



CITY OF VAN WERT

INCOME TAX DEPARTMENT

515 E MAIN ST • VAN WERT, OH • 45891

ATTENTION – IMPORTANT TAX INFORMATION - PLEASE READ

Dear Taxpayer,

Enclosed is your Quarterly Estimate payment voucher (Q1). You are receiving this Q1 for one of the following reasons:

1. You are a Van Wert City Resident and you work for an employer in another Ohio Municipality or your employer is located outside the State of Ohio.
2. You have 1099 income for work performed in the City of Van Wert in which no Van Wert City tax has been withheld.
3. You have Income reported on a Federal Schedule (i.e. Rental Income, Farm Income, Business Income, etc.) in which no Van Wert City tax has been withheld.

The State of Ohio has passed House Bill 5 (effective January 2016), which requires ALL Ohio municipal taxpayers who will owe more than \$200 when they file their **2019** City Income Tax Return to pay Quarterly Estimate payments according to the following schedule:

- 1st Qtr. **On or before the 15th day of the 4th month (April - 2019)** after the beginning of the taxable year, 22.5% of the tax liability for the taxable year;
- 2nd Qtr. **On or before the 15th day of the 6th month (June - 2019)** after the beginning of the taxable year, 45% of the tax liability for the taxable year;
- 3rd Qtr. **On or before the 15th day of the 9th month (September - 2019)** after the beginning of the taxable year, 67.5% of the tax liability for the taxable year;
- 4th Qtr. **On or before the 15th day of the 1st month (January - 2020)** after the beginning of the taxable year, 90% of the tax liability for the taxable year.

The Declaration amount has been based on the information provided when your 2018 Van Wert Tax Return was filed.

Example: When your 2018 Van Wert Return was filed you had a balance due of \$500. Your Declaration for **2019** will also be set up as \$500. You will receive Quarterly Estimate bills of \$125 per Quarter.

The Declaration amount can be adjusted at any time during the year if you anticipate your income will fluctuate due to any of the following: Retirement, Lay-off, Overtime, Employer withholding, Business Closed, Rental Property sold, etc.

In the case of **any underpayment of any portion** of an estimated tax liability, penalty and interest will be imposed upon the amount of underpayment for the period of underpayment. **Estimates MUST be paid in full and on time!**

Penalty: A flat uniform non-payment penalty of 15% (per quarter) of the amount not timely paid will be imposed.

Interest: A uniform interest rate will be applied. This uniform rate will be the Federal short term rate plus 5% per annum

Example: If \$500 is owed when you file your **2018** Van Wert Tax Return and you failed to pay your Quarterly Estimated Payments you would be assessed \$168.74 in Penalty and \$16.86 in Interest resulting in a total due of \$685.60.