



## **Village of Carrollton**

**Income Tax Department**

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### **Ohio House Bill 5**

Pursuant to the passage of Amended Substitute House Bill 5 in December 2014, new municipal income tax guidelines mandated by the State of Ohio have been established effective with tax years beginning January 1, 2016 and beyond.

Tax returns and payments for tax years beginning prior to January 1, 2016, regardless of the actual filing or payment date, are unaffected by the provisions of Ohio House Bill 5.

Details of the new Ohio municipal income tax guidelines can be found in Chapter 718 of the Ohio Revised Code (ORC) located:

<http://codes.ohio.gov/orc/718>

Below are the new mandates for estimated tax payments and penalty and interest charges.

#### **NEW ESTIMATED TAX PAYMENT REQUIREMENTS AND DUE DATES**

Estimated payments are required for businesses and individuals expecting to owe \$200.00 or more in non-withheld tax. Estimated tax payment due dates are as follows:

- 15<sup>th</sup> day of the 4<sup>th</sup> month (April 15)
- 15<sup>th</sup> day of the 6<sup>th</sup> month (June 15)
- 15<sup>th</sup> day of the 9<sup>th</sup> month (September 15)
- 15<sup>th</sup> day of the 12<sup>th</sup> month (December 15)

**See ORC Section 718.08**

#### **CHANGES TO PENALTIES AND INTEREST**

- Penalty on unpaid income tax and unpaid estimated 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 return: \$25.00 per month or fraction thereof, regardless of tax liability, up to \$150.00 per return.
- Interest will be imposed per annum on all unpaid income tax, unpaid estimated income tax, and unpaid withholding tax. **See ORC 718.27**

**THE INTEREST RATE APPLICABLE TO CALENDAR YEAR 2016 WILL BE  
5.00% PER ANNUM.**