

Important Notice to All 2017 Taxpayers

Dear Taxpayer:

Under a State law (House Bill 5), **to avoid penalty and interest charges**, taxpayers who are required to pay 2017 estimated tax must pay 90% of the estimated tax due for 2017 no later than 12-15-17. 2017 Estimated tax payment is required when total 2017 estimated tax is \$200.00 or more.

Exception, if a taxpayer pays 2017 estimated tax in an amount equal to the tax owed in the year 2016, no penalty and interest will be charged if paid by December 15, 2017.

The penalty and interest are charged monthly and would go back to April 18, 2017 on amount remaining unpaid by December 15, 2017. A taxpayer may pay the 2017 estimated tax in quarterly installments with the last one due on December 15, 2017 or pay all estimated 2017 tax at once, by December 15, 2017.

Estimated tax form is enclosed and available on our website www.fairfaxoh.org. If you need help calculating your 2017 estimated tax, contact the Tax Office at 513-527-6506 or by e-mail awillis@fairfaxoh.org.

See instructions on the next page to help you with your estimated taxes for 2017.

A worksheet that does the calculations for you is at the end of this PDF.

Sincerely,

Ann Willis
Tax Department

Instructions

(Look on your return for last year or call the Tax Department for this number)

Tax Owed in 2016: _____

Is this over \$200? Yes No

(If No, Stop. If it is "close" and your income increased pay the exact amount of the previous tax year to avoid penalty and interest. If Yes, Continue.)

You have two options at this point. Pay what you owed in 2016 again or calculate up what your wages are estimated to be this year.

Check your most recent month ending pay stub; find the total year to date wages. Divide that number by the number of months that have passed to that pay stub.

In example: Paystub ending on 7/2/17 Year to date Wages \$23,985.12. Divide by 6 since 6 months have passed entirely. So $\$23,985.12 \div 6 = \$3,997.52$ which are my wages per month. Each year has 12 months in it so I multiply by 12. $\$3,997.52 \times 12 = \$47,970.24$.

My Estimated Annual Wages are \$47,970.24. The Village of Fairfax Tax Rate is 1.75% so I multiply my estimated annual wages by 0.0175 to get my estimated taxes due for 2017.

$\$47,970.24 \times 0.0175 = \839.48 \$839.48 is greater than \$200. I need to pay this by 12/15/17 to avoid penalty.

****But my company withholds for me to a municipality (not a county which no credit is given), how can I tell if enough has been withheld?** Take your current amount withheld to a municipality and divide it by your year to date wages. Is it greater than 0.0175? If so you are okay and enough is being withheld for those wages.

If it is not greater than 0.0175 round it to the nearest ten-thousandth. (Four numbers behind the dot. If the 5th number is 5 or more round up if the 5th number is 4 or less round down)

In example:

More withheld:

Using the same paystub as before with the paystub ending on 7/2/17, the Year to date Wages are \$23,985.12. Withholding to Cincinnati is \$503.69 so $\$503.69 \div \$23,985.12 = 0.0210001$. The fifth space is less than 4 so round down and we get 0.021 which is greater than 0.0175 which means enough is withheld for these wages.

Less withheld:

Using the same paystub as before with the paystub ending on 7/2/17, the Year to date Wages are \$23,985.12. Withholding to Columbia Township is \$239.85 so $\$239.85 \div \$23,985.12 = 0.009999$. The fifth space is more than 5 so round up and we get 0.01 which is 0.0075 less than 0.0175 which means not enough is withheld for these wages.

So we take the 0.0075 and multiply our Annual wages (from above) by it.

$\$47,970.24 \times 0.0075 = \359.78 since this amount is over \$200 I have to pay this amount by 12/15/17 to avoid Penalty.

Estimated Annual Wages

A. Wages to date	B. Complete Months Passed	C. Wages per month (A ÷ B)	D. Months Residing in Village (Normally 12)	E. Annual Estimated Wages (C x D)	F. Village Tax Rate (1.75% or 0.0175)	G. Estimated Taxes Owed (E x F)
\$ 23,985.12	6	3997.52	12	\$ 47,970.24	0.0175	\$ 839.48
\$ 23,985.12	6	3997.52	12	\$ 47,970.24	0.0175	\$ 839.48
					0.0175	
					0.0175	
					0.0175	

Withholding Credit

A. Wages to date	B. Withheld to Municipality	C. Tax Rate of Withholding (B ÷ A)	D. Village Tax Rate (1.75% or 0.0175)	E. (D - C) If negative enough withheld If positive Continue	F. Amount owed to Village (An. Estm. Wages (above) x E)
\$ 23,985.12	\$ 503.69	0.0210	0.0175	-0.0035	
\$ 23,985.12	\$ 239.85	0.0100	0.0175	0.0075	\$ 359.78
			0.0175	0.0175	
			0.0175	0.0175	
			0.0175	0.0175	
Owed to Village by 12/15/17:					

If you want to make quarterly installment payments (Total Owed to Village ÷ 4)

**This must be done for each source of income. You only receive credit for taxes paid to municipalities up to 0.0175 of estimated/qualifying wages there is no excess credit beyond this amount. If you have been withheld to a county no credit is given for those withholdings.

Village of Fairfax 2017 Estimated Tax Payment [90% due by 12/15/17]

Amount Owed to the Village of Fairfax: _____
 Amount Included with this Voucher: _____
 Name on Account: _____
 Address: _____

I am paying the year in full.
 I'm making quarterly payments.

Village of Fairfax 2017 Estimated Tax Payment [90% due by 12/15/17]

Amount Owed to the Village of Fairfax: _____

2ND QUARTER PAYMENT

Amount Included with this Voucher: _____

Name on Account: _____

Address: _____

Village of Fairfax 2017 Estimated Tax Payment [90% due by 12/15/17]

Amount Owed to the Village of Fairfax: _____

3RD QUARTER PAYMENT

Amount Included with this Voucher: _____

Name on Account: _____

Address: _____

Village of Fairfax 2017 Estimated Tax Payment [90% due by 12/15/17]

Amount Owed to the Village of Fairfax: _____

4TH QUARTER PAYMENT

Amount Included with this Voucher: _____

Name on Account: _____

Address: _____
