

## PENALTIES AND INTEREST

### 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 percent (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 an estimated income tax return, not filed timely, of twenty-five (\$25.00) each month or any fraction, during which the return remains unfiled regardless of the liability. The penalty shall not exceed \$150.00 for each return not timely filed.

### 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 calendar year.

Interest shall be imposed per annum, on all 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 a return, even if the return is filed under extension.

Calendar Year	Monthly Interest Rate	Yearly Interest Rate
2016	.42%	5.00%

See community ordinance for further detail or variance.

effective: January 1, 2016