

ANNUAL FEDERAL EMPLOYEE OCCUPATIONAL LICENSE TAX RETURN INSTRUCTIONS

General Information	The Louisville Metro Revenue Commission (hereinafter referred to as the “ Revenue Commission ”) collects Occupational License Fees/Taxes (hereinafter referred to as “ Occupational Taxes ” on all income 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 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.
Tax Rates	<ul style="list-style-type: none"> • Resident employees - Employees who work and live in Louisville Metro, Kentucky, are subject to a tax rate of 2.2% (.0220). • Non-resident employees - Employees who work in Louisville Metro, Kentucky and live outside Louisville Metro, Kentucky, are subject to a tax rate of 1.45% (.0145).
Who Must File an Annual Federal Employee Occupational License Tax Return	<ul style="list-style-type: none"> • Non-Resident, military personnel receiving services payments. (Applicants are only required to complete the Non-Resident military personnel exemption portion and provide signature certifying all information is true and correct.) • Members of the Kentucky National Guard receiving income for active duty training, unit training assemblies, and annual field training. • All federal employees whose earnings within Louisville Metro, Kentucky, were from salaries, commission, or other compensation received from a federal agency, and on which occupational license taxes were not withheld or not fully withheld. • All federal employees whose earnings are attributable to activities performed outside the Louisville Metro area and their employer withheld and remitted to the Commission the occupational license tax.
When to File and Pay	<ul style="list-style-type: none"> • If “Occupational Tax” is owed the occupational taxes must be paid in full at the time of filing to avoid penalties and interest. The deadline is April 15th. • If a refund is requested, THERE IS A TWO-YEAR STATUTE OF LIMITATIONS. The refund request must be postmarked within two (2) years from the date the Annual Reconciliation (Form W-3) and W-2 data is due. The Annual Reconciliation and W-2 data is due on or before February 28th. Example: The Annual Reconciliation for 2008 is due on or before February 28, 2009. Request for refunds of any employee withholding taxes for quarters beginning on or after July 1, 2008 must be postmarked on or before February 28, 2011.
Where to File	Form I-2 should be mailed to the Louisville Metro Revenue Commission, P.O. Box 32060, Louisville, Kentucky 40232-2060 , or hand-delivered to 617 West Jefferson Street, Louisville, Kentucky 40202 . All checks should be made payable to the Louisville Metro Revenue Commission and include Account ID.
Penalties for Failure to Pay	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 total license tax liability, for failure to file and/or pay a tax return by the regular or extended due date.
Interest	Interest is computed at twelve percent (12%) per annum from the original due date until total tax liability is paid in full.
READ INSTRUCTIONS BELOW TO COMPLETE THE ANNUAL FEDERAL EMPLOYEE OCCUPATIONAL LICENSE TAX RETURN	
Demographics	<ul style="list-style-type: none"> • If applicant is requesting a refund, provide Employer’s Account ID. • If applicant is filing for tax due, provide Applicant’s Account ID. • Provide applicant’s full legal name and social security number • Provide applicant’s current address. (Correspondence/Refund check will be mailed directly to applicant to the address provided. If the address is incorrect, the check will be returned to our agency.) • Provide applicant’s current phone number. (This number may be used by our agency to contact applicant if there is a problem with the application.) • Application must include tax year end for filing.
Income Earned Outside Louisville Metro, KY	Use the formula below to compute any deduction for wages earned outside of Louisville Metro, KY.
NOTE: Applies only if at least 5% of time worked was spent outside Louisville Metro, KY.	A Enter the Total number of hours worked outside Louisville Metro, Kentucky.
	B Enter the Total number of hours worked per year. (For example: 40 hours x 52 weeks = 2,080 hours worked per year) This number may vary based on overtime. Total hours worked per year should exclude vacation, sick, and holidays.
	C Divide Total hours worked outside Louisville Metro, KY (Line 1) by Total hours worked per year (Line 2) to compute the Percentage of time worked outside Louisville Metro, KY.
	D Enter the Total Gross Wages per Form W-2 (including deferred compensation). This should be the greater of Box 5 (Medicare Wages) or Box 18 (Local Wages) as reported on Form W-2. Generally, this amount is total compensation before deductions. Deferred compensation and Non-Cash Fringe Benefits must be included.
	E Multiply Percentage of time worked outside (Line 3) by Total Gross Wages (Line 4) to compute the Total amount of wages earned outside Louisville Metro, Kentucky. (For example: \$50,000 (gross wages) multiplied by 24% equals \$12,000)

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Wage Information	Line 1	Enter the Total Gross Wages per Form W-2 (including deferred compensation). This should be the greater of Box 5 (Medicare Wages) or Box 18 (Local Wages) as reported on Form W-2. This amount is total compensation before deductions. Deferred compensation and Non-Cash Fringe Benefits must be included in the gross figure.				
	Line 2	Enter Total amount of wages earned outside Louisville Metro, Kentucky computed on Line E from "Income earned outside Louisville Metro, KY" section				
	Line 3	Subtract Total amount of wages earned outside Louisville Metro, Kentucky (Line 2) from Total Gross Wages (Line 1) to compute Wages Subject to Occupational Tax				
Occupational tax Calculations	Line 4a	Multiply Wages Subject to Occupational Tax (Line 3) by .0145 (Louisville Metro Tax & Mass Transit Tax)				
	Line 4b	Multiply Wages Subject to Occupational Tax (Line 3) by .0075 (Only Louisville Metro Residents are subject to School Board tax)				
Tax Due Calculations	Line 5	Enter Tax Due (Residents: Line 4a + 4b, Non-Residents: Line 4a)				
	Line 6	Enter the Total taxes withheld per your W-2 Form or Total Prepayments . This should only include the taxes withheld for Louisville Metro, Kentucky. (Do not include any other jurisdiction)				
	Line 7	If Total Tax Due (Line 5) is greater than Total Taxes Withheld (Line 6), the additional amount (Balance Due) must be paid on or before the due date to avoid penalties and interest.				
	Line 8	Penalty and Interest charges resulting from late filing or late payment of the occupational tax. (See "Penalty and Interest" on page 1 of the Instructions)				
	Line 9	Add Balance Due (Line 7) and Penalty and Interest (Line 8) to compute the Total Amount Due .				
	Line 10	If Total Taxes Withheld (Line 6) is greater than Total Tax Due (Line 5) enter the Overpayment to be Refunded .				
Non-Resident Statement	If applicant is claiming a refund as a non-resident of Louisville Metro, KY, you must provide non-resident address. If applicant had more than one residence during the refund year, you must provide ALL addresses and time spent at each address.					
Worksheet for partial year resident If you were a resident for part of the year, use this worksheet to help calculate refund amount.	1.	Gross wages from W-2 (greater of line 5 or 18)		\$		
	2.	Percentage of time worked outside of Louisville Metro (Line C on pg. 1 of application)		%		
	3.	Total wages earned outside Louisville Metro (Multiply line 1 by line 2)		\$		
	4.	Local taxable wages (line 1 minus line 3)		\$		
	5.	Total days as a resident	Divided by	Total days	Equals	%
	6.	Total days as a non-resident	Divided by	Total days	Equals	%
	7.	Multiply resident percentage (Line 5) by line 3			\$	
	8.	Multiply non-resident percentage (Line 6) by line 3			\$	
	9.	Multiply line 7 by 2.2%			\$	
	10.	Multiply line 8 by 1.45%			\$	
	11.	Total tax due (line 9 + line 10)			\$	
	12.	Amount withheld per W-2			\$	
	13.	Refund amount (line 12 minus line 11)			\$	
Non-Resident military personnel exemption	Service payments to non-resident military personnel are exempt from state and local taxation under the Soldiers and Sailors Civil Relief Act. If your earnings were for military duty and you are not a resident of the State of Kentucky, please complete the Non-Resident military personnel exemption portion and the certification statement of this form.					
Certification Statement	Applicant must sign application certifying that all information is true and correct. Failure to provide signature will result in delay of refund and appropriate correspondence from our agency.					