



Applicable to Tax Years Beginning on or After January 1, 2016

Penalty – Unpaid Tax

A penalty will be imposed on unpaid income tax, including unpaid estimated income tax, equal to 15% of the amount not timely paid.

A penalty may be imposed on unpaid employer withholdings tax equal to 50% of the amount not timely paid.

Late Filing Penalty

A late filing penalty will be imposed at the rate of \$25 per month (or fraction of a month) that a return, other than an estimated income tax return, remains unfiled. This late filing penalty applies regardless of the liability on the return. The late filing penalty shall not exceed \$150 for each failure to timely file.

Interest- Unpaid Tax

Interest shall be imposed on all unpaid income tax, unpaid estimated income tax and unpaid employer withholding tax. The interest rate to be applied each calendar year is 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 the July of the year in which the federal short-term rate is determined under Section 1274 of the Internal Revenue Code.

State of Ohio Laws governing interest and penalties can be found at [Ohio Revised Code Section 718.27](#).