

**FISCAL NOTE
PUBLIC 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.	<i>This proposed amendment will not cost public entities more than five hundred dollars (\$500) in the aggregate. The 2023 interest rate imposed on delinquent taxes is 6%.</i>

III. WORKSHEET

The proposed amendment establishes the rate of interest for 2023 at six percent (6%), which is three percent (3%) higher than the rate in 2022.

This proposed amendment will not cost public entities more than five hundred dollars (\$500) in the aggregate. The 2023 interest rate imposed on delinquent taxes will be 6% on each \$100 of delinquent taxes to public entities.

Interest on Delinquent Taxes Paid to Department of Revenue

	Current Rule 3.00%	Proposed Amendment 6.00%
Example:		
Past due tax amount	\$100.00	\$100.00
Interest Amount (%)	\$3.00	\$6.00
Total Amount Due	\$103.00	\$106.00

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 2023 is five point seven three percent (5.73%). The statute requires the interest rate be "rounded to the nearest full percent"; therefore the delinquent rate will be six percent (6%).