

**FISCAL NOTE
PUBLIC COST**

I. RULE NUMBER

Rule Number and Name:	12 CSR 10-41.010 Annual Adjusted Rate of Interest
Type of Rulemaking:	Emergency Amendment

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
Counties	Although the 2017 interest rate imposed on delinquent taxes will be one percent higher than the rate imposed in 2016, the aggregate impact on public entities remains less than \$500.
Cities	
Special Taxing Districts	

III. WORKSHEET

The proposed amendment establishes the rate of interest for 2017 at four percent (4%), an increase of one percent over the rate set in 2016.

The future amount of past due taxes is unknown. Although the 2017 interest rate imposed on delinquent taxes is one percent higher than the rate imposed in 2016, this increase has no additional fiscal impact for public entities.

	Current Rule 3.00%	Proposed Amendment 4.00%
Past due tax amount	\$100.00	\$100.00
Interest Amount	+ 3.00	+ 4.00
Total Amount Due	\$103.00	\$104.00

IV. ASSUMPTIONS

Pursuant to Section 32.065, RSMo, the director of revenue is mandated to establish an annual adjusted rate of interest based upon the adjusted prime rate charged by banks during September of that year as set by the Board of Governors of the Federal Reserve rounded to the nearest full percentage. The actual bank prime loan rate noted by the Federal Reserve in 2016 was 3.50 percent. Rounded to the nearest whole percentage results in a four percent (4%) interest rate.