



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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REVENUE ADMINISTRATIVE BULLETIN 2020 -5

Approved: April 15, 2020

INTEREST RATE

For period: July 1, 2020 - December 31, 2020

(Replaces Revenue Administrative Bulletin 2019-18)

RAB 2020-5. This Revenue Administrative Bulletin (RAB) establishes the annual rate of interest due on underpayments and overpayments for the period beginning July 1, 2020 and ending on December 31, 2020.¹

A daily rate of interest (.0001538)² based on an adjusted annual rate 5.63% of will be added to a tax deficiency or an excessive claim for the period stated above. The effective annual rate of 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, 2020 - December 31, 2020	5.63%	(.0001538)
January 1, 2020 - June 30, 2020	6.4%	(.0001749)
July 1, 2019 - December 31, 2019	6.39%	(.0001751)
January 1, 2019 - June 30, 2019	5.9%	(.0001616)
July 1, 2018 - December 31, 2018	5.41%	(.0001482)
January 1, 2018 - June 30, 2018	5.15%	(.0001411)
July 1, 2017 - December 31, 2017	4.7%	(.0001288)
January 1, 2017 - June 30, 2017	4.5%	(.0001233)
July 1, 2016 - December 31, 2016	4.4%	(.0001202)
January 1, 2016 - June 30, 2016	4.25%	(.0001161)
July 1, 2015 - December 31, 2015	4.25%	(.0001164)

¹ Executive Order 2020-26 and any subsequent Executive Order extend the due dates for certain taxes.

² This rate is expressed in a seven-digit number format, rather than percent format. Because 2020 is a leap year, the annual rate is divided by 366 days.

	<u>Period</u>	<u>Annual Rate</u>	<u>Daily Rate</u>
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)
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 2018 showing tax due of \$1,500.00. If the tax is not paid until July 20, 2020, the amount of interest calculated due from April 15, 2019, to August 2, 2020,³ is as follows:

April 16, 2018	-	June 30, 2018	76 days	x	.0001482	x \$1,500	\$16.89	
January 1, 2019	-	June 30, 2019	181 days	x	.0001616	x \$1,500	\$43.87	
July 1, 2019	-	December 31, 2019	184 days	x	.0001751	x \$1,500	\$48.33	
January 1, 2020	-	June 30, 2020	182 days	x	.0001749	x \$1,500	\$47.75	
July 1, 2020	-	August 2, 2020	33 days	x	.0001538	x \$1,500	<u>\$ 7.61</u>	
Total								
Interest:								164.45
Tax Due:								<u>\$1,500.00</u>
Total Due:								<u>\$1,664.45</u>

³ Days are calculated from start date to end date, with end date included.