

Application For Employee Annual Refund of Occupational Taxes Withheld Instructions

General Instructions –

- Employers are required to withhold Occupational License Tax from the total Gross Salaries, Wages, Commissions and other Compensation paid earned by all employees, where the work was performed in Lyndon.
- An employee who has compensation for work performed outside of the City of Lyndon, whose employer has withheld and remitted Occupational Tax to the City of Lyndon, may request a refund.
- Tax Rate – Employees who work in Lyndon, Kentucky, are subject to a tax rate of 1%.

All compensation subject to the Occupational License Tax and tax rate can be found in Lyndon Occupational License Fee Ordinance, 110.14 and 110.15

Who may File for an Employee Annual Refund

- Employees with Occupational Taxes withheld from wages while working outside the City of Lyndon.
- Employees with Occupational Taxes withheld at a higher rate than 1%.

When and Where to File / Pay

- Application For Employee Annual Refund of Occupational Taxes Withheld must be dropped off, postmarked or emailed within one year from the due date of the Annual Report of Employees Payroll Withholding. The Annual Report and W2 is due the last day of February.
- Drop-off / Mailing address: *City of Lyndon, Attn: Revenue, 515 Wood Rd., Lyndon, KY 40222*
- Email: *revenue@cityoflyndon.org*

Required Information Needed

- Separate application for each employee and for each year involved.
- Form W-2 issued for each year involved.
- Last check stub with year-to-date totals, for current year.
- Notarized signature of employee and corporate officer.

Occupational License Fee reporting can be found in Lyndon Occupational License Fee Ordinance 110.24 <https://www.cityoflyndon.org/Blog/48/2023-ordinances>

Part 1 –

- Enter Employer's Name, Employer's Federal Identification Number and Employer's Lyndon License Number, if applicable.

Part 2 –

- Enter year refund is requested.
- Enter Employee's social security number.
- Enter Employee's name, street address, city, state and zip code
- Enter Employee's job title and description

Part 3 –

- Select Quarters involved in the Overpayment
Line 1 – Enter number of hours worked outside of Lyndon.

Line 2 – Enter total number of hours worked. Exclude holiday, vacation and sick days.
Line 3 – Divide Line 1 by Line 2 to enter the percentage of time worked outside of Lyndon. The percentage must be more than 5% (104 hours) to claim a refund.
Line 4 – Enter the Total Gross Wages per W-2 Form. Include deferred compensation. This should be the greater of Box 5 (Medicare Wages) or Box 18 (Local Wages).
Line 5 – Multiply Line 3 by Line 4 to enter Total Wages earned outside Lyndon.
Line 6 – Subtract Line 4 from Line 5 to enter Local Taxable Wages.
Line 7 – Multiply Line 6 by applicable tax rate .01 to enter Occupational Tax Due.
Line 8 – Enter amount of Lyndon Tax withheld per W2 Form. This should include only the taxes withheld for Lyndon, Kentucky. Attach a copy of W2 Form.
Line 9 – Subtract Line 7 from Line * to enter Amount of Annual Refund Requested. Refunds are issued annually.

Part 4 – Certification

- Enter Employee signature and date certifying that the information is true and correct.
- Enter Signature from Employer’s person of authority (corporate officer, chief accountant, payroll manager, etc.) and date certifying that the information is true and correct.
- Employer’s signature must be notarized.

General Information –

- A copy of your W2 Form or year to date payroll stub must be submitted with this application.
- Statements for out-of-town work should be taken from daily logs or calendar/schedules that this agency reserves the right to audit in case of discrepancies.
- If an employer did not remit the taxes and/or quarterly employee withholding tax return from the period(s) of the refund, the City of Lyndon will notify you that no refund is forthcoming due to your employer’s failure to remit payment of taxes and/or failure to file the quarterly employee withholding tax return. Contact your employer to resolve the issue.
- All refund checks are mailed to the street address provided in Part 2.