



FOR IMMEDIATE RELEASE
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City to review state mandated changes to business tax

NICHOLASVILLE – City Commissioners will hear the first reading of the modified Occupational License Tax ordinance July 3, 2008 at noon. The updated law is being implemented to satisfy state legislation requiring cities to amend their business tax laws. The goal of the legislation is to standardize the way taxes are collected throughout the state, making the system fair and equitable to all businesses. The city must comply with the state legislation by enacting the new ordinance by July 15.

The required changes are expected to make filing taxes simpler and improve compliance. Of those paying an occupational license tax or fee to the city of Nicholasville, approximately 60 percent pay a flat fee and 40 percent pay a tax on gross income. Now, all for-profit businesses will pay a one percent occupational license tax on their net profits or \$100, whichever is greater. Only those who are exempted through state statutes that impose overriding tax procedures are not included. It is very similar to the ordinance adopted by Jessamine Fiscal Court in November 2007.

“This will make our business tax ordinances simpler and fairer,” Mayor Russ Meyer said. “It is consistent not only with what the county is doing, but also with what other cities around us are doing. We want to keep Nicholasville friendly to business and economic development and feel this will level the playing field in many ways.”

The Occupational License Tax rate on employee earnings (payroll withholding) won't change.

City Occupational License Tax
7-2-08

As part of the transition from the old ordinance to the revised version, businesses will make a \$100 deposit to the city by or on March 31, 2009. This amount will be credited toward the occupational license tax they pay in 2010.

The City of Nicholasville is working with the Jessamine County Fiscal Court on an arrangement whereby the county will collect occupational license taxes on behalf of the city. This will offer efficiencies of scale and save businesses preparation time and fees. If this arrangement is completed, one form can be used for both city and county taxes.

Businesses may refer to their county taxes to determine how much they will pay under the proposed change since the new city formula will be the same, other than the \$100 minimum.

The new law goes into effect in 2010 for tax years beginning on or after January 1, 2009.

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