

Due to the passage of Ohio House Bill 5, The Municipal Tax Reform Bill, all Ohio municipalities will be required to make significant changes to their existing local tax ordinances. Most of these changes are being mandated by the state. All municipal tax ordinances must be amended by January 1, 2016, to comply with requirements of the new law.

SOME OF THE CHANGES THAT WILL AFFECT INDIVIDUALS:

- Mandatory Filing - An annual return must be filed by every taxpayer for every taxable year for which the taxpayer is subject to the tax, regardless of whether or not income tax is due.
- All annual returns are to be filed on or before the date prescribed for the filing of state individual income tax returns and are considered on time if postmarked by that date.
- If amount due is \$10 or less, no remittance is required.
- Interest rate for late payments will be the federal short term rate, rounded to the nearest whole percent, plus 5%, calculated annually.
- Penalty for Failure to Timely Pay is 15% of amount not timely paid. This is assessed one time, per occurrence.
- Penalty for Failure to Timely File is \$25 per month or fraction of a month, not to exceed \$150.
- Estimated taxes must be paid if the amount of estimated tax liability is at least \$200 and must be filed by the date the municipal income tax returns are due.
- Estimated taxes shall be paid quarterly and will be due on or before the 15th day of the 4th, 6th, 9th and 12th months after the beginning of the taxable year.
- Penalty and interest may be imposed upon the underpayment of estimated taxes.

SOME OF THE CHANGES THAT WILL AFFECT BUSINESSES:

- Interest rate for any late payments will be the federal short term rate, rounded to the nearest whole percent, plus 5%, calculated annually.
- Withholding Taxes
 - Penalty for Failure to Timely Pay - 50% of the amount not timely paid, assessed one time.
 - Penalty for Failure to Timely File is \$25 per month or fraction of a month, not to exceed \$150.
 - New thresholds for determination of monthly filing requirements.
 - New due dates for monthly and quarterly withholding payments and new considerations for how to determine if paid on time.
- Annual Income Tax Return (Net Profit)
 - Returns must be filed on or before the fifteenth day of the fourth month following the end of the taxpayer's taxable year.
 - If the amount due is \$10 or less, no remittance is required.
 - Penalty for Failure to Timely Pay is 15% of amount not timely paid. This is assessed one time, per occurrence.
 - Penalty for Failure to Timely File is \$25 per month or fraction of a month, not to exceed \$150.
- Estimated Taxes
 - Estimated taxes must be paid if the amount of estimated tax liability is at least \$200 and must be filed by the date the municipal income tax returns are due.
 - Estimated taxes shall be paid quarterly and will be due on or before the 15th day of the 4th, 6th, 9th and 12th months after the beginning of the taxable year.
 - Penalty and interest may be imposed upon the underpayment of estimated taxes.
- There are many changes for contractors and outside businesses that do work in our Village and for employers qualified as a "small employer". These changes are outlined in the ordinance draft on our website. Please see the link below. You can also reference Chapter 718 of the Ohio Revised Code at <http://codes.ohio.gov/orc/718>.

Please see the link for a draft of the [new income tax ordinance](#) for all the specifics of the ordinance or you can reference Chapter 718 of the Ohio Revised Code at <http://codes.ohio.gov/orc/718> and contact your financial consultants and/or payroll providers to find out how the changes will affect you directly. Please feel free to contact the Village of New Concord's income tax department should you have any questions. You can call 740-826-7671 or email the income tax administrator at dkughn@newconcord-oh.gov, Monday through Friday between 8:00 AM and 4:00 PM.