



# WICKLIFFE INCOME TAX DEPT

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## 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 15<sup>th</sup> 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 3<sup>rd</sup> 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%

✓ **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.**