

HOUSE BILL 5 - FACT SHEET

For Residents, Non-residents working in the city, and
Businesses operating in the city

Effective 01/01/2016



Business that employs one or more employees

- Monthly filing threshold increased from \$150 income tax withholding to \$200 tax withholding
- If business owner elects courtesy withholding their payroll office must follow the same rules for those companies that are required to file
- Penalty and interest abatement is no longer appealable
- Casual Entrant Rule increased from 12 days to 20 days, withholding starts at day 21
- If revenue is less than \$500K, tax is withheld at fixed location

Incorporated business (C and S-Corp) operating in the city of Dayton and/or with a physical location in the city

- Allowed a net operating loss carry forward for 5 years for tax years starting on or after 1/1/2017, 50% deductible from 2018 through 2022, fully deductible from 2023
- The Casual Entrant Rule work days in the city increased from 12 days to 20 days, withholding starts at day 21
- Allocation of net profit/loss
- Returns are due four months & fifteen days after end of fiscal year
- An extension may be filed to submit an accurate return, not to exceed 6 months from the original filing due date

Partnership operating in the city of and/or with a physical location in the city

- Allowed a net operating loss carry forward for 5 years for tax years starting on or after 1/1/2017, 50% deduction from 2018 through 2022, fully deductible from 2023

- The Casual Entrant Rule work days in the city increased from 12 days to 20 days, withholding starts at day 21
- Partnership required to withhold and pay income taxes on behalf of partners
- Allocation of net profit/loss
- Returns are due four months & fifteen days after end of fiscal year
- An extension may be filed to submit an accurate return, not to exceed 6 months from the original filing due date

Athletes, Entertainers, & Public Officials

- An individual is taxed on compensation earned in the city for days worked or for appearance in the City

City of Dayton residents that work in Dayton or other communities

- An individual can offset their Schedule C/E/F losses against another Schedule C/E/F profits
- An individual is required to pay income taxes on wages earned from the work city first (where applicable) then to resident city

Non residents that work in Dayton

- An individual is taxed on wages earned in the city for days worked Casual Entrant Rule increased from 12 days to 20 days, withholding starts at 21 day

Hotel/Motel located in Dayton

- Business is required to pay a 3% bed tax on room rentals

Racino located in Dayton

- An individual is taxed on gambling winnings received in the city of Dayton
- Racino must withhold and remit to Dayton 2.25% of individual gambling winnings >\$1,199 for slot machines or >\$599 for horse racing