

Changes

The Laurel County Fiscal Court amended the Occupational Tax Ordinance in September of 2007 to reflect changes required by the state legislature in an effort to standardize Occupational Tax law across the state of Kentucky. Following is an explanation of the changes and their effective dates. Unless otherwise specified, all changes are due to standardization and specified in KRS 67.

What's New For 2007. (Effective 1/1/2008 Returns filed after January 1, 2008)

Change: § 5 - Employers to Withhold

Any employer withholding five hundred dollars (\$500.00) or more license fee during any quarter shall file a return and pay the license fee withheld monthly.

Change: § 13 - Penalties

Penalty for late filing or late payment is 5% of the tax due for each calendar month or fraction thereof per month, maximum of 25%, minimum of \$25.00. Therefore, if the return is filed after the due date the minimum fee of \$25.00 would apply **even if the business did not have any taxable payroll for the period.**

Interest for late payment is 1% of the tax due for each calendar month or fraction thereof per month if the return is filed after the original due date.

Example: ABC Inc. had a 1st quarter 2008 payroll in the amount of \$60,000.00. They filed their return on May 2, 2008.

Payroll	\$ 60,000.00
Laurel County license fee 1%	600.00
Late filing/payment penalty	30.00
Interest on late payment	<u>6.00</u>
Total due	636.00

ABC Inc. did not exceed a \$500.00 quarterly license fee in 2007 and thus was not required to pay monthly. They would begin monthly filings in May of 2008.

The return would have a penalty of 5%, (minimum of \$25), 1 month late, and interest of 1%, again 1 month late. **Each calendar month or fraction thereof is considered a month.**

Change:

Income tax return preparer who willfully fails to prepare or inform any business...of their necessity to file any required returns or any reckless or intentional disregard of rules or regulations of the ordinance by any such person, such person shall pay a penalty of one hundred dollars (\$100) with respect to such return or incident.

Reason: To encourage preparers to encourage the taxpayers to file the returns by preparing and giving returns to taxpayers, or at least informing the taxpayer of their responsibility.

Please visit our website: www.lcotax.com where you can find out more information on any changes, download forms, view or download the occupational tax ordinance, and other information you may find helpful or informative.