



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

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**REVENUE ADMINISTRATIVE BULLETIN 2016-10**

**Approved:** April 18, 2016  
**Updated:** May 24, 2016

**INTEREST RATE**

**For period:** July 1, 2016 – December 31, 2016

**(Replaces Revenue Administrative Bulletin 2015-21)**

**RAB 2016-10.** This Revenue Administrative Bulletin (RAB) establishes the annual rate of interest due on underpayments and overpayments for the period beginning on July 1, 2016, and ending on December 31, 2016.

A daily rate of interest (.0001202) based on an adjusted annual rate of 4.4% will be added to a tax deficiency or an excessive claim for the period stated above. The effective annual rate of 4.4% 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 following annual and corresponding daily rates of interest are in effect and will accrue during these periods:

	<u>Period</u>	<u>Annual Rate</u>	<u>Daily Rate</u>
July 1, 2016	- December 31, 2016	4.4%	(.0001202) <sup>1</sup>
January 1, 2016	- June 30, 2016	4.25%	(.0001161)
July 1, 2015	- December 31, 2015	4.25%	(.0001164)
January 1, 2015	- June 30, 2015	4.25%	(.0001164)
July 1, 2014	- December 31, 2014	4.25%	(.0001164)
January 1, 2014	- June 30, 2014	4.25%	(.0001164)
July 1, 2013	- December 31, 2013	4.25%	(.0001164)
January 1, 2013	- June 30, 2013	4.25%	(.0001164)
July 1, 2012	- December 31, 2012	4.25%	(.0001161)
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)

<sup>1</sup> Daily rate corrected from .0001201 to .0001202. Prior daily rate was calculated using unrounded numbers.

	<u>Period</u>	<u>Annual Rate</u>	<u>Daily Rate</u>
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)

**Example:** Taxpayer A, who files on a calendar year basis, filed a MI-1040 return for 2014 showing tax due of \$1,500.00. If the tax is not paid until August 15, 2016, the amount of interest calculated due from April 16, 2015, to August 15, 2016, is as follows:

April 16, 2015	- June 30, 2015	76 days	x	.0001164	x	\$1,500	\$13.27
July 1, 2015	- December 31, 2015	184 days	x	.0001164	x	\$1,500	\$32.13
January 1, 2016	- June 30, 2016	182 days	x	.0001164	x	\$1,500	\$31.78
July 1, 2016	- August 15, 2016	46 days	x	.0001202	x	\$1,500	<u>\$8.29</u>
Total Interest:							\$85.47
Tax Due:							<u>\$1,500.00</u>
Total Amount Due:							<u>\$1,585.47</u>