

**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.	<i>This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate. Although the 2019 interest rate imposed on delinquent taxes is one percent higher than the rate imposed in 2018. The actual number of affected taxpayers is unknown. See detailed fiscal note for further explanation.</i>

III. WORKSHEET

The proposed amendment adjusts the rate of interest for fiscal year 2020 to five percent (5%), an increase of one percent over the rate in 2018.

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Interest on Delinquent Taxes Paid to Department of Revenue

	Current Rule 4.00%	Proposed Amendment 5.00%
Past due tax amount	\$100.00	\$100.00
Interest Amount (%)	x 4.00	x 5.00
Total Amount Due	\$104.00	\$105.00

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 2018 was 5 percent.