

IMPORTANT INCOME TAX NOTICE

OHIO HOUSE BILL 5

Pursuant to the passage of Amended Substitute House Bill 5 in December 2014, mandated municipal income tax guidelines have been established, effective with tax years beginning January 1, 2016. Chapter 718 of the Ohio Revised Code can be found at: <http://codes.ohio.gov/orc/718>. Please reference this document to determine how the new, State mandated, changes affect your municipal taxable income.

CHANGES TO PENALTIES AND INTEREST

Penalty on unpaid income tax: 15% of the amount not timely paid.

Penalty on unpaid withholding tax: 50% of the amount not timely paid.

Penalty for failure to file timely tax return: \$25.00 per month or a fraction thereof, regardless of the tax liability, up to \$150.00 per return.

Interest will be imposed per annum on all unpaid income tax, and unpaid employer withholding tax. Interest will be calculated at the July federal short-term interest rate, rounded to the nearest whole percent, plus 5%. For 2016 returns, paid in 2016, the monthly interest rate is 0.42%.

INDIVIDUAL

The list below provides those items that may have an impact on individuals residing or earning Income within the city limits of Canal Fulton.

Changes in filing due dates for individual estimates. See ORC Section 718.08

1st quarter due April 15th

2nd quarter due June 15th

3rd quarter due September 15th

4th quarter due December 15th

The new threshold for mandatory declaration is now \$200.00.

BUSINESS

The list below provides those items that may have an impact on businesses earning income or employing individuals within the city limits of Canal Fulton.

Changes in filing due date for employee withholding. See Section 718.03

Payment due the 15th of the month following the reporting period.

Changes in monthly and quarterly withholding thresholds. See Section 718.03

Employers must remit monthly if withholding in the previous calendar year exceeded \$2,399 or if the amount required to be withheld during any month of the previous calendar quarter exceeded \$200.

Employers can remit quarterly if their withholdings are under the thresholds described for monthly filers

Withholding guidelines for employers with transient workers; and for those employers qualified as a “small employer”. See Section 718.011.