



To whom it may concern:

On May 29, 2025, the Somerset City Council passed an ordinance setting new occupational and net profits tax rates for employees and businesses operating within the city limits. These new rates will take effect during the 2025-2026 fiscal year, and will be implemented as follows:

The new occupational tax rate for all employees working within the Somerset city limits will be levied through a two-phase approach.

1. Starting **July 1, 2025**, the occupational tax rate will increase to **0.9%**. Please adjust your payroll withholding accordingly on this date.
2. Starting **January 1, 2026**, the occupational tax rate will increase to **1.2%**. Please adjust your payroll withholding accordingly on this date.

The new net profits tax rate will take effect **January 1, 2026**. It will increase to **1.2%**.

If you contract with a payroll provider to handle your payroll or to process your net profits tax returns, please notify the provider of these changes.

Thank you for your prompt attention to this matter. Please reach out to the Office of the City Clerk at (606) 679-6366 with any questions.

Sincerely,

Nick Bradley
Somerset City Clerk

ORDINANCE NUMBER 25- 14

An Ordinance of the City of Somerset, Kentucky, Amending Ordinance Number 13-02, the City's Occupational Taxes Levied Pursuant to KRS 92.281 & KRS Chapter 137.

WHEREAS, historical inflation has caused the need for the City to increase revenue to ensure future budgets are beneficial to the City and preserve the level of public services produced by the City.

BE IT ORDAINED by the City of Somerset, KY:

Ordinance 13-02 is hereby amended at Paragraph III (b) (1) & (2) to increase the tax rate of the City of Somerset Occupational tax as follows:

- (1) a. Prior to July 1, 2025, six tenths of a percent (.006) of all wages and compensation paid or payable in the City, for work done or services performed or rendered in the City, by every resident and nonresident who is an employee; and

b. On or after July 1, 2025, but prior to January 1, 2026, nine tenths of one percent (0.9%) or (.009) of all wages and compensation paid or payable in the City for all work done or services performed or rendered in the City by every resident and non-resident who is an employee; and

c. On or after January 1, 2026, one and two tenths percent (1.2%) or (.012) of all wages and compensation paid or payable in the City for all work done or services performed or rendered and in the City by every resident and non-resident who is an employee; and
- (2) a. Prior to January 1, 2026, six tenths of a percent (.006) of the net profit from business conducted in the City by a resident or nonresident business entity[.]; and

b. On or after January 1, 2026, one and two tenths percent (1.2%) or (.012) of the net profit from business conducted in the City by a resident or nonresident business entity.

FIRST READING: MAY 12, 2025

SECOND READING: MAY 29, 2025

Approved: _____
Mayor

Attest: _____
City Clerk