



News Release

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Interest rate on unpaid state taxes and overdue refunds stays the same for 2012

Saint Paul – Minnesota Department of Revenue Commissioner Myron Frans announced today that in 2012, taxpayers will pay a 3 percent interest rate on delinquent state tax payments. This is the same as 2010 and 2011.

The department calculates interest from the date the tax is due until it is paid in full. By law, a person or business with delinquent taxes must pay interest on the amount of the penalty owed, as well as on the amount of tax owed.

Likewise, the state must pay taxpayers the same 3 percent rate on tax refunds not issued within the allotted time frame.

As specified by statute, to determine the 2012 interest rate, the department used the average short-term interest rate commercial banks charged large-business customers between April 1 and September 30, 2011. The Federal Reserve Board determines the average prime rate banks charged. The interest rate has been based on the adjusted prime rate since 1983.

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