

INCOME TAX LAW CHANGES

(Ohio Revised Code 718)

On June 30, 2017, the Governor signed House Bill 49, the bi-annual budget bill. This bill included additional changes to [Ohio Revised Code 718: Municipal Income Tax](#). Some of these changes have already taken effect. Others will be effective starting January 1, 2018. A summary of changes is included below, as well as reminders of important dates and items to note.

For individual and business filers:

- Estimated taxes must be paid if the preceding year tax liability was \$200.00 or more.
- Estimated tax due dates:
 - On or before the fifteenth day of the fourth month after the beginning of the taxable year; 04/15
 - On or before the fifteenth day of the sixth month after the beginning of the taxable year; 06/15
 - On or before the fifteenth day of the ninth month after the beginning of the taxable year; 09/15
 - On or before the fifteenth day of the last month after the beginning of the taxable year; 12/15
 - Penalty and interest apply to any unpaid or underpayment of estimate.
- A copy of page one of an individual's federal tax return (Form 1040) must accompany the local return. (This was in effect for 2016 filings) As usual, returns must also include all W-2s and, if applicable, Schedules C, E and F and 1099s (excluding dividends, interest and retirement). Any Form 2106 employee business expenses must include federal Schedule A.

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. (was effective with 3rd quarter remittance in 2016)
- Monthly employee withholdings are due the fifteenth of the month following the end of the reporting month. (02/15, 03/15, 04/15, 05/15, 06/15, 07/15, 08/15, 09/15, 10/15, 11/15, 12/15, 01/15)
- Penalty and interest apply to any unpaid employee withholdings.

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

Interest Rate, for tax years 2016 and beyond:

- The interest rate effective January 1 of the tax year is defined by ORC 718 and City Ordinance 881.
- Interest will be the Federal short-term rate as of July, the preceding year, rounded to the nearest whole percent plus 5%.
- For 2017, the interest rate was 6%
- For 2018, the interest rate is 6%.