

## News Release

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### **Interest rate on unpaid state taxes and overdue refunds for 2017**

**ST. PAUL, Minn.** – Minnesota Department of Revenue announced the 2017 interest rate on delinquent state tax payments will be 4 percent. Likewise, the state must pay taxpayers the same 4 percent rate on tax refunds not issued within the allotted timeframe.

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.

As specified by statute, to determine the 2017 interest rate, the department used the average short-term interest rate commercial banks charged large-business customers between April 1 and September 30, 2016, rounded to the nearest full percentage. The Federal Reserve Board reports the average prime rate banks charged. The interest rate on unpaid taxes has been based on the adjusted prime rate since 1983.

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