

CITY OF RUSSELLVILLE, KENTUCKY
Occupational Tax Department
P.O. Box 434
Russellville, Kentucky
270-726-5002

INFORMATION FOR NEW LICENSEES

The City of Russellville requires all businesses and independent contractors to obtain a business license. There is a business license registration fee of \$25.00 due at time of registration, and annually thereafter.

THE BUSINESS LICENSE, (obtained upon registration), MUST BE RENEWED ANNUALLY, ON OR BEFORE THE ANNIVERSARY DATE OF THE LICENSE. The license will not be renewed until all outstanding occupational license fees and withholdings have been paid. Late renewals will incur a penalty of 5% of the fee. If the license is not renewed within 30 days of its due date, the license will be revoked, and the penalty incurred will be 10% of the fee for each month or portion of a month that the renewal is late.

EVERY LICENSEE WITH AT LEAST ONE EMPLOYEE MUST PAY TO THE CITY OF RUSSELLVILLE A FEE OF 2% OF ALL GROSS SALARIES, WAGES, COMMISSIONS AND OTHER COMPENSATIONS THAT YOU PAID TO ANY AND ALL OF YOUR EMPLOYEES FOR WORK PERFORMED IN THE CITY OF RUSSELLVILLE. Payment of these payroll withholdings to the City shall be made on a monthly or quarterly basis, as selected by licensee. The City's occupational form must always be completed and returned; if there was no applicable payroll for the period, the form must still be sent, indicating payroll of zero. **FAILURE TO REMIT THESE FUNDS IS DEFINED AS FELONY THEFT UNDER KENTUCKY REVISED STATUTE 514.070, WITH A PENALTY NOT TO EXCEED FIVE (5) YEARS IN A STATE PENITENTIARY.**

EVERY LICENSEE MUST PAY 2% OF THEIR NET PROFITS TO THE CITY OF RUSSELLVILLE ON AN ANNUAL BASIS. THERE IS A MINIMUM PAYMENT REQUIRED OF \$25.00, EVEN IF YOU HAD A LOSS FOR THE YEAR. FAILURE TO FILE IS A CRIMINAL OFFENSE, PUNISHABLE BY A FINE OF NOT MORE THAN \$100.00 PER DAY AND JAIL TIME NOT TO EXCEED THIRTY (30) DAYS. THIS IS IN ADDITION TO INTEREST AND PENALTY THAT WILL ACCRUE FROM THE DUE DATE OF THE RETURN.

The net profit payment is due either April 15th, or 3½ months after the licensee's fiscal year end, if the licensee has a fiscal year accounting system. The City requires that a copy of one of the following federal forms must accompany Form 1040 and the net profit form:

1) Schedule C
4) Form 1065

2) Schedule E
5) Form 1120

3) Form 1041
6) Form 1120S

All occupational fees that remain unpaid, beginning the day after their due date, shall bear interest at the rate of 1.0% per month, and a penalty of 5% (up to 25%) of the unpaid balance for every month or portion of a month that payment is late. Minimum penalty will be \$25.00. Continued non-payment will result in the account's assignation to the City Attorney for further collection procedures.

Please notify this office in writing if your business closes, so that we may change our records. Keep in mind that you will still need to file payroll and net profit returns for the portion of the year that you were still in business (for example, if your business closes in March, you will need to file returns for January through March).

Please notify the City of any changes in business name and/or address/phone. A new registration is required for any changes in ownership and/or tax i.d. number.