

City of Mayfield, Kentucky Net Profit License Fee Return Instructions

The City of Mayfield Net Profit License Fee is levied at the annual rate of 2% the first \$50,000.00, plus 1% of \$50,000 thru \$500,000 and ½ % over \$500,000 with a minimum of \$100.00 of the net profits of all occupations, trades, professions or other businesses engaged in said activities in the City. Specified minimums in excess of \$100.00 shall apply to BILLIARD PARLORS OR POOL ROOMS (minimum of \$250.00) and PAWNBROKERS (minimum of \$300.00). TRANSIENT MERCHANTS (\$50.00 per seven consecutive days and no more that two weeks per year. Annual transient merchants will be \$500.00). Excluded from this transient merchant limitation is agriculture or agricultural products. Also excluded from this ordinance is Internet or manufacturing sales conducted within the City limits and shipped outside the City or The United States of America. This exclusion does not apply to products or services delivered within the city limits of Mayfield. Specifically included within the foregoing is rental income received from the leasing or rental of real and/or personal property located within the city limits of Mayfield, Kentucky on all returns filed after 1/1/2009. The fee is levied against a partnership, or association as a business entity; therefore, the individual partners or members are not required to file a return on their distributive share of the profits. The Net Profit License Fee Return to be filed by all businesses having some receipts and/or payroll within the City Limits of Mayfield must be based on the net income as reported to the federal government. Checks or money orders should be made payable to the City of Mayfield.

Section A

Lines 1 through 7 are questions which must be answered by each licensee. Please answer each question completely.

Section B

Line 8 Enter Gross income as shown by the appropriate Return.
Line 9 Enter total deductions as shown by the Return.
Line 10 Enter Net Income as shown by the Return.
Line 11 Add items not deductible totaled on Line H of Section C.
Line 12 Total of Lines 10 and 11.
Line 13 Deduct items not subject totaled on Line N of Section C.
Line 14 Enter Line 12 less Line 13.
Line 15 Enter average percentage as determined in Section D.
Line 16 Enter profits subject to Mayfield License Fee – Line 14 x line 15.
Line 17 Enter 2% of first \$50,000 plus 1% of 50,001 to \$500,000 plus ½ % over \$500,000.
Line 18 Deduct credits of minimum license fees and/or estimated payments.
Line 19 Balance (Line 17 less Line 18).
Line 20 Enter Interest
Line 21 Enter Penalty
Line 22 Enter amount due, Line 19 plus Line 20 and Line 21. Submit this amount along with proper forms to the City of Mayfield.

- If an extension is necessary, a written request and copy of Federal application for extension must be submitted to the City Clerk's office before the due date of the Net Profit License Fee Return along with payment of estimated fee. INTEREST REMAINS DUE FROM ORIGINAL DUE DATE.

Section C

This section (Lines A-H) is provided for the licensee to add items which are subject to the License Fee. Most of these appear as a part of the deductions taken on the Federal Return; therefore, they must be added back to Line 11. Lines I-N of Section C provide for the specific deduction of items not subject to the License Fee. Many of these items are only taxable for Federal Income Tax purposes so they must be deducted on Line 13. **All applicable schedules must be attached.**

Section D

Section D must be completed by taxpayers with business receipts and/or payroll, both within and without the city limits of Mayfield. Completion of the schedule allocates to Mayfield the proportionate part of the taxpayer's total business activity attributable to Mayfield. However, if one of the two factors (business receipts or payroll factor) is missing the remaining factor is the Average or Business Allocation Percentage (Line R of Section D).

Any questions should be directed to the City Clerk's Office, 211 E Broadway, Mayfield KY 42066. Phone (270)247-1981. Mayfield City Hall is open Monday thru Friday 8:00 am to 4:30 pm.