

Occupational Taxing in Kentucky

October 21, 2025
Interim Joint Committee on Local
Government



Kentucky Association of Counties





Local Occupational Taxes: Constitutional & Statutory Authority

◦ **Constitutional Authority**

- Section 181 allows cities and counties to levy license fees and taxes for revenue as permitted by the General Assembly.

◦ **Statutory Authority**

- KRS 92.281
 - Allows cities and counties to levy a tax on wages, net profits, and certain business activities.
 - KRS 68.197
 - Applies if a city is in a county with 30,000+ population.
 - Requires a credit: taxpayers who pay a city license fee get a credit against their county license fee.
 - KRS 67.750-795
 - Establishes statewide standardization for local occupational taxes, including uniform definitions, allocation rules, and standard reporting forms.
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HB 277 (2012)

Multiphase Effort To Simplify Occupational License Filing

- Before the adoption of HB 277, businesses operating in Kentucky had to locate, select, and file the correct forms with more than 200 taxing jurisdictions.
 - HB 277 addressed that challenge by creating a centralized, consistent, and transparent process built on collaboration between the business community and local governments.
 - Now, businesses can access all forms in one place on the Secretary of State's website.
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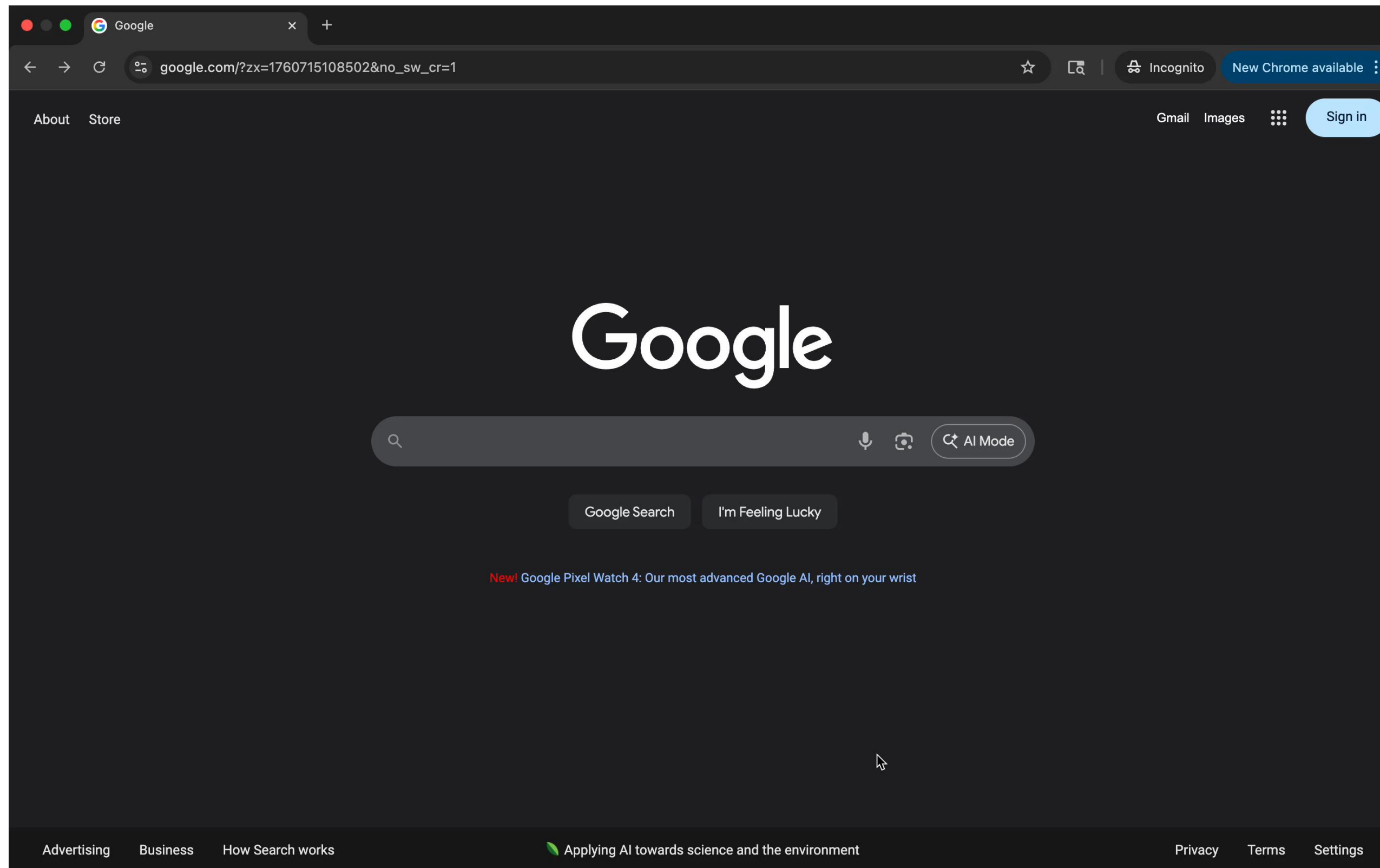
The Standardized Form

As a result of HB 277, several groups worked together from 2012 to 2017 to create a standardized form that all taxing jurisdictions must accept.

The following forms are available on the Kentucky One-Stop Business Portal:

- [OL-S: Single Tax District Occupational License Fee Return](#)
 - [OL-D: Dual Tax District Return](#)
 - Forms for multi-district regions, including Boone, Campbell, Kenton, and Scott counties.
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The KY Secretary of State: KY Business One Stop Portal



Filing Occupational Business License Taxes



GATHER tax
information

01



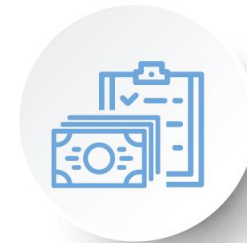
VISIT
[web.sos.ky.gov/
occupationaltax](http://web.sos.ky.gov/occupationaltax)

02



FILL out
OL-S form

03



SUBMIT form
and payment
to local
jurisdiction

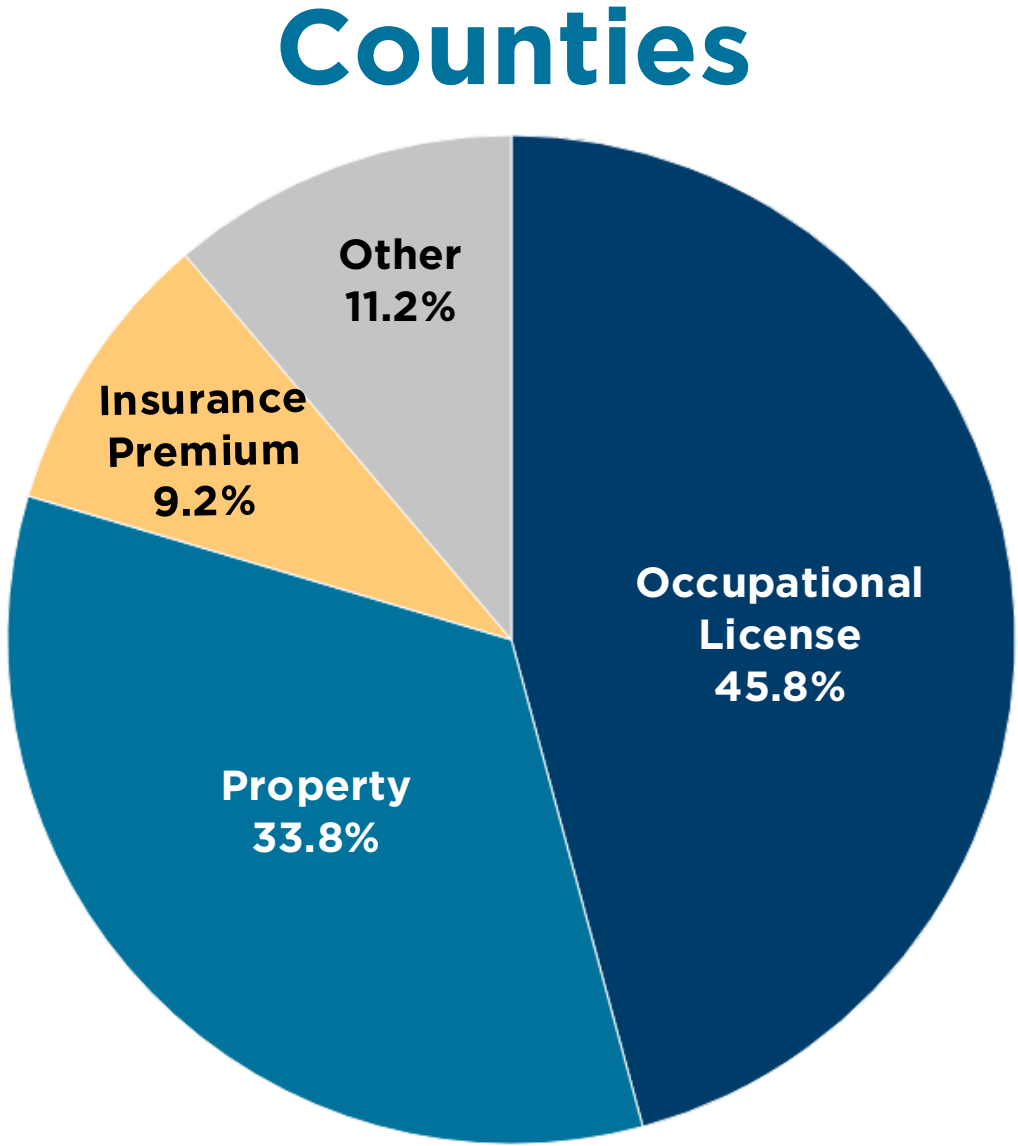
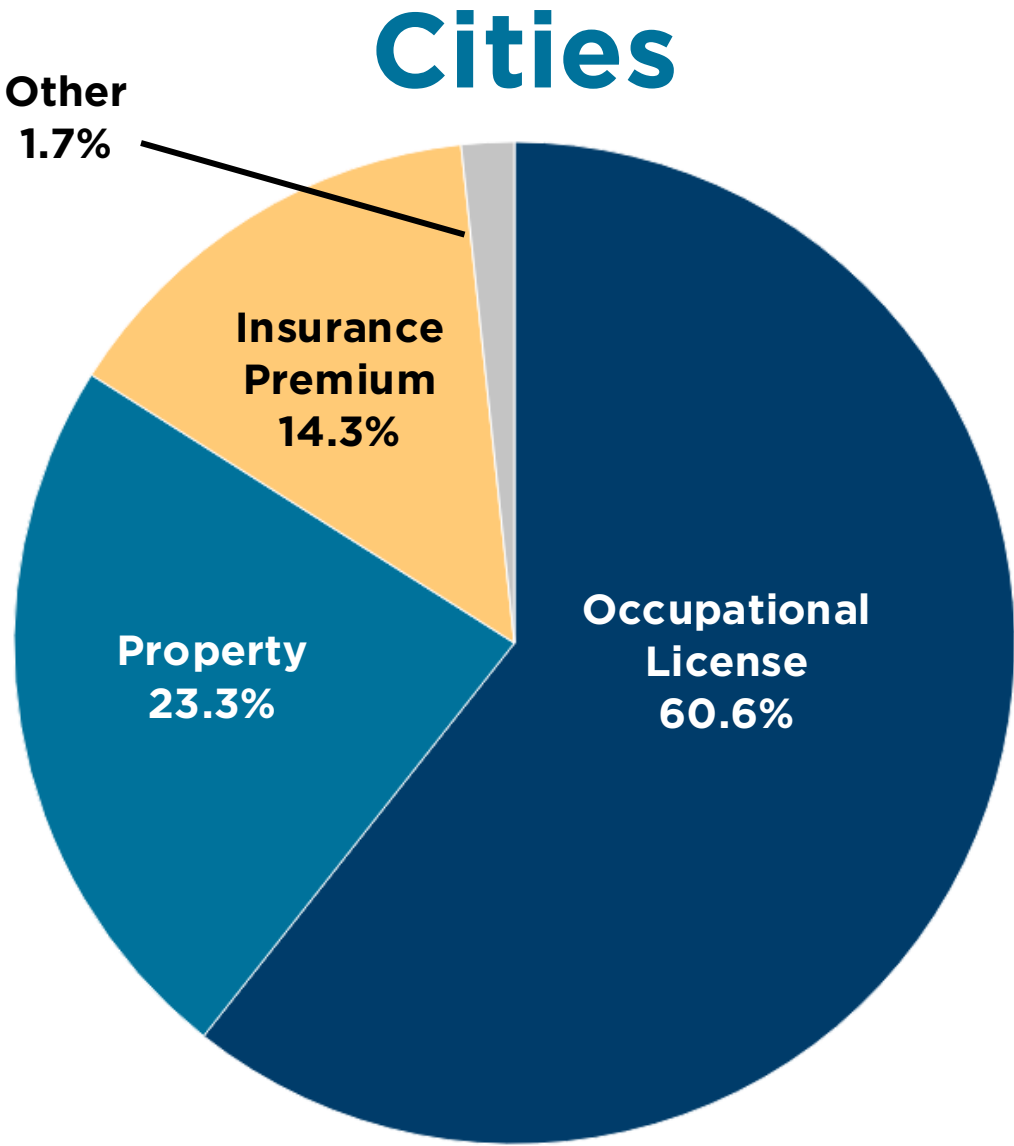
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CONTACT
local office
for questions
or support

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A Vital Source of Tax Revenue



Tax Type	Number of Cities	Number of Counties
Gross Earnings (Payroll)	170	87
Net Profits	89	70
Gross Receipts	39	N/A



**Any
questions?**

Shellie Hampton
Shellie.Hampton@kaco.org

J.D. Chaney
Jchaney@klc.org

