

ORDINANCE NO. 066, SERIES 2016

AN ORDINANCE CREATING A NEW SECTION 110.05(P) OF THE LOUISVILLE METRO CODE OF ORDINANCES RELATING TO PAYMENT OF OCCUPATIONAL LICENSE TAX WITHHOLDINGS BY ELECTRONIC FUND TRANSFER, CREATING A NEW DEFINITION IN SECTION 110.01, AND CREATING A NEW PENALTY WITHIN SECTION 110.99 FOR ENFORCEMENT OF THE REQUIRED PAYMENT BY ELECTRONIC FUND TRANSFER.

Sponsored By: Council Members Marianne Butler, Angela Leet

WHEREAS, the Council finds that requiring third party payroll reporting agents whose aggregate payment of occupational license taxes deducted and withheld on behalf of multiple employers exceeds \$25,000.00 or who report and pay for more than 100 individual accounts to remit all payments by electronic fund transfer will facilitate the administration and collection of occupational license taxes in Louisville Metro; and

WHEREAS, the Council finds that a definition of “third party payroll reporting agent” is necessary to clarify those entities which are subject to such a requirement; and

WHEREAS, the Council finds that compliance and enforcement of the requirement to remit occupational license taxes deducted and withheld by electronic fund transfer will be enhanced by an appropriate penalty imposed upon non-compliance.

BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (THE COUNCIL) AS FOLLOWS:

SECTION I: There is hereby enacted a new section of Chapter 110 of the Louisville Metro Code of Ordinances, as follows:

§ 110.05(P) PAYMENTS TO BE MADE BY ELECTRONIC FUND TRANSFER.

(1) Third party payroll reporting agents whose aggregate payment of occupational license taxes deducted and withheld pursuant to § 110.05(B) on behalf of

multiple employers exceeds \$25,000.00 or who report and pay for more than 100 individual accounts shall remit all payments by electronic fund transfer.

(2) The electronic fund transfer shall be made on or before the occupational license tax is due.

(3) The Revenue Commission shall promulgate administrative regulations establishing electronic fund transfer requirements for payment of occupational license taxes deducted and withheld.

(4) The Revenue Commission may waive the requirement that an employer remit the payment by electronic fund transfer if the employer is unable to remit funds electronically.

SECTION II: There is hereby enacted and added a new definition within Section 110.01 of the Louisville Metro Code of Ordinances, as follows:

§ 110.01 *THIRD PARTY PAYROLL REPORTING AGENT.* Each business entity (defined herein) through which another business entity processes its employee payroll, including deductions of occupational license taxes mandated by law, and files its occupational license tax withheld returns.

SECTION III: There is hereby enacted a new provision within Section 110.99 of the Louisville Metro Code of Ordinances, as follows:

§ 110.99(K) Third party payroll reporting agents who fail to comply with the provisions of § 110.05(P) shall, unless it is shown to the satisfaction of the Commission that the failure is due to reasonable cause, pay a penalty of 0.5% of the amount which should have been remitted under the provision of § 110.05(P), but not less than \$500.00, for each failure to comply.


SECTION IV: This Ordinance shall take effect upon its passage and approval.



H. Stephen Ott
Metro Council Clerk



David Yates
Metro Council President



Greg Fischer
Mayor

5/27/16

Approval Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney



**LOUISVILLE METRO COUNCIL
READ AND PASSED**
May 26, 2016

BY: 
