



Income Tax Department

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H.B. 5 - INDIVIDUAL INFORMATION

Pursuant to the passage of Amended Substitute House Bill 5 in December 2014, new state-mandated municipal income tax guidelines have been established, **effective with tax years beginning January 1, 2016**. 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 municipal taxable income.

INDIVIDUALS

- **ESTIMATED TAXES**

- Every taxpayer is required to file a declaration of estimated tax.
- The threshold for estimated tax payments increases from \$100 to \$200.
 - A taxpayer is required to make estimated tax payments if the tax liability reaches \$200. *"Tax liability" means the total taxes due to a municipal corporation for the taxable year, after allowing any credit to which the taxpayer is entitled, and after applying any estimated tax payment, withholding payment, or credit from another taxable year.*
- Changes in filing due dates and amounts.

The quarterly payments and amounts are now due as follows:

 - 1st quarter – due on or before the fifteenth day of the fourth month (April 15th), twenty-two and one-half percent (22.5%) of the tax liability for the taxable year;
 - 2nd quarter – due on or before the fifteenth day of the sixth month (June 15th), forty-five percent (45%) of the tax liability for the taxable year;
 - 3rd quarter – due on or before the fifteenth day of the ninth month (September 15th), sixty-seven and one-half percent (67.5%) of the tax liability for the taxable year;
 - 4th quarter – due on or before the fifteenth day of the twelfth month (December 15th), ninety percent (90%) of the tax liability for the taxable year.

Note: A taxpayer may be subject to underpayment penalty and interest if ninety percent (90%) of their tax liability is not paid on or before December 15th.

- **NEW PENALTY AND INTEREST RATES**

- For information about new penalty and interest rates click [here](#).

- **ANNUAL RETURN**

- An individual can offset their Schedule C/E/F losses against another Schedule C/E/F profits.
- Schedule C/E/F losses can no longer offset taxable wages.
- A taxpayer is required to attach page one of the federal with their municipal return.