



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

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GOVERNOR

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**REVENUE ADMINISTRATIVE BULLETIN 2003-1**

**Approved:** May15, 2003

**INTEREST RATE**

For period: July 1, 2003 - December 31, 2003

**(Replaces Revenue Administrative Bulletin 2002 - 17)**

**RAB 2003-1** This Revenue Administrative Bulletin (RAB) establishes the annual rate of interest due on underpayments and overpayments for the period beginning on July 1, 2003, and ending on December 31, 2003.

A daily rate of interest of (.0001479) based on an adjusted annual rate of 5.4% will be added to a tax deficiency or an excessive claim for the period stated above. The effective annual rate of 5.4% 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 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)
January 1, 2003	-	June 30, 2003	5.8 %	(.0001589)
July 1, 2003	-	December 31, 2003	5.4 %	(.0001479)

Example: Taxpayer A, who files on a calendar year basis, filed a MI-1040 return for 2001 showing tax due of \$1,500.00. If the tax is not paid until July 15, 2003, the amount of interest calculated due from April 16 2002 through July 15, 2003, is as follows:

Period	Calculation	Interest
April 16, 2002 - June 30, 2002	75 days x .0002192 x \$1,500	24.66
July 1, 2002 - December 31, 2002	184 days x .0001644 x \$1,500	45.37
January 1, 2003 - June 30, 2003	181 days x .0001589 x \$1,500	43.14
July 1, 2003 - July 15, 2003	14 days x .0001479 x \$1,500	<u>3.11</u>
	Total Interest:	116.28
	Tax Due:	<u>1,500.00</u>
	Total Due:	<u>\$ 1,616.28</u>