

WITHHOLDERS

Pursuant to the passage of Amended Substitute House Bill 5 in December 2014, new State mandated municipal income tax guidelines have been established, **effective for tax returns due for tax years beginning January 1, 2016 and after:**

- ✓ **Changes in filing due date for employee withholding.**
 - Monthly withholding remittance and payment are considered timely filed if postmarked no later than the 15th of the month following the reporting period.
 - Quarterly withholding remittance and payment are considered timely file if postmarked no later than the last day of the month following the end of the quarter.
 - The quarterly withholding due date was changed due to the passing of Senate Bill 172, effective with 3rd Quarter, 2016, reporting. Senate Bill 172 also changed the withholding payments to be considered timely file, if postmarked by the due date, effective September 2016.

- ✓ **Changes in penalty and interest rates.**
 - Late filing penalty is \$25.00 per month per return (capped at \$150.00 per return) for failure to timely file a return.
 - Late payment penalty is a one-time 50% penalty of the unpaid balance at the time that the payment is due.
 - Interest will be calculated at the July federal short-term interest rate plus 5%.

<u>Calendar Year</u>	<u>Yearly Interest Rate</u>
2016	5.000%
2017	6.000%
2018	6.000%

- ✓ **Changes in monthly and quarterly withholding thresholds.**
 - Employers must remit **monthly** if withholding in the previous calendar year exceeded \$2,399.00 or if the amount required to be withheld during any month of the previous calendar quarter exceeded \$200.00.
 - 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”.**
 - Details available at the link below to Ohio Revised Code 718. See Section 718.011.
 - Chapter 718 of the Ohio Revised Code can be found at; <http://codes.ohio.gov/orc/718>

Please reference Ohio Revised Code 718 at the link above to determine how the new, State mandated, changes will affect your business.