

**FISCAL NOTE  
PUBLIC COST**

**I. RULE NUMBER**

<b>Rule Number and Name:</b>	12 CSR 10-41.010 Annual Adjusted Rate of Interest
<b>Type of Rulemaking:</b>	Proposed Amendment

**II. SUMMARY OF FISCAL IMPACT**

<b>Affected Agency or Political Subdivision</b>	<b>Estimated Cost of Compliance in the Aggregate</b>
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 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.

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

**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.