



**CITY OF WINCHESTER, KENTUCKY
FINANCE DEPARTMENT
P O BOX 4135
WINCHESTER, KY 40392**

**INFORMATION LETTER
OCCUPATIONAL LICENSE FEE TAX (PAYROLL TAX)**

**TO: ALL EMPLOYERS/EMPLOYEES/INDIVIDUALS SUBJECT TO OCCUPATIONAL
LICENSE FEE TAX (PAYROLL TAX)**

This packet contains occupational license fee (payroll tax) forms for the year 2010. The tax rate for the 2010 calendar year is 1.5 percent (1.5%). *If you have an accountant or payroll company, please forward these forms to him/her.*

We will no longer be sending out payroll forms. These forms will be available online at www.winchesterky.com. If you do not have access to the internet, you can call us at 859-744-1660 to obtain forms.

There are 3 Form DFs on one page. Make copies of this page and cut along dashed lines for forms to use for each remittance. Make copy of completed form for your records. Mail original to above address on or before due date.

If your quarterly license fee is normally \$300.00 or more, you must file monthly. The due date is the fifteenth of the following month. The due dates are as follows:

Month	Due date	Month	Due date
January 2010	February 15, 2010	July 2010	August 15, 2010
February 2010	March 15, 2010	August 2010	September 15, 2010
March 2010	April 15, 2010	September 2010	October 15, 2010
April 2010	May 15, 2010	October 2010	November 15, 2010
May 2010	June 15, 2010	November 2010	December 15, 2010
June 2010	July 15, 2010	December 2010	January 15, 2011

If your quarterly license fee is normally less than \$300.00 you may continue to pay quarterly. The due dates are as follows:

Quarter ending	Due date
March 31, 2010	April 30, 2010
June 30, 2010	July 31, 2010
September 30, 2010	October 31, 2010
December 31, 2010	January 31, 2011

If you have employees working only periodically in Winchester, a “zero” form must still be filed. **If no form is filed, your account will appear delinquent on our records.**

Form DF-3, Reconciliation of License Fee Withheld, is to be filed by February 28th, 2011 or with final payment upon completion of your work. Instructions are on the form. When listing the information concerning your employees, list employees' Social Security numbers and addresses. Also, provide copies of W2's when filing the form DF-3.

Individuals have the option to file quarterly or annually. The due date is FEBRUARY 28, 2010 for annual filing. Individuals must submit a copy of their W-2 with their final payment for 2009.

If you have any questions, please call the Finance Department at (859) 744-1660 or write to us at PO Box 4135, Winchester, KY 40392-4135.

Michele Schommer
License Clerk



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WINCHESTER, KY 40392-4135
(859) 744-1660**

**INSTRUCTIONS - FORM DF
FILING MONTHLY, QUARTERLY OR ANNUAL PAYROLL TAX**

Enter Name and Address of Business under BUSINESS NAME AND ADDRESS.
Check whether paying for Quarter, Month or Annual.
Enter the Time Period of the Return i.e. what quarter, month or year paying for.
Enter due date for the time period you are paying for. Due dates can be found on Information Letter in this packet.

Line 1.....Enter total gross amount for all wages received during current month, quarter or for year. (See definition below.)

Line 2.....Enter total gross amount of all wages received which are to be excluded (i.e. work outside City of Winchester limits). Excluded income must be explained in detail on the reverse side of Form DF (annual payers).

Line 3.....Subtract Line 2 from Line 1 and enter total.

Line 4.....Enter the amount of actual tax withheld at the rate of 1.5%.

Line 5.....If payment is not received by the due date, a penalty of 5% per month (up to 25%) of Line 4 is to be added.
A MINIMUM OF \$25.00.

Line 6.....If a penalty is required due to late payment, interest accrues at the rate of 1% per month.

Line 7.....Total of Lines 4, 5, and 6. Amount is to be remitted with the Form DF. Filing of Form DF without proper remittance does not exclude penalty and interest from accumulating.

**CODE OF ORDINANCES
CITY OF WINCHESTER, KENTUCKY**

**CHAPTER 9. LICENSES AND BUSINESS REGULATIONS
ARTICLE V. EMPLOYEES' LICENSE TAX**

SECTION 9-68. DEFINITIONS

(J) Salaries, wages, commissions, and other compensation shall mean and include the total gross amount of all salaries, wages, commissions, bonuses, severance pay and any and all other payments or other consideration which a person receives or is entitled to for or as a result of any work done or personal services rendered as an employee in any trade, occupation or profession, or any other activity, before any payroll deductions. Notwithstanding the foregoing, severance pay to which an employee is not legally or contractually entitled but which is paid as an employer's settlement or avoidance of a claim for damages by the employee, shall not be susceptible to the imposition of the license fee.

(Ord. No. 2-77, Subsection 2, 3-29-77; Ord No. 12-91, Subsection 1, 8-13-91; Ord No. 17-97, Subsection 1, 4-1-97)



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NOTICE

**FEDERAL EMPLOYEES SUBJECT TO PAYROLL TAX
INDIVIDUAL FILERS SUBJECT TO PAYROLL TAX**

Article V of the City of Winchester Code of Ordinances levies and imposes an annual license fee (payroll tax) upon all employees working in the City of Winchester for compensation earned within the City. This license fee (payroll tax) is equal to 1.5% of all GROSS SALARIES (BEFORE ANY DEDUCTIONS ARE MADE, 401K's, etc) earned during the calendar year.

All employees of the Federal Government are required to file and pay this payroll tax individually as the Federal Government does not withhold this from their wages. All individual filers are required to do the same if their employers do not withhold this tax.

Each person filing and paying this tax individually shall, on or before February 28th of each year, file with the Finance Department a return, on a form furnished by or obtainable from the City, setting forth the amount of gross salaries or compensation received during the preceding year. The person filing the tax form shall pay to the City of Winchester the amount of tax computed on the tax form.

Please attach a copy of your W-2 to the annual or fourth quarter payment.

Individuals who work a part of their time within the City and part of their time outside the City may compute the tax on only that portion earned while working within the City.

A written explanation is necessary for the services performed outside of Winchester. However, any individual who does so must also provide proof that he or she has paid the proper tax due to the County. Failure to do this will result in prosecution for failure to pay the entire amount of tax to the City. February 28th is the due date to provide such proof.

Section 9-71 of the Code of Ordinances states that whenever an employee receives compensation for services performed both within and outside the City, the tax shall be computed and paid upon the proportion of compensation earned within the City. Travel outside the City for attending seminars, training sessions, business meetings, conferences and for similar purposes, including vacation and sick time, when done as an incident to full-time employment within the City, shall not be subtracted from the gross salary as work outside the City.

Further information on this requirement may be obtained in the Finance Department, City Hall, P. O. Box 4135, Winchester, KY 40392-4135, or by calling (859) 744-1660.