

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

TSB-M-91
(2.1) Corporation Tax
(2.1) Estate and Gift Tax
(2.1) Income Tax
(2.1) Miscellaneous Tax
(2.1) Real Property Transfer
Gains Tax, Real Estate
Transfer Tax, Mortgage
Recording Tax
(2.1) Sales Tax
February 26, 1991

Interest Rates on Late Payments,
Assessments and Refunds of Tax for
the Period April 1, 1991-June 30, 1991

The Commissioner of Taxation and Finance has determined that the federal short-term rate for the month of January, 1991 was 7%.

Interest rates to be charged or paid on late payments, assessments or refunds of tax which remain or become underpaid or overpaid during the period April 1, 1991-June 30, 1991 are shown in the table on page 2.

The next periodic change in interest rates will occur on July 1, 1991. A new memorandum will be issued covering the period July 1, 1991-September 30, 1991.

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Period

4/1/91 - 6/30/91

Interest Rate Per Annum
Compounded Daily ¹ _____

Tax

Refunds Late Payments
 and Assessments

Alcoholic Beverage	9% ²	10%
Beverage Containers	9%	12% ³
Boxing & Wrestling	9%	10%
Cigarette	NA ⁴	10%
Corporation	9%	10%
Diesel Motor Fuel	9% ⁵	10%
Estate	9%	9 %
Gift	9%	9%
Hazardous Waste	9%	15% ⁶
Highway Use	9% ⁷	10%
Income	9%	9%
Lubricating Oil	9%	12% ³
Mortgage Recording	9% ⁸	10% ⁹
Motor Fuel	9% ¹⁰	10%
Real Estate Transfer	9%	10%
Real Property Transfer Gains	9%	10%
Sales and Use	9%	12% ³
Tobacco Products	NA ⁴	10%
Withholding	9%	10%

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- ¹ Daily compounding applies to interest required to be paid by the Tax Commissioner on overpayments or by the taxpayer on deficiencies (as explained in TSB-M-83-(21) Corporation Tax, (3) Gift Tax, (13) income Tax, (5) Miscellaneous Tax, (15) Sales Tax on and after September 1, 1983. Daily compounding of interest on estate tax became effective January 15, 1983 (see TSB-M-83-(1) Estate and Gift Tax).
- ² Subdivision 1 of section 434 of the Tax Law allows interest on refunds of the Alcoholic Beverage Tax (Article 18), but only where payments were made in error. Interest is paid to a date preceding the date of the refund check by not more than 30 days. No interest is allowed for reimbursements.
- ³ Where the interest rate based on the federal short-term rate plus the additional 3% (referred to as the statutory rate) computes to less than 12%, the interest rate on sales tax, beverage containers tax, and lubricating oil tax assessments or late payments is required to be set at 12% per annum (compounded daily) except where the failure or delay in payment is due to reasonable cause and not willful neglect. When reasonable cause is shown, the Tax Commissioner may waive the interest in excess of the statutory rate. The statutory rate for April 1, 1991 through June 30, 1991 is 10%.
- ⁴ Subdivision Twenty-sixth of section 171 of the Tax Law prohibits the payment of interest on overpayments of the Article 20 taxes.
- ⁵ No interest is allowed on a refund to a distributor or a purchaser registered with or licensed by the taxing authorities of another state as a distributor or dealer in diesel motor fuel if the refund check is mailed within 30 days of receipt of the claim for refund in processible form. No interest is allowed for reimbursements.
- ⁶ Interest on deficiencies is fixed by statute at 15% per annum, compounded daily (Section 27-0923 of the Environmental Conservation Law).

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- ⁷ Section 513 of the Tax Law allows interest on refunds of the Highway Use Tax (Article 21), but only where payments were made in error. Interest is paid to a date preceding the date of the refund check by not more than 30 days. Interest is not applicable to refunds or credits made under the provisions of section 503-a(3).
- ⁸ Section 263(1)(b) allows interest on refunds of the mortgage tax paid in the city of New York.
- ⁹ Section 258(2) of the Tax Law imposes interest on mortgage tax paid late where such tax is paid in the City of New York and is paid in order to obtain a release or discharge of record upon a mortgage where the mortgagor is not liable for the special additional mortgage recording tax imposed under subdivision 1-a of section 253 of the Tax Law.
- ¹⁰ No interest is allowed on a refund to a distributor or a purchaser registered with or licensed by the taxing authorities of another state as a distributor or a dealer in motor fuel if the refund check is mailed within 30 days upon receipt of a claim for refund in processible form. No interest is allowed for reimbursements, except interest is allowed for reimbursements to a hospital described in section 1116(a)(4) of the Tax Law if the reimbursement check is not mailed within 45 days upon receipt of a claim for refund in processible form.