

DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES
BUREAU OF REVENUE SERVICES**GENERAL PROVISIONS**
Rule No. 101 (18-125 CMR 101)**CALCULATION OF INTEREST**

SUMMARY: Sets forth the standard interest rate established pursuant to 36 MRSA §§186 and 186-A that is charged against unpaid taxes and paid by the State on overpayment of taxes. The interest charged on outstanding county taxes cannot exceed this rate of interest (36 MRSA §892-A).

SECTION 1. Calculation; application to overpayments

The interest rate on underpayments and overpayments of tax for the period from July 1, 2004 to December 31, 2004 is established pursuant to 36 MRSA §§186 and 186-A. The interest rate for any calendar year after 2004 is established pursuant to 36 MRSA §186, which provides that the interest rate equals the highest prime rate as published in the Wall Street Journal on the first day of September of the preceding calendar year or, if the first day of September falls on a weekend or holiday, on the next succeeding business day, rounded up to the next whole percent plus 3 percentage points. The interest charged to a person upon late payment of taxes pursuant to 36 MRSA §186 is compounded monthly for each month or fraction thereof that the tax remains unpaid. Except as otherwise provided by the Maine Revised Statutes, Title 36, interest on overpayments is calculated by the same monthly compounding method used for underpayments.

SECTION 2. Rate

For the period from January 1, 2007, through December 31, 2008, the annual rate of interest is 12% compounded monthly; that is, 1.0000% compounded monthly for each month or fraction thereof that the tax remains unpaid. The effective annual rate of interest is 12.6825%.

For the period from January 1, 2006, through December 31, 2006, the annual rate of interest is 10% compounded monthly; that is, .8333% compounded monthly for each month or fraction thereof that the tax remains unpaid. The effective annual rate of interest is 10.4713%.

For the period from January 1, 2005, through December 31, 2005, the annual rate of interest is 8% compounded monthly; that is, .6667% compounded monthly for each month or fraction thereof that the tax remains unpaid. The effective annual rate of interest is 8.2999%.

For the period from July 1, 2004, through December 31, 2004, the annual rate of interest is 7% compounded monthly; that is, .5833% compounded monthly for each

month or fraction thereof that the tax remains unpaid. The effective annual rate of interest is 7.2290%.

For the period from January 1, 2004, through June 30, 2004, the annual rate of interest is 6% compounded monthly; that is, .5000% compounded monthly for each month or fraction thereof that the tax remains unpaid. The effective annual rate of interest is 6.1678%.

For the period from January 1, 2003, through December 31, 2003, the annual rate of interest is 7% compounded monthly; that is, .5833% compounded monthly for each month or fraction thereof that the tax remains unpaid. The effective annual rate of interest is 7.2290%.

For the period from January 1, 2002, through December 31, 2002, the annual rate of interest is 8% compounded monthly; that is, .6667% compounded monthly for each month or fraction thereof that the tax remains unpaid. The effective annual rate of interest is 8.2999%.

For the period January 1, 1999, through December 31, 2001, the annual rate of interest is 9% compounded monthly; that is, .75 % compounded monthly for each month or fraction thereof that the tax remains unpaid. The effective annual rate of interest is 9.3807%.

AUTHORITY: 36 MRS.A §§112, 186, 186-A

EFFECTIVE DATE: November 12, 2006

AMENDED: January 16, 2008