

Madison County Finance Office

NET PROFITS LICENSE FEE RETURN

Attach Federal Returns and any Schedules that apply	Account Number	Calendar/Fiscal Year Ended		
		Month	Day	Year
	Federal ID Number	Due Date		

	<p>Questions (ANSWER IN FULL)</p> <p>1. Nature of Business _____</p> <p>2. Date Business Started in this County _____</p> <p>3. If Business was Discontinued, State When _____ () by Dissolution or () by Sale if by sale give Name and Address of successor _____</p> <p>4. Did you have employees in this County? () Yes () No</p> <p>5. Basis upon which tax return is prepared () Cash () Accrual () C-Corp () S-Corp () Partnership () Sole-prop.</p> <p>6. Business Type: () Fiduciary () Other (Specify) _____</p> <p>7. Has the IRS changed the Net Income as originally reported for any prior year? () No () Yes If YES (Attach Schedule of Changes for each year)</p>
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Phone Number _____
 INDICATE ANY NAME OR ADDRESS CHANGE ABOVE

SCHEDULE A

<p>FOR OFFICIAL USE ONLY</p> <p>Rec'd _____</p> <p>Ck. No. _____</p> <p>Amount _____</p>	<ol style="list-style-type: none"> 1. Gross Receipts per Federal Tax Return 2. Total Business Deductions 3. Net Business income 4. ADD Items not deductible (Line F, Schedule B) 5. Total (Line 3 plus line 4) 6. DEDUCT items not subject (Line K, Schedule B) 7. Adjusted Net Business Income (Line 5 less Line 6) 8. If Sch. C from blow is used enter Average Percentage Here 9. NET PROFITS subject to License Fee (Line 7 X Line 8) 10. License Fee - 1.0000% of line 9 11. Interest - 12.00% per annum portion of year. 12. Penalty - 5.00% per month-maxium 25%- not less than \$25 13. Total (Line 10+11+12) 14. Less Credits - () ESTIMATE () OTHER 15. BALANCE DUE (line 13 less Line 14) pay this amount 16. If estimate overpaid Indicate () Refund or () Credit 	
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Circle if Applicable
 Final Return and/or No Activity

Make checks payable and mail to:
Madison County Finance Office
 P.O. Box 547
 RICHMOND, KY 40476-0547
 Phone Number (859) 624-4742

SCHEDULE B

NOTE: ADD AND OR DEDUCT ONLY THOSE ITEMS WHICH ARE INCLUDED IN CALCULATING NET INCOME PER FEDERAL RETURN

ITEMS NOT DEDUCTIBLE - ADD

A. State or Local taxes based on income	
B. Capital Gain (50) subject	
C. Net operating Loss Deduction	
D. Partner's Salaries (attach schedule)	
E. Other items (please list)	
F. TOTAL ADDITIONS (enter on line 4)	

ITEMS NOT SUBJECT - DEDUCT

G. Royalties on Patents, Copyrights	
H. Dividends	
I. Captial Loss (50% deductible)	
J. Other (attach schedule)	
K. Total Deductions (enter on line 6)	

SCHEDULE C

Business Allocation percentage-Divide (Col. A) by (Col. B) to obtain decimal. Carry out at least 6 places

ALLOCATION FACTORS

	Madison County	Total Factor	Percentage
1. Total Gross Business Receipts			
2. Total Wages, Salaries and Other Personal Service			
3. TOTAL PERCENTS			
4. AVERAGE PERCENTAGE (Line 3 divided by number of percents)Enter of line 8			

I hereby certify that the information, schedules, statements and exhibits filed herewith are true and correct.

Signed _____ Title _____ Date _____

THIS RETURN IS DUE ON OR BEFORE APRIL 15, FOR THE CALENDAR YEAR OR WITHIN 105 DAYS OF THE END OF YOUR FISCAL YEAR

**MADISON COUNTY
NET PROFIT LICENSE FEE RETURN INSTRUCTIONS**

PLEASE MAKE A COPY OF YOUR COMPLETED NET PROFIT LICENSE
FEE RETURN FOR YOU RECORDS.

PLEASE INCLUDE ALL APPROPRIATE FEDERAL TAX FORMS.

The Madison County Net Profit License Fee was levied at the annual rate of 1% effective July 1, 1987, on the net profits of all occupations, trades, professions, contractors, or other businesses engaged in activities within the county. The fee is levied against a partnership, or association as a business entity, therefore, the individual partners or members are not required to file a return on their distributive share of the profits. The Madison County form Net Profit Form is to be filed by all subject businesses, (businesses that have receipts and/or payroll within Madison County) and must be based on the net income as reported to the Federal Government therefore, the basis used (i.e. cash or accrual) must be consistent for both Federal Income Tax and Madison County Net Profits. The Net Profit Form must be filed on or before 105 days after the close of the business year, sale, liquidation or transfer. Check or money orders should be made payable to the Madison County Finance Office.

COMPUTATION OF LICENSE FEE

In computing the amount due, the taxpayer begins with gross receipts as shown by the Federal Income Tax Return less deductions as determined by the Federal Return. Deduction for general business expenses will be allowed the extent recognized and approved as such in determining the Federal Income Tax, but without deduction of state and local taxes based on income. All expenses connected with the acquisition or carrying of securities, the income from which is not subject under the ordinance, is not deductible.

INDIVIDUAL PROPRIETORSHIPS	U.S. TREASURY FORM 1040 SEPARATE SCHEDULE C, F, E, ETC.
ESTATES AND TRUSTS	U.S. TREASURY FORM 1041
PARTNERSHIPS	U.S. TREASURY FORM 1065
CORPORATIONS	U.S. TREASURY FORM 1120
SUB-CHAPTER S CORPORATION	U.S. TREASURY FORM 1120 S

SCHEDULE A

If a taxpayer pays License Fee on 100% of Net Profit and has no Schedule B or C adjustments they need to fill in only Schedule A; however, all taxpayers must answer all questions.

SCHEDULE B

The computation of License Fee provides for the adjustment of income as shown by your Federal Income Tax Return to the provisions of the Madison County License Fee Ordinance. Schedule B is provided for the taxpayer to add (Lines A-E) items which are subject to the License Fee. Most of these appear as part of the deductions taken on the Federal Return; therefore, they must be added back on Line 4 of the Net Profit Form. Lines G-K of Schedule B provides the deductions of items not subject to the License Fee. Many of these items are taxable for Federal Income Tax purposes so they must be deducted on Line 6. Attach schedule explaining such deductions. Listed below are instructions for each type of taxpayer.

INDIVIDUAL PROPRIETORSHIPS

Lines D & E are not applicable as they do not appear on the Treasury Form 1040 (Schedule C, E, or F). Lines A & B are for the addition of state and local taxes based upon income and License Fee under this Ordinance if either appears as a part of Line 2. As separate Schedule C,E, or F, U.S. Treasury Form 1040 does not include business capital gains. Line B should show such gain as 50% subject. Include in Line E, and list on a separate schedule, other business income not included in total business receipts on the Federal Schedule C, E, or F.

PARTNERSHIPS, ASSOCIATIONS, ETC.

Net Operating loss deductions (Line C) do not appear on a Federal Partnership Return, therefore Line C is not applicable. Line D – All payments to partner deducted on U.S. Treasury Form 1065 must be entered here and a schedule attached. Capital Gains and losses should be entered 50 % on lines B and J respectively.

CORPORATIONS

Net income from U.S. Treasury 1120 and 1120 S should be adjusted by the items listed in Schedule B. Line D is not applicable. Capital gains included in the net income on the Federal Return must be adjusted to eliminate any capital losses carry-over as shown as 50% subject. Capital losses are not allowable as a deduction on the Federal Return but are allowable 50% as a deduction on Line J, Schedule B.

SCHEDULE C

Schedule C must be completed by taxpayers with business receipts and/or payroll. Completion of the schedule allocates to Madison County the proportionate part of the taxpayers total business activity attributable to the county. However, if one of the two factors (business receipts or payroll factor is missing) the remaining factor is the Average or Business Allocation Percentage (Line 4 of Schedule C). If gross receipts are earned entirely within Madison County, enter 100 % on Line 8 and omit Schedule C.

******* ALL NET PROFIT LICENSE FEE RETURNS SUBMITTED PAST
THE DUE DATE WILL BE SUBJECT TO INTEREST IF ESTIMATED
PAYMENT IS NOT RECEIVED *******