

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

TSB-M-83  
(8) Corporation Tax  
(1) Estate and Gift Tax  
(4) Income Tax  
(1) Miscellaneous Tax  
(1) Sales Tax  
February 10, 1983

Interest Rates on Late Payments, Assessments and Refunds of Tax

Based upon information provided by the Division of the Treasury and the Bureau of Statistics, it has been determined that the average One Year Constant Maturity Yield Index for United States Treasury Securities for the period October 1, 1982 through December 31, 1982 is 9.1%. The average Prime Rate charged by the banks for the same quarter is 12%.

As a result, interest rates to be charged or paid on late payments, assessments and refunds of tax which remain or become underpaid or overpaid during the period March 1, 1983 through February 29, 1984 are as follows:

<u>Tax</u>	<u>Rate Per Annum</u>
Corporation	12%
Withholding	12%
Income	9.1%
Sales and Use	9.1%*
Gift	9.1%
Estate	9.1%**

The next periodic change may occur on September 1, 1983, 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 covering the period September 1, 1983 through February 29, 1984.

Please see the following TSB-Ms for prior rates:

TSB-M-81(10)	(all taxes)	TSB-M-82(4)	Income Tax
TSB-M-81(10.1)	(all taxes)	TSB-M-82(10)	Miscellaneous tax
TSB-M-82(23)	Corporation Tax	TSB-M-82(24)	Sales tax
TSB-M-82(1) & (2)	Estate and Gift Tax		

\* The rate of 1% per month is charged on late payments and assessments of tax, when the rate based on the average one year constant maturity yield index for United States Treasury Securities drops below 12%. If the Tax Commission determines that failure or delay to pay is due to reasonable cause and not due to willful neglect, the Commission may waive the difference between the rate at 1% per month and 1/12 of 9.1% per month (see section 1145 of Article 28).

The rate of 9.1% will apply to refunds of sales tax during this period.

\*\* Chapters 916 and 917 of the Laws of 1982 prescribed new provisions for determining estate tax interest rates. Generally, the rate will be the same as those determined from the yield on United States Treasury Securities. However, the interest will be compounded daily and will be applicable to both taxes and interest which remain or become due or overpaid during the period in which such rate is in effect.

The new legislation also imposed interim rates for the period January 15, 1983 through February 28, 1983 (see TSB-M-82(2) Estate and Gift Tax).