
DEPARTMENT OF STATE REVENUE
Information Bulletin #64
Income Tax
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SUBJECT: Interest Rates on Assessments of Delinquent Taxes and Refunds for Overpayment of Taxes for Listed Taxes under [IC 6-8.1-1-1](#)

REFERENCE: [IC 6-8.1-10-1](#)

I. Assessments

If a taxpayer fails to file a return, fails to pay the full amount of tax, or files a late return with tax due, the taxpayer is subject to interest (and possibly penalty) on any outstanding balance of tax due after the due date of the return under [IC 6-8.1-10-1](#). The interest on nonpayment of tax accrues at the rate established by the Commissioner from the due date until the date on which full payment of the tax is received.

II. Refunds

A taxpayer that pays more than is legally due may file a claim for refund for which interest is calculated on the overpayment based on the established annual rate. The interest will be applied to any refund after all required refund offsets are made for taxes currently due. Interest will be added to a refund made if the refund is not issued within 90 days of the date on which a refund claim is filed. Interest accrues on refunds until the date the refund is calculated, but the accrual of interest or the suspension of accrual cannot precede the payment by more than 30 days.

III. Adjusted Interest Rate Established by the Commissioner

The Commissioner of the Department of Revenue establishes the rate of interest to be paid or charged on or before Nov. 1 of each year. The interest rate is effective for the following calendar year. For a tax overpayment, the rate of interest will be the average investment yield on state money during the state's previous fiscal year, excluding pension fund investments, as published in the Auditor of State's Comprehensive Annual Financial Report, rounded to the nearest whole percentage point. For a tax underpayment, the rate of interest will be the rate established for an overpayment plus 2%.

For more information concerning current and past interest rates, please see Departmental Notice #3, available on the Department's web site at www.in.gov/dor/publications/.

John Eckart
Commissioner

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