

FORM NP-1

City of Owensboro/Daviess County Fiscal Court Net Profit License Fee Return

Social Security # or Federal ID#

Account Number

Name and Address

Business Type

Period Ending

Change of Address

Individual
 Corporation
 Partnership
 LLC/Individual
 LLC/Partnership
 Other _____

___ Final return (Check only to inactivate the account-- Complete Question B)

___ No activity in jurisdictions during tax year. Account will remain open. (Check only if no activity in both jurisdictions) **Zero Due**

A) Business telephone: _____

B) If business activity was discontinued within both jurisdictions during the year, state when: ___ / ___ / ___

___ If sold, enter name and address of successor: _____

C) Did you have employees working in either jurisdiction during the tax year? ___ YES ___ NO

Make check payable and mail to: Occupational Tax Administrator PO BOX 10008 OWENSBORO, KY 42302-9008 PHONE: (270) 687-5600	FILING STATUS >>> ATTACH APPLICABLE FEDERAL FORM OR SCHEDULE(S)	
	___ Worksheet I ___ Worksheet P ___ Worksheet C	Schedule C, Schedule E, Schedule F, 1099-Misc Form 1065, Schedule K, rental schedule(s) Form 1120, 1120A, 1120S, Schedule K, rental schedule(s)
	(See pages 3 thru 5 of Instructions) TAX COMPUTATION	
	City of Owensboro	Daviess County
	COLUMN A	COLUMN B
1) Total Net Profit from applicable Worksheet.....		
2) Pre Apportionment adjustments (READ INSTRUCTIONS).....		
3) Adjusted Net Profit (line 1 plus line 2).....		
4) Business Apportionment (Complete Worksheet Y if applicable).....	%	%
5) Taxable Net Profit (line 3 multiplied by line 4).....		
6) Occupational license fee Rate <small>(If for period before 12/31/07 see Instructions to Determine Daviess County Rate for Column B)</small>	1.33%	0.35%
7) Total license fee Due (line 5 x line 6).....		
8) Minimum License Fee (see instructions).....	\$47	\$0
9) Enter the Larger amount from Line 7 or Line 8		
10) Payments/Credits and first year registration fee.....		
11) If Line 10 is larger than Line 9, Difference is <input type="checkbox"/> Refund <input type="checkbox"/> Credit.....		
12) If Line 9 is larger than Line 10, Difference is License Fee Due		
13) Penalty (5% per calendar month or portion thereof not to exceed 25%) Minimum \$25.....		
14) Interest (1% per calendar month or fraction thereof).....		
15) Total Amount Due (add lines 12, 13 and 14).....		
16) Payment Amount (Add line 15 Column A to line 15 Column B).....		

RETURN MUST BE SIGNED - I hereby certify, under penalty of perjury, that the statements made herein and any supporting schedules are true, correct, and complete to the best of my knowledge.

Preparer's Signature

Phone

Taxpayer's signature

Date

**City of Owensboro
Daviness County Fiscal Court**

**WORKSHEET Y
BUSINESS APPORTIONMENT**

PART I - CITY OF OWENSBORO (See Page 6 of Instructions)			
APPORTIONMENT FACTORS	COLUMN A CITY OF OWENSBORO	COLUMN B TOTAL EVERYWHERE	DIVIDE ↓ COLUMN C A ÷ B = C
1) PAYROLL FACTOR Compensation paid or payable to employees (also complete Worksheet R)			%
2) SALES REVENUE FACTOR Receipts from the sale, lease, or rental of goods, services, or property			%
3) TOTAL PERCENTAGES (Line 1 of Column C plus Line 2 of Column C).....			%
4) BUSINESS APPORTIONMENT Enter here and on FORM NP-1, line 4 of Column A			%
<p align="center">↓ ↓</p> <p>HOW TO CALCULATE LINE 4; BUSINESS APPORTIONMENT:</p> <p>If you had both a payroll factor and a sales revenue factor, then divide line 3 by two (2).</p> <p>If you had a payroll factor or sales revenue factor, but not both, then enter the percentage from line 3.</p>			

PART II - DAVIESS COUNTY (See Page 7 of Instructions)			
APPORTIONMENT FACTORS	COLUMN A DAVIESS COUNTY	COLUMN B TOTAL EVERYWHERE	DIVIDE ↓ COLUMN C A ÷ B = C
1) PAYROLL FACTOR Compensation paid or payable to employees (also complete Worksheet R)			%
2) SALES REVENUE FACTOR Receipts from the sale, lease, or rental of goods, services, or property			%
3) TOTAL PERCENTAGES (Line 1 of Column C plus Line 2 of Column C).....			%
4) BUSINESS APPORTIONMENT Enter here and on FORM NP-1, line 4 of Column B.....			%
<p align="center">↓ ↓</p> <p>HOW TO CALCULATE LINE 4; BUSINESS APPORTIONMENT:</p> <p>If you had both a payroll factor and a sales revenue factor, then divide line 3 by two (2).</p> <p>If you had a payroll factor or sales revenue factor, but not both, then enter the percentage from line 3.</p>			

**City of Owensboro
Daviness County Fiscal Court**

******IMPORTANT******

Federal ID # or
Social Security #

This Worksheet along with copies of all applicable federal forms and schedules **MUST** be attached to FORM NP-1.

**WORKSHEET C (See Page 8 of Instructions)
COMPUTATION OF TOTAL NET PROFIT
FOR BUSINESS ENTITIES REQUIRED TO FILE U.S. CORPORATE INCOME TAX RETURN**

1)	Taxable income or (loss) per Federal Form 1120 or 1120A or Ordinary income or (loss) per Federal Form 1120S (Attach the applicable 1120 or 1120A, Pages 1 and 2 or 1120S Pages 1, 2 and 3, Schedule of Other Deductions and rental schedule(s), if applicable)	_____
2)	State income taxes and occupational fees (taxes) based on income deducted on the Federal Form 1120, 1120A or 1120S (Attach schedule)	_____
3)	Net operating loss deducted on Form 1120 (add as positive number)	_____
4)	Additions from Schedule K of Form 1120S (See instructions) (Attach Schedule K of Form 1120S and rental schedule(s), if applicable)	_____
5)	Other Items Not Deductible(Attach full explanation and applicable schedule(s))	_____
6)	Total Income (Add lines 1 through 5)	_____
7)	Subtractions from Schedule K of Form 1120S (See instructions) (Attach Schedule K of Form 1120S and rental schedule(s), if applicable)	_____
8)	Alcoholic Beverage Sales Deduction (Worksheet X, Line 3)	_____
9)	Local/other adjustments (Attach full explanation and applicable schedule(s))	_____
10)	Total adjustments (Add lines 7 through 9)	_____
11)	Total Net Profit (Subtract line 10 from line 6) Enter here and on line 1 Column A and Column B of Form NP-1. NOTE: If <u>gross receipts/sales revenue</u> in the <u>City of Owensboro</u> is less than \$3,500 do not enter this amount in Column A; instead complete Worksheet E.	_____

WORKSHEET X: ALCOHOLIC BEVERAGE SALES DEDUCTION

1)	DIVIDE →	Kentucky Alcoholic Beverage Sales	_____	
		Total sales	_____	%
2)	Enter "Total Income" from line 6 of Worksheet C			
3)	Alcoholic Beverage Sales Deduction (multiply line 1 by line 2) Enter here and on line 8 above			

City of Owensboro Daviness County Fiscal Court

******IMPORTANT******

This Worksheet along with copies of all applicable federal forms and schedules **MUST** be attached to FORM NP-1.

Federal ID # or
Social Security #

WORKSHEET I (See Page 9 of Instructions) COMPUTATION OF TOTAL NET PROFIT FOR BUSINESS ENTITIES REQUIRED TO FILE INDIVIDUAL U.S. INCOME TAX RETURN

1)	Non-employee compensation reported on Form 1099-Misc as "Other Income" on Federal Form 1040 (Attach Page 1 of Form 1040 and Form 1099)	
2)	Net profit or (loss) per Federal Schedule C, or C-EZ of Form 1040 (Attach Schedule C Pages 1 and 2)	
3)	Gain or (loss) on sales of business property used in a trade or business from Federal Form 4797 or Form 6252 reported on Schedule D of Form 1040 (Attach Form 4797 Pages 1 and 2 and/or Form 6252)	
4)	Rental income or (loss) per Federal Schedule E of Form 1040. Include all Rental Income.(See instructions for details) (Attach Schedule E)	
5)	Net farm profit or (loss) per Federal Schedule F, or Form 4835, of Form 1040 (Attach Schedule F Pages 1 and 2 or Form 4835 if applicable)	
6)	State income taxes and occupational license fees (taxes) based upon income deducted on the Federal Schedule C, C-EZ, E, F, Form 4835 (Attach schedule)	
7)	Other Items not Deductible(Attach full explanation and applicable schedule(s))	
8)	Total Income (Add lines 1 through 7)	
9)	Alcoholic Beverage Sales Deduction (Worksheet X, Line 3)	
10)	Local/other adjustments (Attach full explanation and applicable schedule(s))	
11)	Total adjustments (Add lines 9 and 10)	
12)	Total Net Profit (Subtract line 11 from line 8) Enter here and on line 1 Column A and Column B of FORM NP-1. Note: If <u>gross receipts/sales revenue</u> in the <u>City of Owensboro</u> is less than \$3,500 do not enter this amount in Column A; instead complete Worksheet E.	

WORKSHEET X: ALCOHOLIC BEVERAGE SALES DEDUCTION

1)	DIVIDE →	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-bottom: 1px solid black; width: 80%;">Kentucky Alcoholic Beverage Sales</td> <td style="width: 20%;"></td> </tr> <tr> <td style="border-bottom: 1px solid black;">Total sales</td> <td style="text-align: right;">%</td> </tr> </table>	Kentucky Alcoholic Beverage Sales		Total sales	%	
Kentucky Alcoholic Beverage Sales							
Total sales	%						
2)	Enter "Total Income" from line 8 of Worksheet I						
3)	Alcoholic Beverage Sales Deduction (multiply line 1 by line 2) Enter here and on line 9 above						

**City of Owensboro
Daviness County Fiscal Court**

******IMPORTANT******

This Worksheet along with copies of all applicable federal forms and schedules **MUST** be attached to FORM NP-1.

Federal ID # or
Social Security #

**WORKSHEET P (See page 10 of Instructions)
COMPUTATION OF TOTAL NET PROFIT
FOR BUSINESS ENTITIES REQUIRED TO FILE U.S. RETURN OF PARTNERSHIP INCOME TAX RETURN**

1)	Ordinary income or (loss) per Federal Form 1065 (Attach Form 1065, Pages 1, 2 and 3, Schedule of Other Deductions, and rental schedule(s), if applicable)	
2)	State income taxes and occupational fees (taxes) based on income deducted on the Federal Form 1065 (Attach schedule)	
3)	Additions from Schedule K of Form 1065 (See instructions) (Attach Schedule K of Form 1065 and rental schedule(s), if applicable)	
4)	Other Items not Deductible (Attach full explanation and applicable schedule(s))	
5)	Total income (Add lines 1 through 4)	
6)	Subtractions from Schedule K of Form 1065 (See instructions) (Attach Schedule K of Form 1065 and rental schedule(s), if applicable)	
7)	Alcoholic Beverage Sales Deduction (Worksheet X, Line 3)	
8)	Local/other adjustments (Attach full explanation and applicable schedule(s))	
9)	Professional expenses not reimbursed by the partnership (Attach schedule of expenses)	
10)	Total adjustments (Add lines 6 through 9)	
11)	Total Net Profit (Subtract line 10 from line 5) Enter here and on line 1 Column A and Column B of FORM NP-1. NOTE: If gross receipts/ sales revenue in the City of Owensboro are less than \$3,500 do not enter this amount in Column A; instead complete Worksheet E.	

WORKSHEET X: ALCOHOLIC BEVERAGE SALES DEDUCTION

1)	DIVIDE →	Kentucky Alcoholic Beverage Sales	
		Total sales	%
2)	Enter "Total Income" from line 5 of Worksheet P		
3)	Alcoholic Beverage Sales Deduction (multiply line 1 by line 2) Enter here and on line 7 above		

**City of Owensboro
Daviness County Fiscal Court**

******IMPORTANT******

This Worksheet **MUST** be attached to FORM NP-1, if applicable.

**WORKSHEET R (See Page 11 of Instructions)
RECONCILIATION OF PAYROLL FACTOR
FOR BUSINESS ENTITIES COMPLETING THE PAYROLL APPORTIONMENT FACTOR**

	City of Owensboro		Daviness County	
	City of Owensboro Payroll	Total Everywhere Payroll	Daviness County Payroll	Total Everywhere Payroll
1) Compensation paid or payable to employees per Worksheet Y				
2) Prior year accrual adjustment				
3) Other additions (attach schedule)				
4) Subtotal (Add lines 1 through 3)				
5) Current year accrual adjustment				
6) Other subtractions (attach schedule)				
7) Compensation paid or payable to employees (line 4 minus lines 5 and 6)				

City of Owensboro

WORKSHEET E (See Page 11 of Instructions)

Only complete this worksheet if Gross Receipts/Sales Revenue in the City of Owensboro is less than \$3,500, otherwise complete Worksheet C, I, or P, whichever is applicable.

1. Enter Gross Receipts/Sales Revenues earned in the City of Owensboro..... (Only enter amount if less than \$3,500)(If amount is less than \$600 and no compensation was paid to employees working in the City of Owensboro during the year, skip lines 2 through 5 of this worksheet and enter -0- on line 15, Column A of Form NP-1)	
2. Enter wages, salaries, and other employee compensation paid to employees working in the City of Owensboro during the year.....	
3. If line 2 above is zero enter the amount from line 1 here, otherwise enter 0.....	
4. If line 3 is zero or is equal to or greater than \$3,500, STOP HERE . You are required to complete worksheet I, P or C, and Column A of Form NP-1. Otherwise, go to line 5.....	
5. Multiply the amount from Line 3 of this worksheet by 1.33%. Enter result here and on Line 9, Column A of Form NP-1 and skip Lines 1 thru 8 in Column A of Form NP-1..... (Please attach completed Worksheet E to Form NP-1 if applicable)	

USE THIS FORM NP-1 TO FILE FOR PERIODS ENDING AFTER 06/30/05 ONLY!

Please call (270) 687-5600 regarding the Net Profit License Fee Return to be used when filing for periods ending prior to 7/01/05 for the **City Of Owensboro**. A Net Profit License Fee Return is not required to be filed for **Daviess County** for any period ending prior to 07/01/05.

General Instructions

The following instructions are provided to aid the license fee payer in the completion of Form NP-1, Net Profit License Fee Return. These instructions are not intended to be all inclusive and therefore should be used only as a supplement to the existing Occupational License Fee ordinance and regulations for the City of Owensboro and Daviess County Fiscal Court.

HOW IS THE NET PROFIT LICENSE FEE ASSESSED:

Form NP-1 is required to be filed by a licensee that conducts business in the City of Owensboro and/or Daviess County. For purposes of calculating the Net Profit License Fee due, business receipts resulting from business activity within the corporate city limits of Owensboro shall be considered when determining the Net Profit License Fee due the City of Owensboro. Business receipts resulting from business activity within Daviess County, occurring outside the corporate city limits of Owensboro, shall be considered when determining the Net Profit License Fee due Daviess County Fiscal Court.

WHO MUST FILE FORM NP-1:

Corporations, partnerships, sole proprietors, estates and trusts, or other entities engaged in a business having:

1) Business activity in the City of Owensboro and/or Daviess County and, 2) business nexus in the City of Owensboro and/or Daviess County sufficient to justify the imposition of the license tax.

YOU MUST FILE FORM NP-1 EVEN IF:

Your business activity resulted in a loss for the tax year. Complete form NP-1 according to the instructions provided, sign the form and return to the City of Owensboro or Daviess County Fiscal Court.(CODCFC)

You were not actively engaged in business during the year but intend to resume operations at a future date. Indicate "No activity in jurisdictions during tax year" on Form NP-1, sign the form and return it to the CODCFC.

Your business activity ceased prior to the beginning of the tax year but you have not provided written notification that operations ceased. Indicate "No activity in jurisdictions during tax year" and "Final return" on Form NP-1, complete question B, sign the form and return it to CODCFC.

Your business was operational for a portion of the tax year but ceased operation prior to the completion of your federal tax year. Complete Form NP-1 according to the instructions provided and indicate "Final" on the form, complete question B, sign and return it to CODCFC.

You applied for a Business License Fee account number with the intention of starting a business but never transacted business within Owensboro/Daviess County and do not intend to do so in the future. Indicate "No activity in jurisdictions during tax year" and "Final" on Form NP-1, complete question B, sign the form and return it to CODCFC.

FORM NP-1 DUE DATE:

The Form NP-1, Net Profit License Fee Return, must be filed and all fees paid on or before the fifteenth day of the fourth month following the close of the licensee's federal tax year.

EXTENSION OF TIME TO FILE FORM NP-1:

IMPORTANT NOTE: When filing for an extension of time, that includes a payment, the licensee must indicate if the request is for the **City of Owensboro, Daviess County** or is a **combined request** for **both**. **Any payment** made with a combined request must specifically identify the amount being paid on behalf of each jurisdiction.

An automatic extension of six months will be granted to any business entity for filing its Net Profit License Fee Return if the business entity, on or before the date prescribed for payment of the occupational license fee, requests the extension and pays the amount properly estimated as its fee.

No standard form for requesting an extension of time for filing is prescribed. Any written communication from the applicant, or his attorney or accountant, which clearly states the request, when accompanied with proper payment, will be acceptable if filed on or before the due date involved. Federal forms 4868, 8736 or 7004 will be accepted as a valid written request for extension, provided that the licensee's occupational license fee account number is plainly noted thereon. The extension request submitted by the licensee or his agent shall set out the licensee's name and account number, the period for which the extension of time for filing is desired, and the reason requested (Also see **IMPORTANT NOTE** above).

An extension of time for filing the Net Profit License Fee Return does not extend the time for payment of the license fee. Full payment of the estimated license fee liability must accompany the request for extension. Merely sending a tentative or estimated payment is not an acceptable request for an extension, and the written request for the extension must be on a separate paper from the check by which any estimated payment is made (See **IMPORTANT NOTE** above).

Interest at the rate of twelve (12) percent per annum shall apply to any unpaid license fee during the period of extension and shall be included with the amount remitted in payment of the license fee at the time of filing the Net Profit License Fee Return. No penalty shall be assessed in those cases in which all filing and payment requirements have in good faith been fulfilled and the final license fee and interest is paid with the filing of the Net Profit License Fee Return within the period as extended.

Any extension shall be granted with the understanding that all prior filing and payment requirements have been fulfilled (See **IMPORTANT NOTE** above). 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.

GROSS INCOME LIMITATIONS; CITY OF OWENSBORO:

If gross receipts/sales revenue and other subject income earned in the **City of Owensboro** by an entity is less than \$3,500, such entity may calculate the license fee due by multiplying the total income subject by the license fee rate. To be eligible for this treatment the licensee must complete Worksheet E of the Net Profit License Fee Return.

**PLEASE READ THESE INSTRUCTIONS BEFORE COMPLETING FORM NP-1
Licensee Information**

In order for your return to be processed properly you **must**:

- File using City of Owensboro/Daviess County Fiscal Court Form NP-1, Net Profit License Fee Return.
- Complete and attach the appropriate Worksheet used to determine the total net profit per Line 1 of Form NP-1, Net Profit License Fee Return. (**NOTE:** Each entity **must** file a separate Form NP-1, including a separately assigned account number, for each worksheet required to be completed).
- Enter or verify the year for which the return is filed
- Enter or verify the License Account Number under which Form NP-1 is being filed.
- Clearly indicate or verify the name and address of the business and note any changes.
- Sign and date the return.
- Questions A, B & C on Form NP-1 must be answered fully. If the question does not apply to your business indicate "N/A".
- Attach copies of the appropriate federal tax forms and all supporting documentation and complete applicable worksheet. The following is a list of the most common federal tax returns required for each form of business enterprise. (**NOTE:** Each entity **must** file a separate Form NP-1 for each separate worksheet required to be completed).

Sole Proprietorship	Federal Form 1040, Schedules C, D, E, F.	Complete Worksheet I
Partnership	Federal Form 1065 including Schedule K	Complete Worksheet P
Corporation	Federal Form 1120	Complete Worksheet C
Sub-Chapter S Corporation	Federal Form 1120-S including Schedule K	Complete Worksheet C

Line-by-line instructions for Form NP-1, Net Profit License Fee Return

Important: Use Column A of Form NP-1 to calculate the Net Profit License Fee Due the City of Owensboro, generated from business activity within the corporate city limits of Owensboro.

Use Column B of Form NP-1 to calculate the Net Profit License Fee Due the Daviess County Fiscal Court, generated from business activity within Daviess County, outside the corporate city limits of Owensboro.

TAX COMPUTATION

Line 1 Enter the total net profit from Worksheet C, I, or P in applicable Column(s). (**NOTE:** Each entity **must** file a separate Form NP-1 for each separate worksheet required to be completed).

Line 2 **CITY OF OWENSBORO** – Add the total **net profit or loss** resulting from: real estate rental if filing Worksheet I and the **Gross Receipts** from such rental is \$5,000 or less for periods ending on or after 12/31/06, or for the rental of less than 10 single habitable residential units if period ending is prior to 12/31/06 ; the **net profit or loss** from the sale of farm products by a farmer in the city limits, as defined by regulation; and amounts earned prior to attaining age 16. If the adjustment is a **net profit, enter as a negative number**. If the adjustment is a **net loss, enter as a positive number**. Attach Schedule showing exempt amounts.

DAVIESS COUNTY – Add the total **net profit or loss** resulting from: the rental of less than 10 single habitable residential real estate units in Daviess County, outside the City of Owensboro, if filing Worksheet I; the amounts earned prior to attaining age 16. If the adjustment is a **net profit, enter as a negative number**. If the adjustment is a **net loss, enter as a positive number**. Attach Schedule showing exempt amounts.

Line 3 Enter the **Adjusted Net Profit**. Line 1 plus Line 2.

Line 4 Enter the average allocation percentage from Worksheet Y, Line 4, Column C, Parts I and II.

Line 5 **Taxable Net Profit**. Multiply Line 3 by Line 4.

Line 6 Occupational License Fee Rate

City of Owensboro: 1.33%

Daviess County: Refer to **Table A or B** below to determine the applicable rate to enter on Line 6, Column B.

Table A

Period Ending
(tax year end) Rate (%):

07/31/05	.0417
08/31/05	.0833
09/30/05	.1250
10/31/05	.1667
11/30/05	.2084
12/31/05	.2500
01/31/06	.2917
02/28/06	.3333
03/31/06	.3750
04/30/06	.4167
05/31/06	.4584
06/30/06 thru 12/31/06	.5000

Table B

Period Ending
(tax year end) Rate (%)

01/31/07	.4875
02/28/07	.4750
03/31/07	.4625
04/30/07	.4500
05/31/07	.4375
06/30/07	.4250
07/31/07	.4125
08/31/07	.4000
09/30/07	.3875
10/31/07	.3750
11/30/07	.3625
12/31/07 and after	.3500

Line 7 Multiply Line 5 by the license fee rate on Line 6. Enter the result on Line 7.

Line 8 **CITY OF OWENSBORO ONLY** – \$47 Minimum License Fee Due. (**NOTE: The \$47 Minimum License Fee is not due if there was no business activity in the City of Owensboro during the year or if Gross Receipts/Sales Revenue earned in the City of Owensboro are less than \$3,500. If Gross Receipts/Sales Revenue earned in the City of Owensboro is less than \$3,500 Worksheet E must be completed.**)

DAVIESS COUNTY ONLY- No Minimum License Fee Due. Go to Line 9.

Line 9 **City of Owensboro (Column A):** Compare amounts from Line 7 and Line 8. Enter the larger amount on Line 9.

Daviess County (Column B): Enter the amount from Line 7 on Line 9.

Line 10 Enter on Line 10 any credits resulting from estimated payments, minimum license fees and/or registration fees paid in advance or credits carried forward from a previous filing period. **NOTE: Any overpayment of license fee to the City of Owensboro, including payments made with an extension request, will not be allowed to offset any underpayment of license fee to Daviess County. Any overpayment of license fee to Daviess County, including payments made with an extension request, will not be allowed to offset any underpayment of license fee to the City Of Owensboro.**

Line 11 If amount from Line 10 is larger than the amount from Line 9 enter **difference** as refund or credit due. Please check box next to refund or credit to denote how you prefer the overpayment to be handled for your account.

NOTE: Any overpayment of license fee to the City of Owensboro, including payments made with an extension request, will not be allowed to offset any underpayment of license fee to Daviess County. Any overpayment of license fee to Daviess County, including payments made with an extension request, will not be allowed to offset any underpayment of license fee to the City Of Owensboro.

Line 12 If amount from Line 9 is larger than Line 10, enter **difference** as license fee due.

Line 13 If the Net Profit License Fee Return is not filed, or an extension requested, by the due date of the return; or if the license fee due is not paid, or an extension properly applied for, by the due date of the return, then penalty is assessed at the rate of five percent (5%) for each calendar month or fraction of calendar month the return remains delinquent or the license fee remains unpaid. The total penalty due shall never exceed twenty-five percent (25%) of the total license fee due; however the penalty will always be a minimum of twenty-five dollars (\$25). The penalty is assessed on the first day after the due date of the Net Profit License Fee Return and on the first day of each succeeding calendar month that the license fee remains unpaid or the return remains delinquent.

Line 14 If the license fee due is not paid by the due date, interest is assessed at the rate of twelve percent (12%) per annum simple interest from the time the fee was due until the fee is paid. A full months' interest of one percent (1%) is assessed on the first day after the due date of the Net Profit License Fee Return and on the first day of each succeeding calendar month that the license fee remains unpaid.

Line 15 Add Lines 12 through 14. This is the total license fee, penalty and interest due.

Line 16 Add Line 15 Column A to Line 15 Column B to determine the payment due with Form NP-1.
NOTE: Any overpayment of license fee to the City of Owensboro, including payments made with an extension request, will not be allowed to offset any underpayment of license fee to Daviess County. Any overpayment of license fee to Daviess County, including payments made with an extension request, will not be allowed to offset any underpayment of license fee to the City Of Owensboro.

WORKSHEET Y
BUSINESS APPORTIONMENT
Part I – City of Owensboro

Part I must be completed by all licensees with sales revenue and/or payroll both within and without the City of Owensboro. Completion of the schedule allocates to the City of Owensboro the proportionate part of the licensee's total business activity attributable to the City. If your business is conducted entirely within the City then Part I should **not** be completed. Instead enter 100% on Line 4 of Form NP-1 under Column A labeled "City of Owensboro", and complete Lines 5 through 15 of that column.

Payroll Factor

Line 1, Column A: Enter the total compensation paid or payable to employees for work done or services performed or rendered **within the City of Owensboro** during the period covered by the Net Profit License Fee Return.

Line 1, Column B: Enter the total compensation paid or payable to employees for work done or services performed or rendered in **all business locations** during the period covered by the Net Profit License Fee Return.

Line 1, Column C: Divide Column A by Column B. Enter the result on Line 1, Column C. Carry out to at least six (6) decimal places.

Sales Revenue Factor

Line 2, Column A: Enter the total gross receipts from the sale, lease, or rental of goods, services, or property received from **all City of Owensboro sources**, except for the **receipts** related to the net profit or loss from: exempt rental property receipts, the sale of qualified farm products, earnings made before attaining 16, and receipts from qualifying exempt festivals during the period covered by the Net Profit License Fee Return. Attach schedule.

Line 2, Column B: Enter the total gross receipts from the sale, lease, or rental of goods, services, or property received from **all sources**, except for the gross receipts related to the net profit or loss in the City of Owensboro from: exempt rental property receipts, the sale of qualified farm products, earnings made before attaining age 16 and receipts from qualifying exempt festivals during the period covered by the Net Profit License Fee Return. Attach schedule.

Line 2, Column C: Divide Column A by Column B. Enter the result on Line 2, Column C. Carry out to at least six (6) decimal places.

Average Percentage

Line 3, Column C: Add Column C, Lines 1 and 2. Enter the result on Line 3, Column C.

Line 4, Column C: Divide Line 3, Column C by the number of percents used on Lines 1 and 2, Column C. Enter the result on Line 4, Column C and Line 4 of Form NP-1 under Column A labeled "City of Owensboro".

Note: If one of the factors is missing the remaining factor is the average allocation percentage to be entered on Line 4 of Form NP-1. A factor (payroll or sales revenue) is considered missing if:

1. With regards to the payroll factor, a licensee's entire business operation did not have **any** compensation paid or payable to employees for work done or services performed or rendered. (i.e. Part I, Line 1, Columns A and B both equal zero).
2. With regard to the sales revenue factor, a licensee's entire business operation did not recognize **any** receipts from the sale, lease, or rental of goods, services, or property. (i.e. Part I, Line 2, Columns A and B both equal zero).

WORKSHEET Y

BUSINESS APPORTIONMENT

Part II – Daviess County

Part II must be completed by all licensees with sales revenue and/or payroll both within and without Daviess County. Completion of the schedule allocates to Daviess County the proportionate part of the licensee’s total business activity attributable to Daviess County. If your business is conducted entirely within Daviess County, outside the corporate city limits of Owensboro, then Part II should **not** be completed. Instead enter 100% on Line 4 of Form NP-1 under Column B labeled “Daviess County”, and complete Lines 5 through 15 of that column.

Payroll Factor

- Line 1, Column A:** Enter the total compensation paid or payable to employees for work done or services performed or rendered **within Daviess County**, outside the corporate city limits of Owensboro, during the period covered by the Net Profit License Fee Return.
- Line 1, Column B:** Enter the total compensation paid or payable to employees for work done or services performed or rendered in **all business locations** during the period covered by the Net Profit License Fee Return.
- Line 1, Column C:** Divide Column A by Column B. Enter the result on Line 1, Column C. Carry out to at least six (6) decimal places.

Sales Revenue Factor

- Line 2, Column A:** Enter the total gross receipts from the sale, lease, or rental of goods, services, or property received from **all Daviess County sources**, outside the corporate city limits of Owensboro, except for the **receipts** related to the net profit or loss from: exempt residential rental property and earnings made before attaining age 16, during the period covered by the Net Profit License Fee Return.
- Line 2, Column B:** Enter the total gross receipts from the sale, lease, or rental of goods, services, or property received from **all sources**, except for the **receipts** related to the net profit or loss in Daviess County, outside the city limits of Owensboro, from: exempt residential rental property and earnings made before attaining age 16, during the period covered by the Net Profit License Fee Return.
- Line 2, Column C:** Divide Column A by Column B. Enter the result on Line 2, Column C. Carry out to at least six (6) decimal places.

Average Percentage

- Line 3, Column C:** Add Column C, Lines 1 and 2. Enter the result on Line 3, Column C.
- Line 4, Column C:** Divide Line 3, Column C by the number of percents used on Lines 1 and 2, Column C. Enter the result on Line 4, Column C and Line 4 of Form NP-1 under Column B labeled “Daviess County”.

Note: If one of the factors is missing the remaining factor is the average allocation percentage to be entered on Line 4 of Form NP-1. A factor (payroll or sales revenue) is considered missing if:

1. With regards to the payroll factor, a licensee’s entire business operation did not have **any** compensation paid or payable to employees for work done or services performed or rendered. (i.e. Part II, Line 1, Columns A and B both equal zero).
2. With regard to the sales revenue factor, a licensee’s entire business operation did not recognize **any** receipts from the sale, lease, or rental of goods, services, or property. (i.e. Part II, Line 2, Columns A and B both equal zero).

WORSHEET C
COMPUTATION OF TOTAL NET PROFIT
FOR BUSINESS ENTITIES REQUIRED TO FILE U.S. CORPORATE TAX RETURN

Line 1: Enter the taxable income **after** special deductions and net operating loss per federal Form 1120 or 1120A (attach a copy of federal Form 1120 or 1120A and all supporting schedules) or enter the ordinary income or (loss) per federal Form 1120S (attach a copy of federal Form 1120S, Schedule K and all supporting schedules).

Line 2: If a deduction is taken for state or local taxes (based on income) or license fees (based on income), regardless of jurisdiction, on federal Form 1120, 1120A, or 1120S then the amount of those taxes or license fees should be entered on Line 2.

Line 3: If a deduction is taken on federal Form 1120 for a net operating loss then the amount of the net operating loss should be entered on Line 3.

Line 4: The following income items which are allocated to the shareholders are not included as income on federal Form 1120S and thus must be added to income on Line 4.

<i>Net income from rental real estate activities</i>	<i>Net long term capital gain</i>
<i>Net income from other rental activities</i>	<i>Other portfolio income</i>
<i>Interest income</i>	<i>Net gain under Sec 1231 (other than due to casualty or theft)</i>
<i>Dividend income</i>	<i>Other income items per Schedule K (attach schedule)</i>
<i>Royalty income</i>	
<i>Net short- term capital gain</i>	

Enter the total of these items on Line 4 (attach a copy of Schedule K, and rental schedule(s), if applicable)

Line 5: Real Estate Investment Trusts: This line should be used to add back the amount of the total deduction for dividends paid and the Section 857(b)(2)(E) deductions since these are not allowable deductions for purposes of the Net Profit License Tax Return. This line should be used to report any additional subject items of income or other non-deductible expenses not accounted for on this Worksheet such as the special dividend deduction taken on Schedule C of the 1120. Attach explanation.

Line 6: Add Lines 1 through 5. Enter the total on Line 6.

Line 7: The following items which are allocated to the shareholders are not included in losses or expenses on federal Form 1120S and are allowed as deductions for license fee purposes on Line 7.

<i>Net loss from rental real estate activities</i>	<i>Net long term capital loss</i>
<i>Net loss from other rental activities</i>	<i>Net loss under Sec 1231 (other than due to casualty loss or theft)</i>
<i>Portfolio loss</i>	<i>Sec 179 expense</i>
<i>Net short-term capital loss</i>	<i>Deductions related to portfolio income</i>
<i>Charitable Contributions</i>	<i>Other allowable deductions per Schedule K (attach schedule)</i>

Enter the total of these items on Line 7 (attach a copy of Schedule K, and rental schedule(s), if applicable)

Line 8: Enter the Alcoholic Beverage Sales Deduction from Worksheet X, Line 3

Line 9: This line should include deductible items of income not deducted elsewhere on this Worksheet. A schedule and explanation of the adjustments must be attached.

Line 10: Add Lines 7 through 9. Enter the total on Line 10.

Line 11: Subtract Line 10 from line 6 to determine the Total net profit. Enter here and on Line 1 under Column A and Column B of Form NP-1. **NOTE: If gross receipts/sales revenue in the City of Owensboro is less than \$3,500 do not enter amount from this line in Column A; instead complete Worksheet E.**

WORKSHEET I
COMPUTATION OF TOTAL NET PROFIT
FOR BUSINESS ENTITIES REQUIRED TO FILE INDIVIDUAL U.S. INCOME TAX RETURN

- Line 1:** Enter the amount of non-employee compensation reported on federal Form 1099 MISC on Line 1.
Note: Line 1 should only be completed by individuals who received payments for contract services who are **not** claiming business expenses and did not own or operate a business during the year (attach a copy of federal Form 1040 and Form 1099 MISC).
- Line 2:** Enter the net profit or (loss) per federal schedule C, or C-EZ (attach a copy of Federal Form 1040 and applicable schedule(s)).
- Line 3:** Enter 100% of the short term capital gains and long term capital gains carried over from federal Form 4797 or Form 6252 (installment sales) to federal Schedule D representing gain from the sale of property used in the trade or business. In addition, enter the net gain or (loss) from the sale of property used in the trade or business per federal Form 4797 (attach a copy of federal Form 4797, Form 6252 and/or Schedule D). **NOTE:** Proceeds from the 2004 Tobacco Transition Payment Program, also called the “Tobacco Buyout”, whether treated as a capital gain/loss or ordinary income, is exempt from payment of the occupational license fee and should not be included on this worksheet.
- Line 4:** Enter all net rental profit or (loss) per federal Schedule E (attach a copy of Federal Form 1040 and applicable schedule(s)). (Exclude the net rental profit for the **City of Owensboro** on Line 2, Column A of Form NP-1 if the **Gross Receipts** from total real estate rental is \$5,000 or less; Exclude the portion of net rental profit applicable to the rental of **less than 10 residential** units in **Daviess County** on Line 2, Column B of Form NP-1)
- Line 5:** Enter the net farm profit or (loss) per federal Schedule F, or Form 4835, (attach a copy of Federal Form 1040 and applicable schedule(s)).
- Line 6:** If a deduction is taken for state or local taxes (based on income) or license fee (based on income), regardless of jurisdiction, on federal Schedule C, C-EZ, E, F, or Form 4835, then the amount of those taxes or license fees should be entered on Line 6.
- Line 7:** This line should be used to report any subject items of income or other non-deductible expenses not accounted for on this Worksheet. An explanation of the adjustments must be attached.
- Line 8:** Add Lines 1 through 7. Enter the total on Line 8.
- Line 9:** Enter the Alcoholic Beverage Sales Deduction from Worksheet X, Line 3.
- Line 10:** This line should include deductible items of income not deducted elsewhere on this Worksheet. A schedule and explanation of the adjustments must be attached.
- Line 11:** Add Line 9 and 10. Enter the total on Line 11.
- Line 12:** Subtract Line 11 from line 8 to determine the Total net profit. Enter here and on Line 1 under Column A and Column B of Form NP-1. **NOTE: If gross receipts/sales revenue in the City of Owensboro is less than \$3,500 do not enter amount from this line in Column A; instead complete Worksheet E.**

WORKSHEET P
COMPUTATION OF TOTAL NET PROFIT
FOR BUSINESS ENTITIES REQUIRED TO FILE U.S. PARTNERSHIP INCOME TAX RETURN

Line 1: Enter the ordinary income or (loss) per federal Form 1065 (attach a copy of federal Form 1065, Schedule K and all supporting schedules).

Line 2: If a deduction is taken for state or local taxes (based on income) or license fees (based on income), regardless of jurisdiction, on federal Form 1065 then the amount of those taxes or license fees should be entered on Line 2.

Line 3: The following income items which are allocated to the partners are not included as income on federal Form 1065 and thus must be added to income on Line 3.

<i>Net income from rental real estate activities</i>	<i>Net long term capital gain</i>
<i>Net income from other rental activities</i>	<i>Other portfolio income</i>
<i>Interest income</i>	<i>Net gain under Sec 1231 (other than due to casualty or theft)</i>
<i>Dividend income</i>	<i>Guaranteed payments to partners</i>
<i>Royalty income</i>	<i>Other income items per Schedule K (attach schedule)</i>
<i>Net short- term capital gain</i>	

Enter the total of these items on Line 3 (attach a copy of Schedule K, and rental schedule(s), if applicable).

Line 4: This line should be used to report any subject items of income or other non-deductible expenses not accounted for on this Worksheet. An explanation of the adjustments must be attached.

Line 5: Add Lines 1 through 4. Enter the total on Line 5.

Line 6: The following items which are allocated to the partners are not included in losses or expenses on federal Form 1065 and are allowed as deductions for license fee purposes on Line 6.

<i>Net loss from rental real estate activities</i>	<i>Net long term capital loss</i>
<i>Net loss from other rental activities</i>	<i>Net loss under Sec 1231 (other than due to casualty loss or theft)</i>
<i>Portfolio loss</i>	<i>Sec 179 expense</i>
<i>Net short-term capital loss</i>	<i>Deductions related to portfolio income</i>
<i>Charitable Contributions</i>	<i>Other allowable deductions per Schedule K (attach schedule)</i>

Enter the total of these items on Line 6 (attach a copy of Schedule K, and rental schedule(s), if applicable).

Line 7: Enter the Alcoholic Beverage Sales Deduction from Worksheet X, Line 3.

Line 8: This line should include deductible items of income not deducted elsewhere on this Worksheet. A schedule and explanation of the adjustments must be attached.

Line 9: Enter the amount of professional expenses incurred by the partners that were NOT reimbursed by the partnership. Attach schedule detailing these expenses.

Line 10: Add Lines 6 through 9. Enter the total on Line 10.

Line 11: Subtract Line 10 from line 5 to determine the Total net profit. Enter here and on Line 1 under Column A and Column B of Form NP-1. **NOTE: If gross receipts/sales revenue in the City of Owensboro is less than \$3,500 do not enter amount from this line in Column A; instead complete Worksheet E.**

WORKSHEET R

RECONCILIATION OF PAYROLL FACTOR FOR BUSINESS ENTITIES COMPLETING THE PAYROLL APPORTIONMENT FACTOR

Be sure to complete the column that corresponds to the jurisdiction(s) for which the Form NP-1 was filed.

Line 1: Enter the compensation paid or payable to employees per Form NP-1, Worksheet Y, Line 1.

Line 2: Enter the amount expensed as a prior year accrual for compensation paid or payable to employees.

Line 3: Enter any other additions that were made in determining the payroll allocation factor. Attach an explanation, including amounts, for each item.

Line 4: Add Lines 1 through 3. Enter the total on Line 4.

Line 5: Enter the amount expensed as a current year accrual for compensation paid or payable to employees.

Line 6: Enter any other subtractions that were made in determining the payroll allocation factor. Attach an explanation, including amounts, for each item.

Line 7: Subtract Lines 5 and 6 from Line 4 to determine the compensation paid or payable to employees as reported on the periodic Employer's Return of License Fee Withheld (Form E-1) during the same period as the licensee's calendar or fiscal year end Net profit return reporting period.

WORKSHEET E

COMPUTATION OF LICENSE FEE DUE IF GROSS RECEIPTS/SALES REVENUE IS LESS THAN \$3,500 IN THE CITY OF OWENSBORO

Worksheet E shall be completed only by those earning gross receipts/sales revenue of less than \$3,500 in the **City Of Owensboro**. This provision **does not** apply to gross receipts/sales revenue earned in Daviess County, outside the City of Owensboro. If gross receipts/sales revenue is greater than \$3,500, complete Worksheet I, P, or C, whichever is applicable.

No net profits license fee is imposed, and no filing is required, of any person (entity) that has gross receipts or sales revenue generated in the City of Owensboro of less than \$600 during that person's federal tax year and such person had no employee(s) working within the city during their federal tax year. However, such person must file a net profit license fee return to declare eligibility for the exemption if holding an occupational business license fee account. **Note:** No person shall be exempt on the first \$600 of gross receipts, sales revenue or other earnings if the total gross receipts, sales revenue or other earnings subject to the occupational license fee exceeds \$600 during that person's federal tax year.

YOUR RIGHTS AS A CITY OF OWENSBORO - DAVIESS COUNTY FISCAL COURT
LICENSE FEE PAYER

MISSION

The Mission of the City of Owensboro-Daviess County Fiscal Court (CODCFC) is to provide courteous, accurate and efficient services for the benefit of Owensboro/Daviess County and its citizens, and administer the occupational license fee laws of the City of Owensboro and the Daviess County Fiscal Court in a fair and impartial manner.

RIGHTS OF OCCUPATIONAL LICENSE FEE PAYER

Privacy – You have the right to privacy of information provided to the CODCFC. The CODCFC is not authorized to discuss your tax matters with anyone unless you authorize the CODCFC to do so.

Assistance – You have the right to advice and assistance from the CODCFC in complying with the occupational license fee laws of the City of Owensboro and Daviess County Fiscal Court.

Explanation – You have the right to a clear and concise explanation of:

- Basis of assessment of additional license taxes, interest and penalties, or the denial or reduction of any refund or credit claim:
- Procedure for an appeal of a determination of CODCFC; and
- License fee laws and changes in license fee laws so that you can comply with the law.

Appeal – You have the right to appeal a determination of CODCFC, such an assessment of license fee or penalty, reduction or a denial of a refund, or a revocation of a license or permit.

Conference – You have the right to a conference to discuss a license fee matter.

Representation – You have the right to representation by an attorney, accountant or other person in any hearing or conference with CODCFC. If you intend for your representative to come in your place, you must notify the CODCFC prior to any hearing or conference.

Recordings – You have the right to make an audio recording of any meeting, conference or hearing with CODCFC, or to be notified in advance if the CODCFC plans to record the proceedings and to receive a copy of any recording.

Consideration – You have the right of consideration of:

- Waiver of penalties or collection fees if “reasonable cause” for reduction or waiver is given (“reasonable cause” is defined as: “an event, happening or circumstance entirely beyond the knowledge or control of a taxpayer who has exercised due care and prudence in the filing of a return or report or the payment of monies due the CODCFC pursuant to the law or administrative regulation”);
- Installment payments of delinquent license taxes, interest and penalties.