

INCOME TAX LAW CHANGES

(Revised Ohio Revised Code 718)

Effective January 1, 2016

All (individual and business) tax returns for 2015 and prior will be filed under the same rules and ordinance specifications as previous years. Beginning January 1, 2016, the City's new income tax ordinance will be in effect for tax years 2016 and beyond. A summary of the changes related to due dates, interest and penalties is summarized below.

For individual and business filers:

- Estimated taxes must be paid if the preceding year liability was \$200.00 or more.
- Estimated tax due dates were changed to reflect the Ohio Revised Code 718 due dates; 04/15, 06/15, 09/15 and 12/15. Penalty and interest apply to any unpaid or underpayment of estimate.

For business withholdings:

- Quarterly employee withholdings are due the last day of the month following the end of the quarter; 4/30, 7/31, 10/31 and 1/31. Changes effective with third quarter 2016 (SB172).
- Monthly employee withholdings are due the 15th of the month following the end of the reporting month.
- Penalty and interest apply to any unpaid employee withholdings.

With respect to changes in penalty for tax years 2016 and beyond:

- 15% for underpaid/unpaid tax liability
- 15% for underpaid/unpaid estimated tax
- 50% for underpaid/unpaid employee withholding
- \$25.00 monthly for late/non-filed tax returns

The interest rate effective January 1, 2017 as defined by the new income tax ordinance will be the Federal short-term rate as of July, 2016, rounded to the nearest whole percent plus 5%.

For 2017 the interest rate is 6%.