

Florida Department Of Revenue  
Tax Information Publication

TIP 99ADM-03  
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Floating Rate of Interest Applies to Certain Taxes and Fees  
(January 1 - June 30, 2000)

Beginning January 1, 2000, Florida law provides a floating rate of interest for taxes and fees listed in s. 213.05, F.S., including, but not limited to, the following:

- Diesel fuel and motor fuel taxes
- Intangible personal property taxes
- Sales and use taxes (including discretionary sales surtaxes)

(Other taxes and fees to which this provision applies are listed at the end of this document.)

The rate of interest for the period January 1, 2000 through June 30, 2000 is **8 percent**. The daily interest rate factor to be used beginning with returns or payments due in January 2000 is .000218579. This rate will be updated effective January 1 and July 1 of each year.

The floating rate of interest applies to underpayments, late payments and overpayments of taxes and fees. The rate of interest paid on overpayments may not exceed 11% and begins only if an overpayment is not refunded within 90 days from receipt by the Department of a complete refund application. The interest provisions for overpayments do not apply to refund claims filed prior to January 1, 2000, unless the refund claim is still pending as of July 1, 2000.

Note: For returns or payments due on or before December 31, 1999, the interest rate is 12% per annum, except for corporate income and emergency excise taxes.

To obtain the current corporate income tax TIP and updated floating rates:

- \* Visit the Department's Web site at <http://sun6.dms.state.fl.us/dor/>; or
- \* Call FAX On Demand, the Department's document retrieval system, at 850-922-3676; or
- \* Call Tax Information Services, Monday - Friday, 8:00 a.m. to 5:00 p.m., ET 1-800-352-3671 (in Florida only) or 850-488-6800. Hearing or speech impaired persons should call our TDD at 1-800-367-8331 or 850-922-1115.

**Examples:**

Example 1

The taxpayer owed \$1,000 with its November 1999 Florida sales and use tax return due 12/20/99. Interest for sales and use tax returns due through 12/31/99 is computed at the rate of 1% per month, and for any portion less than a month, a daily interest factor of .000328767 is applied. Assuming the taxpayer filed the return and paid the tax on 08/10/00, interest would be calculated as follows:

Calendar				
<u>Period</u>	<u>Tax Due</u>	<u>Period</u>	<u>Rate</u>	<u>Interest Due</u>
12/21/99 - 07/20/00	\$1,000	7 months	1%	\$ 70.00
07/21/00 - 08/10/00	\$1,000	21 days	.000328767	<u>\$ 6.90</u>
Total Interest Due				\$ 76.90

Example 2

The taxpayer owed \$1,000 with its February 2000 Florida sales and use tax return due 03/20/00. The taxpayer filed the return and paid the tax on 08/01/00. Assuming an interest rate of 8% for the 01/01/00 through 06/30/00 period, and an interest rate of 9% for the 07/01/00 through 12/31/00 period, interest would be calculated as follows:

<u>Period</u>	Number Days		<u>in Year</u>	<u>Rate</u>	<u>Interest Due</u>
	<u>Tax Due</u>	<u>of Days</u>			
03/21/00 - 06/30/00	\$1,000	102	366	8%	\$22.30
07/01/00 - 08/01/00	\$1,000	32	366	9%	<u>\$ 7.87</u>
Total Interest Due				\$30.17	

### Example 3

The taxpayer underpaid Florida intangible tax by \$500 on 06/30/00. The taxpayer paid the additional tax due on 11/15/00. Assuming an interest rate of 9% for the 07/01/00 through 12/31/00 period, interest would be calculated as follows:

<u>Period</u>	Number Days		<u>in Year</u>	<u>Rate</u>	<u>Interest Due</u>
	<u>Tax Due</u>	<u>of Days</u>			
07/01/00 - 11/15/00	\$500	138	366	9%	\$ 16.97

### Example 4

The Department receives a complete application for refund on 02/05/00. The Department pays the refund on 08/01/00. Assuming an interest rate of 8% for the 01/01/00 through 06/30/00 period, and an interest rate of 9% for the 07/01/00 through 12/31/00 period, interest would be calculated as follows:

<u>Period</u>	Number Days		<u>in Year</u>	<u>Rate</u>	<u>Interest Due</u>
	<u>Tax Due</u>	<u>of Days</u>			
05/06/00* - 06/30/00	\$1,000	56	366	8%	\$ 12.24
07/01/00 - 08/01/00	\$1,000	32	366	9%	<u>\$ 7.87</u>
Total Interest Due				\$ 20.11	

\* Interest begins to accrue on the 91st day from receipt of the complete application for refund (05/06/00 in this example).

### **Additional taxes to which the interest provision applies:**

Apalachicola Bay oyster surcharge

\* Estate tax

- \* Documentary stamp taxes (including surtaxes)
- \* Gross receipts taxes
- \* Insurance Premium tax and related taxes and levies
- \* Lead-acid battery and waste tire fees
- \* Local option tourist development and impact taxes
- \* Miami-Dade Lake Belt Area mitigation fee
- \* Motor vehicle warranty fee
- \* Pollutants taxes
- \* Severance taxes

### 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 more information call Tax Information Services, Monday - Friday, 8:00 a.m. to 5:00 p.m., ET, at 850-488-6800.

Hearing or speech impaired persons should call our TDD at 1-800-367-8331 or 850-922-1115.

For a detailed written response to your questions, write the Florida Department of Revenue, Tax Information Services, 1379 Blountstown Highway, Tallahassee, FL 32304.

For forms and other information, visit our Web site at <http://sun6.dms.state.fl.us/dor/>.

Get tax forms quickly by FAX ON DEMAND. Call 850-922-3676, twenty-four hours a day, seven days a week, using your fax machine handset and follow the instructions.

#### **References:**

ss. 213.235, 213.255, F.S. (1999)

Rule 12A-1.056(14)(c), F.A.C. (1996)