

Effective Interest Rates for Late Payment of Tax Due

<u>Period</u>	<u>Annual Rate</u>	<u>Daily Rate</u>
Prior to January 1, 2008	15%	0.041%
January 1, 2008 – March 31, 2008	7%	0.019125683%
April 1, 2008 – June 30, 2008	6%	0.016393442%
July 1, 2008 – September 30, 2008	5%	0.013661202%
October 1, 2008 – December 31, 2008	6%	0.016393442%
January 1, 2009 – March 31, 2009	5%	0.013698630%
April 1, 2009 – December 31, 2010	4%	0.010958904%
January 1, 2011 – March 31, 2011	3%	0.008219178%
April 1, 2011 – September 30, 2011	4%	0.010958904%
October 1, 2011 – December 31, 2011	3%	0.008219178%
January 1, 2012 – December 31, 2012	3%	0.008196721%
January 1, 2013 – December 31, 2015	3%	0.008219178%
January 1, 2016 – March 31, 2016	3%	0.008196721%
April 1, 2016 – December 31, 2016	4%	0.010928962%
January 1, 2017 – March 31, 2018	4%	0.010958904%
April 1, 2018 – December 31, 2018	5%	0.013698630%
January 1, 2019 – June 30, 2019	6%	0.016438356%
July 1, 2019 – December 31, 2019	5%	0.013698630%
January 1, 2020 – June 30, 2020	5%	0.013661202%
July 1, 2020 – December 31, 2020	3%	0.008196721%
January 1, 2021 – December 31, 2021	3%	0.008219178%

Interest

Interest accrues on tax that is not paid on or before the due date of your return even if you receive an extension of time to file. *Interest is a charge for the use of money and by law cannot be waived.* Prior to January 1, 2008, interest was calculated at the statutory rate of 15% per year, computed on a daily basis. Beginning January 1, 2008, interest is computed on a daily basis at the rate established for individual income tax purposes by the U.S. Internal Revenue Code (IRC).

Calculating Daily Interest

The formula for calculating daily interest is:

$$\text{Tax due} \times \text{the daily interest rate for the quarter} \times \text{number of days late} = \text{interest due}$$

For example, say a taxpayer owes \$300 for the 3rd quarter of 2020, due July 15, 2020. The daily rate for the 3rd quarter of 2020 is 0.008196721%. If the tax-due date is July 15, 2020, and the taxpayer pays on July 30, 2020, the payment is 15 days late – using the formula – $\$300 \times 0.008196721\% \times 15 = 0.37$, the taxpayer owes an additional \$0.37 in interest.

For questions about computing your interest due, contact the Department at the phone number on the return.

NOTE: Taxpayers who are liable for interest under the International Fuel Tax Agreement (IFTA) may be subject to a different rate of interest calculated on a monthly basis. For more information, please visit the IFTA, Inc. web site at <http://iftach.org> or contact a department representative at (505) 841-6369.

Tax District Field Offices and the Department's call center can provide full service and general information about the Department's taxes, taxpayer access point, programs, classes, and forms. Information specific to your filing situation, payment plans and delinquent accounts.

TAX DISTRICT FIELD OFFICES

ALBUQUERQUE

10500 Copper Pointe Avenue NE
Albuquerque, NM 87123

SANTA FE

Manuel Lujan Sr. Bldg.
1200 S. St. Francis Dr.
Santa Fe, NM 87504

FARMINGTON

3501 E. Main St., Suite N
Farmington, NM 87499

LAS CRUCES

2540 S. El Paseo Bldg. #2
Las Cruces, NM 88004

ROSWELL

400 Pennsylvania Ave., Suite 200
Roswell, NM 8820

For forms and instructions visit the Department's web site at <http://www.tax.newmexico.gov>

Call Center Number:

1-866-285-2996

If faxing something to a tax district field office, please fax to:

Call Center Fax Number:

1-505-841-6327

If mailing information to a tax district field office, please mail to:

Taxation and Revenue Department
P.O. Box 8485
Albuquerque, NM 87198-8485

For additional contact information please visit the Department's website at <http://www.tax.newmexico.gov/contact-us.aspx>

General Information. FYIs and Bulletins present general information with minimum technical language. All FYIs and Bulletins are free of charge and available through all local tax offices and on the Taxation and Revenue Department's website at <http://www.tax.newmexico.gov/forms-publications.aspx>

This information is as accurate as possible as of the date specified on the publication. Subsequent legislation, new state regulations and case law may affect its accuracy. For the latest information please check the Taxation and Revenue Department's web site at www.tax.newmexico.gov.

This publication provides instructions or general information to the taxpayer. It does not constitute a regulation or ruling as defined under Section 7-1-60, New Mexico Statutes Annotated, 1978. Taxpayers and preparers are responsible for being aware of New Mexico tax laws and rules. Consult the Department directly if you have questions or concerns about information provided in this Bulletin.