

APPLICATION FOR EMPLOYEE REFUND OF OCCUPATIONAL TAXES WITHHELD INSTRUCTIONS

General Information	Employers are required to withhold Occupational License Fees/Taxes from the gross salaries, wages, commissions, and other forms of compensation earned by employees for work performed within Louisville Metro, Kentucky. An employee who has compensation attributable to activities performed outside the Louisville Metro area, based on time spent outside the Louisville Metro area, whose employer has withheld and remitted to the Commission the occupational license tax on the compensation attributable to activities performed outside the Louisville Metro area, may file for a refund. Louisville Metro includes the area within the boundaries of Jefferson County, Kentucky.	
Tax Rates There are three basic tax rates that apply to wages earned within Louisville Metro, Kentucky.	<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 live outside Louisville Metro, Kentucky, are subject to a tax rate of 1.45% (.0145). • Resident ordained ministers- Ordained ministers who work and live in Louisville Metro, Kentucky are subject to .75% (.0075) School Board Tax for services connected with his or her regular duties as a minister of religion. 	
Who May File an Application for Employee Refund of Occupational Taxes Withheld	<ul style="list-style-type: none"> • Employees with "Occupational Taxes" withheld from wages while working outside Louisville Metro, KY • Non-Resident employees with "School Board Tax" withheld from wages during all/part of year. • Employees with "Occupational Taxes" withheld at a higher rate than 2.2% • Minister employees with "Occupational Taxes" withheld at a higher rate than .75% • Non-Resident Minister employees exempt from .75% tax rate 	
When to File	THERE IS A TWO-YEAR STATUTE OF LIMITATIONS within which a refund request must be submitted to the Louisville Metro Revenue Commission. 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 2017 is due on or before February 28, 2018. Request for refunds of any employee withholding taxes for 2017 must be postmarked on or before February 28, 2020.	
Where to File	Form W1-REE 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 .	
REQUIRED INFORMATION NEEDED FOR THE REFUND REQUEST	<ul style="list-style-type: none"> • Separate application for each employee for each year involved. • If applicant is requesting a refund from multiple employers, separate applications must be filed for each employer. • Copy of W-2 issued for each prior year involved. For current year, a copy of the last check stub with year-to-date totals. • If Stock Option Worksheet is completed, an Information Statement on Option Exercise/Sale of Stock provided by your employer or broker. • Signature of employee verifying that all information on the document is correct. • Notarized signature of employer verifying that all information on the document is correct. 	
READ INSTRUCTIONS BELOW TO COMPLETE Application for Employee Refund of Occupational Taxes Withheld		
Demographics	Employer Information	<ul style="list-style-type: none"> • Provide Employer's Business Name. • Provide Employer's Federal ID Number. (Can be found on applicant's W-2) • Provide Employer's Account ID. (Employer can provide this)
	Applicant Information	<ul style="list-style-type: none"> • Provide applicant's full legal name and social security number. • Provide applicant's current address. (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 year refund is requested for and employee's job description.
Part III Work performed outside of Louisville Metro, KY.	Line 1	Enter the Total number of hours worked outside Louisville Metro, Kentucky.
	Line 2	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.
	Line 3	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 . Percentage calculations should be carried out five (5) decimal places. EXAMPLE: "22.12345%"
	Line 4	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

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<p>If all work was performed in Louisville Metro, KY, skip to part IV</p> <p>Note: If there are stock options included in your wages on form W-2, do not complete part III. Instead, complete the section titled "Stock option worksheet"</p> <p>Non-resident Rate: 1.45% ▶ Resident Rate: 2.2% Minister Rate: .75%</p>		<p>amount is total compensation before deductions. Deferred compensation and Non-Cash Fringe Benefits must be included in the gross figure entered on Line 4.</p>			
	Line 5	<p>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 x 22.12345% = \$11,061.72)</p>			
	Line 6	<p>Subtract Total amount of wages earned outside Louisville Metro, Kentucky (Line 5) from Total Gross Wages (Line 4) to compute the Wages subject to occupational tax. (For example: \$50,000 - \$11,061.72 = \$38,938.28)</p>			
	Line 7	<p>Multiply Wages subject to occupational tax (Line 6) by the applicable rate to compute the Occupational taxes due. (For example: \$38,938.28 x 1.45% = \$564.60)</p>			
	Line 8	<p>Enter the Total taxes withheld per your W-2 Form. This should only include the taxes withheld for Louisville Metro, Kentucky. (Do not include any other jurisdiction)</p>			
	Line 9	<p>Subtract Occupational taxes due (Line 7) from Total taxes withheld per your W-2 Form (Line 8) to compute the Total refund due. (For example: \$725 - \$564.60 = \$160.40)</p>			
<p>If any of the above information is not provided, contains a calculation error, or does not agree with the W-2 Form or your last check stub for the current year, your refund will be delayed. The Louisville Metro Revenue Commission will also send the appropriate correspondence to that affect. The Louisville Metro Revenue Commission also reserves the right to audit daily logs or calendar/schedules in case of discrepancies.</p>					
Part IV		<p>Applicant must provide the quarter(s) in which this overpayment occurred. Not providing this information will result in a delay.</p>			
Explanation for refund		<p>Applicant must provide explanation for overpayment. (For example: If employer withheld occupational taxes from wages earned outside Louisville Metro, KY, check the first box)</p>			
		<p>If applicant's explanation is a result of items 2-6, applicant must provide amount of refund requested.</p>			
Part V		<p>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. (Time spent at each residence may affect calculation of your amount of refund.)</p>			
Worksheet for partial year resident		<p>If you were a resident for part of the year, use this worksheet to help calculate refund amount.</p>			
	1.	Gross wages from W-2 (greater of line 5 or 18)			\$
	2.	Percentage of time worked outside of Louisville Metro (Line 3 of Part III on 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)			\$
Part VI		<p>If applicant is claiming a refund as an ordained minister, applicant must provide date in which he/she was ordained.</p>			
Part VII		<p>Applicant must sign refund application certifying that all information is true and correct.</p>			
Signature Certification		<p>A person in a position of authority (corporate officer, chief accountant, or head of payroll) other than the employee requesting the refund must certify that the information provided on refund application is true and correct by signing the form.</p>			
		<p>The Employer's authorized signature must be notarized by a third party for the refund application to be processed.</p>			
<p>Failure to provide all signatures will result in delay of refund.</p>					

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READ INSTRUCTIONS BELOW TO COMPLETE STOCK OPTION WORKSHEET

General Information	If applicant included any stock option in Gross Wages amount on Line 4 of Part III, you must include year the stock option was granted.	
Tax Due Calculation (Excluding Stock Options) Deferred compensation, ▶ Non-Cash Fringe Benefits and Stock Options must be included in the gross figure entered on Line 4. Non-resident Rate: 1.45% ▶ Resident Rate: 2.2%	Line 1	Enter the Total number of hours worked outside Louisville Metro, Kentucky for refund year listed at the top of refund application.
	Line 2	Enter the Total number of hours worked for refund year listed at the top of refund application. (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.
	Line 3	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 . Percentage calculations should be carried out five (5) decimal places. EXAMPLE: "22.12345%"
	Line 4	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.
	Line 5	Enter the amount of Stock Options included in Total Gross Wages (Line 4)
	Line 6	Subtract Stock Options (Line 5) from Total Gross Wages (Line 4) (For example: \$50,000 - \$20,000 = \$30,000)
	Line 7	Multiply Percentage of time worked outside (Line 3) by Total Gross Wages not including Stock Options (Line 6) to compute the Total amount of wages earned outside Louisville Metro, Kentucky . (For example: \$30,000 x 22.12345% = \$6,637.03)
	Line 8	Subtract Total amount of wages earned outside Louisville Metro, Kentucky (Line 7) from Total Gross Wages not including Stock Options (Line 6) to compute the Wages subject to occupational tax . (For example: \$30,000 - \$6,637.03 = \$23,362.97)
	Line 9	Multiply Wages subject to occupational tax (Line 8) by the applicable rate to compute the Occupational taxes due . (For example: \$23,362.97 x 1.45% = \$338.76)
Tax Due Calculation on Stock Options If you had Stock Options for multiple years, lines 10-16 are required for each year. Non-resident Rate: 1.45% ▶ Resident Rate: 2.2%	Line 10	Enter the Total number of hours worked outside Louisville Metro, Kentucky for year stock option was granted.
	Line 11	Enter the Total number of hours worked for year stock option was granted. (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.
	Line 12	Divide Total hours worked outside Louisville Metro, KY (Line 10) by Total hours worked . (Line 11) to compute the Percentage of time worked outside Louisville Metro, KY . Percentage calculations should be carried out five (5) decimal places. EXAMPLE: "22.12345%"
	Line 13	Enter the amount of Stock Options reported in wages per Line 5 for each year.
	Line 14	Multiply Percentage of time worked outside (Line 12) by amount of Stock Options (Line 13) to compute the Amount of Stock Options earned outside Louisville Metro, KY (For example: \$20,000 x 22.12345% = \$4,424.69)
	Line 15	Subtract Amount of Stock Options earned outside Louisville Metro, KY (Line 14) from Amount of Stock Options reported on line 5 (Line 13) to compute the Amount of Stock Options earned inside Louisville Metro, KY that are subject to Occupational Tax (For example: \$20,000 - \$4,424.69 = \$15,575.31)
Line 16	Multiply Amount of Stock Options earned inside Louisville Metro, KY (Line 15) by the applicable rate to compute the Occupational taxes due . (For example: \$15,575.31 x 1.45% = \$225.84)	
Tax Due & Refund Calculation	Line 17	Add Occupational tax due for wages not including stock options (Line 9) and Occupational tax due for stock options (Line 16) to compute Total Occupational Tax Due . (For example: \$338.76 + \$225.84 = \$564.60)
	Line 18	Enter the Total taxes withheld per your W-2 Form . This should only include the taxes withheld for Louisville Metro, Kentucky. (Do not include any other jurisdiction)
	Line 19	Subtract Occupational taxes due (Line 17) from Total taxes withheld per your W-2 Form (Line 18) to compute the Total refund due . (For example: \$725 - \$564.60 = \$160.40)

Notice: If an employer did not remit the taxes and/or quarterly employee withholding tax return for the period(s) of this refund, the Louisville Metro Revenue Commission will notify you that no refund will be issued.