



Occupational License Administrator

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SPENCER COUNTY NET PROFIT LICENSE FEE RETURN FREQUENTLY ASKED QUESTIONS

1. I do no business in Spencer County. However, my business address is in Spencer County. Do I need to submit a Spencer County Net Profit License Fee Return?

Yes. Complete the top section of the form, choose no activity and submit to the Occupational License Administrator. You are also required to file copies of your federal business return.

PLEASE NOTE: If you purchased a Spencer County business license for the tax year which you are filing, you do not owe the \$25.00 minimum. If you did not purchase a Spencer County business license, you will owe the \$25.00 minimum.

2. If I had no activity in Spencer, why must I submit copies of my federal business return?

If your business is based out of Spencer County and you claimed deductions for rent, maintenance, repairs, additional labor, etc.; these individuals are subject to the Spencer County Net Profit License Fee as well. Please include the name, address and amount paid to each individual/business for services rendered in Spencer County.

3. My business activity ceased operations mid-year. Must I file Spencer County Net Profit License Fee Return?

Yes. Complete the Spencer County Net Profit License Fee Return and submit with a copy of your federal business tax documents. Complete the section concerning closure of business.

4. My business had a loss for the year. Do I still need to file the Spencer County Net Profit License Fee Return?

Yes, you are still required to complete the Spencer County Net Profit License Fee Return and return with copies of your federal business return.

5. I purchased a Spencer County business license, but had no activity in Spencer County. Do I still need to submit a Spencer County Net Profit License Fee Return?

Yes, you are still required to complete the Spencer County Net Profit License Fee Return and return with copies of your federal business return. You do not need to submit the \$25.00

minimum. The Spencer County business license you purchased meets the Spencer County Net Profit License Fee \$25.00 minimum requirement.

6. I purchased a Spencer County business license. Does this meet the Spencer County Net Profit License Fee \$25.00 minimum requirement?

Yes, the purchase of a Spencer County business license meets the Spencer County Net Profit License Fee \$25.00 minimum requirement.

7. I purchased a Spencer County business license and had a net profit of \$2,500.00 or less. Do I need to submit a check for 1% of my net profit to Spencer County?

No. The purchase of a Spencer County business license is a credit to any net profit you might owe Spencer County. You must still complete the Spencer County Net Profit License Fee Return and submit it with a copy of your federal business tax return.

8. I purchased a Spencer County business license and had a net profit greater than \$2,500.00. What do I do?

Complete the Spencer County Net Profit License Fee Return and submit the return and all federal business documents with a check for 1% of the difference between \$2,500.00 and your net profit.

Example: Your net profit due to Spencer County is \$5,000.00. The difference between \$5,000.00 and \$2,500.00 is \$2,500.00 ($5,000. - 2,500.$). $\$2,500.00 \times 1\% = \25.00 . You would write a check for \$25.00, not \$50.00

9. I purchased a City of Taylorsville business license but not a Spencer County business license. May I use the City of Taylorsville business license fee as a credit?

No. The City of Taylorsville business license fee cannot be used as a credit for any monies due Spencer County. You will need to submit whichever is greater of the \$25.00 minimum requirement or 1% of your net profit.

10. How do I file for an extension?

Submit a copy of your federal extension request prior to April 15th. This is an extension to file, not to pay. Any unpaid balance due will be subject to penalties (5% per month or any fraction thereof, not to exceed 25%) and interest (12% per annum) on the amount owed.

PLEASE NOTE THE FOLLOWING:

11. If you have multiple businesses, you must file a Spencer County Net Profit License Fee Return for each federal form filed.

Example: You sell real estate, own rental property and perform accounting services. You are a sole proprietor for each business. Therefore, you file two Schedule C's and one schedule E. You must file a Spencer County Net Profit License Fee Return for each of these schedules. You should also have a Spencer County business license for each activity.

12. Remember to file copies of your federal tax return and all applicable documents. File copies of 1099s for services rendered in Spencer County.
13. If you claimed deductions for rent, repairs, maintenance, additional labor, etc., please provide the names, addresses and amounts paid to each individual/business. These individuals/businesses are subject to the Spencer County Net Profit License Fee as well.