

## **NEW CHANGES FOR INCOME TAX effective January 1, 2016**

The State of Ohio has mandated that all the municipal income tax departments in the state adhere to the law changes due to the passing of **House Bill 5**.

- Reconciliation due date will be the last day of February.
- **Quarterly installment-** The declaration threshold has increased to \$200. A penalty of 15% of any tax due will be charged on any unpaid estimated taxes.
- Declaration of Estimated Tax due dates are below:

	Due Dates Prior to 2016	<b>Due Dates as of 1-1-2016</b>
1st Quarter	April 15th	<b>April 15th</b>
2nd Quarter	July 31st	<b>June 15th</b>
3rd Quarter	October 31st	<b>September 15th</b>
4th Quarter	January 31st	<b>December 15th</b>

- The interest rate on any tax due is the Federal short-term rate, rounded to the nearest whole percent plus 5% per annum. The rate for 2016 will be 5%.
- Casual Entrant Rule increased from 12 days to 20 days, withholding starts at day 21
- With respect to unpaid income tax and unpaid estimated income tax, the city may impose a penalty equal to 15% of the amount not timely paid.
- With respect to any unpaid withholding tax, the city may impose a penalty equal to 50% of the amount not timely paid.
- With respect to returns other than estimated income tax returns, a penalty for failing to file a tax return by April 15 is \$25 per month and shall not exceed \$150.