



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 13-5, Kentucky City Income Tax Withholding

Date: January 23, 2013

To: Subscribers of Tax Bulletins

Beginning with wages paid for Pay Period 01, 2013, the National Finance Center (NFC) will make the following changes to the withholding of city income tax for Covington, Florence, and Frankfort, Kentucky:

- The city of Covington, Kentucky, will decrease the payroll tax rate from 2.50 percent to 2.45 percent for residents and nonresidents.
- The city of Covington, Kentucky, will increase the maximum withholding wage base from \$110,100 to \$113,700 and increase the maximum annual withholding amount from \$2,752.50 to \$2,785.65.
- The city of Florence, Kentucky, will increase the maximum withholding wage base from \$110,100 to \$113,700 and increase the maximum annual withholding amount from \$2,202 to \$2,274.
- The city of Frankfort, Kentucky, will increase the payroll tax rate from 1.75 percent to 1.95 percent for residents and nonresidents.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to the **NFC Home Page** (<http://www.nfc.usda.gov>) and click the **Publications** link at the top of the page. At the Publications page right-hand menu, click **Tax Formulas** and select the appropriate State from the map provided. Changes to the tax formula are identified by "▶◀".

For questions about NFC processing, authorized Servicing Personnel Office representatives should contact the NFC Contact Center at **1-855-NFC-4GOV (1-855-632-4468)** or via the Internet using the Requester Console.

RANDY L. SPEED, Director  
Government Employees Services Division

NFC BULLETIN

## Kentucky Cities Income Tax Information and Withholding Formula

### Withholding Formula ▶Effective Pay Period 01, 2013◀

1. Multiply the gross biweekly wages by 26 to obtain the annual wages.
2. Determine the annual Kentucky city income tax withholding by applying the following guideline to the annual wages.

#### Compute the City Income Tax Withholding For:

#### By Multiplying the Annual Wages By:

	State/City Codes	Resident Percentage	Nonresident Percentage	City Tax Status (Duty Station = DS Residence = R)
Bowling Green	21/0350	1.85	1.85	DS
Covington	21/0800	▶2.45 <sup>1</sup>	2.45 <sup>1</sup> ◀	DS
Florence	21/1150	2.00 <sup>2</sup>	2.00 <sup>2</sup>	DS
Frankfort	21/1220	▶1.95	1.95◀	DS, R
Lexington-Fayette	21/1980	2.25	2.25	DS
Louisville	21/2090	1.45	1.45	DS
Owensboro	21/2490	1.33	1.33	DS
Paducah (voluntary)	21/2520	2.00	2.00	
Richmond	21/2750	2.00	2.00	DS

<sup>1</sup> Maximum withholding wage base of ▶\$113,700◀ (maximum annual withholding of ▶\$2,785.65◀).

<sup>2</sup> Maximum withholding wage base of ▶\$113,700◀ (maximum annual withholding of ▶\$2,274◀).

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Note: City tax is mandatory unless otherwise indicated.

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3. Divide the annual Kentucky city income tax withholding by 26 to obtain the biweekly Kentucky city income tax withholding.