



1812 So 7th Street
Hickman, KY 42050
www.hickmancityof.org
270.236.2535

Net Profit License Fee Return Instructions

The City of Hickman Net Profit License Fee is levied at the annual rate of 1.5% of total Net Profit reported on the business entity's Federal Tax Return for all occupations, trades, professions or other businesses engaged in said activities in the City. Excluded from this ordinance is Internet or manufacturing sales conducted within the City limits and shipped outside the City or the United States of America. This exclusion does not apply to products or services delivered within the city limits of Hickman. 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 Hickman, Kentucky. 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 Profit License Fee Return to be filed by all businesses having some receipts and/or payroll within the City limits of Hickman must be based on the net income as reported to the federal government. Checks or money orders should be made payable to the City of Hickman.

Section A

Lines 1 through 7 are questions, which must be answered by each licensee. Please answer each question completely.

Section B

Line 8 Enter Gross income as shown by the appropriate Return.

Line 9 Enter Total deductions as shown by the Return.

Line 10 Enter Net Income as shown by the Return.

Line 11 Add Items not deductible totaled on Line H of Section C.

Line 12 Totals of Lines 10 and 11.

Line 13 Deduct Items not subject totaled on Line N of Section C.

Line 14 Enter Line 12 less Line 13.

Line 15 Enter average percentage as determined in Section D.

Line 16 Enter profits subject to City of Hickman License Fee – Line 14 x line 15.

Line 17 Enter 1.5% of the amount reported on line 16.

Line 18 Deduct credits of minimum license fees and/or estimated payments.

Line 19 Balance (Line 17 less Line 18).

Line 20 Enter interest

Line 21 Enter Penalty

Line 22 Enter amount due, Line 19 plus Line 20 and Line 21. Submit this amount along with proper forms to the City of Hickman.

- If an extension is necessary, a written request and copy of Federal application for extension must be submitted to the City Clerk's office before the due date of the Net Profit License Fee Return along with payment of estimated fee. Interest remains due from original due date.

Section C

This section (Lines A-H) is provided for the licensee to add items, which are subject to the License Fee. Most of these appear as a part of the deductions taken on the Federal Return; therefore, they must be added back to Line 11.

Lines I-N of Section C provide for the specific deduction of items not subject to the License Fee. Many of these items are only taxable for Federal Income Tax purposes so they must be deducted on Line 13. All applicable schedules must be attached.

Section D

Section D must be completed by taxpayers with business receipts and/or payroll, both within and without the city limits of Hickman.

Completion of the schedule allocates to the City of Hickman the proportionate part of the taxpayer's total business activity attributable to the City of Hickman. 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 R of Section D).

Questions should be directed to the City Clerk, 1812 So 7th Street, Hickman, KY 42050 (270) 236.2535.

CITY OF HICKMAN, KENTUCKY-NET PROFIT LICENSE RETURN		FISCAL YEAR ENDED _____	
1812 So 7 th Street, Hickman, KY 42050 (270) 236-2535; Fax (270) 236-2537			
Name:	Are the correct documents	Check Below:	
D/B/A	*Federal Form 1040; Sch(s) C,E,F		
	*Federal Tax Form 1065		
Business Address	*Federal Tax Form 1120		
City,ST & Zip	*Federal Tax Form 1120S; Form		
	8825 (if applicable)		
(Checks Are Payable to: City of Hickman)	*Federal Forms 1099		
SECTION A			
1.Circle Appropriate Form of Business: C Corporation, S Corporation, LLC, Partnership, Individual Owner			
2. Social Security and/or Federal ID Number(s) _____			
3. Do you have employees working in the City limits this year? (Circle One) YES NO			
4. Have Federal Authorities changed the net income as originally reported for any prior years? YES NO (Year ____)			
5. Business Phone: _____ Home Phone: _____ Cell Phone: _____			
6. Do you operate additional businesses? (Circle One) YES NO :			
7. If Question 6 was "Yes", give Names of Additional Businesses: _____			
SECTION B			
8. Total Gross Income per attached Return			\$
9. Total Deductions per attached Return			\$
10. Net Income per attached Return			\$
11. Add Items not deductible (Line H Section C)			\$
12. Total (Line 10 plus Line 11)			\$
13. Deduct Items Not Subject (Line N, Section C)			\$
14. Adjusted Net Income (Line 12 less Line 13)			\$
15. If Section D is used enter Average Percentage (Line R)			%
16. Net Profit subject to License Fee (Line 14 x Line15)			\$
17. License Fee (Line 16 x 1.5%)			\$
18. Credits – Minimum License Fee and/or Estimated Payment previously paid			-\$
19. Balance (Line 17 less Line 18)			\$
20. Interest 1% per month or part of month			\$
21. Penalty 5% of unpaid balance or \$25.00 whichever is greater			\$
22. Total amount due (Line 19 plus Line 20 plus Line 21)			\$
SECTION C			
ADD Items Subject to Tax		DEDUCT Items NOT Subject	
A.State or Local Taxes	\$	I.Interest Income	\$
B.License Fee Under this Ordinance	\$	J.Dividends	\$
C.Net Loss from Capital Assets	\$	K.Net Gain from Capital Assets	\$
D.Ordinary Losses (Form 4797)	\$	L. Ordinary Gains (Form 4797)	\$
E. Net Operating Loss Deduction	\$	M.Other Items (Attach Schedule)	\$
F.Partners Guaranteed Payments			
(Attach Schedule)	\$	N. Total Deductions (Enter on Line 13)	\$
G.Other Items (Attach Schedule)	\$		
H. Total Additions (Enter on Line 11)	\$		
Allocation Factors			
	Col A HICKMAN	Col B Total	Col C Percentage
O. Gross Income (If not applicable write NA)	\$	\$	%
P. Total Wages (If not applicable write NA)	\$	\$	%
Q. Total Percents (Line O plus Line P)			%
R. Average % (Line Q divided by number of applicable percents)			%
I certify that the statements made herein and in supporting schedules are true, correct and complete to the best of my knowledge.			
Signature of Owner: _____		Signature of Preparer: _____	