

STATE OF MICHIGAN



JOHN ENGLER, Governor

DEPARTMENT OF TREASURY

TREASURY BUILDING, P.O. BOX 15128, LANSING, MICHIGAN 48901  
MARK A. MURRAY, State Treasurer

REVENUE ADMINISTRATIVE BULLETIN 2000 - 7

Approved: November 30, 2000

INTEREST RATE

For period : January 1, 2001 - June 30, 2001

(Replaces Revenue Administrative Bulletin 2000-1)

**RAB-2000-7.** This bulletin establishes the annual rate of interest due on underpayments and overpayments for the period beginning on July 1, 2000 and ending on December 31, 2000.

A daily rate of interest of .0002849 based on an adjusted annual rate of 10.4 shall be added to a tax deficiency or an excessive claim for the period stated above. The effective annual rate of 10.4 was established pursuant to section 23(2) of the revenue act, MCL 205.23(2); MSA 7.657(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 bulletin also apply to overpayments as added under MCL 205.30(1); MSA 7.657(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% (.0002)
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)

**Example:** Taxpayer A, who files on a calendar year basis, filed a MI-1040 return for 1998 showing tax due of \$1,500.00. If the tax is not paid until April 16, 2001 the amount of interest calculated due from April 16, 1999 to April 16, 2001 is as follows:

<u>Period</u>	<u>Calculation</u>	<u>Interest</u>
April 16, 1999 - June 30, 1999	76 days x .0002603 x \$1,500	29.67
July 1, 1999 - December 31, 1999	184 days x .0002411 x \$1,500	66.54
January 1, 2000 - June 30, 2000	182 days x .0002432 x \$1,500	66.44
July 1, 2000 - December 31, 2000	184 days x .0002596 x \$1,500	71.65
January 1, 2001 - April 16, 2001	106 days x .0002849 x \$1,500	<u>45.30</u>
	Total Interest:	279.55
	Tax Due	<u>1,500.00</u>
	<b>Total Due:</b>	<b><u>\$1,779.55</u></b>