

Village of Cadiz
Income Tax Dept.

As required by the Ohio Revised Code effective 1/1/2016 for tax years 2016 and greater, the Village of Cadiz is announcing the interest rate for tax obligations for tax year 2016.

Per the Ohio Revised Code, 718.27 operative 1/1/2016:

(A) As used in this section, "federal short-term rate" means the rate of the average market yield on outstanding marketable obligations of the United States with remaining periods to maturity of three years or less, as determined under section 1274 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 1274, for July of the current year.

(B) On the fifteenth day of October of each year, the tax commissioner shall determine the federal short-term interest rate. For purposes of any section of the Revised Code requiring interest to be computed at the rate per annum required by this section, the rate determined by the commissioner under this section, rounded to the nearest whole number percent, plus three percent shall be the interest rate per annum used in making the computation for interest that accrues during the following calendar year. For purposes of sections 5719.041 and 5731.23 of the Revised Code, references to the "federal short-term rate" are references to the federal short-term rate as determined by the tax commissioner under this section rounded to the nearest whole percent.

(C) Within ten days after the interest rate per annum is determined under this section, the tax commissioner shall notify the auditor of each county in writing of that rate of interest.

Ohio Revised Code 718.27 requires the Tax Administrator to publish, by October 31st, the established interest rate for tax underpayments based on the federal short-term rate that will apply during the next calendar year. Interest shall be imposed per annum, on all unpaid income tax, unpaid estimated income tax and unpaid withholding tax.

The interest rate used shall be 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.

NOTE: Interest applies to any balance of tax due that is not paid by the due date of a return, even if the return is filed under extension.

Calendar Year

Yearly Interest Rate

2016

5.00%