

PENALTY & INTEREST

Effective January 1, 2016

The Municipality shall impose on a taxpayer, employer, any agent of the employer, and any other payer, the interest amounts and penalties prescribed in this section when the taxpayer, employer, any agent of the employer, or any other payer for any reason fails, in whole or in part, to make to the Municipality timely and full payment remittance of income tax, estimated income tax, or withholding tax or to file timely with the Municipality any return required to be filed.

1. **Interest** shall be imposed at the rate defined as “Federal Short-Term Rate”, plus 5%, on all unpaid income tax, unpaid estimated income tax, and unpaid withholding tax. This imposition of Interest shall be assessed per month, or fraction of a month.
2. **Penalty:** With respect to any unpaid withholding tax, a penalty equal to fifty percent (50%) of the amount not timely paid shall be imposed.
3. **Penalty:** With respect to unpaid income tax and unpaid estimated income tax, a penalty equal to fifteen percent (15%) of the amount not timely paid shall be imposed.
4. **Penalty:** With respect to returns of other than estimated income tax returns, the Municipality shall impose a monthly penalty of twenty-five dollars (\$25) for each failure to timely file each return, regardless of the liability shown thereon for each month, or any fraction thereof, during which the return remains unfiled regardless of the liability shown thereon. The penalty shall not exceed a total of one hundred fifty dollars (\$150) in assessed penalty for each failure to timely file a return.

As used in this notice, interest rate as described above, means the federal short-term rate, rounded to the nearest whole number percent, plus five percent. The rate shall apply for the calendar year next following the July of the year in which the federal short-term rate is determined.

This notice shall apply to the following:

- a. Any return required to be filed under applicable law for taxable years beginning on or after January 1, 2016.
- b. Income tax and withholding tax required to be paid or remitted to the Municipality on or after January 1, 2016 for taxable years beginning on or after January 1, 2016.

This section does not apply to returns required to be filed or payments required to be made before January 1, 2016, regardless of the filing or payment date. Returns required to be filed or payments required to be made before January 1, 2016, but filed or paid after the date shall be subject to the ordinance or rules, as adopted from time to time before January 1, 2016 of this Municipality. Please refer to our website for ordinance and rules and regulations prior to January 1, 2016.