

ORDINANCE NO. 70-11

AN ORDINANCE AMENDING CERTAIN SECTIONS OF ORDINANCE NO. 70-2 AS ADOPTED ON JUNE 23, 1970 PERTAINING TO THE ONE PER CENT (1%) OCCUPATIONAL LICENSE TAX FEES FOR THE PRIVILEGE OF ENGAGING IN BUSINESSES, OCCUPATIONS, TRADES AND PROFESSIONS IN THE CITY OF RUSSELLVILLE, KENTUCKY, AND PROVIDING A SEVERABILITY CLAUSE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RUSSELLVILLE, KENTUCKY.

THAT SECTION 2. OF SAID ORDINANCE NO. 70-2 BE REENACTED AND AMENDED AS FOLLOWS:

SECTION 2. EXEMPTED ACTIVITIES

1. No license fee under this ordinance shall be required of domestic servants employed in private homes.

2. The following business activities exempt from the payment of a license tax to a city by provisions of the Kentucky Revised Statutes are not subject to the ^{net profits} license tax levied herein:

a. State or national banks, trust companies or combined banks and trust companies and title insurance companies organized and doing business in this state in accordance with KRS 92.300 if they pay both an ad valorem tax and a tax to the city on the fair cash value of the shares of stock as provided in KRS 136.270.

b. Manufacturing establishments which have heretofore or are hereafter by ordinance exempt from city taxation for a period not exceeding five years immediately following their establishment as an inducement to their location within the City of Russellville as provided in KRS 92.300.

c. Public utility companies that pay both an ad valorem tax and franchise tax as provided in KRS 92.261 (3) and the state tax provided in KRS 278.130 (2).

THAT SECTION 5. OF SAID ORDINANCE NO. 70-2 BE REENACTED AND AMENDED AS FOLLOWS:

SECTION 5. RECORDS OF COLLECTION

It shall be the duty of the Director of Finance to collect the license fees imposed by this ordinance, to keep the records showing the amount and date received by him from each licensee and employer and to periodically pay to the City of Russellville treasurer such collections.

THAT SECTION 7. OF SAID ORDINANCE NO. 70-2 BE REENACTED WITHOUT CHANGE EXCEPT THAT THE FOLLOWING PARAGRAPH SHALL BE ADDED THERETO AT THE END THEREOF:

SECTION 7. (cont) The minimum civil penalty for failure to file any tax return required under this ordinance or for late filing without written extension having been granted by the Director of Finance shall be five dollars (\$5.00) regardless of the time or amount involved.

SECTION 9. THAT SECTION 9. OF SAID ORDINANCE NO. 70-2 BE REENACTED WITHOUT CHANGE EXCEPT THAT SUBSECTION 10 SHALL BE ADDED THERETO AT THE END THEREOF:

SECTION 9. (cont)

10. COMPUTATION OF PERCENTAGE WHICH THE NET PROFITS FOR WORK PERFORMED OR SERVICE RENDERED WITHIN THE CITY BEARS TO THE TOTAL COMPENSATION EARNED.

The net profits of business and professions from activities conducted in the City shall be computed as follows:

a. Multiply the entire net profit from all sources by a business allocation percentage to be determined by:

1. Ascertaining the percentage which the gross receipts of the licensee from sales or services rendered within the City bears to the total gross receipts from sales or services rendered wherever made.

2. Ascertaining the percentage which the wages, salaries and other personal service compensation period covered by the report for services performed or rendered within the City bears to the total wages, salaries and personal service compensation for such period of all the licensee's employees within and without the City.

3. Adding together the percentage determined in accordance with sub paragraphs 1 and 2 above and dividing the total so obtained by two.

Sales within the City shall be sales of merchandise delivered to a customer within the City or services performed within the City for a customer.

The term "Business" means an enterprise , activity, or undertaking of any nature conducted for gain or profit, or conducted by an individual, co-partnership, association or any other entity, but shall not include the usual activities of Boards of Trade, Chambers of Commerce, Trade Associations or Unions. (or other association performing the services usually performed by trade associations or unions); Community Chest Funds or Foundations; Corporations or Associations organized and operated exclusively for religious, charitable, scientific, literary, education or civic purposes, or for the prevention of cruelty to children or animals, for clubs or fraternal organizations operated exclusively for social, literary, educational, or fraternal purposes, where no part of the earnings or income or receipts for such units, groups, or associations inures to the benefit of any private shareholder or individual.

THAT SECTION 11. OF SAID ORDINANCE NO. 70-2 SHALL BE REENACTED AND AMENDED AS FOLLOWS:

SECTION 11. EQUAL IMPOSITION OF LICENSE TAX, MINIMUM NET PROFIT LICENSE TAX FEE AND REFUND OF OVER PAYMENT.

1. It is the purpose of this ordinance to provide revenue for necessary capital improvements and the General Fund of the City of Russellville, in a fair and equitable manner, and it is not the intention of the City or of this ordinance to impose or require an occupational license fee prohibited by law.

2. Persons, associations, corporations or other business entities involved in any business, occupation, trade, profession or other business activity within the City shall be subject to the net profit tax hereunder shall on or before July 1, 1971 purchase an occupational license from the office of the Director of Finance for a tax fee of ten dollars (\$10.00) for the last half of the calendar year 1971 and thereafter shall on or before the first day of every January thereafter purchase an occupational license from said office for a tax fee of twenty dollars (\$20.) for the following calendar year. The expiration date of the 1970 occupational license is hereby extended from April 30, 1971 to June 30, 1971 but no business subject to the net profit tax hereunder shall operate on or after July 1, 1971 without first purchasing the new occupational license as set out above. The tax fee for said license shall be considered a minimum fee and no part of same will be refunded or credited toward the purchase of an occupational license for another business but credit for the entire amount paid for said occupational license will be allowed on line three (3) of the Licensee's Annual Net Profit License Fee Return. Clergymen, officers and employees of public agencies shall not be required to purchase an occupational license or pay the minimum fee therefore, unless they are engaged in a business or profession not connected with their church or governmental duties, however, this provision shall not be construed to relieve ministers or public officers and employees of the payment of one per cent (1%) ^{tax} on all amounts earned within the City of Russellville.

3. The Director of Finance is hereby empowered to adopt rules and regulations for the refund or credit on future tax liability in cases of over payment of the occupational license tax in case the amount paid in during any tax year exceeds the amount owed due to withholding and/or quarterly estimated payments. Provided however, all such rules and regulations and decisions related thereto shall be subject to the consent and approval of the Mayor.

SECTION 12. SEVERABILITY

The provisions of this ordinance are severable. If any sentence, clause or part of this ordinance or the application thereof to any particular state of case is for any reason found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall not affect or repeal any of the remaining provisions, sentences, clauses or sections or parts of this ordinance, it being the legislative intent of this body to ordain and enact each provision, paragraph, sentence and part hereof separately and independently of each other.

Approved and adopted by roll call vote on this 29th day of December 1970.

Wallace Henderson
Mayor

Attested: M. E. O. Zinn
City Clerk