



For Immediate Release

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KENTON COUNTY LOWERS OCCUPATIONAL TAX RATE
Ordinance also eliminates county's net profits tax

COVINGTON, Ky. (November 1, 2023) – The Kenton County Fiscal Court approved legislation at its Oct. 23 meeting to lower the county's general occupational tax rate, while also eliminating the county's net profits tax.

“When we reformed the county's revenue system last year to lessen the financial burden for property owners, we committed to further refinements once we had the first year's results in hand,” Kenton County Judge/Executive Kris Knochelmann said. “We're now moving forward on lowering the occupational tax rate while also eliminating the net profits tax. After much work, we're now positioned to have a revenue system that is fair to Kenton County residents, while also ensuring the quality of county operations and its economic competitiveness.”

Under the proposed ordinance, the county's general occupational tax rate will decrease to 0.59% from 0.8%. In addition, the cap on taxable earnings will increase to the full social security maximum (currently \$160,200).

The combined rate for occupational licensing fees related to mental health and seniors will remain the same at 0.1097%.

The ordinance also eliminates the county's net profit tax, putting an estimated \$2 million to \$3 million back into the hands of Kenton County businesses. Businesses will still be required to submit their net profits information; however, they will not have to pay the Kenton County portion of the tax.

The newest changes build upon the Fiscal Court's work to create a fairer and more competitive revenue system, relieving the tax burden on property owners.

Currently, the county has two primary revenue streams – property taxes and occupational taxes. Property taxes are shouldered by Kenton County property



owners, primarily its residents, while occupational taxes are paid by businesses and their employees.

Historically, property and occupational taxes accounted for roughly equal amounts of the county's revenue. Because of legislative changes over the years, the property tax burden increased yearly until it accounted for 65% of the county's primary revenue in 2020.

In making the changes over the past two years, it is projected occupational taxes will once again account for 50% of the county's primary revenue, and relieve property owners of their current and future burden.

The change to the county's occupational tax rate follows the Fiscal Court's action this August to lower Kenton County's property tax rate to its lowest level since 2003. It marked the third consecutive year the Fiscal Court reduced that rate.

The occupational tax changes will take effect on Jan. 1, 2024. For more information, [click here](#).

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