



# New Municipal Income Tax Law Form 172

Effective 1/1/2016, a new City  
of Struthers Municipal Income  
Tax Ordinance will be in place.  
Are you ready?

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# Old & New Ordinances

- Am Sub H.B. 5 only affects taxable years 2016 and after
- Will be operating under both ordinances until 2022.
- For example, a 2015 return received in 2017 will fall under the old rules but a 2016 return received in 2017 will fall under the new rules.

# Due Dates

- Estimated Taxes
  - Due 15<sup>th</sup> of the month
  - Qtr 4 is due Dec 15<sup>TH</sup> (or 15<sup>th</sup> day of the 12<sup>th</sup> mth of tax year for fiscal filers)
- Withholding Taxes
  - Quarterly: Due 15<sup>th</sup> day after last day of the Qtr
  - Monthly: Due 15<sup>th</sup> day after the end of the mth
  - N/A ● Semi-Monthly: Due 3<sup>rd</sup> banking day after first 15 days & 3<sup>rd</sup> banking day after last day of mth
- Reconciliation
  - Still due February 28<sup>th</sup>.

## Due Dates, cont.

- Considered on time:
  - Postmark date of the due date is considered on time for all mailed items
  - Submitted date for OBG remittance is considered on time
  - W/A ● Semi-monthly remittance is on time IF the remittance is received in the tax office on or before the due date

# Estimated Remittance

- Estimates required for \$200+ (-w/h & c/o)
- Estimates due to prevent underestimating
- 22.5% due 15<sup>th</sup> day of the 4<sup>th</sup> month for TY
- 45% due 15<sup>th</sup> day of the 6<sup>th</sup> month for TY
- 67.5% due 15<sup>th</sup> day of the 9<sup>th</sup> month for TY
- 90% due 15<sup>th</sup> day of the 12<sup>th</sup> month for TY
- Underestimate penalties will apply if under 90% paid before the 15<sup>th</sup> day of the 12<sup>th</sup> month for the TY (penalties will be covered soon)

## Estimated Remittance, cont.

- You are exempt from 90% rule **IF** you pay 100% of preceding tax year's liability.
  - This can be paid with your preceding year's *City of Struthers* tax return or in equal quarterly installments – must be paid before the 15<sup>th</sup> day of the 12<sup>th</sup> month of the TY.
  - If you don't already, it's good practice to pay the preceding taxable year's liability as an estimated payment with your return (start with '15??)
- You are exempt from 90% rule **IF** you had no taxable income in the preceding taxable year.

# Withholding Remittance

## Monthly

- Due on the 15<sup>th</sup> day after the last day of the month
- Required if:
  - Need* ● Preceding year w/h was at \$2399+, or
  - Need* ● Any month in preceding quarter was \$200+

## Quarterly

- Due on the 15<sup>th</sup> day after the last day of the quarter
- For all other w/h accounts

# Reconciliation of Returns

- Due date is still Feb 28 – no grace period
- New* ● Must include W-2's for **ALL** taxing districts – not just *City of Struthers.*
- New* ● This includes "Non-Taxable" districts
- New* ● May use approved spreadsheet in lieu of W-2's (Contact Tax Office for approval)
  - Spreadsheets are recommended **IF** all pertinent information is included.
- Electronic remittance of reconciliations is available.
  - Use SSA file – but only if it includes the **FULL LOCAL LISTING**. Submitted on properly formatted CD



# Penalties & Interest

## 2015 & Before

- **Interest Rate:** 1% per month or fraction thereof. No min/no max
- **Late Filing:** \$25.00
- **Late Payment:** 5% per month or fraction thereof. Min \$25/Max 15%
- **Late W/H:** 5% per month or fraction thereof. Min \$25/Max 15%

## 2016 & After

- **Interest Rate:** "Federal Short Term Rate" rounded + 5% per annum
- **Late Filing:** \$25 per month or fraction thereof up to max \$150
- **Late Payment:** 15% of the amount not timely paid – one time per return
- **Late W/H:** 50% of the amount not timely paid – one time per return

# Small Employer Exemption

- To qualify for the exemption, businesses must have <\$500,000 in TOTAL gross revenue and must supply exemption documentation (i.e. 1<sup>st</sup> page of Federal Return + Exemption Application)
- Applies to Non-Resident employers and resident employers who are in and out of multiple taxing districts. (i.e. contractors)
- Exemption does not exempt business from withholding income tax, only remittance to a particular municipality.

*New*