

**FISCAL NOTE
PRIVATE COST**

I. RULE NUMBER

Rule Number and Name:	12 CSR 10-41.010 Annual Adjusted Rate of Interest
Type of Rulemaking:	Proposed 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.	Because the 2016 interest rate imposed on delinquent taxes will be the same rate imposed in 2015, the aggregate impact on private entities will be less than \$500.

III. WORKSHEET

The proposed amendment sets the rate of interest for 2016 at 3%, the same rate as 2015.

The future amount of past due taxes is unknown. Because the 2016 interest rate imposed on delinquent taxes will be the same rate imposed in 2015, there will be no additional cost to private entities.

	Current Rule – 3%	Proposed Amendment – 3%
Past due tax amount	\$100.00	\$100.00
Interest amount	3.00%	3.00%
Total Amount Due	\$103.00	\$103.00

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 2015 was 3.25 percent. Rounded to the nearest whole percentage results in a 3 percent interest rate.