PENALTY AND INTEREST RATES

Late Filing Penalty

A late filing penalty of $25 per month (or fraction of a month) may be imposed for each month that a yearly income tax return remains unfiled. This late filing penalty shall not exceed $150 for each failure to file.

Late Payment Penalty

A penalty may be imposed on unpaid income tax equal to 15% of the amount not timely paid.

Late Payment Interest

Interest is to be imposed on all unpaid income tax and employer withholding. The interest rate to be applied each calendar year is the federal short-term rate, rounded to the nearest whole number percent, plus 5%. This is divided by 12 to get the monthly rate.

Tax Year Annual Rate Monthly Rate

2015 & Prior 18.0% 1.5%

2016 5.0% 0.42%

2017 6.0% 0.5%

2018 6.0% 0.5%