

City of Dawson Springs, Kentucky
Net Profit License Fee Return Instructions

The City of Dawson Springs Net Profit License Fee is levied at the annual rate of 1.5 percent up to \$50,000, 1 percent of \$50,000 through \$500,000 and ½ percent over \$500,000 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 Dawson Springs, Kentucky subject to the following exemption: the license fee shall not apply to net income received from the leasing or rental of less than four (4) residential rental units per year. 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 Profits License Fee Return to be filed by all businesses having some receipts and/or payroll within the City Limits of Dawson Springs 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 135 days after the end of the fiscal year, sale, liquidation or transfer.** Checks or money orders should be made payable to the City of Dawson Springs.

Basis of License Fee

A copy of the complete 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)

Instructions for All Licenses

LINE 1 Enter Net Income as shown by the Return.
LINE 2 Enter average percentage as determined in Allocation section
LINE 3 Enter profits subject to Dawson Springs License Fee
LINE 4 Tax calculated on line 3
LINE 5 Deduct credits of minimum license fee
LINE 6 Balance (Line 4 less Line 5)
LINE 7 Enter Penalty
LINE 8 Enter Interest
LINE 9 Enter amount due, Line 6 plus Line 7, plus Line 8. (Pay this amount to the City of Dawson Springs)

- If an extension is necessary , a written request and copy of Federal application for extension must be submitted to the City of Dawson Springs before the due date of the Net Profits License Fee Return. If extension is granted, enter date on Line 5. Interest remains due from original due date (See Line 5).

Allocation section must be completed by taxpayers with business receipts and/or payroll, both within and out of the city limits of Dawson Springs. Completion of the schedule allocates to Dawson Springs the proportionate part of the taxpayer's total business activity attributable to Dawson Springs. 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 D of Allocation section).

Any questions should be directed to the City Clerk's Office, P.O. Box 345, Dawson Springs, KY 42408. Phone 270 797-2781 or email _____.

Due by April 15 of each year
Or by 15th day of fourth month following close of fiscal year