

**New York State Department of Taxation and Finance**  
**Taxpayer Services Division**  
**Technical Services Bureau**

TSB-M-81 (10.1)  
 Corporation Tax  
 Estate and Gift Tax  
 Income Tax  
 Miscellaneous Tax  
 Sales Tax  
 March 1, 1982

This memorandum is an addition, and should be attached, to TSB-M-81(10) which pertains to all the taxes listed above.

1981 Legislation

Interest Rates on Late Payments, Assessments and

Refunds of Tax

TSB-M-81(10) detailed the interest rates to be charged or paid for the period August 13, 1981 through February 28, 1982.

In accordance with Chapters 103 and 1043 of the Laws of 1981, and based upon yields from United States Treasury Securities and the prime rate, new interest rates have been determined for the period March 1, 1982 through February 28, 1985. Both new and prior rates are listed below:

<u>TAX</u>	<u>PRIOR RATE</u> (8/13/81 through 2/28/82)	<u>NEW RATE</u> (3/1/82 through 2/28/83)
Withholding Tax (Assessments and refunds)	17%	17%
Taxes Administered by Corporation Tax	17%	17%
Income Tax (Including Unincorporated Business Tax)	14%	13.5%
Gift Tax	14%	13.5%
Sales Tax	14%	13.5%

Estate Tax - Recent legislation has imposed new rates for several specific areas of the Estate Tax Law. The widely applied rates under section 249-z have not changed. The specific rate changes enacted are as follows:

- 1.) Section 962(d) applicable to qualified property disposed of or ceasing to be used for a qualified purpose. Rate: 8½% up to and including January 31, 1982; a 14% rate for the month of February 1982 only, and 13½% for the period March 1, 1982 through February 28, 1983.

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- 2.) Section 962(f) applicable to extensions of time for payment of estate tax where estate consists largely of interests in closely held businesses. Rate: The interest which should be paid on the "four percent portion" of installments of estate tax due on extensions remains unchanged at four percent per annum. The amount of interest which shall be paid on the unpaid portion of installments which is in excess of the "four percent portion" pursuant to paragraph (10) of subsection (f) of section 962 is 8½% through January 31, 1982; 14% for the month of February 1982 only; and a return to 8½% for the period March 1, 1982 through February 28, 1983.

The new interest rates set forth above apply to taxes which remain or become underpaid or overpaid during the period such rates are in effect. Part 603 of the State Tax Commission's regulations has been amended to reflect the new interest rates.

The next periodic change may occur on September 1, 1982, if a review of the average of the One Year Constant Maturity Yield Index for United States Treasury Securities and the average Prime Rate charged by Banks, as mandated by the Laws of 1981, indicates an increase or decrease is necessary. A new memorandum will be issued as changes take place.