



January 7, 2009

Dear Business Owner:

We are enclosing the occupational tax forms that your business will use to finish out the 2008 year. There are several issues we would like to make you aware of and ask for your assistance as we work to improve our occupational and net profits tax collection process.

Although our occupational and net profits tax ordinance was first enacted many years ago, the Commonwealth of Kentucky has now required that all cities, counties, and school districts who levy an occupational and/or net profit tax bring their ordinances into compliance with changes that were mandated with the passage of House Bills 107 and 458. These mandated changes simply standardize how the tax is levied and collected across all jurisdictions within the Commonwealth of Kentucky.

Although these changes are required to take effect no later than July, 2008, in an effort to simplify the tax reporting process for businesses working or conducting business within the boundaries of the City of Fulton, the Mayor and City Commission have elected to make these changes effective for all of 2008, thus avoiding a mid-year change in how the City's business license tax is applied.

The biggest change local businesses will experience will be the change from a business license based on a net profits tax schedule to one based on a net profit tax percentage. The previous tax contained a confusing set of fee schedules which varied depending on the amount of net profit. The new business license will be based on a flat 2.0% of net profits as defined by KRS statute, the same as the current payroll tax rate.

In this mailing, we are sending you several forms to help you provide all the required documents and information to our office. Please attach a copy of each 2008 Form W2 to the "Year End Payroll Tax Reconciliation Form" and attach a copy of each 2008 Form 1099 to the "Summary and Transmittal Form of Non-employee Earnings".

Additionally, if we have enclosed a net profits tax return, please be sure to attach a copy of the business's 2008 income tax return, including the appropriate schedules, to the completed net profits tax return.

Finally, if you will never again have employees and want to permanently cancel your employer account, please notify us in writing.

As always, thank you for your continued support and assistance during this process.

Respectfully,

Helen Lee  
City Clerk, City of Fulton

<Company>  
<Address 1>  
<City> ,<State> <ZIP Code>



## ***2008 Year End Occupational and Net Profits Tax Forms***

### **Contents**

- 1. Employer's 4<sup>th</sup> Quarter Return of Payroll License Fee  
Withheld Return Form**  
*(Due Date 1/31/2009)*
  
- 2. Year End Payroll Tax Reconciliation Form**  
*(Due Date 1/31/2009)*
  
- 3. Year End Net Profits License Tax Return Form**  
*(Due Date 4/15/2009)*
  
- 4. Summary and Transmittal Form of Non-Employee Earnings**  
**(Used to report IRS 1099 – Misc Form Activity)**  
*(Due Date 2/28/2009)*
  
- 5. 2009 Business License Form –** *(Due Date 2/02/2009)*

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**If you have questions regarding the attached forms, feel free to contact Helen Lee, City Clerk / Treasurer by calling Fulton City Hall at (270) 472-1320.**

**All forms should be returned to:**

**City of Fulton  
c/o City Clerk  
P.O. Box 1350  
Fulton, KY 42041**



**EMPLOYER'S QUARTERLY RETURN OF PAYROLL LICENSE FEE WITHHELD**

**City of Fulton, Kentucky**

**Under Ordinance 68-10**

- 
- 1. Number of Taxable Employees \_\_\_\_\_
  - 2. Total salaries, wages, commission and other compensation  
paid all employees (\*) Gross \$ \_\_\_\_\_
  - 3. Less: Non-taxable items (compensation paid  
for services provided outside of Fulton) -\$ \_\_\_\_\_
  - 4. Taxable earnings (Item 2 minus item 3) \$ \_\_\_\_\_
  - 5. Actual tax withheld in quarter at 2% \$ \_\_\_\_\_
  - 6. Interest @ .5% per month +\$ \_\_\_\_\_
  - 7. Penalty (1 % per month) not to exceed 10% +\$ \_\_\_\_\_
  - 8. Total (including interest and penalty if delinquent) \$ \_\_\_\_\_**

*\*If no wages were paid this quarter, mark NONE and return this form with explanation.*

I hereby certify that the information and statements contained herein and any schedules or exhibits attached are true and correct.

(NAME) \_\_\_\_\_

(SIGNED) \_\_\_\_\_

(OFFICIAL TITLE) \_\_\_\_\_ Dated \_\_\_\_/\_\_\_\_/\_\_\_\_

**This return must be filed on or before date due as shown below.**

Make checks or money order payable to:  
TREASURER, CITY OF FULTON, KENTUCKY.

Please return this portion with your payment.

Account # <User 1>

(Name and address of Employer)

Mo. -Day -Yr.  
For Quarter ended 12 - 31 - 2008  
**Due on or before 01 - 31 - 2009**

<Company>  
<Address 1>  
<City>, <State> <ZIP Code>

**Mail to:**

**Notify the City Clerk, City of  
Fulton, of change in ownership  
or name and address shown above**

**City of Fulton  
P O Box 1350  
Fulton, KY 42041**

**City of Fulton**  
**2008 Year End Payroll Tax Reconciliation Form**

(Name and address of Employer)

Account # <User 1>

<Company>

<Address 1>

<City> ,<State> <ZIP Code>

1. Total Number of Employees January 1, 2008 \_\_\_\_\_

2. Total Number of Employees December 31, 2008 \_\_\_\_\_

3. Quarterly Payroll Tax submitted:  
(Including any penalties and/or interest)

Quarter ending March 31, 2008 \$ \_\_\_\_\_

Quarter ending June 30, 2008 \$ \_\_\_\_\_

Quarter ending September 30, 2008 \$ \_\_\_\_\_

Quarter ending December 31, 2008 \$ \_\_\_\_\_

**Total Payroll Taxes** \$ \_\_\_\_\_

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**\*Attach a copy of each 2008 Form W2 to this form.**

<b>CITY OF FULTON SUMMARY AND TRANSMITTAL OF NON-EMPLOYEE EARNINGS</b>	2008 YEAR	<b>FORM 1099 ST</b>
<input type="checkbox"/> 100 % City of Fulton		
<b>MAIL TO: OCCUPATIONAL TAX ADMINISTRATOR</b> CITY OF FULTON P.O. BOX 1350 FULTON, KY 42041		
		Phone: (270) 472-1320 Fax: (270) 472-6526

**INSTRUCTIONS:**

Licensee making payments of \$600 or more to recipients other than employees, (i.e., non-employee compensation payments) for services performed within the City of Fulton are responsible to maintain records of those payments. The licensee making payment will be responsible for completing Form 1099-ST and submitting it to the Occupational Tax Administrator by February 28<sup>th</sup> of the year following the close of the calendar year in which the non-employee compensation was paid. Businesses that make “non-employee compensation” payments, where all monies reported over \$600 were paid to recipients for work performed 100% within the City of Fulton may check the appropriate “100%” box on Form 1099-ST (see above).

**Remember to submit copies of Federal Form 1099 MISC and  
return with this page.**

<b>Column 1</b> Name and Address of each Non-Employee receiving compensation	<b>Column 2</b> Social Security No. or Federal I.D. No. for each Non- Employee	<b>Column 3</b> Total Compensation Paid to each Non- Employee	<b>Column 4</b> Non-Employee Earnings, from Column 3, for Work Performed within the City of Fulton

<b>CITY OF FULTON KENTUCKY - NET PROFIT LICENSE FEE RETURNED</b>		<b>Fiscal Yr Ended</b> _____	
<b>P.O. Box 1350, Fulton, KY 42041 (270) 472-1320 ; FAX (270) 472-6526</b>			
Name		<b>Are the correct tax documents attached?</b>	<b>Check Below</b>
D/B/A	Account # <User 1>	<ul style="list-style-type: none"> <li>Federal Form 1040; Sch(s) C, E, F</li> <li>Federal Tax Form 1065</li> <li>Federal Tax Form 1120</li> </ul>	
Business Address			
City, State and Zip		<ul style="list-style-type: none"> <li>Federal Tax Form 1120S; Form 8825 (if applicable)</li> <li>Federal Forms 1099</li> </ul>	
<b>(Checks Are Payable to: CITY OF FULTON, KY.)</b>			

**Section A**

- Circle Appropriate Form of Business: C Corporation, S Corporation, LLC, Partnership, Individual Owner
- Social Security and/or Federal ID Number(s) \_\_\_\_\_
- Do you have employees working in the City limits this year? (Circle One) Yes No
- Have Federal Authorities changed the net income as originally reported for any prior years? Yes No Year \_\_\_\_\_
- Business phone: \_\_\_\_\_ Home phone \_\_\_\_\_ Cell Phone \_\_\_\_\_
- Do you operate additional businesses? (Circle One) Yes No ;
- If Question 6 was "Yes", Give Names of Additional Businesses \_\_\_\_\_

**Section B**

8. Total Gross income per attached Return		\$
9. Total Deductions per attached Return		\$
10. Net Income per attached Return		\$
11. Add items not deductible (Line H Section C)		\$
12. Total (Line 10 plus Line 11)		\$
13. Deduct Items Not Subject (Line N, Section C)		\$
14. Adjusted Net Income (Line 12 less Line 13)		\$
15. If Section D is used enter Average Percentage (Line R)		\$
16. Net Profit subject to License Fee (Line 14 x Line 15)		\$
17. License Fee (Line 16 x 2.0%)		\$
18. Credits - <b>\$50.00 Minimum License Fee</b> plus any Estimated Payments		\$
19. Balance (Line 17 less Line 18)		\$
20. Interest 1% per month or part of month		\$
21. Penalty 5% of unpaid balance or \$25.00 which ever is greater		\$
22. Total amount due (Line 19 plus Line 20 plus Line 21)		\$

**Section C**

ADD Items Subject to Tax		DEDUCT Items Not Subject-	
A. State or Local Taxes	\$ _____	I. Interest Income	\$ _____
B. License Fee under this Ordinance	\$ _____	J. Dividends	\$ _____
C. Net loss from Capital Assets	\$ _____	K. Net Gain from Capital Assets	\$ _____
D. Ordinary Losses (Form 4797)	\$ _____	L. Ordinary Gains (Form 4797)	\$ _____
E. Net Operating Loss Deduction	\$ _____	M. Other Items (Attach Schedule)	\$ _____
F. Partners Guaranteed Payments (Attach Schedule)	\$ _____	N. Total Deductions (Enter on Line 13)	\$ _____
G. Other Items (Attach Schedule)	\$ _____		
H. Total Additions (Enter on Line 11)	\$ _____		
Allocation Factors	<b>Col A Fulton</b>	<b>Col B Total</b>	<b>Col C Percentage</b>
O Gross Income (If not applicable write NA)	\$	\$	
P. Total Wages (If not applicable write N/A)	\$	\$	
Q. Total Percents (Line O plus Line P)			%
R. Average % (Line Q divided by number of applicable percents)			%

I hereby certify that the statements made herein and in supporting schedules are true, correct and complete to the best of my knowledge.

Signature of Individual Preparing Return \_\_\_\_\_ Date \_\_\_\_\_ Signature of Individual Preparing Return \_\_\_\_\_ Date \_\_\_\_\_

**The return must be filed, paid in full, and returned with ALL supporting documents within 105 days of fiscal year end.**



# City of Fulton

P.O. Box 1350  
Fulton, KY 42041

## Application for Occupational License (Due Date 2/02/2009)

**Every business or individual subject to the Occupational License Fee is required to complete this application and return it with \$50.00 to the City Clerk of Fulton. The \$50.00 fee is not required of nonprofit organizations. The following information is necessary for our records.**

DATE \_\_\_\_\_ BUSINESS NAME \_\_\_\_\_  
APPLICANT \_\_\_\_\_ ADDRESS \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
CITY \_\_\_\_\_ ST \_\_\_\_\_ ZIP \_\_\_\_\_  
CITY \_\_\_\_\_ ST \_\_\_\_\_ ZIP \_\_\_\_\_ PHONE \_\_\_\_\_  
PHONE \_\_\_\_\_ MAILING ADDRESS (If different from above) \_\_\_\_\_  
Email \_\_\_\_\_  
Accounting Period: \_\_\_\_\_  
\_\_\_\_\_ Calendar Year CITY \_\_\_\_\_ ST \_\_\_\_\_ ZIP \_\_\_\_\_  
\_\_\_\_\_ Fiscal Year \_\_\_\_\_ / \_\_\_\_\_ Federal tax EID# \_\_\_\_\_

Is Business a: \_\_\_\_\_ Individual \_\_\_\_\_ Partnership (List name & address of each partner)  
\_\_\_\_\_ Corporation (List name & address of each officer and agent)  
\_\_\_\_\_ Other (Describe) \_\_\_\_\_

Nature of Business \_\_\_\_\_

Date business or operations started in the City of Fulton \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
Month Day Year

Do you have or will you have employees working in the City of Fulton? \_\_\_\_\_ Yes \_\_\_\_\_ No

**If so, the City of Fulton's Payroll Tax to be withheld is 2%**

Number of Employees \_\_\_\_\_

I hereby certify that all information and statements are true and correct.

\_\_\_\_\_  
Name Signature Date

**Office Use Only**

**Account # <User 1>**