



## Tax Information Publication

# TIP

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### Floating Rate of Interest Remains at 8 Percent for the Period July 1, 2018 through December 31, 2018

Florida law provides a floating rate of interest on payments of most taxes and fees. This floating rate of interest applies to deficiencies (underpayments), late payments and overpayments. The taxes and fees the floating rate of interest applies to are listed at the end of this document.

#### Interest Rates

The rate of interest for the period July 1, 2018 through December 31, 2018 is **8 percent**. The **daily interest rate factor to be used for this period is .000219178**. The daily interest rate is named a factor because it is not expressed as a percent. This rate is subject to change effective January 1, 2019.

#### Rates for Deficiencies (Underpayments) and Late Payments

The rates of interest for deficiencies (underpayments) and late payments of tax are:

| Interest Periods                                   | Rates on Deficiencies (Underpayments) & Late Payments * | Daily Interest Rate Factor |
|--|---|----------------------------|
| 07/01/17 – 12/31/18                                | 8 percent   | .000219178                 |
| 01/01/17 - 06/30/17                                | 7 percent   | .000191781                 |
| 01/01/16 - 12/31/16                                | 7 percent   | .000191257                 |
| 01/01/13 - 12/31/15                                | 7 percent   | .000191781                 |
| 01/01/12 - 12/31/12                                | 7 percent   | .000191257                 |
| 01/01/10 - 12/31/11                                | 7 percent   | .000191781                 |
| 01/01/06 - 12/31/09                                | Review <a href="#">TIP 09ADM-01</a>                     | Review TIP 09ADM-01        |
| 01/01/00 - 12/31/05                                | Review <a href="#">TIP 06ADM-03</a>                     | Review TIP 06ADM-03        |
| On or before 12/31/99, except Corporate Income Tax | 12 percent  |                            |
| On or before 12/31/99 Corporate Income Tax         | Contact Taxpayer Services                               |                            |

**\*NOTE:** Rates may not exceed 12 percent.

#### To calculate interest due with your tax return:

1. Get the daily interest rate factor(s) for the filing period(s).
2. Calculate the number of days your return is late by counting the number of days from the “late after” date on the return through the date the return and payment are postmarked by

the U.S. Postal Service or hand-delivered to the Department. Include the day the return and payment are postmarked or hand-delivered to the Department when calculating the number of days late.

- Multiply the amount of tax due by the number of days late and then by the appropriate daily interest rate factor(s).

**Example 1:** A taxpayer owed \$1,000 with the November 2014 Florida sales and use tax return (late after December 20, 2014). The taxpayer filed the return and paid the tax due on March 10, 2015. The return and payment are 80 days late and the daily interest rate factor for December 2014 to March 2015 is used. The interest amount due is computed as follows:

| Tax Due   | Number of Days Late      | Daily Interest Rate Factor | Interest Due |
|-----------|--------------------------|----------------------------|--------------|
| \$1,000 x | 80 (12/21/14 to 3/10/15) | x .000191781               | = \$ 15.34   |

**Example 2:** A taxpayer owed \$5,000 with the September 2012 Florida sales and use tax return (late after October 20, 2012). The taxpayer filed the return and paid the tax due on February 10, 2013. The return and payment are 113 days late. Two different daily interest rate factors must be used in the calculation because the interest rate changed on January 1, 2013. For the period October 21, 2012 to December 31, 2012, the daily interest rate factor is .000191257 and for the period January 1, 2013 to February 10, 2013, the daily interest rate factor is .000191781. The interest amount due is computed as follows:

| Tax Due             | Number of Days Late            | Daily Interest Rate Factor | Interest Due |
|---------------------|--------------------------------|----------------------------|--------------|
| \$5,000 x           | 72 (from 10/21/12 to 12/31/12) | x .000191257               | = \$ 68.85   |
| \$5,000 x           | 41 (from 1/1/13 to 2/10/13)    | x .000191781               | = \$ 39.32   |
| Total Interest Due: |                                |                            | \$108.17     |

### Rates for Overpayments

The rates of interest for overpayments of tax are:

| Interest Periods    | Rates on Overpayments** | Daily Interest Rate Factor |
|---------------------|-------------------------|----------------------------|
| 07/01/17 – 12/31/18 | 8 percent               | .000219178                 |
| 01/01/17 - 06/30/17 | 7 percent               | .000191781                 |
| 01/01/16 - 12/31/16 | 7 percent               | .000191257                 |
| 01/01/13 - 12/31/15 | 7 percent               | .000191781                 |

**\*\*NOTE:** Interest may not exceed 11 percent. Interest on overpayments of tax is not applicable to reemployment tax. Generally, interest on overpayments begins to accrue on the 91st day after the Department receives a completed application for refund.

### Taxes and fees to which the interest provisions apply:

- Aviation fuel taxes
- Communications services tax
- Corporate income tax
- Documentary stamp tax (including surtaxes)
- Emergency excise tax (repealed for tax years ending on or after January 1, 2012)
- Estate tax
- Gross receipts tax on dry-cleaning facilities

- Gross receipts tax on utility services
- Insurance premium tax and related taxes and levies
- Intangible personal property taxes
- Lead-acid battery and waste tire fees
- Local option convention development taxes
- Local option food and beverage taxes
- Local option tourist development and tourist impact taxes
- Miami-Dade County Lake Belt Area fees
- Motor fuel and diesel fuel taxes
- Motor vehicle warranty fees
- Prepaid wireless E911 fee (beginning January 1, 2015)
- Pollutants taxes
- Reemployment tax (beginning January 1, 2015; prior to that date, the rate was 12%)
- Rental car surcharge
- Sales and use tax (including discretionary sales surtax)
- Severance taxes

**References: Sections 213.235, 213.255, and 443.141, Florida Statutes; Rules 12-3.0015 and 12C-1.343, Florida Administrative Code**

#### **For More Information**

**This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.**

**For forms and other information, visit the Department's website at [floridarevenue.com](http://floridarevenue.com) or call Taxpayer Services at 850-488-6800, Monday through Friday (excluding holidays).**

**For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services MS 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.**

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