

FORM OL-3 INSTRUCTIONS TAX YEAR 2023

General Information	<p>The Louisville Metro Revenue Commission, (hereinafter referred to as the “Revenue Commission”) collects Occupational License Fees/Taxes (hereinafter referred to as “Occupational Taxes”) on employee compensation and business net profits earned within Louisville Metro, Kentucky. There is no minimum earned income amount before you are liable for filing a tax return. The Occupational Tax is imposed upon the privilege of engaging in a business, profession, occupation, or trade within Louisville Metro, Kentucky, regardless of the legal residence of the person so engaged. Louisville Metro includes the area within the boundaries of Jefferson County, Kentucky.</p>																															
Tax Rate	<p>The current rate for Occupational Taxes totals 2.2% (.0220). This total is distributed as follows:</p> <ul style="list-style-type: none"> • 1.25% (.0125) to Louisville Metro Government • .2% (.0020) to Transit Authority of River City (TARC) • .75% (.0075) to the Louisville and Anchorage Public School Boards 																															
Who Must File an Occupational License Tax Return (Form OL-3) Note: If you are an individual requesting a refund for time worked outside of Louisville Metro, Kentucky, you are required to file an “ Application for Employee Refund of Occupational Taxes Withheld. ”	<ul style="list-style-type: none"> • Corporations, partnerships, Limited Liability Companies, sole proprietorships, estates, trusts, or other businesses engaged in an occupation, trade, or profession with business nexus in Louisville Metro, Kentucky. • Individuals who receive wages, salaries, commissions, or other compensation for work or services performed in Louisville Metro, Kentucky, from which the full amount of Occupational Taxes have not been withheld by their employer and remitted to the Revenue Commission. NOTE: Any payments that are received for work performed in Louisville Metro, Kentucky, are subject to Occupational Taxes. Employers are required to withhold and remit the Occupational Tax to the Louisville Metro Revenue Commission, however if your employer fails to withhold the full amount of Occupational Tax, you must file a return. • Individuals having rental income from real property where the property available for rental includes, but is not limited to, improvements such as warehouses, apartment buildings containing four or more units, hotel buildings, office buildings, restaurants, commercial structures, or Transient rentals subject to LMCO §121.01 shall be deemed to be engaged in an “activity” which requires a license tax to be paid and a return filed regardless of the amount of gross receipts received therefrom. • Individuals whose gross rental receipts are exclusively from the rental of residential real property located within Louisville Metro, Kentucky, which are greater than or equal to \$50,000.00 are deemed to be engaged in an “activity” which requires a license tax to be paid. (Residential real property is real property which is occupied by a tenant for use as a domicile. If you rent any of the real property described under bullet point 3 above, you are engaged in an activity which requires a license tax to be paid.) <p style="text-align: center;">The Revenue Commission and the Internal Revenue Service have entered into a coordination of tax administration agreement which allows the exchange of tax information between the two agencies pursuant to Internal Revenue Service Code Section 6103(d).</p>																															
A Tax Form Must Be Filed Even If	<ul style="list-style-type: none"> • Your business activity resulted in a loss for the tax year. Complete the tax form according to the instructions provided. • You were not actively engaged in business during the tax year but do intend to resume operations at a future date. Check the box designated “No Activity,” sign, and mail/deliver the return to the Revenue Commission. • Your business activity ceased prior to the beginning of the tax year, but you have not provided written notification that operations ceased. Check the boxes designated “No Activity” and “Final Return”, enter the date your activity ceased, sign, and mail/deliver the return to the Revenue Commission. • Your business was operational for a portion of the tax year but ceased operation prior to the completion of the tax year. Complete the tax form according to the instructions provided. Check the box designated “Final Return,” enter the date activity ceased, sign, and mail/deliver the return to the Revenue Commission. • You applied for a tax number with the intention of starting a business but never transacted business within Louisville Metro, Kentucky, and do not intend to do so in the future. Check the boxes designated “No Activity” and “Final Return,” enter the date activity ceased, sign, and mail/deliver the return to the Revenue Commission. 																															
When To File	<p>Form OL-3 must be hand-delivered or postmarked by the 15th day of the 4th month after the end of the fiscal year.</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 25%;">For Fiscal Year Ending</th> <th style="width: 25%;">Due Date</th> <th style="width: 25%;">For Fiscal Year Ending</th> <th style="width: 25%;">Due Date</th> </tr> </thead> <tbody> <tr> <td>DEC 31</td> <td>APR 15</td> <td>JUN 30</td> <td>OCT 15</td> </tr> <tr> <td>JAN 31</td> <td>MAY 15</td> <td>JUL 31</td> <td>NOV 15</td> </tr> <tr> <td>FEB 28</td> <td>JUN 15</td> <td>AUG 31</td> <td>DEC 15</td> </tr> <tr> <td>MAR 31</td> <td>JUL 15</td> <td>SEP 30</td> <td>JAN 15</td> </tr> <tr> <td>APR 30</td> <td>AUG 15</td> <td>OCT 31</td> <td>FEB 15</td> </tr> <tr> <td>MAY 31</td> <td>SEP 15</td> <td>NOV 30</td> <td>MAR 15</td> </tr> </tbody> </table>				For Fiscal Year Ending	Due Date	For Fiscal Year Ending	Due Date	DEC 31	APR 15	JUN 30	OCT 15	JAN 31	MAY 15	JUL 31	NOV 15	FEB 28	JUN 15	AUG 31	DEC 15	MAR 31	JUL 15	SEP 30	JAN 15	APR 30	AUG 15	OCT 31	FEB 15	MAY 31	SEP 15	NOV 30	MAR 15
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Where To File	<p>The Revenue Commission offers an easy, secure, and convenient way to file and pay taxes online. For more information, access E-Services at https://www.metrorevenue.org. You must file Form OL-3EXT or a copy of your federal extension application to request an automatic 6-month extension to file Form OL-3. If a paper extension form is filed, mail it to the Louisville Metro Revenue Commission, P.O. Box 35410, Louisville, Kentucky 40232-5410, or hand-deliver to 617 West Jefferson Street, Louisville, Kentucky 40202. Make checks payable to the Louisville Metro Revenue Commission and include your Account ID.</p>																															

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<p>Extensions A 90% estimated payment of the final tax liability is required to avoid penalty.</p>	<p>If an extension of time for filing is required, a separate extension request to the Louisville Metro Revenue Commission is mandatory in all cases. You must file Form OL-3EXT or a copy of your federal extension application to request an automatic 6-month extension of time to file Form OL-3. All extension requests must include your Revenue Commission Account ID, FEIN, or SSN. The extension request must be postmarked and mailed to the Louisville Metro Revenue Commission, P.O. Box 35410, Louisville, Kentucky 40232-5410, or hand-delivered to the Revenue Commission at 617 West Jefferson Street, Louisville, Kentucky 40202, on or before the filing due date. (See when to file above.) Any tax due must be paid by the 15th day of the 4th month following the close of the fiscal year end to avoid interest and penalties.</p>
<p>Estimated Tax</p>	<p>The occupational taxes must be paid in full by the deadline of April 15 to avoid penalties and interest. Do not send cash through the mail. Please make your check payable to the Louisville Metro Revenue Commission. If an extension of time for the filing of a return has been granted, any balance of the occupational tax unpaid by the regular due date bears interest at the rate of twelve percent (12%) per annum.</p>
<p>Penalties For Failure to File/Pay</p>	<p>There is a five percent (5%) penalty per month, or a fraction of a month, to a maximum of twenty-five percent (25%) of the license tax due, for failure to file a tax return by the regular or extended due date, or for failure to pay the tax due by the payment due date. Pursuant to KRS 67.790, there is a minimum \$25.00 penalty for failure to file any return or report by the due date.</p>
<p>Interest</p>	<p>Interest is computed at twelve percent (12%) per annum from the original due date until total tax liability is paid in full. (See EXHIBIT "A", ACCELERATED PAYMENT OF OCCUPATIONAL TAX ON BUSINESS NET PROFIT regarding interest on late quarterly deposits.)</p>
<p>Refund Request</p>	<p>Claims for refund or credit must be submitted within two (2) years from the due date of the tax return, or two (2) years from the tax payment date, whichever is later.</p>
<p>State Exemptions</p> <p>The following persons are exempt under Kentucky law from the net profits occupational tax and are not required to file a return.</p>	<ul style="list-style-type: none"> • Any company that pays both an ad valorem tax and a franchise tax pursuant to the provisions of KRS 136.120. • Persons whose sole business activity is the manufacture and/or sale of alcoholic beverages. (However, persons having only a portion of their business activity derived from the manufacture and/or sale of alcoholic beverages are required to file a return but may exclude the portion of their net profits derived from the manufacture and/or sale of alcoholic beverages on Line 15. See instructions for Line 15 for more detailed information.) • Life insurance companies incorporating under the laws of and doing business in the State of Kentucky [See KRS 136.320 (4) (5).] • Banks, trust companies, combined bank and trust companies, combined trust, banking and title businesses, savings, and loan associations (whether state or federally chartered.) • Persons whose sole wages, salaries, commissions, or other compensations earned in Louisville Metro, Kentucky, are derived from service as members of the Kentucky National Guard for active-duty training, unit training assemblies, and annual field training. • Persons engaged in the business of conducting a racetrack at which races are run for stakes, purses, or prizes, under the jurisdiction of the State Racing Commission, whose only activity in Louisville Metro, Kentucky, is the conducting of such racetrack and/or the operating or maintenance of pari-mutuel machines.
<p>Special Provisions of Local Law</p>	<p>The following entities are exempt under Louisville Metro, Kentucky, ordinances from the occupational tax and are not required to file a return: boards of trade, chambers of commerce, trade associations or unions, community chest funds or foundations, corporations or associations organized and operated exclusively for religious, charitable, scientific, literary, educational, or civic purposes, or fraternal purposes, where no part of the earnings, income, or receipts of any such units, groups, or associations inures to the benefits of any private shareholder or individual.</p> <p>The following persons are exempt from the Louisville Metro, Kentucky, occupational tax rate of (.0125) and the Transit Authority of River City occupational tax rate of (.0020), but are subject to the School Boards' occupational tax rate of (.0075):</p> <ul style="list-style-type: none"> • Compensation received by duly ordained ministers of religion- a duly ordained minister of religion is defined as being a natural person who has been ordained in accordance with the ceremonial ritual or discipline of a recognized church, religious sect, or other religious organization to teach and preach its doctrines or to administer its rites in public worship, and who regularly performs one or more of those duties. The exemption does not apply to compensation for services performed in Jefferson County in activities not connected with their regular duties as a minister of religion. <p>The following persons are subject to the Louisville Metro, Kentucky and the Transit Authority of River City occupational tax rate of (.0145) but are not subject to the School Boards' occupational tax rate of (.0075):</p> <ul style="list-style-type: none"> • An employee whose legal residence is not within Louisville Metro, Kentucky. • A sole proprietor whose legal residence is not within Louisville Metro, Kentucky.

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Accounting Methods	<p>CONSOLIDATED RETURNS – are not permitted in the calculation of net profit on this return. If a corporation which is subject to the occupational license tax is included in a consolidated return, that corporation shall submit the following:</p> <ul style="list-style-type: none"> • Form OL-3 based upon the taxable income (or loss) of the corporation subject to the occupational tax, not the consolidated taxable income. • A copy of the consolidated Form 1120 or its equivalent. • A Proforma return or a computation sheet allocating all revenue and expense items on the consolidated Federal return to each corporation included in that consolidated return. <p>SEPARATE ACCOUNTING METHOD is not permitted when filing this return. Therefore, if any entity has operations both within and outside Louisville Metro, Kentucky, the total profit or loss per the Federal return of the entity must be reported on this return. The total profit or loss is to be multiplied by the apportionment percentage of receipts and wages earned in Louisville Metro, Kentucky, as computed in the apportionment calculations (Lines 21-24), rather than reporting only the net profit or loss from those operations in Louisville Metro, Kentucky.</p>
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READ THE INSTRUCTIONS BELOW TO COMPLETE THE FORM OL-3

Demographics	<ul style="list-style-type: none"> • Enter full legal name under applicable section (i.e. Individual/Sole Proprietor or Corporation/Partnership). <ul style="list-style-type: none"> ○ If you are filing as an Individual/Sole Proprietor, you must provide your social security number. ○ If you are filing as a Corporation/Partnership, you must provide your Federal ID number. • Enter your current address. If your address has changed, check the box and provide new the address. • All returns must include Account ID and Tax Year Ending (MM/DD/YYYY). • Include email address of the individual to contact for questions regarding the extension request.
Return Status	<ul style="list-style-type: none"> • If this is your first return with Louisville Metro Revenue Commission, check the box designated “Initial Return.” • If you were not actively engaged in business during the tax year but do intend to resume operations at a future date, check the box designated “No Activity.” • If your business activity ceased, check the box “Final Return”, and enter the date your activity ceased. • You applied for a tax number with the intention of starting a business but never transacted business within Louisville Metro, Kentucky, and do not intend to do so in the future. Check the boxes designated “No Activity” and “Final Return,” enter the date activity ceased, sign, and mail/deliver the return to the Revenue Commission. • If you are filing an amended return, you must check the box labeled “Amended Return.”
General Information	<ul style="list-style-type: none"> • If you made payments in the sum of \$600.00 or more to any individual for services rendered in Louisville Metro, Kentucky, other than an employee, you are required to file form 1099-SF. Form 1099-SF must be delivered or postmarked by February 28th following the close of the calendar year in which non-employee compensation payments were made. (See Instructions for Form 1099-SF.) • Indicate the principal business activity performed during the tax year. • If Federal Authorities made changes to net income for any prior year, indicate year(s) changed and attach a statement of the proposed changes. • Provide Name, Address, and Social Security Number for the Corporation’s Principal Administrative Officer. • If a consolidated federal return was filed see page 3 of Instructions. • If there was a change in ownership, include “New Owner” information.

COMPLETE CALCULATIONS ON PAGE 2 OF FORM OL-3 PRIOR TO COMPLETING PAGE 1

Individuals/ Sole Proprietor	Line 1(a)	Enter the gross salaries, wages, tips, and other forms of compensation reported on Form W-2. This amount is the greater of box 5 or 18 on Form W-2. (NOTE: Applies only to individuals who did not have the full amount of occupational tax withheld from their wages.) Amounts deferred due to Section 401K, 403B, or 457 of the Internal Revenue Code must be included. (Attach a copy of Form W-2.) Lines 1(a) – 1(e) must be completed by employees receiving salaries, wages, tips, etc., from which the full amount of occupational taxes were not withheld. (Complete Line 1(a) – 1(e), and Lines 28 – 35 under the column marked “INDIVIDUAL” as applicable.)
	Line 1(b)	Enter the related employee business expenses reported on Federal Form 2106. (Attach Form 2106.)
	Line 1(c)	Subtract Line 1(b) from Line 1(a).
	Line 1(d)	Divide total days worked in Louisville Metro by total days worked everywhere to compute the apportionment for time spent in Louisville Metro. Percentage calculations must be carried out five (5) decimal places. EXAMPLE: “22.12345%”
	Line 1(e)	Multiply Line 1(c) by Line 1(d). NOTE: If you had a loss from a business operation, you may not offset your loss against wages reported on Line 1(e).

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NOTE: A deduction may be taken only if the business engaged in the selling of alcoholic beverages had a profit.	Line 2	Enter the amount of non-employee compensation reported on Federal Form 1099 or the amount of other income per Form 1040. Attach a copy of Form 1040 and Form 1099. Complete line 2 only if you are an individual receiving payment for contract services (non-employee compensation) and are not claiming business expenses. (Complete Lines 2, 13, 20, 21, 24, and Lines 25 – 35 under the column marked “INDIVIDUAL” as applicable.)
	Line 3	Enter the net profit or loss as shown on Federal Schedule C. (Attach a copy of page 1 and 2 of Schedule C, or Schedule C-EZ.) Complete Line 3 if you are an individual receiving income from the operation of a trade, business, or profession. (Complete Lines 3 – 7, 10, 13, 15, 20, and 21 – 35 under the column marked “INDIVIDUAL” as applicable.)
	Line 4	Enter 100% of the short-term capital gains and long-term capital gains carried over from Federal Form 4797 or Federal Form 6252 (installment sales) to Federal Schedule D representing gain from the sale of property used in your trade or business. (Attach a copy of Form 4797, pages 1 and 2, or Form 6252.)
	Line 5	Enter the total rental income or loss per Federal Schedule E. (Attach a copy of Federal Schedule E of Form 1040.) NOTE: Rental income or loss must be reported on Line 5 if the rental property constitutes an activity. Activity is defined in Items under the heading, “Who Must File an Occupational License Tax Return (Form OL-3).” (Complete Lines 3 – 7, 10, 13, 15, 20, and 21 – 35 under the column marked “INDIVIDUAL” as applicable.)
	Line 6	Enter the net farm profit or loss per Federal Schedule F. (Attach a copy of Federal Schedule F.) NOTE: Only report Farm profit or losses if the farm is located in Louisville Metro, Kentucky. Farm losses for farms located in Louisville Metro, Kentucky are subject to the hobby loss rules (U.S. Department of Treasury Regulations 1.183(c) and 1.183.2(b).) Line 6 must be completed by individuals receiving income from the operation of a trade, business, or profession. (Complete Lines 3 – 7, 10, 13, 15, 20, and 21 – 35 under the column marked “INDIVIDUAL” as applicable.)
	Line 7	Enter the net gain or loss from the sale of property used in your trade or business per Federal Form 4797. (Attach a copy of Form 4797, pages 1 and 2).
	Line 10	Enter any deduction taken for State Income Taxes or Occupational Taxes by an individual on Federal Schedule C, E, or F.
	Line 13	Enter the total of Lines 2 through 10, as applicable.
	Line 15	Follow the instructions below for computing the alcoholic beverage deduction and attach a copy of the computation sheet to the tax form: <ul style="list-style-type: none"> • Kentucky alcoholic beverage sales divided by total sales equals the alcoholic beverage percentage. • Multiply the alcoholic beverage percentage by the net profit of the business engaged in the sale of alcoholic beverages as reported on Line 3.
	Line 16	Adjustments can be made on Form OL-3 if any sum is elected by the licensee as a credit against its federal income tax liability in lieu of a deduction for business expenses otherwise available to the licensee. Included in this list are the following: <ul style="list-style-type: none"> • If wage and salary expense is being reduced as a result of the work opportunity credit. • If the depreciable basis of an asset was reduced by the amount of investment credit claimed, ACRS depreciation may be taken on a basis reduced over the life of the asset.
Line 19	Enter the total of Lines 15 and 16, as applicable.	
Line 20	Subtract Line 19 from Line 13. This represents your “Adjusted Net Profit” which is also entered on Line 25.	

Once you have completed Line 20, continue down to **“All Entities”** Instructions on page 6.

Partnerships Form 1065- Partnerships (Complete Lines 8, 10 through 35 under the column marked “PARTNERSHIP” as applicable.)	Line 8	Enter the Ordinary Income or Loss per Federal Form 1065. (Attach a copy of Federal Form 1065, pages 1 – 4, Schedule of Other Deductions, and Rental Schedule(s) if applicable, or its equivalent).		
	Line 10	Enter any deduction taken for State Income Tax or Occupational Tax on Federal Form 1065.		
	Line 11	Enter the total of the income items listed below which are allocated to the partners and are not included as income on Federal Form 1065. (Attach a copy of Schedule K, or its equivalent, and Rental Schedules, if applicable.) <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"> <ul style="list-style-type: none"> • Net income from rental real estate activities • Net income from other rental activities • Portfolio income • Interest income • Dividend income </td> <td style="width: 50%; border: none;"> <ul style="list-style-type: none"> • Royalty Income • Net short-term capital gain • Net long-term capital gain • Other portfolio income • Guaranteed payments to partners • Net gain under Section 1231 (other than due to casualty or theft) </td> </tr> </table>	<ul style="list-style-type: none"> • Net income from rental real estate activities • Net income from other rental activities • Portfolio income • Interest income • Dividend income 	<ul style="list-style-type: none"> • Royalty Income • Net short-term capital gain • Net long-term capital gain • Other portfolio income • Guaranteed payments to partners • Net gain under Section 1231 (other than due to casualty or theft)
	<ul style="list-style-type: none"> • Net income from rental real estate activities • Net income from other rental activities • Portfolio income • Interest income • Dividend income 	<ul style="list-style-type: none"> • Royalty Income • Net short-term capital gain • Net long-term capital gain • Other portfolio income • Guaranteed payments to partners • Net gain under Section 1231 (other than due to casualty or theft) 		
	Line 13	Enter the total of Lines 8 through 11, as applicable.		
Line 14	Enter the total of the items listed below that are allocated to the partners which are not included as losses or expenses on Federal Form 1065, as they are allowed as deductions for occupational tax purposes. (Attach a copy of Schedule K or its equivalent and Rental Schedules, if applicable.)			

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<p>NOTE: A deduction may be taken only if the business engaged in the selling of alcoholic beverages had a profit.</p>		<ul style="list-style-type: none"> Net loss from rental real estate activities Net loss from other rental activities Portfolio loss Net short-term capital loss Net long-term capital loss 	<ul style="list-style-type: none"> Net loss under Section 1231 (other than due to casualty or theft) Charitable Contributions Expense deductions for recovery property (Section 179) Deductions related to portfolio income
	<p>NOTE: Contributions to KEOGH Plans, Simplified Employee Pension Plans, and Medical Insurance Premiums on behalf of partners are not deductible on Form OL-3.</p>		
	Line 15	<p>Follow the instructions below for computing the alcoholic beverage deduction and attach a copy of the computation sheet to the tax form.</p> <ul style="list-style-type: none"> Kentucky alcoholic beverage sales divided by total sales equals the alcoholic beverage percentage. Multiply the alcoholic beverage percentage by the net profit of the business engaged in the sale of alcoholic beverages as reported on Line 8. 	
	Line 16	<p>Adjustments can be made on Form OL-3 if any sum is elected by the licensee as a credit against its federal income tax liability in lieu of a deduction for business expenses otherwise available to the licensee. Included in this list are the following:</p> <ul style="list-style-type: none"> If wage and salary expense is being reduced as a result of the work opportunity credit. If the depreciable basis of an asset was reduced by the amount of investment credit claimed, ACRS depreciation may be taken on a basis reduced over the life of the asset. 	
	Line 17	<p>Partnerships shall deduct, and provide substantiation of adjustment, by including a completed copy of the applicable federal forms, the following amounts (net of the deductions properly allocated thereto):</p>	
		<ul style="list-style-type: none"> Foreign dividend income Foreign rental income Interest earned on U.S. Obligations Foreign royalty income Foreign capital gains 	<ul style="list-style-type: none"> Ordinary income or loss from other partnerships or S-Corporations which is included in income on Line 8, 11, or 14 of Form OL-3. (Please note the occupational number of the account under which the income or loss is being reported.)
	Line 18	<p>Enter the amount of professional expenses claimed by the partners on their individual Form 1040 which are related to, but not reimbursed by, the partnership. (Include a schedule listing partner name(s), the type of deduction, and the amount of each deduction).</p>	
	Line 19	<p>Enter the total of Lines 14 through 18, as applicable.</p>	
Line 20	<p>Subtract Line 19 from Line 13. This entry represents your “Adjusted Net Profit” which is also entered on Line 25.</p>		

Once you have completed Line 20, continue down to **“All Entities”** Instructions on page 6.

<p>Corporations/ S-Corporations</p> <p>Form 1120 Series Corporations (Complete Lines 9 through 35 under the column marked “CORPORATION” as applicable.)</p>	Line 9	<p>Enter the Taxable Income or Loss after special deductions and net operating loss per Federal Form 1120 series or the Ordinary Income or Loss per Federal Form 1120S. (Attach a copy of Federal Form 1120 series, pages 1 - 6, or 1120S, pages 1 – 3, Schedule of Other Deductions, and Rental Schedule(s) if applicable, or its equivalent.)</p>	
	Line 10	<p>Enter any deduction taken for State Income tax or Occupational Tax on Form 1120.</p>	
	Line 11	<p>Enter the total of the income items listed below which are allocated to the shareholders and are not included as income on Federal Form 1120S. (Attach a copy of Schedule K, or its equivalent, and Rental Schedules, if applicable.)</p>	
		<ul style="list-style-type: none"> Net income from rental real estate activities Net income from other rental activities Portfolio income Interest income Dividend income 	<ul style="list-style-type: none"> Net income from rental real estate activities Net income from other rental activities Portfolio income Interest income Dividend income
	Line 12	<p>Enter the amount of any operating loss, if taken as a deduction on any Federal Form 1120 series return, any deduction for dividends paid if taken on form 1120-REIT or any schedule H adjustments to income on form 1120-C. (This amount is to be added to taxable income.)</p>	
	Line 13	<p>Enter the total of Lines 9 through 12, as applicable.</p>	
	Line 14	<p>Enter the total of the items listed below which are allocated to the shareholders and are not included as losses or expenses on Federal Form 1120S. (Attach a copy of Schedule K, or its equivalent, and Rental Schedules, if applicable.)</p>	

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<p>NOTE: A deduction may be taken only if the business engaged in the selling of alcoholic beverages had a profit.</p>		<ul style="list-style-type: none"> Net loss from rental real estate activities Net loss from other rental activities Portfolio loss Net short-term capital loss Net long-term capital loss 	<ul style="list-style-type: none"> Net loss from rental real estate activities Net loss from other rental activities Portfolio loss Net short-term capital loss Net long-term capital loss
	<p>NOTE: Contributions to KEOGH Plans, Simplified Employee Pension Plans, and Medical Insurance premiums on behalf of partners or shareholders are not deductible on Form OL-3.</p>		
	Line 15	<p>Follow the instructions below for computing the alcoholic beverage deduction and attach a copy of the computation sheet to the tax form.</p> <ul style="list-style-type: none"> Kentucky alcoholic beverage sales divided by total sales equals the alcoholic beverage percentage. Multiply the alcoholic beverage percentage by the net profit of the business engaged in the sale of alcoholic beverages as reported on Line 9. 	
	Line 16	<p>Adjustments can be made on Form OL-3 if any sum is elected by the licensee as a credit against its federal income tax liability in lieu of a deduction for business expenses otherwise available to the licensee. Included in this list are the following:</p> <ul style="list-style-type: none"> If wage and salary expense is being reduced as a result of the work opportunity credit. If the depreciable basis of an asset was reduced by the amount of investment credit claimed, ACRS depreciation may be taken on a basis reduced over the life of the asset. 	
	Line 17	<p>Corporate taxpayers shall deduct, and provide substantiation of adjustment, by including a completed copy of Schedule C of the Federal Form 1120, or other applicable federal forms, the following amounts (net of the deductions properly allocated thereto):</p>	
		<ul style="list-style-type: none"> Foreign dividend income Foreign rental income Interest earned on U.S. Obligations Foreign royalty income Foreign capital gains 	<ul style="list-style-type: none"> Foreign dividend income Foreign rental income Interest earned on U.S. Obligations Foreign royalty income Foreign capital gains
	Line 19	Enter the total of Lines 14 through 17, as applicable	
Line 20	Subtract Line 19 from Line 13. This entry represents your “Adjusted Net profit” which is also entered on Line 25.		
<p>All Entities</p> <p>All licensees who conducted a business activity in Louisville Metro, Kentucky must complete Lines 21-24, regardless of profit or loss, if total gross receipts and payroll were not confined solely to Louisville Metro, Kentucky. All percentages should be carried out five (5) decimal places. (EXAMPLE: “22.12345%”) Gross figures must be used when completing Lines 21 and 22.</p>	Line 21(a)	“Gross Receipts – Louisville Metro, KY” – Enter total gross receipts from sales made or services performed in Louisville Metro, Kentucky.	
	Line 21(b)	“Gross Receipts – Total Operations Everywhere” – Enter total gross receipts (less returns and allowances) from sales made or services performed everywhere for your total operation per the Federal return.	
	Line 21(c)	“Louisville Metro Gross Receipts Percentage” – Divide Line 21, Column A by Line 21, Column B and enter the resulting percentage on Line 21, Column C. The percentage must be carried out five (5) decimal places.	
	Line 22(a)	“Gross Wages – Louisville Metro, KY” – Enter total gross wages paid to employees for work performed within Louisville Metro, Kentucky. This does include compensation of officers, but not guaranteed payments to partners, contract, or subcontract labor.	
	Line 22(b)	“Gross Wages – Total Operations Everywhere” – Enter total gross wages paid to employees everywhere per the Federal return. This does include compensation of officers, but not guaranteed payments to partners, contract, or subcontract labor.	
	Line 22(c)	“Louisville Metro Gross Wage Percentage” – Divide Line 22, Column A by Line 22, Column B and enter the resulting percentage on Line 22, Column C. The percentage must be carried out five (5) decimal places.	
	Line 23(c)	“Total Apportionment Percentage for Louisville Metro, Kentucky” – Add Line 21, Column C to Line 22, Column C and enter the resulting percentage on Line 23, Column C. The percentage must be carried out five (5) decimal places.	
	Line 24(c)	“Apportionment Percentage” – If both Lines 21(b) and 22(b) are greater than zero, divide the entry on Line 23(c) by 2, and enter the result on Line 24(c), and Line 26, Column A of the front page. If either Line 21(b), or Line 22(b), are zero, enter the amount on Line 23(c) on Line 24(c) and Line 26, Column A of the front page. The percentage must be carried out five (5) decimal places.	
	Line 25	Enter the Adjusted Net Profit figure from Line 20 on page 2 of form.	
	Line 26	Insert the percentage from Line 24(c). Enter 1.00000 in Column A if taxpayer’s total business operations are in Louisville Metro, Kentucky. The percentage must be carried out five (5) decimal places.	
Line 27	Multiply the entry on Line 25 by the percentage on Line 26, Column A. Enter the result in Columns A and B.		

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	Line 28	Enter the amount of wages from Line 1(e) earned while working in Louisville Metro, Kentucky, in Columns A and B. Louisville Metro includes the area within the boundaries of Jefferson County, Kentucky. If you had other sources of income from which occupational taxes were not withheld, you are required to complete Lines 2 through 20. NOTE: Non-residents of Louisville Metro, Kentucky, do not complete Line 28, Column B.			
	Line 29	Add the entries on Line 27 and 28 and enter the greater of the total of Line 27 plus Line 28, or Line 28. Note: Line 29 cannot be less than Line 28. If you had a loss from a business operation, you may not offset your loss against wages reported on Line 1(e).			
	Line 30	Tax Calculations: Multiply Line 29, Column A, by the Louisville Metro and Mass Transit tax rate of .0145 and Line 29, Column B, by the School Boards tax rate of .0075 and enter the results in the appropriate columns. (See “Special Provisions of Local Laws” under General Instructions if you are a minister or a non-resident of Louisville Metro, Kentucky.)			
	Line 31	Total Occupational Tax Due – Add entries on Line 30, Columns A and B, and enter the result.			
Records supporting the amounts reported as taxable to Louisville Metro, Kentucky, should be retained five (5) years and must be presented upon request.	Line 32(a)	Enter Total Prepayments of estimated tax for the tax year.			
	Line 32(b) & (c)	If Total Prepayments (Line 32a) is greater than Total Occupational Tax Due (Line 31) enter the amount on Line 32(b) to be refunded, enter the amount on Line 32(c) to be credited to next year. If prior unpaid balances exist, the overpayment will offset any debt before being refunded or credited to next year.			
	Line 33	Balance of Occupational Tax Due – Subtract Total Prepayments (Line 32a) from Total Tax Due (Line 31).			
	Line 34	Penalty and interest charges resulting from late filing or late payment of the occupational tax should be entered on Line 34. (See “Penalty and Interest” on pages 1 and 2 of the Instructions.)			
	Line 35	Amount to Be Paid – Add Lines 33 and 34 and enter the result. Payment of the total tax liability including penalty and interest charges should accompany the return as filed. Payment can be made electronically at https://www.metrorevenue.org , or attach a check along with the return.			
	Signature	<ul style="list-style-type: none"> If the form is being filed by a sole proprietor, it must be signed and dated by that individual. If the form is being filed by a corporation, it must be signed and dated by a corporate officer. If the form is being filed by a partnership, it must be signed and dated by a general partner. 			
Preparer	If the form is filed by a third party (CPA/Payroll Company), “Preparer Use Only” section on the bottom of the form must be completed. If the Preparer does not have a PTIN, it may be left blank.				
Exhibit “A” Accelerated Payment of Occupational Tax on Business Net Profit	<p>Businesses, other than sole proprietorships, whose aggregate net profit occupational tax liability due to Louisville Metro, TARC, and the School Boards exceeds \$5,000 for any fiscal year will be required to submit advance estimated payments of their occupational tax liability each quarter.</p> <p>Taxpayers whose current year occupational tax liability is more than \$5,000 will be required to submit estimated payments equal to the lesser of:</p> <ul style="list-style-type: none"> 90% of current year occupational tax liability submitted in four (4) equal payments (22.5% per payment). 100% of the prior whole year (12 months) occupational tax liability submitted in four (4) equal payments (25% per payment). 100% of the average occupational tax liability for the past three (3) whole (12 months) tax years submitted in four (4) equal payments (25% per payment), if the tax liability for any of the three (3) preceding full taxable years exceeded \$20,000. 				
Schedule for Quarterly Net Profit Occupational Tax Payments	Fiscal Year Ending	1 st Deposit Due	2 nd Deposit Due	3 rd Deposit Due	4 th Deposit Due
	DEC 31	APR 15	JUN 15	SEP 15	DEC 15
	JAN 31	MAY 15	JUL 15	OCT 15	JAN 15
	FEB 28	JUN 15	AUG 15	NOV 15	FEB 15
	MAR 31	JUL 15	SEP 15	DEC 15	MAR 15
	APR 30	AUG 15	OCT 15	JAN 15	APR 15
	MAY 31	SEP 15	NOV 15	FEB 15	MAY 15
	JUN 30	OCT 15	DEC 15	MAR 15	JUN 15
	JUL 31	NOV 15	JAN 15	APR 15	JUL 15
	AUG 31	DEC 15	FEB 15	MAY 15	AUG 15
	SEP 30	JAN 15	MAR 15	JUN 15	SEP 15
	OCT 31	FEB 15	APR 15	JUL 15	OCT 15
	NOV 30	MAR 15	MAY 15	AUG 15	NOV 15