NET PROFIT LICENSE FEE RETURN INSTRUCTIONS

NOTE: If work is performed within the city limits of Russellville, Lewisburg, Auburn and Adairville, it is still taxable for Logan County.

GENERAL - Every person or business entity engaged in any activity or for profit business activity in the County shall be required to file and to pay to Logan County a Net Profit License Fee Tax. The amount of the tax is 0.75% of the net profits from the portion of the business/activity conducted within Logan County.

WHO MUST FILE?

ALL BUSINESSES, INDIVIDUALS, PARTNERSHIPS, ASSOCIATIONS, CORPORATIONS, TRUSTS, FIDUCIARIES, OR OTHER ENTITY HAVINC RECEIPTS AND/OR PAYROLL WITHIN LOGAN COUNTY, KY, REGARDLESS OF PROFIT OR LOSS.

This includes income/receipts from farming, farm rental, rental, self-employed, partnerships, LLC's, and individuals who receive 1099's.

WHEN TO FILE - The Net Profit License Fee Return must be filed on or before April 15 if licensee is on a calendar year. Fiscal year returns are due on or before the fifteenth day of the fourth month following the end of the Federal tax year. If due date falls on Saturday, Sunday or legal holiday the return may be filed on the next succeeding day which is not a Saturday, Sunday or legal holiday. All net profit license fees remaining unpaid after they become due shall bear penalty at the rate of five percent (5%) per month until paid. Part of a month is considered a whole when calculating penalty and the interest charges. The penalty shall not exceed twenty-five percent (25%) of the total tax due; however, the penalty shall not be less than $25.00. Interest at the rate of one percent (1%) per month shall be charged.

In the event of a net loss, a return still must be filed along with a copy of your federal return showing the loss. IF NO WORK WAS PERFORMED DURING THE TAX YEAR THEN YOU NEED TO STATE "NO WORK PERFORMED" SIGN IT, DATE IT AND RETURN THE FORM BY THE DUE DATE TO AVOID THE $25.00 PENALTY!!!

EXTENSION REQUESTS - If an extension of time for filing is necessary, a copy of your federal extension must be submitted on or before the due date of the return. Regardless of the number of extensions approved, all license fees/Net Profits remaining unpaid after the original due date shall bear interest at the rate of 1% per month or a fraction of a month.

REFUNDS - Where there has been an overpayment of tax, a refund or credit shall be made to the taxpayer to the extent of overpayment only if a written application for refund is received from the taxpayer within two (2) years from the date the overpayment was made.

ALCOHOLIC BEVERAGE SALES FORMULA - Kentucky alcoholic beverage sales divided by total sales equal the alcoholic beverage percentage. Multiply the alcoholic beverage percentage by the net profit of the business. A deduction may be taken only if the business engaged in the selling of alcoholic beverages had a profit. Attach a copy of the computation sheet to the tax form.

1099'S REQUIRED - Any business which makes 1099 payments are required to submit copies of form 1099 to Logan County by February 28 of the following year. A list may be used in lieu of 1099's. The list must include name, address, telephone number, federal id number and amount of compensation.

All returns must be post-marked by the due date to avoid late fees

SECTION B

ITEMS NOT DEDUCTIBLE		ITEMS NOT SUBJECT	
19 State or Local taxes based on income		25 Interest Income	
20 License Fee Under this Ordinance		26 Dividend Income	
21 Partners Guaranteed Payments		27 Allowable Pass Through Expenses	
22 Net Operating Loss Carryover		28 Alcoholic Beverage Sales Deduction	
23 Other (specify) (Attach separate schedule if necessary)		29 Other (specify) (attach Separate schedule if necessary)	
24 TOTAL ADDITIONS		**30 TOTAL DEDUCTIONS**	
(Enter on Line 6)		(Enter on Line 8)	

SECTION C

Section C (Lines 31-34) must be completed by licensees with gross income and/or wages, salaries and other compensation, within the limits of Logan County. Completion of this section allocates the proportionate share of total business activity attributable to Logan County. If gross income or payroll exists, but not within the limits of Logan County, a zero percentage should be added in Column C when calculating the Average Percentage (Line 34) Note: Any work that is performed in the city of Russellville, Adairville, Auburn and Lewisburg is also taxable to Logan County.

ALLOCATION FACTORS	Column A Logan County	Column B TOTAL	Column C PERCENTAGE
31 Gross Receipts/Sales (if not applicable, write N/A in Column C)	$	$	%
32 Total Wages, Salaries and Other Compensation (if not applicable, write N/A in Column C)	$	$	%
33 TOTAL PERCENTS (Line 31Column C plus Line 32 Column C			%
34 AVERAGE PERCENTAGE (Line 33 divided by number of applicable percents)..... Enter on line 10 on front			%

******NOTICE***** DO NOT DIVIDE BY 2 IF NOT USING BOTH FACTORS**

LCNP2- 10/5/2016