

**65.7056 Occupational license fee -- Assessment -- Credit against other license fee -- Collection and remittance -- Job development assessment fee -- Fee maximums.**

- (1) Any city, county, or combination of cities and counties establishing a development area or local development area may, as a condition of employment, impose an occupational license fee against each person employed in the development area or local development area through the adoption of an ordinance imposing such fee. The imposition of the fee shall be subject to the following:
  - (a) The occupational license fee shall be imposed only against persons whose jobs are newly created as a result of a project within the development area or local development area. A job is not newly created if it occurs due to the relocation of a job from another location within the Commonwealth;
  - (b) The person against whom the assessment is imposed shall be subject to the state tax imposed by KRS 141.020;
  - (c) The assessment or any combination of assessments imposed by a city, a county, or a combination of cities and counties within the development area or local development area shall not exceed two percent (2%) of gross wages of the person; and
  - (d) The imposition of a fee shall be reported to the Kentucky Economic Development Finance Authority established by KRS 154.20-010.
- (2)
  - (a) Each person against whom an assessment is imposed shall be entitled to a credit against any jurisdictionwide local occupational license fee levied by the city, county, or combination of cities and counties that established the development area or local development area if the jurisdictionwide levy has not previously been made available as a credit against assessments imposed under Subchapter 23, 24, 25, 26, or 27 of KRS Chapter 154.
  - (b) The amount of the credit shall not exceed the amount of the jurisdictionwide occupational license fee paid to that city, county, or combination of cities and counties by the person subject to the assessment.
  - (c) If the city, county, or combination of cities and counties imposing the occupational license fee within the development area or local development area does not levy a jurisdictionwide occupational license fee, the employee shall not be entitled to a credit against any other city's or county's occupational license fee or any income tax levied by the Commonwealth.
- (3) Each employer in the development area or local development area shall, for each employee subject to an occupational license fee levied pursuant to this section:
  - (a) Collect the occupational license fee by deducting the occupational license fee from each paycheck of its employees;
  - (b) Promptly remit the occupational license fee to the official charged with collecting revenues in the development area or local development area;
  - (c) Make its payroll books and records available to the official charged with collecting revenues in the development area or local development area at a reasonable time as specified by the city, county, or cities and counties establishing the development area or local development area; and

- (d) File with the official charged with collecting revenues in the development area or local development area any documentation with regard to the occupational license fee as required by the city, county, or cities and counties establishing the development area or local development area.
- (4) Any assessment of a person under this section shall permanently lapse on the earlier of:
- (a) The termination date;
  - (b) The date on which any bonds issued in connection with the project are retired; or
  - (c) The date on which any loans or other financing incurred in connection with the establishment of the development area or local development area mature or are paid in full.
- (5) If a company, against whose employees an assessment is levied under this section, enters into an agreement with the economic development authority under Subchapter 23, 24, 25, 26, or 27 of KRS Chapter 154 allowing the company to impose a job development assessment fee as part of that agreement, the total assessment levied against the employee for state inducements and the development area or local development area shall not exceed six percent (6%), subject to subsection (6) of this section.
- (6) If an eligible company under Subchapter 23, 24, 25, 26, or 27 of KRS Chapter 154 locates or expands within a development area or local development area, the assessment imposed under this section shall not exceed the lesser of two percent (2%) or the difference between two percent (2%) and the local occupational license fee used as a credit against the assessments granted under Subchapter 23, 24, 25, 26, or 27 of KRS Chapter 154.

**Effective:** July 15, 2008

**History:** Created 2008 Ky. Acts ch. 178, sec. 8, effective July 15, 2008.