

Occupational License Fee

MASON COUNTY

Occupational License Fee in Kentucky is governed by KRS 67.750-67.795

<https://apps.legislature.ky.gov/lrcsearch#tabs-3>

OLF IN KENTUCKY

By whatever name.....

Occupational License – OL

Occupational License Tax – OLT

Occupational Tax – OT

Occupational License Fee – OLF

Payroll Tax

Governed by KRS 67.750-67-795

Local Taxation in Kentucky

Local governments have limited revenue sources

Major tax revenue sources

- Property tax
- Insurance premium tax
- Occupational license fee

County Revenue

- Mason County Fiscal Court has one main source of revenue, which is Property Taxes. The main contributors to the tax base in Mason County are homeowners, which averages only 40% to 45% of the county population.
- Implementing an OLF would be more reasonable and equitable if we are able to collect from our entire work force to contribute to the expenses of the county.
- This includes those coming into Mason County to work from outside the county and other states to work. They are using our roads and resources and would be contributing to the upkeep of county services through their payroll.

Occupational License Fee Basics

- An OLF is a payroll tax that will tax the gross wages of employees that work in Mason County.
- OLF only applies to the *location* where you work, **not** where you *reside*.
- If you work **outside** the city limits and in the county, your employer will withhold 1.01% of your gross wages to submit to the County quarterly, which will produce \$318,000 in revenue.
- If you work **inside** the City limits, your employer will withhold 1.01% of your gross wages to submit to the County and will withhold 1.99% of your gross wages to submit to the City quarterly, which will produce \$3,282,000 in revenue.
- The money derived from the County OLF shall be paid to the County and placed into the County's General fund to cover daily operating expenses, payroll, road projects, etc.

The City of Maysville implemented an OLF in 1976 and the amount of that tax is now at 1.99%, for employees working INSIDE the city limits. The County is recommending an OLF of 1.01%.

The 1.01% OLF will generate an approximate annual revenue of
\$3.6 Million for Mason County.

MASON COUNTY KENTUCKY

WORK INSIDE THE CITY LIMITS:

YOU WILL PAY 1.99% TO CITY AND 1.01% TO THE COUNTY FOR A TOTAL OF 3%

Example: If you gross \$500 a week and work inside the city limits, you will pay \$5.05 to the County and \$9.95 to the City, for a total of \$15.00.

WORK OUTSIDE THE CITY LIMITS:

IN MASON COUNTY, YOU WILL PAY 1.01% TO THE COUNTY.

Example: If you gross \$500 a week and work outside the city limits, you will pay \$5.05 to the County.



OCCUPATIONAL LICENSE FEE IN KENTUCKY – WHAT IT IS NOT

**Local income tax is
unconstitutional in
Kentucky**

- **OLF is NOT on personal investments**
- **OLF is NOT on retirement income**

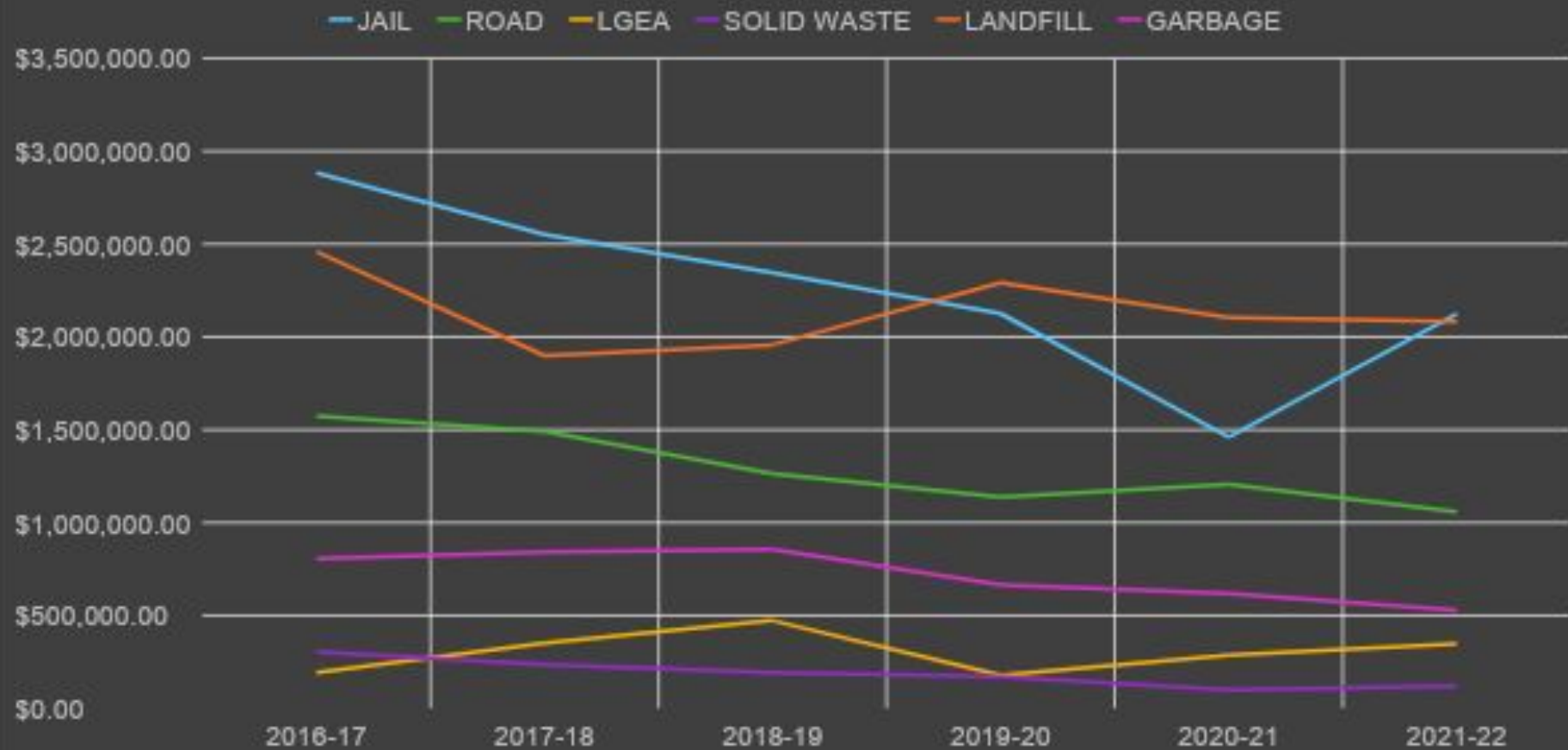
**Local sales tax is
unconstitutional in
Kentucky**

- **OLF is NOT a sales tax**
- **State sales tax is assessed on buyer at transaction**

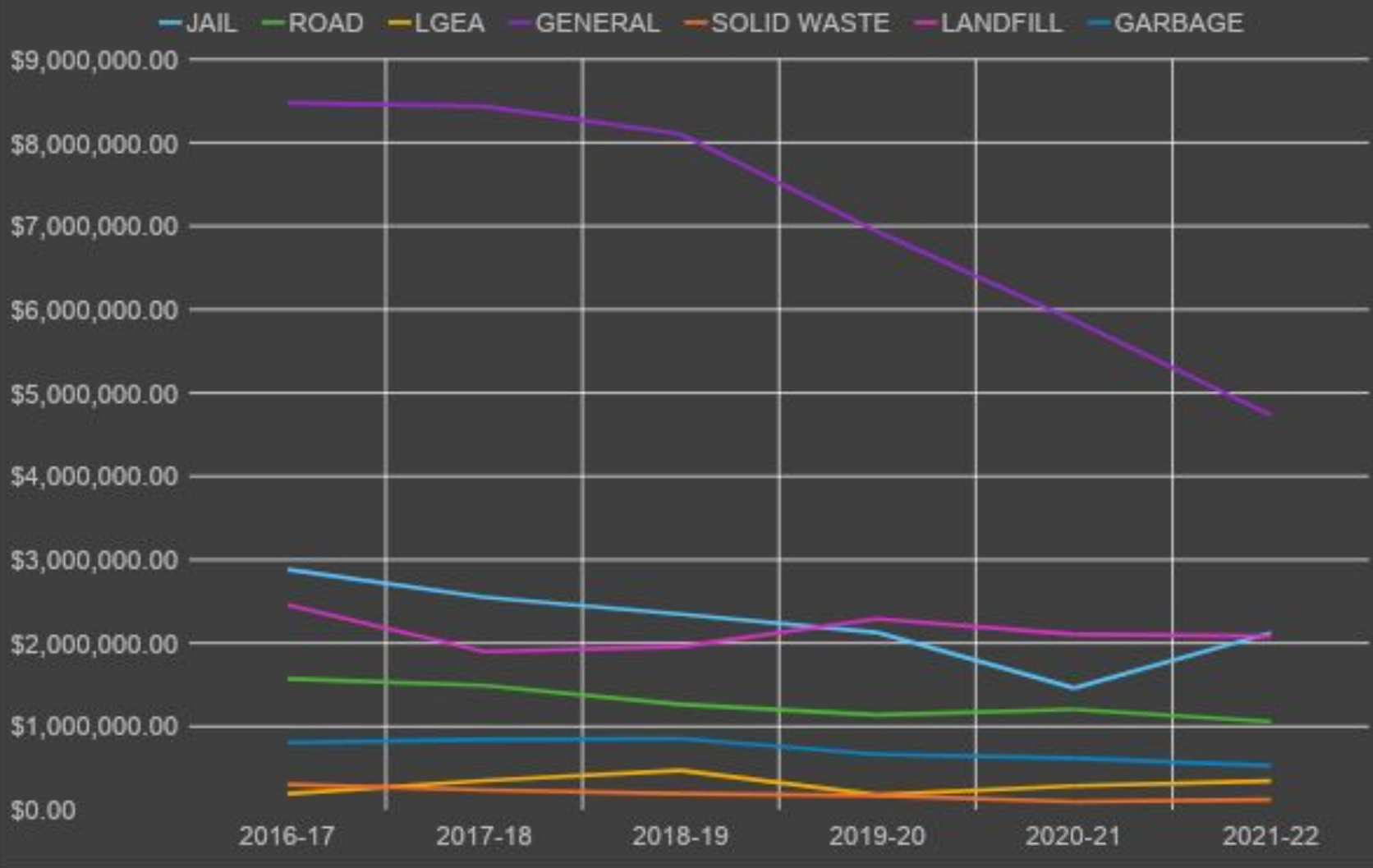
Expense increases and Revenue decreases

- COVID – loss of revenues in Jail of approximately \$900,000
- Lower Interest rates on investments
- Higher interest rates on loans and leases
- All funds are being partially/mostly funded by the General Fund through transfers.
- Raising salaries to a living wage
- Jail food costs have more than doubled since 2016
- Petroleum costs have doubled since 2016
- Gravel, asphalt and road salt has tripled since 2016
- Livestock Removal costs have doubled since 2016
- Daily operating costs of the county including custodial supplies, utilities, insurance costs etc., have all increased and continue to do so
- Litter cleanup
- Revenues in LGEA have decreased by more than 50% over the past 10 years
- Health Benefit increases of 22% since 2016
- Animal shelter expense increases

REVENUES EXCLUDING GENERAL



REVENUES INCLUDING GENERAL



<i>GENERAL FUND BUDGET</i>	\$5,308,662.97
Transfers to other funds	(3,380,000.00)
911	(1,000.00)
CMRS	(200,000.00)
Federal Grants	(35,000.00)
State Grants	(40,000.00)
AOC Space Rental	(170,000.00)
Reimbursements	(275,000.00)
Total Restricted	4,101,000.00
TOTAL NON RESTRICTED FUNDS	\$1,207,662.97

<i>ROAD FUND BUDGET</i>	\$2,724,207.00
State Grants	(5,000.00)
County Road Aid	(773,143.00)
Road Aid Additional	(400,000.00)
Total Restricted	2,278,143.00

TOTAL NON RESTRICTED FUNDS **\$446,064.00**

<i>JAIL FUND BUDGET</i>	\$3,720,350.00
State Inmate Refund - ARPA	(60,000.00)
State Grants	(146,000.00)
Tech Grant Revenues	(17,750.00)
Total Restricted	1,323,750.00

TOTAL NON RESTRICTED FUNDS **\$2,396,600.00**

<i>LGEA FUND BUDGET</i>	\$700,075.00
Mineral Severance Tax	(208,000.00)
EMA Reimbursement	(25,000.00)
Search and Rescue Receipts	(3,500.00)
Total Restricted	586,500.00
TOTAL NON RESTRICTED FUNDS	\$113,575.00

<i>LANDFILL FUND BUDGET</i>	\$6,844,500.00
Ohio Dumping Fee	(10,000.00)
State Grants	(15,000.00)
KERF Receipts	(110,000.00)
Tipping Fees	(1,800,000.00)
FGD Reimbursement & Development	(100,000.00)
Closeout Monies	(3,047,805.41)
Total Restricted	5,082,805.41
TOTAL NON RESTRICTED FUNDS	\$1,761,694.59

GARBAGE FUND BUDGET **\$1,032,400.00**

Garbage Receipts **(450,000.00)**

Total Restricted **450,000.00**

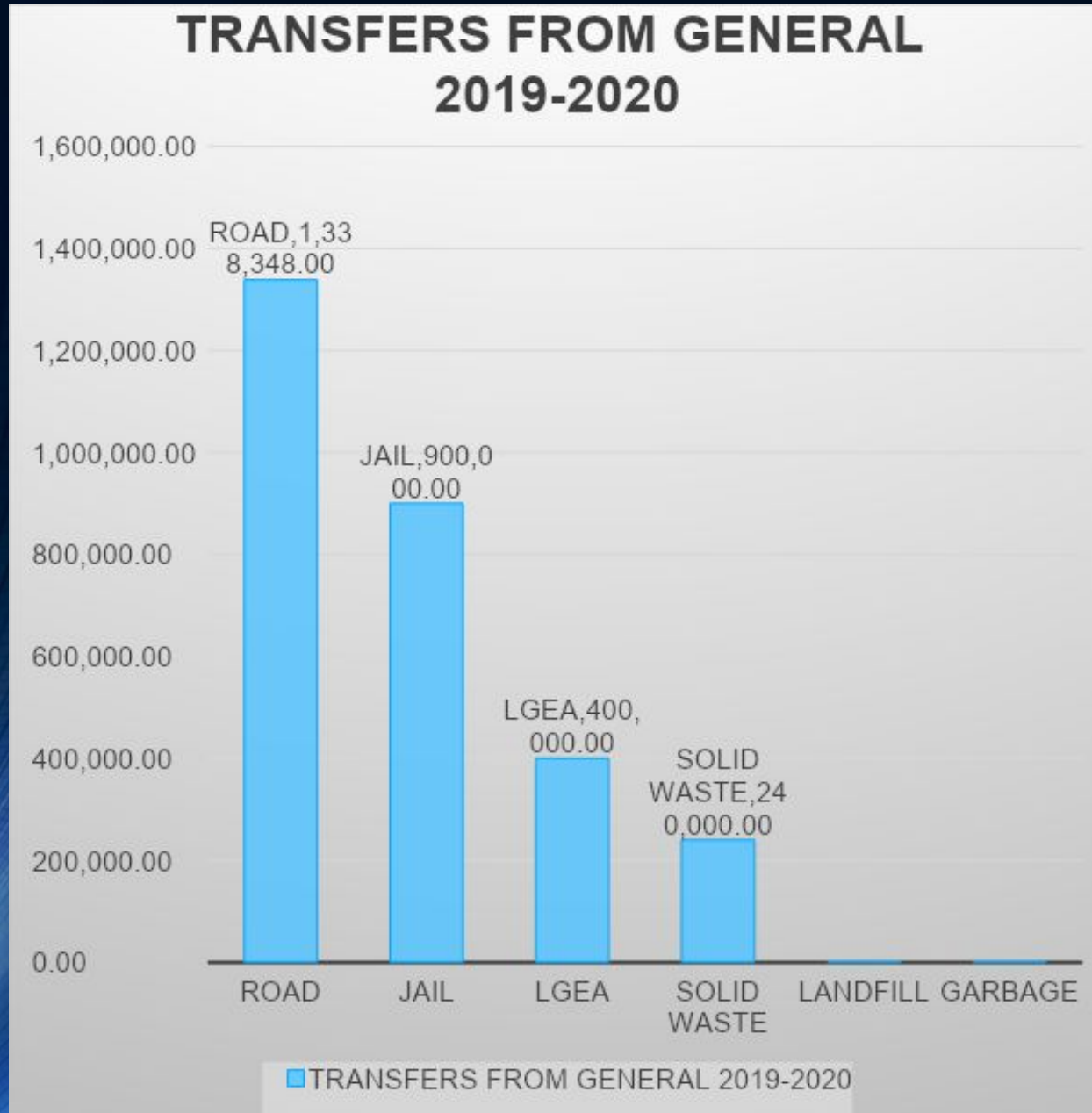
TOTAL NON RESTRICTED FUNDS **\$582,400.00**

TOTAL COUNTY BUDGET **\$25,004,691.97**

RESTRICTED FUNDS **-\$13,822,198.41**

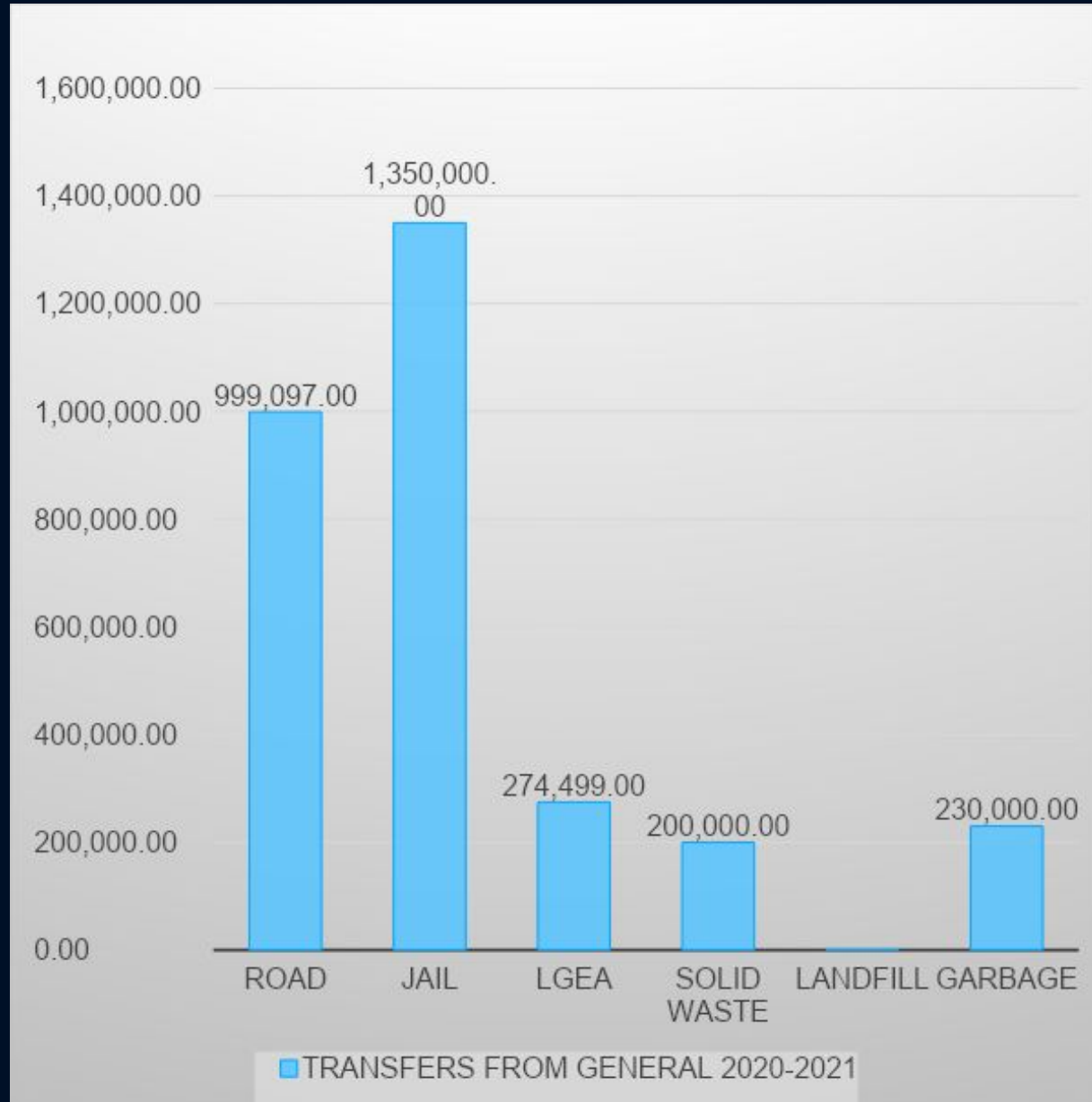
TOTAL NON RESTRICTED FUNDS **\$11,182,493.56**

TRANSFERS TO OTHER FUNDS



\$2,878,348.00

TRANSFERS TO OTHER FUNDS



\$3,053,596.00

WHAT THE COUNTY OLF WILL DO FOR YOU

- CONTINUE CONTRIBUTIONS AND SUPPORT TO COMMUNITY GROUPS AND PROGRAMS
- MAINTAIN THE LEVEL OF SERVICE THROUGHOUT THE COUNTY OUR CITIZENS HAVE BECOME ACCUSTOMED TO
- CONTINUE TO MAINTAIN OUR COUNTY ROADS AT A HIGH STANDARD
- RETAIN ALL EMPLOYEES AT A LIVING WAGE
- CONTINUE THE RECYCLING PROGRAM
- IMPROVE ON OUR WORK FORCE NUMBERS
- CONTINUE THE DEAD LIVESTOCK REMOVAL PROGRAM FOR OUR LOCAL FARMERS
- ALLOW FISCAL COURT TO MAKE SOUND FINANCIAL DECISIONS WITHOUT SACRIFICING QUALITY OF SERVICES
- ALLOW FOR FUNDING OF FUTURE PROJECTS
- CONTINUE TO SUPPORT QUALITY OF LIFE INITIATIVES IN MASON CO. IE; CUMMINS NATURE PRESERVE, MAYSVILLE MASON CO REC PARK, AND MASON COUNTY AG, TECH, AND INNOVATION FACILITY
- CONTINUE VOLUNTEER FIRE DEPARTMENT INSURANCE CONTRIBUTIONS

TIMELINE

JANUARY 2023

PUBLIC MEETING

FEBRUARY 2023

ORDINANCE FIRST READING
ORDINANCE SECOND READING & APPROVAL
INPUT SYSTEM INFORMATION
SEND OUT NOTICES TO BUSINESSES

MARCH 2023

INPUT SYSTEM INFORMATION

APRIL 2023

EFFECTIVE DATE APRIL 1, 2023

JULY 2023

FIRST QUARTERLY TAX PAYMENTS ARE DUE

OCTOBER 2023

SECOND QUARTERLY TAX PAYMENTS ARE DUE

Mason County Judge, Owen McNeill
606-564-6706

Mason County Treasurer, Kim Muse
606-564-6381

www.masoncountykentucky.us

Facebook: Mason County Fiscal Court

Email: info@masoncountykentucky.us