or business entity engaged in any business for profit and any person 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 City of Maysville an annual occupational license tax for the privilege of engaging in such activities within the City of Maysville, regardless of the legal residence of the party so engaged.

Ref: City of Maysville Ordinance Chapter 134 and KRS 67.750 – 67.790

Where to File: Mail returns with payments to: City of Maysville, 216 Bridge St, Maysville KY 41056

Who Must File: Corporations, partnerships, sole proprietorships, estates & trusts, individuals, or other businesses engaged in an occupation, trade, or profession with a business nexus in Maysville, KY

When to File:

New Businesses: Must file Occupational License Application with fee of \$75.00 prior to commencement of business activity in Maysville. Application fee is considered first year license payment expiring April 30 following issuance.

Current Businesses: Must file annually by the 15th day of the 4th month following close of fiscal year. See following for due dates:

<u>Fiscal Year End</u>	<u>Due Date</u>	<u>*Extension Date</u>
Sept 2016	1/15/2017	07/15/17
Oct 2016	2/15/2017	08/15/17
Nov 2016	3/15/2017	09/15/17
Dec 2016	4/15/2017	10/15/17
Jan 2017	5/15/2017	11/15/17
Feb 2017	6/15/2017	12/15/17
Mar 2017	7/15/2017	01/15/18
Apr 2017	8/15/2017	02/15/18
May 2017	9/15/2017	03/15/18
June 2017	10/15/2017	04/15/18
July 2017	11/15/2017	05/15/18
Aug 2017	12/15/2017	06/15/18

***Extensions:** If an extension of time for filing is required, a separate extension request to the City of Maysville is mandatory. Also required is a copy of Application for Federal Extension (Form 7004) and an estimated payment. Failure to make estimated payment will result in accrual of penalties and interest until submission of final return. Extensions are not granted for more than 6 months.

Failure to File or Pay Penalty: There is a five percent (5%) penalty per month or fraction of a month to a maximum of twenty five percent (25%) of the total tax due. Penalty shall not be less than twenty-five dollars (\$25.00)

Interest: In addition to penalty above, interest is computed at twelve percent (12%) per annum from the original due date until date of payment.

Accounting Methods:

Consolidated Returns: If a corporation that is subject to the occupational tax in Maysville, KY is included in a consolidated return, the corporation shall submit the following:

- 1) Gross Receipts License Fee Tax Return based upon total gross receipts of the corporation subject to the Maysville occupational tax, not the consolidated gross receipts
- 2) Copy of the consolidated Form 1120 or its equivalent.
- 3) A computation sheet allocating all gross receipts on the consolidated Federal Form 1120 to each corporation included in the consolidated return.

Separate Accounting Method: Is permitted with filing of this return, with prior approval from the City of Maysville.

Specific Instructions: Worksheet Y – Business Apportionment (see Worksheets I, P & C)

All businesses whose operations were not conducted entirely within the City of Maysville must complete Business Apportionment.

Line 1 Column A: Enter all gross wages paid to employees working within city limits

Line 1 Column B: Enter all gross wages of employees in company

Line 1 Column C: Divide Column A by Column B for payroll factor

Line 2 Column A: Enter gross receipts from sales, rents or services performed in city limits

Line 2 Column B: Enter gross receipts from sales, rents, or services performed everywhere

Note: This amount should be same as **Line 1** on Worksheets I,P or C

Line 2 Column C: Divide Column A by Column B for sales factor

Line 3 Column C: If payroll factor = 0, use only sales factor. If sales factor = 0, use only payroll factor. If payroll factor and sales factor are greater than 0, add both & total.

Line 4 Column C: If payroll factor and sales factor are greater than 0, divide total in Line 3 Column C by 2 and insert amount. If only a payroll factor or sales factor is greater than 0, use factor in **Line 3 Column C**

Insert Apportionment to Line 9 of Worksheet P, or to Line 10 of Worksheets C or I

Specific Instructions: Worksheet X – Gross Alcoholic Beverage Sales

If 100% of gross alcoholic beverage sales were not in Maysville, follow instructions & insert apportioned sales in Maysville to **Line 4 of all Worksheet P or Line 5 of Worksheets I or C**. If 100% of gross alcoholic beverage sales were in Maysville, insert all sales total to **Line 4 of Worksheet P or Line 5 of Worksheets I or C**.

Specific Instructions: Worksheet I (Individual)

Line 1: Insert "Gross Receipts or Sales" from Federal Form 1040C.

Line 2 : Insert "Rents Received" from Federal Form 1040E.

Line 3: Insert "Gross Income" from Federal Form 1040F.

Line 4: Total lines 1, 2 & 3

Line 5: Insert Gross Alcoholic Beverage Sales as indicated in Worksheet X

Line 6: Insert Excise or Sales Taxes paid

Line 7: Insert "Returns & Allowances" from Federal Form 1040C

Line 8: Total Lines 5, 6 & 7

Line 9: Subtract Line 8 from Line 4 and insert total

Line 10: Insert Business Apportionment as indicated in Worksheet Y

Line 11: Calculate Taxable Gross Receipts by multiplying Line 9 & 10, carry figure to **Line 1 of City of Maysville Gross Receipts License Fee Tax Return Form**

*****Note: Copies of ALL Federal Forms used must be included in submission of return*****

Specific Instructions: Worksheet P (Partnership)

Note: Occupational tax is assessed on all gross income prior to any "pass through" of income to owners of partnerships, S-Corps or other like entities.

Line 1: Insert "Gross Receipts or Sales" from Federal Form 1065

Line 2: Insert "Gross Rents" from Federal Form 8825

Line 3: Total lines 1 & 2

Line 4: Insert Gross Alcoholic Beverage Sales as indicated in Worksheet X

Line 5: Insert Excise or Sales Taxes paid

Line 6: Insert "Returns & Allowances" from Federal Form 1065

Line 7: Total lines 4, 5, & 6

Line 8: Subtract Line 7 from Line 3 and insert total

Line 9: Insert Business Apportionment as indicated in Worksheet Y

Line 10: Calculate Taxable Gross Receipts by multiplying Line 8 & 9, carry figure to **Line 1 of City of Maysville Gross Receipts License Fee Tax Return Form**

*****Note: Copies of ALL Federal Forms used must be included in submission of return*****

Specific Instructions for Worksheet C (Corporation)

Note: Occupational tax is assessed on all gross income prior to any "pass through" of income to owners of partnerships, S-Corps or other like entities.

Line 1: Insert "Gross Receipts or Sales" from Federal Form 1120 or 1120S

Line 2: Insert "Gross Rents" from Federal Form 1120 or 1120S

Line 3: If not included in Line 2, insert "Gross Rents" from Federal Form 8825

Line 4: Total lines 1, 2 & 3

Line 5: Insert Gross Alcoholic Beverage Sales as indicated in Worksheet X

Line 6: Insert Excise or Sales Taxes paid

Line 7: Insert "Returns & Allowances" from Federal Form 1120 or 1120S

Line 8: Total lines 5, 6 & 7

Line 9: Subtract Line 8 from Line 4 and insert total

Line 10: Insert Business Apportionment as indicated in Worksheet Y

Line 11: Calculate Taxable Gross Receipts by multiplying Line 9 & 10, carry figure to **Line 1 of City of Maysville Gross Receipts License Fee Tax Return Form**

*****Note: Copies of ALL Federal Forms used must be included in submission of return*****

Specific Instructions for Gross Receipts License Fee Tax Return

Follow instructions and complete all pertinent information about the business entity in the upper portion of the form, such as business name, address, FYE, account #, SSN or FEIN, and type of business.

Indicate if this is final return and complete question D if applicable

Indicate "No Business Activity" only if you did not perform any business activity during the current year, but intend on some activity during the coming year. Minimum payment req'd.

Complete Questions A – E regarding business.

Complete Filing Status Box per Federal Return

Fee Computation

Line 1: Insert "Taxable Gross Receipts" as calculated on applicable Worksheet I, P or C

Line 2: Multiply "Taxable Gross Receipts" by .075% **OR** .00075 to determine your Occupational License Fee Due.

Line 3: If amount in Line 2 is less than seventy-five dollars (\$75.00), insert \$75.00 minimum fee due on Line 3. If amount in Line 2 is more than \$75.00, insert that amount on Line 3.

Line 4: If claiming a prior year credit or estimated payment, insert amount.

Line 5: Total lines 3 & 4

Line 6: See prior instructions under "Failure to File or Pay Penalty"

Line 7: See prior instructions under "Interest"

Line 8: Total lines 5, 6 & 7

Line 9: If overpayment claimed, indicate of refund requested or credit to next years return.

Signatures

If the return is being filed by a corporation, it must be signed and dated by a corporate officer authorized to sign. If the return is being filed by a partnership, it must be signed and dated by a general partner. If the return is being filed by a sole proprietor, it must be signed and dated by that individual. Additionally, preparer of return must sign, date & print their name.

Complete & accurate submission of filing shall include the following:

- 1) **Completed Worksheet I (Individual), P (Partnership) or C (Corporation)**
- 2) **Completed, signed and dated Gross Receipts License Fee Tax Return**
- 3) **Copy of ALL Federal Tax Forms used in Worksheet computations**
- 4) **Payment of total fee due at time of filing**

***** Issuance of Occupational License shall be held in pending status until filing is complete and approved by the City of Maysville *****

QUESTIONS ON TAX FORMS / INSTRUCTIONS, CONTACT:

Karen Cracraft, Asst Comptroller @ City of Maysville, 216 Bridge St Maysville, KY 41056

Phone: 606-564-9419 Fax: 606-564-9416 email: kcracraft@maysvilleky.net

See all tax forms, instructions, & local ordinance at www.cityofmaysville.com