

Net Profit License Fee Return Instructions

The City of Princeton Net Profit License Fee is levied at the annual rate of 1.5 percent of the net profits of all occupations, trades, professions or other businesses engaged in said activities in the City. Specifically included within the foregoing is rental income received from the leasing or rental of real and/or personal property located within the city limits of Princeton, Kentucky. 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 Net Profit License Fee Return to be filed by all businesses having some receipts and/or payroll within the City Limits of Princeton must be based on the net income as reported to the state or federal government. The Net Profit License Fee Return must be filed before April 15, if licensee is on a calendar year, or 105 days after the end of the fiscal year, sale, liquidation or transfer. Checks or money orders should be made payable to the City of Princeton.

Basis of License Fee

In computing the amount due, the licensee begins with gross income less total deductions as shown by their Federal Tax form shown below. A copy of the completed applicable tax form MUST accompany the Net Profit License Fee Return.

Individual Proprietorship	Schedule(s) C, E - 1040 Federal Tax Form
Fiduciary	Federal Tax Form 1041, Schedule E (if applicable)
Partnership	Federal Tax Form 1065, Form 8825 (if applicable)
Corporation	Federal Tax form 1120/1120S, Form 8825 (if applicable)

SCHEDULE C: Business Allocation Percentage Formula

Divide [A] By [B] To Obtain Percentage

Allocation Factors	Col. A P'ton	Col. B Total	Col. C Percentage
1. Gross Sales of Merchandise, Less Return and Allowances	\$	\$	
Charges For Work Or Service Performed			
Other Income			
Total Business Receipts Factor			%
2. Wages, Salaries, and Other Personal Service Compensation			
Total Net Wages Factor			%
3. Total Percents			%
4. Average Percentage (Line 3 Divided by 2) (Enter Sch. A Line 8)			%

Note: This Return must be filed and paid in full on or before April 15, or within 105 Days after close of the Fiscal Year.

Make check payable to: City of Princeton

City of Princeton Ordinance has a minimum fee of \$50 per year.

Mail To: Occupational License Fee Division
206 East Market Street
Princeton, Kentucky 42445