

October 31, 1985

MEMORANDUM

TO: Deans, Department Chairpersons and Directors of Graduate Studies

FROM: Wimberly C. Royster
Dean of the Graduate School

Daniel R. Reedy
Associate Dean for Academic Affairs

RE: Guidelines for Exemption of Graduate Assistants from the Lexington-Fayette County Government Occupational License Fee.

During the summer, the Graduate School appointed a committee to examine the exemption of Graduate Assistants' stipends from the Occupational License Fee. After consultation and some negotiation with the Division of Tax Collection of Lexington-Fayette Urban County Government, we have jointly developed guidelines or qualifications which would determine if a Graduate Assistant is exempt from this fee:

"Any student who meets all of the requirements of these guidelines is exempt from the Lexington-Fayette Urban County Government occupational license fee:

1. The student must have been admitted to the Graduate School and is enrolled in a graduate degree program (masters, specialist, or doctorate) at the University.
2. The student must have been awarded a Graduate Assistantship on the basis of academic qualifications and must successfully meet the requirements of a specific graduate degree program.
3. The benefits of the Graduate Assistantship must be primarily for the awardee and not for services rendered to the grantor, i.e. the student's duties as a Graduate Assistant are primarily for the purpose of furthering his/her graduate education- and to satisfy specific degree requirements such as teaching experience or research for a thesis or dissertation."

The following comments represent an interpretation/understanding of this agreement:

1. Graduate Assistants who are classified in "post-baccalaureate" status do not qualify for this exemption, since they are not in a degree program.

2. Graduate Assistants who are employed by a department or program other than the one in which they are enrolled do not qualify for this exemption, i.e. a student enrolled in Electrical Engineering but is employed by Computer Science would not be eligible. Such would represent "gainful employment".
3. All Graduate Assistants in doctoral or Plan A (thesis) programs are considered to be exempt since research is already a stated part of their degree requirements.
4. Graduate Assistants at the Master's level in Plan B (non-thesis) will not be considered exempt unless the program files with the Graduate School a general statement that "teaching experience or research is required to satisfy specific degree requirements".

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IMPLEMENTATION:

The Office of Payroll Accounting will prepare a specific code to be entered on the Graduate Assistant's PAR by the employing department or unit which will certify that provisions 1 through 3 of the agreement above have been met. This will necessitate the filing of new PARs for each qualified Graduate Assistant before the beginning of the new tax year (January 1, 1986). Payroll Accounting will consequently not withhold the Occupational License Fee from that GA's stipend.

We urge your attention to this matter, particularly if you intend to file a statement with the Graduate School that "teaching experience or research for a thesis or dissertation is required to satisfy specific degree requirements". It may well be that some units will not wish to file such a statement as part of specific degree requirements. Whatever the case, we need to know your intentions at your earliest convenience.

Please note that this agreement is for purposes of the Lexington-Fayette Urban County Government occupational license fee only. This agreement does not pertain to either State or Federal Tax provisions.

cc: Scott Wood
Chancellor Gallaher
James Chapman