

Revenue Information Bulletin No. 06-001
January 1, 2006
Administrative

2006 Interest Rate Collected on Unpaid Taxes

Effective January 1, 2006, through December 31, 2006, interest on unpaid tax obligations that have not become final and nonappealable will be collected at the annual rate of 14 percent as provided by R.S. 47:1601(A)(2)(b)(ii), which states that interest shall accrue at an annual rate of six percentage points above the judicial interest rate provided for in R.S. 9:3500(B)(1). Interest on tax obligations that have become final and nonappealable will continue to be collected at 15 percent per annum.

The Commissioner of the Office of Financial Institutions announced the 2006 judicial interest rate, which was calculated at three and one-quarter percentage points above the discount rate that was published in the Wall Street Journal on the first business day of October. The judicial rates are posted on the Office of Financial Institution's web site at <http://www.ofi.state.la.us/>.

Acts 2001, No. 788, amended R.S. 47:1601, effective January 1, 2006, to provide for the interest will be assessed on unpaid taxes as follows:

R.S. 47:1601(A)(2)(b) With respect to tax obligations that have not become final and nonappealable, interest shall be determined as follows:

(i) Prior to January 1, 2006, interest shall accrue at the rate of one and one-quarter percent per month and for any fraction of a month.

(ii) Effective January 1, 2006, interest shall accrue at an annual rate of six percentage points above the rate provided for in R.S. 9:3500(B)(1).

(iii) Effective January 1, 2007, interest shall accrue at an annual rate of five percentage points above the rate provided for in R.S. 9:3500(B)(1).

(iv) Effective January 1, 2008, interest shall accrue at an annual rate of four percentage points above the rate provided for in R.S. 9:3500(B)(1).

(v) Effective January 1, 2009, interest shall accrue at an annual rate of three percentage points above the rate provided for in R.S. 9:3500(B)(1).

(c) In no event shall the interest rate provided for in Subparagraph (b) of this Paragraph exceed one and one-quarter percent per month and for any fraction of a month.

For further information concerning this matter, contact the Taxpayer Services Division at (225) 219-7318.

Cynthia Bridges
Secretary