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OHIO MUNICIPAL TAX REFORM.

Ohio House Bill 5 provided some much needed uniformity to the Ohio Municipal Tax Codes. Many of the provisions are effective January 1, 2016, while others do not take effect until various future dates.

Occasional Entrant Treatment.

An individual may work in a non-principle-place-of-business municipality without incurring income tax liability in that municipality if they have "casual" entrant of no more than 20 days per year. However, this exemption does not apply to professional athletes, entertainers, and public figures.

Extensions.

Taxpayers will receive an automatic municipal tax filing extension if they timely file a federal extension. This extension does not extend the due date for remitting tax.

Employer Withholding Schedule.

Employee Withholding taxes must be remitted monthly if collected taxes exceeded \$2,399 in the previous calendar year or exceeded \$200 in any month during the previous calendar quarter. Otherwise the tax must be remitted quarterly.

Estimated Tax Schedule.

If your estimated annual tax liability will be more than \$200 (or \$50 per quarter) after subtracting for amounts to be withheld from your compensation, you are required to make estimated tax payments quarterly. Dues dates are April 15, June 15, September 15 and December 15. Starting 1/1/2018, the fourth estimate will be due on January 15.

Refunds and Remittances.

If you owe the municipality less than \$10 upon the completion of your return, you will not have to remit payment. On the other hand, if your refund from the municipality is less than \$10, you will not receive a refund. **YOU ARE STILL REQUIRED TO FILE THE RETURN.**

Employee Business Expenses, Form 2106.

Unreimbursed employee business expenses are deductible to the extent deducted for federal tax purposes.

Effective January 1, 2017: Net Operating Loss (NOL) Carryforward Rules.

Businesses are allowed to deduct new net operating losses (NOL) with a five-year (5) carryforward of such losses first incurred in taxable years beginning on and after January 1, 2017, and permits pre-existing losses to continue to be carried forward if currently ordinances allow.

The NOL carryforward provision is phased in over a five-year period, with a 50% per year limit beginning in taxable year 2018 and delaying full utilization of carryforwards until taxable year 2023. Any losses that cannot be used due to the 50% limitation may be carried forward to the next tax year, including years in which the 50% limitation will again apply.