



www.blueash.com

## Income Tax Division

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Dear Resident(s),

September 21, 2016

The State legislation known as "House Bill 5" (HB5) made substantial changes to the Ohio Revised Code §718 which governs municipal income tax laws. To be in compliance with the revised State law, on November 12, 2015 the City approved a tax ordinance for tax years beginning in 2016. The previous tax ordinances remain in effect for tax years 2015 and prior. There is no change to the current income tax rate of 1.25% and a summary of noteworthy changes can be found on the back of this letter. As previously mentioned in the Blue Ash Annual Report and the Spring/Summer Newsletter, the most notable change is mandatory filing for residents.

### IMPORTANT CHANGE:

Beginning with tax year 2016, all residents 18 and over will be required to file a Blue Ash tax return annually, even if no tax is owed. The Federal 1040 must be included with the filing. The first mandatory filing will be due by April 18, 2017.

### What do I need to do? (applies to each resident 18 and older)

If you filed a 2015 Blue Ash Income Tax return and have no changes to your contact or other information, then you do not need to contact us.

If you completed and returned a registration in 2016 and have no changes to your contact or other information, then you do not need to contact us.

If you have not filed a 2015 Blue Ash Income Tax return or have not completed a registration in 2016, please complete and return the enclosed resident registration form to establish and/or update your account. The form is also available at [http://www.blueash.com/Tax/Registration\\_Resident\\_072016.pdf](http://www.blueash.com/Tax/Registration_Resident_072016.pdf).

### What to expect in the future

You will receive a 2016 Blue Ash Tax Return in January 2017. Filings are due April 18, 2017.

If someone in your household (18 and older) does not receive a return in January, then we may not have received a registration. Both registration and return forms can be found on the website at [http://www.blueash.com/departments/tax\\_office/forms.php](http://www.blueash.com/departments/tax_office/forms.php).

### Contact Us

The Tax Office is open 8am to 5pm Monday-Friday (closed holidays).

The phone, fax, and email information is in the letterhead at the top right of this page.

The Tax Office homepage can be found at [http://www.blueash.com/departments/tax\\_office/index.php](http://www.blueash.com/departments/tax_office/index.php).

## 2016 Tax Year Noteworthy Changes affecting Residents

### Mandatory Filing

- ☆ All residents 18 and over will be required to file a Blue Ash tax return even if no tax is owed. A return will also be required if tax is owed for those under 18. The first mandatory filing will be due by April 18, 2017.

### Forms/Schedules (includes items required under the prior Ordinance)

- Returns **MUST** include copies of the **Federal 1040 form** (new requirement) and all related W-2s.
- Additionally, supporting documents such as 1099s, Federal Sch. A, C, E, F, 2106, etc. must be included if amounts from those forms are included in the Blue Ash return.
- Missing forms may delay processing or cause credits to be disallowed.

### Quarterly Estimate Payment Due Dates

- 1st pmt due with return filing, by April 15<sup>th</sup> (4/15)
- 2nd pmt due by June 15<sup>th</sup> (6/15)
- 3rd pmt due by September 15<sup>th</sup> (9/15)
- 4th pmt due by December 15<sup>th</sup> (12/15)
- Balance due with next filing, April 15<sup>th</sup> (4/15)

Quarterly estimates are required if a tax liability of \$200 or greater is expected in the next tax year.

### Penalty and Interest

- Penalty and Interest rates are now uniform for municipalities throughout the State of Ohio.
- Interest will change annually and the rates will be posted to the website.

### \$10 Rule

- Amounts due of \$10 or less are not required to be remitted with the annual return.
- In turn, amounts of \$10 or less will not be refunded or carried forward.

### 2106 Expense Limitation

- A 2106 expense deduction is limited to the amount deducted for federal income tax purposes for the taxable year. Remember to include the Federal Sch. A and form 2106 to insure the deduction is allowed.

### Extensions

- Filing extensions obtained for a federal return will also extend the Blue Ash return to the same date. (typically 6 months, October 15<sup>th</sup>)
- As previously, an extension to file is not an extension to pay. An estimate should be paid by the April filing deadline to prevent penalties and interest.