

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 1999-6

Approved: November 9, 1999

INTEREST RATE

For period : January 1, 2000 - June 30, 2000

(Replaces Revenue Administrative Bulletin 1999-3)

RAB-99-6 This bulletin establishes the annual rate of interest due on underpayments and overpayments for the period beginning on January 1, 2000 and ending on June 30, 2000.

A daily rate of interest of .0002432 based on an adjusted annual rate of 8.9% shall be added to a tax deficiency or an excessive claim for the period stated above. The effective annual rate of 8.9% 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)

Example: Taxpayer A, who files on a calendar year basis, filed an MI-1040 return for 1997 showing tax due of \$1,500.00. If the tax is not paid until February 15, 2000 the amount of interest calculated due from April 16, 1998 to February 15, 2000 is as follows:

<u>Period</u>	<u>Calculation</u>	<u>Interest</u>
April 16, 1998 - June 30, 1998	74 days x .0002603 x \$1,500	28.89
July 1, 1998 - December 31, 1998	184 days x .0002603 x \$1,500	71.84
January 1, 1999 - June 30, 1999	181 days x .0002603 x \$1,500	70.67
July 1, 1999 - December 31, 1999	184 days x .0002411 x \$1,500	66.54
January 1, 2000 - February 15, 2000	46 days x .0002432 x \$1,500	<u>16.78</u>
	Total Interest:	254.72
	Tax Due	<u>1,500.00</u>
	Total Due:	<u>\$1,754.72</u>