

IMPORTANT WITHHOLDING TAX CHANGES EFFECTIVE 9-12-2016 and after\*\*

The State of Ohio, General Assembly enacted House Bill 5 in December 2014. This House Bill mandates that municipal income tax codes be amended by January 1, 2016 and that municipal income tax is "levied in accordance with the provisions and limitations specified in Chapter 718 of the Ohio Revised Code".

(House Bill 5 – Municipal Income Tax Uniformity)

**\*\*SB 172 was signed by Governor Kasich on June 14, 2016 and is effective 90 days after this signature date, or 9/12/16.**

WHO MUST FILE:

1. Each employer located within the Municipality of Sebring is required to withhold the tax for all employees age (18) eighteen and older.
2. Before beginning work within the municipality, each NON-RESIDENT Employer doing business in the municipality must register with the municipal income tax department, to determine their filing requirement.

DEPOSIT REQUIREMENTS:

1. 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.
2. QUARTERLY – Employers can remit quarterly if their withholdings are under the thresholds described for monthly filers.

WITHHOLDING DUE DATES:

**Withholding payments are now considered timely if POSTMARKED by their due date.**

- 1) Monthly withholding payments are due the **FIFTEENTH (15<sup>TH</sup>)** of each month.
- 2) Quarterly withholding payments are now due by the **LAST DAY** of the month following the last day of the calendar quarter. This becomes effective with the **THIRD** quarter payments of 2016.

**\*Electronic funds transfers shall be considered to be made on the date of the timestamp assigned by the first electronic system receiving that payment. (The date of transfer of funds from the account of the taxpayer)**

RECONCILIATION DUE DATE :

The reconciliation due date is the last day of February.

INTEREST AND PENALTIES:

2016 Interest Rate – 5% per annum.

(Interest is based on the Federal short term rate, rounded to the nearest whole percent, plus 5% and may change annually.)

Late File Penalty - \$25.00 per month or fraction of a month with a maximum of \$150.

Late Payment Penalty – 50% of the total tax due.

GUIDELINES FOR EMPLOYERS OF TRANSIENT WORKERS AND EMPLOYERS QUALIFIED AS A "SMALL EMPLOYER":

Details are available at: [www.codes.ohio.gov/orc/718.011](http://www.codes.ohio.gov/orc/718.011)

Please consult with a licensed tax preparer if you have questions concerning your taxes.

The Municipality apologizes for the inconvenience these changes may cause while adhering to the requirements of House Bill 5, SB 172 and the Ohio Revised Code, Chapter 718. Reference: [www.codes.ohio.gov/orc/718](http://www.codes.ohio.gov/orc/718).

The Municipality strongly opposed House Bill 5 with our passage of Resolution #17-13 dated 4/22/2013 and Resolution #45-13 dated 12/30/13.

Sebring Codified Ordinance #32-2015, in its entirety, is available for review at the Municipal building or online at [www.sebringohio.net](http://www.sebringohio.net)