

ORDINANCE NO. 02-17

AN ORDINANCE AMENDING THE ROWAN COUNTY, KENTUCKY CODE OF ORDINANCES, TITLE XI, BUSINESS REGULATIONS, CHAPTER 110, OCCUPATIONAL LICENSE TAX AND RELATING TO THE IMPOSITION AND ADMINISTRATION OF OCCUPATIONAL LICENSE REQUIREMENT, AND PAYMENT OF AN OCCUPATIONAL LICENSE TAX BY PERSONS, AND PROFESSIONS WITHIN ROWAN COUNTY, KENTUCKY

WHEREAS, THE 2003 AND 2004 General Assemblies amended KRS Chapter 67 to provide uniform definitions and administration of the occupational and business license taxes by requiring local government to utilize the same formulas and reporting requirements for collecting the occupational license tax and net profit tax.

WHEREAS, the County of Rowan, Kentucky desires to be in compliance with KRS 67.750 – 67.790 and deems it necessary and desirable that changes be made to existing ordinances imposing occupational license taxes on persons and business entities conducting businesses, occupations and professions within Rowan County, Kentucky, so that the assessment and payment of Occupational License Taxes can be administered more efficiently.

NOW, THEREFORE, BE IT ORDAINED by the Fiscal Court of Rowan County, Kentucky that Title XI, Business Regulations, Chapter 110 Occupational License Tax shall be amended as to be in compliance with KRS 67.750 – 67.790. A copy of said Amendment is attached hereto and incorporated herein.

GIVEN FIRST READING and passed by a vote of 5 ayes and ___ nays, at a duly convened regular meeting of the Rowan Fiscal Court, Kentucky, held on this the 20th day of December 2016.

APPROVED:



DR. WALTER BLEVINS JR.
Rowan County Judge/Executive

ATTESTED:



KERRY MICHELE JESSEE
Rowan County Fiscal Court Clerk

GIVEN SECOND READING and passed by a vote of 5 ayes and ___ nays, at a duly convened special called meeting of the Rowan Fiscal Court, Kentucky, held on this the 17th day of January, 2016.

APPROVED:



DR. WALTER BLEVINS JR.
Rowan County Judge/Executive

ATTESTED:



KERRY MICHELE JESSEE
Rowan County Fiscal Court Clerk

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§ 1 – Definitions

As used in this ordinance, the following terms and their derivatives shall have the following meaning unless the context clearly indicates that a different meaning is intended:

1. “Business entity” means each separate corporation, limited liability company, business development corporation, partnership, limited partnership, registered limited liability partnership, sole proprietorship, association, joint stock company, receivership, trust, professional service organization, or other legal entity through which business is conducted;
2. “Business” means any enterprise, activity, trade, occupation, profession or undertaking of any nature conducted for gain or profit. “Business” shall not include a board of trade, chambers of commerce, trade associations, or unions, as recognized by the Internal Revenue Service. “Business” shall not include funds, foundations, corporations, or associations organized and operated for the exclusive and sole purpose of religious, charitable, scientific, literary, educational, civic or fraternal purposes, where no part of the earnings, incomes or receipts of such unit, group, or association, inures to the benefit of any private shareholder or other person.
3. “County” means the County of Rowan County, Kentucky.

4. "Compensation" means wages, salaries, commissions or any other form of remuneration paid or payable by an employer for services performed by an employee, which are required to be reported for federal income tax purposes and adjusted as follows:
 - A. Include any amounts contributed by an employee to any retirement, profit sharing, or deferred compensation plan, which are deferred for federal income tax purposes under a salary reduction arrangements under Section 401a., 401(k), 402(e), 403a., 403b., 408, 414(h) or 457 of the Internal Revenue Code; and
 - B. Include any amounts contributed by an employee to any welfare benefit, fringe benefit, or other benefit plan made by salary reduction or other payment method which permits employees to elect to reduce federal taxable compensation under the Internal Revenue Code, including but not limited to Sections 125 and 132 of the Internal Revenue Code.
5. "Conclusion of the federal audit" means the date that the adjustments made by the Internal Revenue Service to net income as reported on the business entity's federal income tax return become final and unappealable.
6. "Director" or "Director of Finance" means the Director of Finance of Rowan County, Kentucky.
7. "Final determination of the federal audit" means the revenue agent's report or other documents reflecting the final and unappealable adjustments made by the Internal Revenue Service.
8. "Fiscal Year" means fiscal year as defined in Section 7701a.(24) of the Internal Revenue Code.
9. "Employee" means any person who renders services to another person or any business entity for compensation, including an officer of a corporation and any officer, employee, or elected official of the United States, a state, or any political subdivision of a state or any agency of instrumentality of any one 1. or more of the above. A person classified as an independent contractor under the Internal Revenue Code shall not be considered an employee.
10. "Employer" means the person for whom an individual performs or performed any service of whatever nature, as the employee of such person, except that:
 - A. If the person for whom the individual performs or performed the services does not have control of the payment of the wages for such services, the term "employer" means the person having control of the payment of such wages; and
 - B. In the case of a person paying wages on behalf of a nonresident alien individual,

foreign partnership or foreign corporation, not engaged in trade or business within the United States, the term “employer” means such person.

11. “Internal Revenue Code” means the Internal Revenue Code in effect on December 31 of the year in which the tax is due, exclusive of any amendments made subsequent to that date, other than amendments that extend provisions in effect on December 31 of the year in which the tax is due that would otherwise terminate.
12. “Itinerant Merchant” means a business which does not maintain a place of business within Rowan County, Kentucky, and does not have a full time employee within Rowan County but does enter the county to transact business.
13. “Licensee” means any person required hereunder to file a separate return or to pay a license fee thereon under this ordinance.
14. “Net Profit” means gross income as defined in Section 61 of the Internal Revenue Code minus all the deductions from gross income allowed by Chapter 1 of the Internal Revenue Code and adjusted as follows:
 - A. Includes any amount claimed as a deduction for state tax or local tax which is computed in whole or in part by reference to gross or net income and which is paid or accrued to any state of the United States, local taxing authority in a state, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States or any foreign county or political subdivision thereof;
 - B. Includes any amount claimed as a deduction that directly or indirectly is allocable to income which is either exempt from taxation or otherwise not taxed;
 - C. Includes any amount claimed as a net operating loss carry back or carry forward allowed under Section 172 of the Internal Revenue Code;
 - D. Includes any amount of income and expenses passed through separately as required by the Internal Revenue Code to an owner of a business entity that is a pass-through entity for federal tax purposes; and
 - E. Excludes any amount of income that is exempt from state taxation by the Kentucky Constitution or the Constitution and Statutory Laws of the United States.
15. “Person” shall mean every natural person, whether a resident or non-resident of the County. Whenever the word “person” is used in a clause prescribing and imposing a penalty in the nature of a fine or imprisonment, the word, as applied to a partnership or other form of unincorporated enterprise, shall mean the partners or members thereof, and as applied to corporations, shall mean the officers and directors thereof.
16. “Resident” means an individual, co-partnership, association, corporation or other entity domiciled or having a business site in the county.

17. "Roadside Vendors" mean those individuals who sell alongside streets and roads for non-permanent structures and setup and remove their displays on a daily basis. This does not include individuals who lease space and sell on or within the grounds of a flea market.
18. "Sales Revenue" means receipts from the sale, lease, or rental of goods, services or property.
19. "Sales within the county" mean sales of merchandise delivered to a customer within the County or of service performed within the county for a customer.
20. "Tax district" means any county or city with the authority to levy net profits or occupational license taxes.
21. "Taxable net profit" in case of a business entity having payroll or sales revenue both within or without the county means net profit as defined in this Paragraph No. 14 of this section and as apportioned under §4 of this Ordinance.
22. "Taxable net profit" in case of a business entity having payroll or sales revenue only within the county means net profit as defined in this Ordinance.
23. "Taxable year" means the calendar year or fiscal year ending during the calendar year, upon the basis of which net income is computed.

§ 2 – Occupational License Application Required

Every person or business entity engaged in any trade, occupation or profession or other activity for profit or anyone required to file a return under this ordinance in Rowan County shall be required to complete and execute the questionnaire prescribed by the Director of Finance and shall pay a fee of \$10. Each person shall be required to complete a separate questionnaire for each separate business before the commencement of business or in the event of a status change, other than change of address. Licensees are required to notify the Director of Finance of changes of address or the cessation of business activity and of the changes which render inaccurate the information supplied in the completed questionnaire.

§ 3 - Occupational License Tax Payment Required

1. Except as provided in subsection 2 and subsection 5 of this section, every person or business entity engaged in any business for profit and any person or business entity that is required to make a filing with the Internal Revenue Service or the Kentucky Revenue Cabinet shall be required to file and pay to the county an occupational license tax for

the privilege of engaging in such activities within Rowan County. The occupational license tax shall be measured by ~~1%~~ 1.5% of:

- A. Services performed or rendered in the county by every resident and nonresident who is an employee;
 - B. The net profit from business conducted in the county by a resident or nonresident business entity.
2. All partnership, S corporations and all other entities where income is "passed through" to the owners are subject to this ordinance. The occupational license tax imposed in this ordinance is assessed against income before it is "passed through" these entities to the owners.
 3. If any business entity dissolves, ceases to operate or withdraws from the County during any taxable year or if any business entity in any manner surrenders or loses its charter during any taxable year, the dissolution, cessation of business, withdrawal or loss or surrender of charter shall not defeat the filing of returns and the assessment and collection of any occupational license tax for the period of that taxable year during which the business entity had business activity in the county.
 4. If a business entity makes or is required to make a federal income tax return the same occupational license tax shall be computed for the purposes of this ordinance on the basis of the same calendar or fiscal year required by the federal government and shall employ the same methods of accounting required for federal income tax purposes.
 5. The occupation license tax imposed in this section shall not apply to the following persons or business entities:
 - A. Any bank, trust company, combined bank and trust company, combined trust, banking and title business organized and doing business in this state, any savings and loan association whether state or federally chartered;
 - B. Any compensation received by members of the Kentucky National Guard for active duty training, unit training assemblies and annual field training;
 - C. Any compensation received by precinct workers for election training or work at election booths in state, county and local primary, regular or special elections;
 - D. Public Service Corporations that pay an ad valorem tax on property valued and assessed by the Kentucky Department of Revenue pursuant to the provisions of KRS 136.120. Licensees whose businesses are predominantly non-public service who are also engaged in public service activity are required to pay a license fee on their net profit derived from the non-public service activities apportioned to the county;
 - E. Persons or business entities that have been issued a license under KRS Chapter 243 to engage in manufacturing or trafficking in alcoholic beverages. Persons engaged in the business of manufacturing or trafficking in alcoholic beverages are required

- to file a return, but may exclude the portion of their net profits derived from the manufacturing or trafficking in alcoholic beverages;
- F. Insurance companies incorporated under the laws of and doing business in the Commonwealth of Kentucky except as provided in KRS 91A.080;
 - G. Any profits, earnings, distributions of an investment fund which would qualify under KRS 154.20-250 to KRS 154.20-284 to the extent any profits, earnings or distributions would not be taxable to an individual investor;
 - H. Any income derived from farming or farming activities;
 - I. Any roadside vendor as defined in this ordinance;
 - J. Domestic servants employed in private homes;
 - K. Full-time elementary, secondary or undergraduate students who are regularly employed for 15 hours or less by all his employers. Full-time student as contemplated by this Ordinance means as follows:
 - (1) Enrollment in the spring semester and anticipation of enrollment in the fall semester shall constitute full-time enrollment. If a student does not enroll for the fall semester, then his exemption is deemed to have ended at the close of his spring semester and the student will be held accountable for the tax which should have been withheld from his paycheck;
 - (2) In the case of elementary or secondary students, any student who can furnish to the Director of Finance a notarized statement by the Principal of the school that the student is enrolled in a full-time course of study;
 - (3) In the case of undergraduate college or university students, any student who can furnish to the Director of Finance a notarized statement by the registrar of his/her college or university that he/she is enrolled for a minimum of 12 semester hours or its equivalent;
 - (4) Any full-time student who is employed for a maximum of 15 hours a week by Morehead State University under any of its workshop-type programs is automatically exempt for the tax and does not require a notarized statement.
 - L. Rental Income – The first \$10,000 of income received from renting real estate shall be considered non-business income or unearned income and shall not be subject to the license fee or net profit tax. All rental income over \$10,000 shall be subject to the license fee or net profit tax.

§ 4 – Apportionment

1. Except as provided in subsection 4 of this section net profit shall be apportioned as follows:
 - A. For business entities with both payroll and sales revenue in more than one (1) tax district by multiplying the net profit by a fraction, the numerator of which is the payroll factor, described in subsection 2 of this section, plus the sales factor,

described in subsection 3 of this section and the denominator of which is two (2);
and

- B. For business entities with sales revenue in more than one (1) tax district, by multiplying the new profit by the sales factor as set forth in subsection (3) of this section.
 - C. For the purposes of subsections 1 thru 4 of this section, the business entity shall file an apportionment form provided by the Occupational Tax Office.
2. The payroll factor is a fraction, the numerator of which is the total amount paid or payable in the county during the tax period by the business entity for compensation and the denominator of which is the total compensation paid or payable by the business entity everywhere during the tax period. Compensation is paid or payable in the county based on the time the individual's service is performed within the county.
3. The sales factor is a fraction, the numerator of which is the total sales revenue of the business entity in the county during the tax period and the denominator of which is the total sales revenue of the business entity everywhere during the tax period.
- A. The sales, lease or rental of tangible personal property is in the county if:
 - (1) The property is delivered or shipped to a purchaser, other than the United States government or to the designee of the purchaser within the county regardless of the f.o.b. point or other conditions of the sale; or
 - (2) The property is shipped from an office, store, warehouse, factory or other place of storage in the county and the purchaser is the United States Government.
 - B. Sales revenues, other than revenue from the sale, lease or rental of tangible personal property are apportioned to the county based upon a fraction, the numerator of which is the time spent in performing such income-producing activity within county and the denominator of which is the total time spent performing that income-producing activity.
4. If the apportionment provisions of this section do not fairly represent the extent of the business entity's activity in the county, the business entity may petition the county or the county may require, in respect to all or any part of the business entity's business activity, if reasonable:
- A. Separate accounting;
 - B. The exclusion of any one (1) or more of the factors;
 - C. The inclusion of one (1) or more additional factors which will fairly represent the business entity's business activity in the county; or
 - D. The employment of any other method to effectuate an equitable allocation and apportionment of net profit.

5. When compensation is paid or payable for work done or services performed or rendered by an employee, both within and without the county, the license tax shall be measured by that part of the compensation paid or payable as a result of work done or service performed or rendered within the county. The license tax shall be computed by obtaining the percentage which the compensation for work performed or services rendered within the county bears to the total wages and compensation paid or payable. In order for the county to verify the accuracy of a taxpayer's reported percentages under this subsection, the taxpayer shall maintain adequate records.

§ 5 – Employers to Withhold

1. Every employer making payment of compensation to an employee shall deduct and withhold upon the payment of the compensation any tax imposed against the compensation by the county. Amounts withheld shall be paid to the county in accordance with Section 3 of this ordinance.
2. Every employer required to deduct and withhold tax under this section shall, on or before the end of the month following the close of each quarter, make a return and report to the county and pay to the county the tax required to be withheld under this section, unless the employer is permitted or required to report within a reasonable time after some other period as determined by the county.
3. Every employer who fails to withhold or pay to the county any sums required by the ordinance to be withheld and paid shall be personally and individually liable to the county for any sum or sums withheld or required to be withheld in accordance with the provisions of this section.
4. The county shall have a lien upon all the property of any employer who fails to withhold or pay over to the county sums required to be withheld under this section. If the employer withholds, but fails to pay the amounts withheld to the county, the lien shall commence as of the date the amounts withheld were required to be paid to the county. If the employer fails to withhold, the lien shall commence at the time the liability of the employer is assessed by the county.
5. Every employer required to deduct and withhold tax under this section shall annually on or before February 28 of each year complete and file on a form furnished or approved by the county a reconciliation of the occupational license tax withheld where compensation is paid or payable to employees. Either copies of federal forms W-2 and W-3, transmittal of wage and tax statements or a detailed employee listing with the required equivalent information, as determined by the county, shall be submitted.
6. Every employer shall furnish each employee a statement on or before January 31 of each year showing the amount of compensation and occupational license tax deducted

by the employer from the compensation paid to the employee for payment to the county during the preceding calendar year.

7. An employer shall be liable for the payment of the tax required to be deducted and withheld under this section.
8. The president, vice president, secretary, treasurer or any other person holding an equivalent corporate office of any business entity subject to the ordinance shall be personally and individually liable, both jointly and severally, for any tax required to be withheld from compensation paid to one or more employees of any business entity, and neither the corporate dissolution or withdrawal of the business entity from the county, nor the cessation of holding any corporate office, shall discharge that liability of any person; provided that the personal and individual liability shall apply to each or every person holding the corporate office at the time the tax becomes or became obligated. No person shall be personally and individually liable under this subsection that had no authority to collect, truthfully account for or pay over any tax imposed by this ordinance at the time that the taxes imposed by this ordinance become or became due.
9. Every employee receiving compensation in the county subject to the tax imposed under this ordinance shall be personally liable for the tax notwithstanding the provisions of subsections 7 and 8 of this section. In all cases where the employer does not withhold the tax levied under this ordinance from the employee, such employee or employees shall be responsible for filing with the county each quarter in the same manner as if they were the employer. If an employer fails to or is not required to withhold, report or pay the License Fee it shall become the duty of the employee to file with the county. The only employer that is not required to withhold, report and pay the occupation license tax is the federal Government including the United States Postal Service. The payment required to be made by an employee can be quarterly for the periods ending March 31st, June 30th, September 30th and December 31st of each year or at any time the employee wishes to make an estimated payment for the year in which wages are earned. All license fees must be received by February 28th for the preceding calendar year, together with a copy of the employee's W-2 form. Employers not required to withhold, report or pay the license fee must annually during the month of January of each year, make a return to the Director of Finance, in which is set forth the name and social security number of each employee of the employer during the preceding calendar year, giving the amount of salary, wages, commissions or other compensation earned during such preceding year by each such employee. This list shall include all current full time employees, part-time employees, temporary employees and terminated employees whether it is voluntary or involuntary.

§ 6 – Returns Required

1. All business entity returns for the preceding taxable year shall be made by April 15 of each year, except returns made on the basis of a fiscal year, which shall be made by the fifteenth day of the fourth month following the close of the fiscal year. The county shall supply blank forms for returns.
2. Every business entity shall submit a copy of its federal income tax return and all supporting statements and schedules at the time of filing its occupational license tax return with the county. Whenever, in the opinion of the county, it is necessary to examine the federal income tax return of any business entity in order to audit the return, the county may compel the business entity to produce for inspection on copy of any statements and schedules in support thereof that have not been previously filed. The county may also require copies of reports of adjustments made by the federal government.
3. Every business entity subject to an occupational license tax governed by the provisions of this ordinance shall keep records, render under oath statement, make returns and comply with rules as the county from time to time may prescribe. Whenever the county deems it necessary, the county may require a business entity, by notice served to the business entity, to make a return, render statements under oath or keep records, as the county deems sufficient to determine the tax liability the business entity.
4. The county may require, for the purpose of ascertaining the correctness of any return or for the purposes of making an estimate of the taxable income of any business entity, the attendance of a representative of the business entity or of any other person having knowledge in the premises.
5. The full amount of the unpaid tax payable by any business entity, as appears from the face of the return, shall be paid to the county at the time prescribed for filing the occupational license tax return, determined without regard to any extension of time for filing the return.
6. It shall be the responsibility of persons who make Federal Form 1099 “non-employee compensation” payments to natural persons other than employees for services performed within the county to maintain records of such payments and to report such payments to the county. Said payments must be reported by remitting Federal Form 1099 by February 28 of the year following the close of the calendar year in which the non-employee compensation was paid. If a business entity or person is not required to remit Federal Form 1099 to the IRS, including but not limited to payments less than \$600,

they are still liable to remit the equivalent information to the county. The information required to be reported by said licensee shall include:

- A. Payer's name, address, Social Security and/or Federal Identification Number.
- B. Recipient's name and address.
- C. Recipient's Social Security and/or Federal Identification Number.
- D. Amount of non-employee compensation paid in the calendar year.
- E. Amount of non-employee compensation earned in the county for the calendar year.

§ 7 – Extensions

1. The county may grant any business entity an extension of not more than six (6) months, unless a longer extension has been granted by the Internal Revenue Service or is agreed to by the county and the business entity, for filing its return, if the business entity, on or before the date prescribed for payment of the occupational license tax, requests the extension and pays the amount properly estimated as its tax.
2. If the time for filing a return is extended, the business entity shall pay, as part of the tax, an amount equal to twelve percent (12%) per annum simple interest on the tax shown due on the return, but not been previously paid, from the time the tax was due until the return is actually filed and the tax paid to the county. A fraction of a month is counted as an entire month.

§ 8 - Refunds

1. Where there has been an overpayment of tax under this ordinance, a refund or credit shall be made to the employer to the extent of the overpayment which was not deducted and withheld by the employer.
2. Unless written application for refund or credit is received by the county from the employer within two (2) years from the date the overpayment was made, no refund or credit shall be allowed.
3. An employee who has compensation attributable to activities performed outside the county, based on time spent outside the county, whose employer has withheld and remitted to this county, the occupational license tax on the compensation attributable to activities performed outside the county, may file for a refund within two (2) years of the date prescribed by law for the filing of a return. The employee shall provide a schedule and computation sufficient to verify the refund claim and the county may confirm with the employer the percentage of time spent outside the county and the amount of compensation attributable to activities performed outside the county prior to approval of the refund.

§ 9 – Federal Audit Provisions

1. As soon as practicable after each return is received, the county may examine and audit the return. If the amount of tax computed by the county is greater than the amount returned by the business entity, the additional tax shall be assessed and a notice of assessment mailed to the business entity by the county within five (5) years from the date the return was filed, except as otherwise provided in this subsection.
 - A. In the case of a failure to file a return or of a fraudulent return the additional tax may be assessed at any time.
 - B. In the case of a return where a business entity understates net profit, or omits an amount properly includable in net profits or both, which understatement or omission or both, is in excess of twenty-five percent (25%) of the amount of net profit stated in the return was filed.
 - C. In the case of an assessment of additional tax relating directly to adjustments resulting from a final determination of a federal audit, the additional tax may be assessed before the expiration of the times provided in this subsection or six (6) months from the date the county receives the final determination of the federal audit from the business entity, whichever is later.

The times provided in this subsection may be extended by agreement between the business entity and the county. For the purposes of this subsection, a return filed before the last day prescribed by law for filing the return shall be considered as filed on the last day. Any extension granted for filing the return shall also be considered as extending the last day prescribed by law for filing the return.

2. Every business entity shall submit a copy of the final determination of the federal audit within thirty (30) days of the conclusion of the federal audit.
3. The county may initiate a civil action for the collection of any additional tax within the times prescribed in subsection (1) of this section.

§ 10 – Administrative Provision

1. No suit shall be maintained in any court to restrain or delay the collection or payment of the tax levied by this ordinance.
2. Any tax collected pursuant to the provisions of this ordinance may be refunded or credited within two (2) years of the date prescribed by law for the filing of a return or the date the money was paid to the county, whichever is the later, except that:

- A. In any case where the assessment period contained in Section 9 of this ordinance has been extended by an agreement between the business entity and the county, the limitation contained in this subsection shall be extended accordingly.
 - B. If the claim for refund or credit relates directly to adjustments resulting from a federal audit, the business entity shall file a claim for refund or credit within the time provided for in this subsection or six (6) months from the conclusion of the federal audit, whichever is later.
 - C. For the purposes of this subsection and subsection 3 of this section, a return filed before the last day prescribed by law for filing the return shall be considered as filed on the last day.
3. The authority to refund or credit overpayments of taxes collected pursuant to this Ordinance is vested exclusively in the county.

§ 11 – Position of Director of Finance

1. There is hereby created the position of Director of Finance. The person appointed to this position by resolution of the Rowan Fiscal Court shall have the powers and duties as set out herein and additional duties as specified. He/She shall enter into a Contract for Professional Services for a period of one year and shall serve until his successor is qualified. The compensation for the Director of Finance shall be such as the Rowan County Fiscal Court may set in the annual budget. The Director shall be bonded for a minimum of \$150,000. All employees subject to supervision of the Director shall be bonded in like amount.
2. Specifically, it shall be the duty of the Director of Finance to collect and account for the license taxes and fees imposed by this chapter. He/She shall keep records showing all businesses who have obtained licenses and showing the amount received by him from each licensee and employer and the date of receipt.
3. The Director of Finance is hereby charged with the enforcement of the provisions of this chapter including the granting of extensions and conducting of audits.

§ 12 – Certain Information to Remain Confidential; County May Disclose Name of Business and Delinquency Status

1. No present or former employee of the county shall intentionally and without authorization inspect or divulge any information acquired by him or her of the affairs of any person or information regarding the tax schedules, returns or reports required to be filed with the county or other proper officers or any information produced by a hearing or investigation, insofar as the information may have to do with the affairs of the person's business. This prohibition does not extend to information required in

prosecution for making false reports or returns for taxation or any other infraction of the tax laws or in any way made a matter of public record nor does it preclude furnishing any taxpayer or taxpayer's properly authorized agent with information respecting his or her own return. Further, this prohibition does not preclude any employee of the county from testifying in any court or from introducing as evidence returns or reports filed with the county in an action for violation of the county tax laws or in any action challenging the county laws. Nor does this prohibition preclude the public disclosure of non-proprietary, non-confidential information that is subject to disclosure under the Kentucky Open Records Act, including but not limited to, the name of the business, address of the business, and names of owner(s) and agent(s) of the business, and whether or not the business is delinquent in the payment of its taxes. All forms produced by the Director of Finance for the purposes of effectuating Chapter 10 of the Rowan County Code of Ordinance shall state, in bold, the "Information obtained from this form, including the business name, business address, names of owner(s) and agent(s) of the business, and whether or not the business is delinquent in the payment of its taxes is subject to public disclosure. All proprietary and confidential information exempt from disclosure under the Kentucky Open Records Act shall be confidential and shall not be disclosed."

2. The county reserves the right to disclose to the Commissioner of Revenue of the Commonwealth of Kentucky or the duly authorized agent all such information and rights to inspect any books and records of the county if the Commissioner of Revenue of the Commonwealth of Kentucky grants to the county the reciprocal right to obtain information from the files and records of the Kentucky Department of Revenue and maintains the privileged character of the information so furnished. Provided, further, that the county may publish statistics based on such information in such a manner as not to reveal data respecting net profits or compensation of any person or business entity.
3. In addition, the county is empowered to execute similar reciprocity agreements as described in subsection 2 of this section with any other taxing entity, should there be a need for exchange of information in order to effect diligent enforcement of this ordinance.

§ 13 – Penalties

1. A business entity subject to tax on net profits may be subject to a penalty equal to five percent (5%) of the tax due for each calendar month or fraction thereof if the business entity:
 - A. Fails to file any return or report on or before the due date prescribed for filing or as extended by the county; or

- B. Fails to pay the tax computed on the return or report on or before the due date prescribed for payment.

The total penalty levied pursuant to this subsection shall not exceed twenty-five percent (25%) of the total tax due; however, the penalty shall not be less than twenty-five dollars (\$25).

2. Every employer who fails to file a return or pay the tax on or before the date prescribed under Section 5 of this ordinance may be subject to a penalty in an amount equal to five percent (5%) of the tax due for each calendar month or fraction thereof. The total penalty levied pursuant to this subsection shall not exceed twenty-five percent (25%) of the total tax due; however, the penalty shall not be less than twenty-five dollars (\$25).
3. In addition to the penalties prescribed in this section, any business entity or employer shall pay, as part of the tax, an amount equal to twelve percent (12%) per annum simple interest on the tax shown due, but not previously paid, from the time the tax was due until the tax is paid to the county. A fraction of a month is counted as an entire month.
4. Every tax imposed by this ordinance and all increases, interest and penalties thereon, shall become from the time the tax is due and payable, a personal debt of the taxpayer to the county.
5. The county may enforce the collection of the occupational tax due under this ordinance and any fees, penalties and interest as provided in this ordinance by civil action in a court of appropriate jurisdiction. To the extent authorized by law, the county shall be entitled to recover all court costs and reasonable attorney fees incurred by it in enforcing my provision of this ordinance.
6. In addition to the penalties prescribed in this section, any person, business entity or employer who willfully fails to make a return, willfully makes a false return or who willfully fails to pay taxes owed or collected, with the intent to evade payment of the tax or amount collected or any part thereof shall be guilty of a Class A misdemeanor.
7. Any person who willfully aids or assists in or procures, counsels or advises the preparation or presentation under or in connection with any matter arising under this ordinance of a return, affidavit, claim or other document, which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of the person authorized or required to present the return, affidavit, claim or document shall be guilty of a Class A misdemeanor.
8. A return for the purpose of this section shall mean and include any return, declaration or form prescribed by the county and required to be filed with the county by the

provisions of this ordinance or by the rules of the county or by written request for information to the business entity by the county.

9. Any person violating the provisions of section 11 of this ordinance by intentionally inspecting confidential taxpayer information without authorization shall be fined not more than five hundred dollars (\$500) or imprisoned for not longer than six (6) months or both
10. Any person violating the provisions of section 11 of this ordinance by divulging confidential taxpayer information shall be fined not more than one thousand dollars (\$1,000) or imprisoned for not more than one (1) year or both.

§ 14 – Use of Occupational License Tax

- ~~1. The revenue from the first one-fourth (25%) of said license tax levied herein (i.e. one-fourth of one per centum) shall be used exclusively as for all expense directly related to the collection and administration of said tax and for the County Blacktop Maintenance Program, including the retirement of bon indebtedness for Road Bonds.~~
- ~~2. The revenues from the last three-fourths (75%) of said license tax levied herein (i.e. three-fourths of one per centum) shall be allocated to the General Fund of the Treasury of the County of Rowan, Kentucky and shall be used for the general and ordinary budgetary purposes of that fund.~~

The license tax rate is raised from 1% to 1.5%.

The revenue of ½ of 1% from said license tax levied herein shall be used exclusively for all expense directly related to the collection and administration of said tax and for the general obligation bonds, road maintenance/road equipment and emergency services. The remaining 1% shall be placed in the general fund. The revenue of ½ of 1% said license tax shall cease on July 1, 2036.

§ 15 Severability

Each section and each provision of each section of this ordinance are severable and if any provision, section, paragraph, sentence or part thereof or application thereof to any person, licensee, class or group, is held by a court of law to be unconstitutional or invalid for any reason such holding shall not affect or impair the remainder of this ordinance, it being the legislative intent to ordain and enact each provision, section, paragraph, sentence and part thereof, separately and independently of the rest.

§ 16 – Effective Date

This Ordinance shall take full force and effect on April 1, 2017; prior to effective date, notice shall be sent to all registered businesses. The Notice shall include a copy of the Amended Ordinance. All taxes and exemptions calculated on a taxable year beginning on a date other than July 1, 2016, shall be computed on a pro rata basis.