



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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REVENUE ADMINISTRATIVE BULLETIN 2002-12

Approved: April 16, 2002

INTEREST RATE

For period: July 1, 2002 - December 31, 2002

(Replaces Revenue Administrative Bulletin 2001 - 3)

RAB 2002-12. This Revenue Administrative Bulletin (RAB) establishes the annual rate of interest due on underpayments and overpayments for the period beginning on July 1, 2002, and ending on December 31, 2002.

A daily rate of interest of 0.0001644 based on an adjusted annual rate of 6.0% will be added to a tax deficiency or an excessive claim for the period stated above. The effective annual rate of 6.0% 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)

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 August 16, 2002, the amount of interest calculated due from April 16, 1999, through August 16, 2002, is as follows:

Period	Calculation	Interest
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
April 16, 2000 - June 30, 2000	182 days x .0002432 x \$1,500	66.39
July 1, 2000 - December 31, 2000	184 days x .0002596 x \$1,500	71.65
January 1, 2001 - June 30, 2001	181 days x .0002849 x \$1,500	77.35
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 - August 16, 2002	47 days x .0001644 x \$1,500	11.59
	Total Interest:	459.07
	Tax Due:	<u>1,500.00</u>
	Total Due:	<u>\$ 1,959.07</u>