

## Important Changes to Penalties and Interest Effective January 1, 2017

### **Unpaid Municipal Income Tax-Penalty**

A penalty may be imposed on unpaid income tax and unpaid estimated income tax equal to fifteen percent (15%) of the amount not timely paid.

A penalty may be imposed on unpaid withholding tax equal to fifty (50%) of the amount not timely paid.

### **Failure to File Timely-Penalty**

A penalty may be imposed on a municipal income tax return, other than a estimated income tax return, not filed timely, of twenty-five (\$25.00) each month or fraction, during which the return remains unfiled regardless of the liability. The penalty shall not exceed One hundred fifty (\$150.00) for each return not timely filed.

### **Other Penalties**

In addition to the penalties above, the Ohio Revised Code Sec. 718.99 also provides criminal penalties for failure to comply with the income tax ordinance of up to one thousand (\$1,000.00) or up to six months imprisonment for each offense.

### **Charge for Dishonored Remittance**

There will be a thirty (\$30.00) charge to anyone who provides a remittance that is subsequently dishonored by the bank.

### **Unpaid Municipal Income Tax-Interest**

Ohio Revised Code 718.27 requires the Tax Administrator to publish, by October 31<sup>st</sup>, the established interest rate for tax underpayments based on the federal short-term rate that will apply during the next chapter year.

Interest shall be imposed per annum, unpaid income tax, unpaid estimated income tax and unpaid withholding tax.

The interest rate used shall be the federal short-term rate rounded to the nearest whole number percent plus five percent (5%). The rate shall apply for the calendar year next following the July of the year in which the federal short-term rate is determined.

**Note:** Interest applies to any balance of tax due that is not paid by the due date of the return, even if the return is filed under extension.

<b>Calendar Year</b>	<b>Yearly Interest Rate</b>
2016	5.0%
2017	6.0%
2018	6.0%
2019	7.0%
2020	7.0%
2021	6.0%
2022	5.0%
2023	7.0%
2024-2025	10.0%