

## **Parma Heights Income Tax**

### **What's New for Tax Year 2016?**

The State of Ohio General Assembly enacted House Bill 5 in December 2014 mandating specific changes to local laws relating to municipal taxes. House Bill 5 requires that the City of Parma Heights publish the penalty and interest rates for tax years beginning on or after January 1, 2016. Penalty and interest rates for tax years prior to January 1, 2016 can be found in the current Parma Heights Tax Ordinances.

#### **Interest**

Interest shall be imposed at a rate of five percent (5.0%) per annum on all unpaid income tax, unpaid estimated income tax and unpaid withholding tax. This rate is for tax years beginning on or after January 1, 2016 and in effect through December 31, 2016. The interest rate is based partially on the federal short-term rate and may fluctuate year to year. The interest rate for 2017 will be published on this website by October 31, 2016.

#### **Penalties**

A penalty equal to fifteen percent (15%) may be imposed on unpaid income tax and unpaid estimated income tax not timely paid. A penalty equal to fifty percent (50%) may be imposed on unpaid withholding tax not timely paid.

A penalty may be imposed on each Parma Heights tax return, other than an estimated income tax return, not filed timely, of twenty five dollars (\$25.00) each month or any fraction, during which the return remains unfiled regardless of the liability. The penalty shall not exceed one hundred fifty dollars (\$150.00) for each return not filed timely.

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 (\$1,000.00) or up to six months imprisonment for each offense.

#### **Charge for Dishonored Remittance**

There will be a ten dollar (\$10.00) charge to anyone who provides a remittance that is subsequently dishonored by the bank upon which it is drawn.