

IMPORTANT INCOME TAX NOTICE - INDIVIDUALS

Pursuant to the passage of Amended Substitute House Bill 5 in December 2014, new State mandated municipal income tax guidelines have been established, effective with **tax returns due for tax years beginning January 1, 2016**. Ohio Revised Code Chapter 718 Municipal Income Taxes is the state law that municipalities are required to follow, and 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.

The list below provides those items that may have an impact on individuals residing or earning income within the City of Stow.

- **Changes in filing due dates and amounts for individual estimated tax payments.**
 - Estimated tax payments are **required** for individuals expecting to owe \$200 or more in non-withheld tax.

Individual Estimated Tax Payment Due Dates	
1 st Quarter	April 15 th
2 nd Quarter	June 15 th
3 rd Quarter	September 15 th
4 th Quarter	January 15 th

- **Changes in individual penalty and interest rates.** For more details, see Ohio Revised Code Section 718.27.
 - Late filing penalty is \$25 per month, per return (capped at \$150 per return) for failure to timely file a return.
 - Late payment penalty is a one-time 15% penalty of the unpaid balance at the time that the payment is due.
 - Interest rate is the prior year's July federal short-term interest rate (rounded to the nearest whole number percent) plus 5%.

Individual Yearly & Monthly Interest Rates		
Calendar Year	Yearly Interest Rate	Monthly Interest Rate
2016	5.00%	0.42%
2017	6.00%	0.50%
2018	6.00%	0.50%
2019	7.00%	0.58%
2020	7.00%	0.58%
2021	5.00%	0.42%
2022	5.00%	0.42%
2023	7.00%	0.58%