

### **79.325 Sinking fund apportionment.**

- (1) Effective the year the compact between the city and the county is entered into pursuant to KRS 79.310 to 79.330, the sinking fund of the city of the first class shall calculate the distribution of the combined collections from the occupational license fees in accordance with the formula established by this section instead of in accordance within which jurisdiction the situs of the person or business subject to the tax is located. This section shall not change the manner in which such license fees are levied or collected by such city and county and the fees therefor, but merely directs that the combined collections from such license fees be apportioned between the two (2) local governments better to reflect the sharing of responsibilities and obligations agreed to by such city and the county in the cooperative compact under KRS 79.310 to 79.330.
- (2) If combined collections from occupational license fees in any calendar year are less than or equal to the base year collections, fifty-eight and seven hundred thirty-five thousandths percent (58.735%) of such combined collections shall be apportioned to the city of the first class and forty-one and two hundred sixty-five thousandths percent (41.265%) of such combined collections shall be apportioned to the county.
- (3) If combined collections are greater than the base year collections but less than the combined inflation-adjusted base, the amount equal to the base year collections shall be divided between such city and county in accordance with subsection (2) of this section, and the remainder of combined collections shall be divided so that the city shall be apportioned fifty-nine and seven-tenths percent (59.7%) of such remainder and the county shall be apportioned forty and three-tenths percent (40.3%) of such remainder.
- (4) If combined collections in any calendar year exceed the combined inflation-adjusted base, the amount of combined collections equal to the combined inflation-adjusted base shall be divided between the city and the county in accordance with subsection (3) of this section, ten percent (10%) of the combined collections in excess of the combined inflation-adjusted base shall be apportioned in accordance with subsection (5) of this section, and the remaining ninety percent (90%) shall be apportioned so that fifty-seven and two-tenths percent (57.2%) of the remainder shall be apportioned to the city of the first class and forty-two and eight-tenths percent (42.8%) of the remainder shall be apportioned to the county.
- (5) Ten percent (10%) of the combined collections in excess of the combined inflation adjusted base shall be apportioned to the city of the first class or the county in accordance within which jurisdiction the growth in combined collections occurred. If the increase in combined collections is attributable to increased collections in both jurisdictions, the city and the county shall each be apportioned a percentage of the ten percent (10%) equal to the percentage of the increase in combined collections that is attributable to the increase in collections in its jurisdiction.

**Effective:** July 15, 1986

**History:** Created 1986 Ky. Acts ch. 77, sec. 4, effective July 15, 1986.