

City of Somerset

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LEGAL NOTICE TO ALL EMPLOYERS AND ENTITIES CONDUCTING
OR OPERATING A BUSINESS IN THE CITY OF SOMERSET AND THE
ENACTMENT AND COLLECTION OF OCCUPATIONAL TAX
EFFECTIVE APRIL 1, 2015

The City of Somerset has enacted and is collecting an "Occupational Tax" for employers and businesses conducting or operating within the city limits of Somerset. This will require the collection of six tenths of one percent (0.6%) from employees and a net profit contribution of six tenths of one percent (0.6%) from any business operating within the City limits. The occupational tax and net profits tax will be implemented effective April 1, 2015 with the tax being collected on a quarterly basis beginning with the first collection due July 30, 2015.

Consistent with KRS 68.197 and appropriate sections, ten percent (10%) of the occupational tax collected through June 30, 2015 is an offset to the county occupational tax at this time. Therefore, the county rate within the city will be nine tenths of one percent (0.9%) rather than the full 1% currently collected.

Employees and businesses within the city limits will be subject to both rates (0.6% and 0.9%) while any employee and business outside the city limits only subject to county rate.

In summary, as of April 1st, please deduct .006 for city rate and .009 for county rate. Due to KRS Chapter 68, on July 1, 2015, please change the county rate deduction to .008.

Quarterly returns for reporting withholdings will need to be filed with the City in addition to the quarterly county filings. Annual net profits returns will need to be filed with city and county.

Annual reconciliations for withholdings, including justification for any exceptions, will be required to be filed at the end of the year, along with W-2's for all employees.

Business licenses will still be required for working in the City. The amount paid of your business license may be deducted from your net profit return filed.

We will do everything possible to minimize your time and effort. Thank you for your cooperation and patience during this initial process. Please contact Nick Bradley, City Clerk, or Jimmy Hogg, Budget Director at 606-679-6366 if you have any questions.