

## Small Business Regulatory Fairness Board Small Business Impact Statement

**Date:** October 19, 2022

**Rule Number:** 12 CSR 10-41.010 Annual Adjusted Rate of Interest

**Name of Agency Preparing Statement:** Missouri Department of Revenue

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**Name of Person Approving Statement:** Wayne Wallingford, Director Missouri Department of Revenue

**Please describe the methods your agency considered or used to reduce the impact on small businesses** *(examples: consolidation, simplification, differing compliance, differing reporting requirements, less stringent deadlines, performance rather than design standards, exemption, or any other mitigating technique).*

Pursuant to Section 32.065, RSMo, the Director of Revenue must 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 percent. Additional methods were not considered because this specific method is statutorily mandated.

**Please explain how your agency has involved small businesses in the development of the proposed rule.**

The Department of Revenue made no separate effort to involve small businesses in development of this rule as this method is statutorily mandated under Section 32.065, RSMo.

**Please list the probable monetary costs and benefits to your agency and any other agencies affected. Please include the estimated total amount your agency expects to collect from additionally imposed fees and how the moneys will be used.**

There are no additional monetary costs or benefits to the Department of Revenue. The Department of Revenue will impose interest in 2023 on delinquent taxes with the Prime Bank Rate at five point seven three percent (5.73%), the interest rate on delinquent taxes is six percent (6%).

**Please describe small businesses that will be required to comply with the proposed rule and how they may be adversely affected.**

All small businesses that have delinquent tax will pay six percent (6%) interest based on the current Prime Bank Rate.

**Please list direct and indirect costs (in dollars amounts) associated with compliance.**

Because the Department does not know the future amount of delinquent taxes, the precise fiscal impact on small businesses is unknown.

**Please list types of business that will be directly affected by, bear the cost of, or directly benefit from the proposed rule.**

This rule will impact any entity that has delinquent tax.

**Does the proposed rule include provisions that are more stringent than those mandated by comparable or related federal, state, or county standards?**

Yes ☐ No ☒

**If yes, please explain the reason for imposing a more stringent standard.**