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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING
REVENUE ADMINISTRATIVE BULLETIN 2011-4

ANDY DILLON
STATE TREASURER

Approved: October 10, 2011

INTEREST RATE

For period: January 1, 2012 – June 30, 2012

(Replaces Revenue Administrative Bulletin 2011-2)

RAB 2011- 4. This Revenue Administrative Bulletin (RAB) establishes the annual rate of interest due on underpayments and overpayments for the period beginning on January 1, 2012, and ending on June 30, 2012.

A daily rate of interest .0001161 based on an adjusted annual rate of 4.25% will be added to a tax deficiency or an excessive claim for the period stated above. The effective annual rate of 4.25% 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:

Period		Rate	
January 1, 2012	- June 30, 2012	4.25%	(.0001161)
July 1, 2011	- December 31, 2011	4.25%	(.0001164)
January 1, 2011	- June 30, 2011	4.25%	(.0001164)
July 1, 2010	- December 31, 2010	4.25%	(.0001164)
January 1, 2010	- June 30, 2010	4.25%	(.0001164)
July 1, 2009	- December 31, 2009	4.7%	(.0001288)
January 1, 2009	- June 30, 2009	6.0%	(.0001644)
July 1, 2008	- December 31, 2008	7.9%	(.0002151)
January 1, 2008	- June 30, 2008	9.2%	(.0002514)
July 1, 2007	- December 31, 2007	9.25%	(.0002534)
January 1, 2007	- June 30, 2007	9.1%	(.0002493)
July 1, 2006	- December 31, 2006	8.2%	(.0002245)
January 1, 2006	- June 30, 2006	7.2%	(.0001973)
July 1, 2005	- December 31, 2005	6.2%	(.0001699)
January 1, 2005	- June 30, 2005	5.2%	(.0001428)
July 1, 2004	- December 31, 2004	5.0%	(.0001366)
January 1, 2004	- June 30, 2004	5.0%	(.0001366)
July 1, 2003	- December 31, 2003	5.4%	(.0001479)
January 1, 2003	- June 30, 2003	5.8%	(.0001589)
July 1, 2002	- December 31, 2002	6.0%	(.0001644)
January 1, 2002	- June 30, 2002	8.0%	(.0002192)

July 1, 2001	-	December 31, 2001	10.1%	(.0002767)
January 1, 2001	-	June 30, 2001	10.4%	(.0002849)
July 1, 2000	-	December 31, 2000	9.5%	(.0002596)
January 1, 2000	-	June 30, 2000	8.9%	(.0002432)
July 1, 1999	-	December 31, 1999	8.8%	(.0002411)
January 1, 1999	-	June 30, 1999	9.5%	(.0002603)
July 1, 1998	-	December 31, 1998	9.5%	(.0002603)
January 1, 1998	-	June 30, 1998	9.5%	(.0002603)
July 1, 1997	-	December 31, 1997	9.3%	(.0002548)
January 1, 1997	-	June 30, 1997	9.25%	(.0002534)
July 1, 1996	-	December 31, 1996	9.5%	(.0002596)
January 1, 1996	-	June 30, 1996	9.9%	(.0002705)
July 1, 1995	-	December 31, 1995	9.5%	(.0002603)
January 1, 1995	-	June 30, 1995	8.2%	(.0002247)
July 1, 1994	-	December 31, 1994	7.0%	(.0001918)
January 1, 1994	-	June 30, 1994	7.0%	(.0001918)
July 1, 1993	-	December 31, 1993	7.0%	(.0001918)
January 1, 1993	-	June 30, 1993	7.3%	(.0002000)
July 1, 1992	-	December 31, 1992	8.1%	(.0002213)
January 1, 1992	-	June 30, 1992	9.5%	(.0002596)
July 1, 1991	-	December 31, 1991	10.6%	(.0002904)
January 1, 1991	-	June 30, 1991	11.0%	(.0003014)
July 1, 1990	-	December 31, 1990	11.3%	(.0003096)
January 1, 1990	-	June 30, 1990	12.0%	(.0003288)
July 1, 1989	-	December 31, 1989	11.6%	(.0003178)
January 1, 1989	-	June 30, 1989	10.2%	(.0002795)
July 1, 1988	-	December 31, 1988	9.7%	(.0002650)
January 1, 1988	-	June 30, 1988	9.2%	(.0002514)
July 1, 1987	-	December 31, 1987	8.5%	(.0002329)
January 1, 1987	-	June 30, 1987	9.2%	(.0002521)
July 1, 1986	-	December 31, 1986	10.4%	(.0002849)
October 1, 1967	-	June 30, 1986	9.0%	(.0002466)

Example: Taxpayer A, who files on a calendar year basis, filed a MI-1040 return for 2009 showing tax due of \$1,500.00. If the tax is not paid until February 24, 2012 the amount of interest calculated due from April 16, 2010 through February 24, 2012 is as follows:

Period		Calculation			Interest		
April 16, 2010	- June 30, 2010	75 days	x	0.0001164	x	\$1,500	\$13.10
July 1, 2010	- December 31, 2010	184 days	x	0.0001164	x	\$1,500	\$32.13
January 1, 2011	- June 30, 2011	181 days	x	0.0001164	x	\$1,500	\$31.60
July 1, 2011	- December 31, 2011	184 days	x	0.0001164	x	\$1,500	\$32.13
January 1, 2012	- February 24, 2012	55 days	x	0.0001161	x	\$1,500	\$9.58
						Total Interest:	\$118.54
						Tax Due:	<u>\$1,500.00</u>
							\$1,618.54