

# City of Tiffin

Finance Department - Income Tax Division  
Linda K. Neeley, City Tax Commissioner



City Hall Annex • 53 E. Market Street • P.O. Box 518 • Tiffin, Ohio 44883  
419/448-5405 Fax 419/448-5406 taxcommissioner@tiffinohio.gov

## SUMMARY OF CHANGES TO WITHHOLDING DUE TO HOUSE BILL 5

In December 2014, the Ohio legislature passed Amended Substitute House Bill 5 which resulted in many changes to the way municipalities can administer and collect tax. Some of these changes affect employer's withholding of municipal income tax, effective with tax returns due for tax years beginning January 1, 2016 and after, and are described below.

- **Changes in filing due date for employee withholding.**
  - Monthly withholding returns and payments must be postmarked no later than the 15<sup>th</sup> of the month following the reporting period.
  - Quarterly withholding returns and payments must be postmarked no later than the last day of the month following the reporting period.
- **Changes in penalty and interest rates.**
  - Late filing penalty of \$25/month per return (up to a maximum of \$150).
  - Late payment penalty of a one-time 50% penalty of the unpaid balance at the time payment is due.
  - Interest on the unpaid balance calculated at the July federal short term rate plus 5%. (See interest section on website at [www.tiffinohio.gov](http://www.tiffinohio.gov) for interest rate that applies.)
- **Changes in monthly and quarterly withholding thresholds.**
  - 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.
  - Employers may 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 "small business employer".**
  - Details available in section 718.011 of Ohio Revised Code.

These changes have been mandated by the passage of House Bill 5 and the new Ohio Revised Code which can be found at: [codes.ohio.gov/orc/718](http://codes.ohio.gov/orc/718). It restricts a municipality's power to levy an income tax ***unless it is in strict compliance with ORC 718***. Please refer to ORC, especially sections 718.03, 718.011, 718.27 and 718.99 to determine how the new, State mandated, changes will affect your business. If you have any questions, please do not hesitate to contact me at 419-448-5405 or at [Ineeley@tiffinohio.gov](mailto:Ineeley@tiffinohio.gov).