

**FISCAL NOTE
PRIVATE 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

Estimate of the number of entities by class which would likely be affected by adoption of the proposed rule	Classification by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
Any taxpayer with delinquent tax.	Any taxpayer with delinquent tax.	Although the 2017 interest rate imposed on delinquent taxes will be one percent higher than imposed in 2016, the aggregate impact on private entities remains less than \$500.

III. WORKSHEET

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

The future amount of past due taxes is unknown. Because the 2017 interest rate imposed on delinquent taxes is one percent higher than the rate imposed in 2016, the interest rate increases one per cent per \$100 of delinquent taxes to private 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.