

IMPORTANT WITHHOLDING TAX CHANGES EFFECTIVE 1-1-2016

Pursuant to the passage of Amended Substitute House Bill 5 – Municipal Income Tax Uniformity 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 and after.

WHO MUST FILE:

1. Each employer located within the Village of Lordstown is required to withhold the tax for all employees age (18) eighteen and older.
2. Before beginning work within the village, each **NON RESIDENT** Employer doing business in the village must register with the Village Income Tax Department, to determine their filing requirement.

WITHHOLDING DUE DATES:

Monthly and Quarterly remittance and payment must be received no later than the 15th of the month following the reporting period.

DEPOSIT REQUIREMENTS:

MONTHLY – Employers must remit monthly if withholding in the previous calendar year exceeded \$2,399 or if the amount required to be withheld during any month of the previous calendar quarter exceeded \$200.

QUARTERLY – Employers can remit quarterly if their withholdings are under the thresholds described for monthly filers.

RECONCILIATION DUE DATE – The reconciliation due date is the last day of February.

INTEREST AND PENALTIES RATES:

Late Filing Penalty – is \$25.00/month per return (capped at \$150.00/per return)

Interest – will be calculated at the federal short-term interest rate (0.42% per month and may change annually) plus 5% annum.

Late Payment Penalty – is a one-time 50% penalty of the unpaid balance at the time payment is due.

WITHHOLDING GUIDELINES FOR EMPLOYERS WITH TRANSIENT WORKERS; AND FOR THOSE EMPLOYERS QUALIFIED AS A “SMALL EMPLOYER”.

Details available at the link below to ORC chapter 718. See section 718.011.

Chapter 718 of the Ohio Revised Code can be found at: <http://codes.ohio.gov/orc/718>. Please reference this document to determine how the new, State mandated, changes affect your business.