

STATE OF MICHIGAN



JOHN ENGLER, Governor

DEPARTMENT OF TREASURYTREASURY BUILDING, P.O. BOX 1528, LANSING, MICHIGAN 48901
DOUGLAS B. ROBERTS, State Treasurer**REVENUE ADMINISTRATIVE BULLETIN 1997 - 4**

Approved: October 10, 1997

INTEREST RATE

For period : January 1, 1998 - June 30, 1998

(Replaces Revenue Administrative Bulletin 1997- 3)

RAB-97 -4. This bulletin establishes the annual rate of interest due on underpayments and overpayments for the period beginning on January 1, 1998 and ending on June 30, 1998.

A daily rate of interest of .0002602 based on an adjusted annual rate of 9.5% shall be added to a tax deficiency or an excessive claim for the period stated above. The effective annual rate of 9.5% 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)
	January 1, 1995	-	June 30, 1995	8.2%	(.0002246)
	July 1, 1995	-	December 31, 1995	9.5%	(.0002602)
	January 1, 1996	-	June 30, 1996	9.9%	(.0002705)
	July 1, 1996	-	December 31, 1996	9.5%	(.0002595) January 1,
1997	-		June 30, 1997	9.25%	(.0002534)
	July 1, 1997	-	December 31, 1997	9.3%	(.0002547)
	January 1, 1998	-	June 30, 1998	9.5%	(.0002602)

Example: Taxpayer A, who files on a calendar year basis, filed an MI-1040 return for 1996 showing tax due of \$1,500.00. If the tax is not paid until January 15, 1998 the amount of interest calculated due from April 16, 1997 to January 15, 1998 is as follows:

<u>Period</u>	<u>Calculation</u>	<u>Interest</u>
April 16, 1997 - June 30, 1997	76 days x .0002534 x \$1,500	28.89
July 1, 1997 - December 31, 1997	184 days x .0002547 x \$1,500	70.30
January 1, 1998 - January 15, 1998	15 days x .0002602 x \$1,500	5.85

Tax Due: \$1,500.00

Total Due: \$1,605.04