

## **UNDERSTANDING ESTIMATED TAX REQUIREMENTS**

### ***AM I REQUIRED TO MAKE ESTIMATED TAX PAYMENTS ON CURRENT YEAR TAX LIABILITY?***

If you will owe at least \$200.00 in municipal income tax (after subtracting anticipated withholding and credits), you are required to make estimated tax payments for the current tax year, paying quarterly as you earn the income subject to the tax.

### ***WHEN ARE ESTIMATED TAX PAYMENTS DUE?***

Estimated tax due for the current year is established when you prepare your annual return for the previous taxable year. For example, when you prepare your 2024 income tax return, establishing your estimated tax liability for tax year 2025 is part of this return. First quarter 2025 is due with the filing of the 2024 tax return, by 4/15/25. Once CCA receives this return, and sets up your estimated tax payment schedule for 2025, you will receive reminder notices for the remaining quarters. Due dates are:

- 1<sup>st</sup> quarter 2025 estimated tax– Due 4/15/25;
- 2<sup>nd</sup> quarter 2025 estimated tax – Due 6/15/25;
- 3<sup>rd</sup> quarter 2025 estimated tax – Due 9/15/25;
- 4<sup>th</sup> quarter 2025 estimated tax – Due 1/15/26

If the filing of your 2024 tax return will be under extension and will not be filed until October 15, 2025, CCA will not be able to establish your liability for 2025 estimated tax and send you reminder notices. You will need to send in these payments without reminder, using the schedule above.

### ***AM I SUBJECT TO PENALTY AND INTEREST CHARGES IF ESTIMATED TAX PAYMENTS ARE NOT MADE, OR IF I HAVE NOT PAID ENOUGH IN ESTIMATED TAX?***

Penalty and interest charges will apply if you have not paid at least 90% of the current tax year liability, or an amount equal to 100% of the prior year tax liability by the fourth quarter due date. If you are unsure as to what you will owe for the current year, you can avoid any penalty and interest charges by paying an amount equal to 100% of the prior year liability (known as “safe harbor”) by the fourth quarter due date.

**ARE ESTIMATES REQUIRED IN THE GERMANTOWN CITY TAX ORDINANCE?**

Yes, but the requirements, due dates, and thresholds are established by State law, and are part of the Ohio Revised Code (ORC) Section 718. All cities and villages in Ohio that have a municipal income tax are required to adhere to the provisions and laws as established on ORC 718. Estimated tax requirements can be found in ORC Section 718.08.

**I USE THE SERVICES OF A TAX PROFESSIONAL. WILL THEY SET UP ESTIMATED TAX PAYMENTS FOR ME?**

Since the requirements are the same for all Ohio cities and village with a tax, your paid tax professional should establish estimated tax payments when required. You should always ask your tax professional if you need to make estimated tax payments, just to ensure that this important part of your tax filing is not missed. If you have recently changed jobs, started a new business, had lottery or gambling winnings, moved during the year or have other sources of income in the current year that your tax preparer may not be aware of, discuss these issues to see if these changes may result in the need for estimated tax payments to be established.

**WHERE CAN I GET ASSISTANCE TO DETERMINE IF I NEED TO MAKE ESTIMATED TAX PAYMENTS?**

Need help in calculating what you owe? CCA can help you determine your estimated liability. Didn't get all quarters paid? As long as you have met the requirements and estimated tax due is paid by the fourth quarter due date, payments are considered to be timely filed and paid.

Contact CCA with any questions you might have on how to estimate your tax due or make estimated tax payments at (216) 664-2070. You can also print, prepare and mail your estimated tax form with payment. Forms are available at [www.ccatax.ci.cleveland.oh.us](http://www.ccatax.ci.cleveland.oh.us), click on the "tax forms" link on the left. Payments can be made online using our ePay online payment service. Payments sent via USPS must be postmarked by the due date to be considered as timely paid. Payments can be made by phone at our call center using a credit or debit card by calling 216-664-2070. There is no service fee or convenience fee charged by CCA for use of a credit / debit card.