

The Net Profits License Fee tax rate is 1%. This tax is levied and imposed on the earnings of a person, association, corporation or other entity engaged in any occupation, trade, profession or other activity conducted or performed in the unincorporated area of Shelby County. The first \$10,000 of business and farm income is exempt.

Who must file?

- Each separate corporation, limited liability company, partnership, registered limited liability partnership, sole proprietorship, association, joint stock company, receivership, trust, professional service organization, or other legal entity engage in business with business activity in Shelby County.
- Individuals who receive wages, salaries, commissions, or other compensation for work done or services performed in Shelby County, Kentucky from which the full amount of occupational taxes due have not been withheld by their employer and remitted to the Shelby County Fiscal Court.
- Individuals having rental income from real property, where property is a warehouse, apartment hotel, hotel building, office building, or other similar structure where payments typically are made for both the privilege of occupying the property and/or for services provided for the convenience of the occupant, are presumed to be in business.
- Individuals who receive income arising from the rental of real property within Shelby County, Kentucky.

A Net Profit Return must be filed even if:

- Your business activity resulted in a loss for the tax year.
- You were not actively engaged in business during the tax year but do intend to resume operations at a future date.
- Your business was operational for a portion of the tax year but ceased operation prior to completion of the fiscal period. Complete the tax form according to the instructions that are provided and attach a copy of the Change/Closure form to finalize your account with the Shelby County Occupational License Office

Due Date

- The Net Profit License Fee Return is due the 15th day of the 4th month following the close of the fiscal year. For example, if you operate on a calendar year, the return is due by April 15 of each year.

Include a federal return

A copy of the federal return for your business must accompany your county Net Profit Return.

Signature

If the return is being filed by a corporation, it must be signed and dated by a corporate officer authorized to sign. If the return is being filed by a partnership, it must be signed by a general partner. If a return is being filed by a sole proprietor or individual, it must be signed by that individual. A return that is not signed may be returned and may incur late filing and interest charges.

Extensions

- If an extension is required, a separate extension request to the Shelby County Fiscal Court is mandatory in all cases. You must file a copy of your federal extension application with the Shelby County Fiscal Court to request an automatic 6-month extension to file the Net Profit Tax Return. The extension request must be properly signed by the authorized agent and received on or before the due date of the filing. All extension requests should include your Shelby County account number. Any estimated tax due must be paid by the 15th day of the fourth month following the close of the fiscal year end.
- Interest at the rate of 12% per annum shall apply to any unpaid license tax during the period of the time extension and shall be included with the amount remitted in payment of the occupational license tax at the time of filing the Net Profit Tax Return.
- An extension request will be granted with the understanding that all prior filing and payment requirements have been fulfilled. However, if upon further examination it becomes evident that prior filing and payment requirements have not been fulfilled: interest and penalty shall be assessed in full and in the same manner as though no extension had been granted.
- Extensions can be granted no more than 6 months unless the (IRS) Internal Revenue Service has granted a longer extension or the business chooses to pay a properly estimated tax amount to the Shelby County occupational license Office at the time of the extension request.

Estimated Tax

If an extension of time for the filing of a return has been granted, any balance of the occupational license tax unpaid by the regular due date bears interest at the rate of twelve percent (12%) per annum.

Late Filing/Paying Penalty

There is a five percent (5%) penalty per month or a fraction of a monthly to a maximum of twenty-five percent (25%) for failure to file and/or pay timely. The minimum late filing/paying penalty is \$25.00.

Interest

Interest is computed at one percent (1%) penalty per month or a fraction of a month (twelve percent 12% per annum) from the original due date until the date of payment.

Refund Request

Claim for refund or credit must be submitted within two (2) years from the filing of the tax return or due date of the tax return, or two years from the date the overpayment was made, whichever is later.