

A Technical Information Release is designed to provide immediate information of changes in tax laws administered by the Department for the policy positions of the Department as a service to taxpayers and practitioners. A Technical Information Release represents the position of the Department on the limited issues discussed herein based on current law and Department interpretation. For the current status of any tax law, practitioners and taxpayers should consult the source documents (i.e., Revised Statutes Annotated, Rules, Case Law, Session Laws, etc.)

The purpose of this information release is to advise taxpayers and tax preparers of changes to the interest rates established by RSA 21-J:28 for calendar year 2000. Questions should be directed to Taxpayer Assistance, at (603) 271-2186.

NEW INTEREST RATES SET

The interest rates for calendar year 2000 are established by RSA 21-J:28. Effective January 1, 2000 through December 31, 2000, the State of New Hampshire interest rates, applicable on taxes administered by the Department of Revenue Administration, will be 10% for underpayments and 7% for overpayments. The following interest rates apply to the number of days during the period that the payment remains unpaid or the refund is owed.

Period	Interest Rate for Underpayment of Tax	Interest Rate for Overpayment of Tax
1/1/2000 - 12/31/2000	10%	7%
1/1/1999 - 12/31/1999	10%	7%
1/1/1998 - 12/31/1998	11%	8%
Prior to 1/1/1998	15%	10%

The New Hampshire statutes governing interest rates were amended in 1995 [CH 268] to require that starting on January 1, 1998, and determined annually thereafter, the New Hampshire interest rates would be based upon the rates set by the federal government under Internal Revenue Code § 6621(a)(2). RSA 21-J:28, II provides that the "annual underpayment rate" is tied to the underpayment rate specified in the Internal Revenue Code of 1986, as in effect on the September 1 immediately preceding such calendar year, plus 2 percentage points. RSA 21-J:28, III provides that the "overpayment rate" (the interest rate paid on refunds) is to be 3 percentage points less than the rate set in paragraph II, which is the federal interest rate on underpayments, less 1 percentage point.

The underpayment rate specified in the Internal Revenue Code §6621 (a)(2) for the period from July 1, 2000 through September 30, 2000 is 8%. Therefore, the New Hampshire interest rates for 2000 are 10% for underpayment of tax and 7% for an overpayment of tax.