



## **Immediate Release**

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### **REALTORS® Push for Modernization of Occupational Tax Collection**

**Lexington, KY** – Kentucky REALTORS® were in Frankfort last week to support issues that have an impact on the real estate industry. The group met specifically with legislators to voice support for a change in the state's tax code and a new way for cities to collect occupational license taxes.

Under current state law, many service providers - real estate professionals, contractors, plumbers, electricians, home health care workers, housekeepers and many other small businesses - are required to pay occupational license taxes, which may vary in percentages, in every city where they do business.

“The present system creates a burden on all small business owners who are required to file paperwork in more than one city,” said Robert Damron, president of the Kentucky Association of REALTORS® (KAR). “Each city has its own unique processes and methods to collect the taxes and fees.”

Having to file multiple paper forms, with differing levels of taxation and payment, can create a confusing paperwork burden. Recently, local governments have issued bench warrants to small business owners for inadvertent nonpayment, which according to KAR, runs contrary to the intended revenue generation.

"We're not trying to exempt ourselves from paying what we owe," said Damron. "The goal is to make it easier for each jurisdiction to receive their fair share of the monies owed."

Other problems with the current method of collection are the differences in filing dates and deadlines, which take a lot of time and money.

Kentucky REALTORS® are pushing for online payments making return filing more efficient. The system would allow payments to be calculated for every jurisdiction, and the taxes could then be paid to the state over the Internet with one check instead of many. From there, payments would be redistributed to the appropriate government entities.

For those uncomfortable or unwilling to use the Internet, paper returns would still be available.

During a regularly scheduled meeting of the Senate State and Local Government Committee, Damron testified on the occupational tax issue. His testimony received favorable comments from several Senators.

“This legislation would give local governments a means for efficient and timely collection of taxes and fees,” stated Damron. “This helps small businesses by streamlining the filing process while providing a modern avenue for the cities to collect and the businesses to pay what is rightfully owed.”

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