



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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REVENUE ADMINISTRATIVE BULLETIN 2002-17

Approved: November 22, 2002

INTEREST RATE

For period: January 1, 2003 - June 30, 2003

(Replaces Revenue Administrative Bulletin 2002 - 12)

RAB 2002-17. This Revenue Administrative Bulletin (RAB) establishes the annual rate of interest due on underpayments and overpayments for the period beginning on January 1, 2003, and ending on June 30, 2003.

A daily rate of interest of .0001589 based on an adjusted annual rate of 5.8% will be added to a tax deficiency or an excessive claim for the period stated above. The effective annual rate of 5.8 % was established pursuant to section 23(2) of the Revenue Act, MCL 205.23(2), at one percentage point above the adjusted prime rate charged by three commercial banks to large businesses.

The rates of interest as announced in this RAB also apply to overpayments as added under MCL 205.30(1) for periods after March 31, 1993. The rate of interest for periods prior to April 1, 1993, remains at the annual rate of 9%.

The following annual and corresponding daily rates of interest are in effect and will accrue during these periods:

<u>Period</u>	<u>Rate</u>
October 1, 1967 - June 30, 1986	9.0 % (.0002466)
July 1, 1986 - December 31, 1986	10.4 % (.0002849)
January 1, 1987 - June 30, 1987	9.2 % (.0002521)
July 1, 1987 - December 31, 1987	8.5 % (.0002329)
January 1, 1988 - June 30, 1988	9.2 % (.0002514)
July 1, 1988 - December 31, 1988	9.7 % (.0002650)
January 1, 1989 - June 30, 1989	10.2 % (.0002795)
July 1, 1989 - December 31, 1989	11.6 % (.0003178)
January 1, 1990 - June 30, 1990	12.0 % (.0003288)
July 1, 1990 - December 31, 1990	11.3 % (.0003096)
January 1, 1991 - June 30, 1991	11.0 % (.0003014)
July 1, 1991 - December 31, 1991	10.6 % (.0002904)
January 1, 1992 - June 30, 1992	9.5 % (.0002596)
July 1, 1992 - December 31, 1992	8.1 % (.0002213)
January 1, 1993 - June 30, 1993	7.3 % (.0002000)
July 1, 1993 - December 31, 1993	7.0 % (.0001918)
January 1, 1994 - June 30, 1994	7.0 % (.0001918)

July 1, 1994	-	December 31, 1994	7.0 %	(.0001918)
January 1, 1995	-	June 30, 1995	8.2 %	(.0002247)
July 1, 1995	-	December 31, 1995	9.5 %	(.0002603)
January 1, 1996	-	June 30, 1996	9.9 %	(.0002705)
July 1, 1996	-	December 31, 1996	9.5 %	(.0002596)
January 1, 1997	-	June 30, 1997	9.25%	(.0002534)
July 1, 1997	-	December 31, 1997	9.3 %	(.0002548)
January 1, 1998	-	June 30, 1998	9.5 %	(.0002603)
July 1, 1998	-	December 31, 1998	9.5 %	(.0002603)
January 1, 1999	-	June 30, 1999	9.5 %	(.0002603)
July 1, 1999	-	December 31, 1999	8.8 %	(.0002411)
January 1, 2000	-	June 30, 2000	8.9 %	(.0002432)
July 1, 2000	-	December 31, 2000	9.5 %	(.0002596)
January 1, 2001	-	June 30, 2001	10.4 %	(.0002849)
July 1, 2001	-	December 31, 2001	10.1 %	(.0002767)
January 1, 2002	-	June 30, 2002	8.0 %	(.0002192)
July 1, 2002	-	December 31, 2002	6.0 %	(.0001644)
January 1, 2003	-	June 30, 2003	5.8 %	(.0001589)

Example: Taxpayer A, who files on a calendar year basis, filed a MI-1040 return for 2000 showing tax due of \$1,500.00. If the tax is not paid until February 10, 2003, the amount of interest calculated due from April 17, 2001 (April 15, 2001 was a Sunday so the return was due on Monday, April 16, 2001) through February 10, 2003, is as follows:

Period	Calculation	Interest
April 16, 2001 - June 30, 2001	75 days x .0002849 x \$1,500	32.05
July 1, 2001 - December 31, 2001	184 days x .0002767 x \$1,500	76.37
January 1, 2002 - June 30, 2002	181 days x .0002192 x \$1,500	59.51
July 1, 2002 - December 31, 2002	184 days x .0001644 x \$1,500	45.37
January 1, 2003 - February 10, 2003	41 days x .0001589 x \$1,500	9.77
	Total Interest:	223.07
	Tax Due:	<u>1,500.00</u>
	Total Due:	<u>\$1,723.07</u>