

**FISCAL NOTE
PUBLIC 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

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
Counties	<i>This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate. This proposed amendment will result in an increase in the interest rate charged on delinquent taxes.</i>
Cities	
Special Taxing Districts	

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.

The future amount of past due taxes is unknown. Although the 2019 interest rate imposed on delinquent taxes is one percent higher than the rate imposed in 2018. This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

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.