



City of Amherst Income Tax Department

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PENALTY AND INTEREST RATES

UNPAID MUNICIPAL INCOME TAX – INTEREST

Ohio Revised Code 718.27 requires that the Tax Administrator must publish the established interest rate for tax underpayments based on the federal short-term rate that will apply during the next calendar year.

Interest shall be imposed per year on all unpaid income tax and unpaid withholding tax.

The interest rate used shall be the federal short-term rate (rounded to the nearest whole number percent) plus five percent (5%). The rate shall apply for the calendar year next, following July of the year in which the federal short-term rate is determined.

Calendar Year	Monthly Interest Rate	Yearly Interest Rate
2015 and prior	1.5%	18.00%
2016	.42%	5.00%
2017	.50%	6.00%
2018	.50%	6.00%

UNPAID MUNICIPAL INCOME TAX – PENALTY

A late paying penalty of fifteen (15%) on any tax balance for the tax years 2016 and forward will be charged. The City of Amherst will impose this penalty on June 1 of each year beginning with tax year 2016 on any tax balance that is due on the April IRS due date and not paid in full by May 31. FYE filers will have a 45 day grace period from the IRS due date.

Note: Interest and late paying penalty applies to any balance of tax due that is not paid by the due date of a return, even if the return is filed under extension. An estimated payment in the amount of 90% of the expected liability must be paid in full by the original due date or the 15% late paying penalty will be imposed on those returns under Federal extension.

A penalty may be imposed on unpaid withholding tax equal to fifty percent (50%) of the amount not timely paid.

FAILURE TO FILE TIMELY – PENALTY

A penalty may be imposed on a municipal income tax return not timely filed of \$25.00 each month or any fraction thereof, during which the return remains unfiled regardless of the liability. The penalty shall not exceed \$150.00 for each return not timely filed.

OTHER PENALTIES

In addition to the penalties above, the Ohio Revised Code Section 718.99 also provides criminal penalties for failure to comply with the income tax ordinance of up to one thousand dollars and/or imprisonment for a term of up to six months for each offense.

APPLICATION OF PAYMENTS

All payments received by the tax office will be applied in the order in which the balance became due. The payments will be applied in the following order: tax balance, late filing penalty, late paying penalty and interest.

CHARGE FOR DISHONORED REMITTANCE

There will be a \$25.00 charge to anyone who provides a remittance that is subsequently dishonored by the bank upon which it is drawn.