

STATE OF MICHIGAN



JOHN ENGLER, Governor

DEPARTMENT OF TREASURY

TREASURY BUILDING, P.O. BOX 15128, LANSING, MICHIGAN 48901
DOUGLAS B. ROBERTS, State Treasurer

REVENUE ADMINISTRATIVE BULLETIN 1994-6

Approved: April 8, 1994

INTEREST RATE

For period July 1, 1994 through December 31, 1994

(Replaces Revenue Administrative Bulletin 1993-12)

RAB-94-6. This bulletin establishes the annual rate of interest due on underpayments and overpayments for the period beginning on July 1, 1994 and ending on December 31, 1994.

A daily rate of interest of .0001917 based on an adjusted annual rate of 7.0% shall be added to a tax deficiency or an excessive claim for the period stated above. The effective annual rate of 7.0% 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% (.0002595)
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% (.0001917)
January 1, 1994 - June 30, 1994	7.0% (.0001917)
July 1, 1994 - December 31, 1994	7.0% (.0001917)

Example: Taxpayer A, who is on a calendar year basis, filed an MI-1040 return for 1990 showing tax due of \$1,500.00. If the tax is not paid until August 16, 1994, the amount of interest calculated due from April 16, 1991 through August 16, 1994 is as follows:

<u>Period</u>	<u>Calculation</u>	<u>Interest</u>
April 16, 1991 - June 30, 1991	76 days x .0003014 x \$1,500 =	\$ 34.36
July 1, 1991 - December 31, 1991	184 days x .0002904 x \$1,500 =	80.15
January 1, 1992 - June 30, 1992	182 days x .0002595 x \$1,500 =	70.84
July 1, 1992 - December 31, 1992	184 days x .0002213 x \$1,500 =	61.08
January 1, 1993 - June 30, 1993	181 days x .0002 x \$1,500 =	54.30
July 1, 1993 - December 31, 1993	184 days x .0001917 x \$1,500 =	52.91
January 1, 1994 - June 30, 1994	181 days x .0001917 x \$1,500 =	52.05
July 1, 1994 - August 16, 1994	47 days x .0001917 x \$1,500 =	<u>13.51</u>
	Total Interest Due	<u>\$419.20</u>