

City of Camargo
Net Profit License Fee Return

Fiscal Year End
Mo. Day Year

NAME AND ADDRESS OF BUSINESS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ACCOUNT NO. \_\_\_\_\_

PLEASE NOTIFY THIS OFFICE OF ANY CHANGE IN OWNERSHIP OR NAME AND ADDRESS SHOWN ABOVE
QUESTIONS (ANSWER FULLY)

- 1. Nature of Business:
2. Date Business Started in Camargo:
3. If Organization was Discontinued, State When Dissolution( ) or sale( ), Give Name and Address of Successor
4. Did you have employees in Camargo during the year? Yes( ) No( )
5. Has city of Camargo License Fee been withheld from all subject Employees and Remitted Quarterly in Accordance with the Regulations? Yes( ) No( ). If answer is No, explain.
6. Check which ( )Corporation ( )Sub-Chapter ( )Partnership ( )Individual Owner ( )Fiduciary
7. Basis on which this Return is prepared: Cash( ) Accrual( )
8. Have Federal Authorities Changed the Net Income as Originally Reported for any prior year? Yes( ) No( ) If answer is "Yes", Attach Schedule of changes for each year.

SCHEDULE A

- 1. Total Gross Receipts per Federal Return Form (see reverse side).....\$
2. Total Business Deductions per Federal Return.....\$
3. Net Business Income per Federal Return.....\$
4. Net Business Income per Federal Return.....\$
5. ADD items not deductible (line G, Schedule B).....\$
6. Total (line 3 plus line 4).....\$
7. DEDUCT items not subject (line N, Schedule B).....\$
8. If Schedule C (line 4) is used, enter here AVERAGE PERCENTAGE.....%
9. City of Camargo License Fee (line 7 x line 8).....\$
10. City of Camargo License Fee at 2% of amount of line 9.....\$
11. Interest 8% per annum.....\$
12. Penalty 10% per annum.....\$
13. Total (lines 10+11+12).....\$
14. BALANCE DUE- PAY THIS AMOUNT.....\$
\*2% OF Net Profit effective 7/1/19 Ord. No. 221.00

MAKE CHECK PAYABLE TO:
CITY OF CAMARGO
CITY CLERK
MT STERLING KY 40353

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 o income.....\$
B. License Fee under this Ordinance.....\$
C. Ordinary Gain.....\$
D. Net Operating Loss Deduction.....\$
E. Partner's Salaries (attach schedule.....\$
F. Other Items (List).....\$
G. TOTAL ADDITIONS (enter on line 4).....\$

ITEMS NOT SUBJEC-DEDUCT

- H. Interest on Corporate Bonds.....\$
I. Interest on U.S. Government Securities.....\$
J. Royalties on Patents, Copyrights.....\$
K.Dividends.....\$
L. Ordinary Loss.....\$
M. Other (attach schedule).....\$
N. 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:

Column A
Camargo

Column B
Total Factor

Column C
Percentage

- 1.Total gross Business Receipts (see reverse side).....\$
2. Total Wages, Salaries, and other Personal Service.....\$
Compensation Paid to Employees
3. TOTAL PERCENTS.....\$
4.AVERAGE PERCENTAGE (Line 3 divided by number of percents).....Enter on line 8 %

I hereby certify that the statements made herein and in any supporting schedules are true, correct, and complete to the best of my knowledge

Return must be signed

Signature of Individual preparing return

Signature of Taxpayer

Date

If receipt is desired, return employer's copy of this form and enclosed self-addressed, stamped envelope.

Telephone (859) 498-9075

This return must be filed and paid in full on or before APRIL 15, or within 75 days after close of fiscal year, sale, liquidation or transfer.

The City of Camargo Net Profits License Fee was levied at the annual rate of 2% effective 7-1-19, of the net profits of All occupations, trades, professions, or other business engaged in said activities within the city. 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 the distributive share of the profits. The City of Camargo Form 3 to be filed by all subject businesses (business having Some receipts and/or payroll within the City of Camargo area) 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 bot Federal Income Tax and City of Camargo License Fee Return. The 3 forms must be filed before April 15, if taxpayer is on a calendar year or 75 days after The end of the fiscal year, sale, liquidation or transfer. Checks or money orders should be made payable to the City Clerk.

The instructions below facilitate the computation of Net Profits License Fee. Please read them.

**BASIS OF LICENSE FEE**

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

Below in the column to the left is the type of business conducted; to the right is the Federal Income Tax Form on which the 3 Returns must be based.

Individual Proprietorship.....	U.S Treasury Form 1040, Separate Schedule C (Farmers-Schedule F)
Estates and Trusts.....	US Treasury Form 1041
Partnerships.....	US Treasury Form 1065
Corporation.....	US Treasury Form 1120-line 11
Sub-Chapter S Corporation.....	US Treasury Form 1120 S-line 11

**INSTRUCTIONS FOR ALL TAXPAYERS**

**SCHEDULE A**

If taxpayer pays License Fee on 100% of Net Profits and has no Schedule B adjustments, he need fill in only Schedule A; however, all taxpayers must answer all questions.

- Line 1- Gross Receipts Income as shown by the appropriate Federal Return.
- Line 2- Enter total deductions as shown by Federal Return.
- Line 3- Enter Net Income as shown by Federal Return.
- Line 4-Add subject items totaled on Line G of Schedule B.
- Line 5-Total lines 3 and 4.
- Line 6- Deduct items not subject totaled on line N of Schedule B.
- Line 7-Enter line 5 and line 6.
- Line 8- Enter average percentage as determined in Schedule C.
- Line 9- Enter profits subject to City of Camargo License Fee- line 8 x line 7.
- Line 10- Enter 2% of line 9
- Line 11- Interest (Enter 8% per annum).
- Line 12- Penalty (Enter 10% per annum)
- Line 13-Total lines 10,11, and 12.
- Line 14-Enter amount due, line 13 (Pay this amount to the City Clerk, City of Camargo).

**TENTATIVE PAYMENTS.** Corporation and Sub-Chapter S Corporations may be ranted an extension (maximum time as allowed per Federal extensions) without Penalty if a tentative payment of at least 50% of the tax estimated to be due is made with the request before the due date. Interest shall be due and payable at the rate of One-half percent (1/2%) per month or any portion of a month on the balance due from the original date until filed and paid. Penalty shall be imposed on the balance due at the rate of ten percent (10%) from the original due date until filed and paid if the tentative payment underestimates the License Fee due by more than 10%.

**SCHEDULE B**

The computation of License Fee provides for the adjustment of income as shown by your Federal Tax Return to the provisions of the City of Camargo License Fee Ordinance. Schedule B is provided for the taxpayer to add (lines A-F) items, which are subject to license fee. Most of these appear as a part of the deductions taken on the Federal Return, therefore, they must be added back on line 4 of Form 3. Lines H-M of Schedule B provide for deductions of items not subject to the License Fee. Many of these items are taxable for Federal Income Tax purposes, as they must be deducted on line 6. Listed below are instructions for each taxpayer.

**INDIVIDUAL PROPRIETORSHIPS**

Lines D,E,H,I, and J are not applicable as they do not appear on Treasury Form 1040, Schedule C or F.  
 Lines A ad B are for the additions 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 or F, U.S. Treasury Form 1040 does not include business ordinary gains, Line C should show such gains.  
 Include in Line F, and itemize on a schedule, other business income not included is total business receipts on the Federal Schedule C or F.

**PARTNERSHPS, ASSOCIATIONS, ETC.**

Net operating loss deductions (Line D) do not appear on a Federal Partnership Return; therefore line D is not applicable.  
 Line E – All payments to partners deducted on U.S. Treasury Form 1065 must be entered here and a schedule attached.

**CORPORATIONS:**

Line E is not applicable.  
 Net Income from U.S. Treasury Form 1120 and 1120-S should be adjusted by the items listed in Schedule B.  
 Capital gains included is not income on the Federal Return and must be adjusted to eliminate any capital loss carry-over and shown as 50% subject.

**SCHEDULE c**

Schedule C must be completed by taxpayers with business receipts and/or payroll, 2 both within and without the City of Camargo. Completion of the schedule Allocates to the City of Camargo the proportionate part of the taxpayer’s total business activity attributable to the city. However, if one of the two factors (business Receipts or payroll factor) is missing the remaining factor business is the average or Business Allocation Percentage (Line 4 of Schedule C). A factor (business Receipts or payroll) is not missing merely because the expenditures of the Licenses for payroll, or gross receipts, are found to be situated either entirely within or Without the city.

1. “Business Receipts” means the sum total of gross receipts from sales plus gross credits or charges for work done or services performed.
2. “Payroll” means total wages, salaries, and other employee’s personal service compensations.