

## **Penalties and Interest Rates**

### **Late-Filing Penalty**

For tax years ending on or after January 1, 2023, the City may impose a penalty not exceeding \$25 for each failure to timely file return, regardless of the liability shown on that return. (Note: This penalty will not be applied to estimated tax returns.)

### **Penalties on Unpaid Tax**

A penalty may 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 withholding tax equal to 50% of the amount not timely paid.

### **Interest on Unpaid Tax**

Interest may be imposed on all unpaid income tax, unpaid estimated income tax, and unpaid employer withholding tax. The interest rate applied to unpaid balances for a given calendar year equals the Federal short-term rate, rounded to the nearest whole number percent, plus five percent (5.0%). The rate shall apply for the calendar year next following July of the year in which the Federal short-term rate is determined under Section 1274 of the Internal Revenue Code.

<b>Calendar Year</b>	<b>Annual Interest Rate</b>
2018	6.00%
2019	7.00%
2020	7.00%
2021	5.00%
2022	5.00%
2023	7.00%
2024	10.00%
2025	10.00%
2026	9.00%

State of Ohio laws governing interest and penalties can be found in Section 718.27  
of the Ohio Revised Code