G. THOMAS SURTEES
Commissioner

State of Alabama
Department of Revenue

(www.revenue.alabama.gov)
50 North Ripley Street
Montgomery, Alabama 36132

CYNTHIA UNDERWOOD
Assistant Commissioner
LEWIS A. EASTERLY
Secretary

June 21, 2007

MEMORANDUM **2007-15**

TO: ALL COUNTY LICENSE PLATE ISSUING OFFICIALS

FROM: Billy R. Phillips, Supervisor
Motor Vehicle Division

SUBJECT: Quarterly Interest Rate

The interest rate for the calendar quarter beginning July 1, 2007, **will remain at 8%**. The attached schedule is based on a 365-day calendar year. In accordance with Section 40-1-44, Code of Alabama 1975, the 8% interest rate must be used to compute interest on any tax, or other amount due, **other than property tax**, and not remitted by the due date.

In order to calculate the interest due, first, determine the number of days that the registrant is delinquent and locate the corresponding percentage factor on the attached interest chart for that number of days. Second, multiply the factor times the registration fee due to determine the amount of interest due.

Example: Lewis fails to renew his automobile registration in July 2007, and waits until August 23, 2007 to renew. The county determines that he owes interest for 23 days (7/1/2007-7/23/2007). The percentage factor on the interest chart for 23 days is **.00504**. The issuing official then multiplies this factor times the $23 registration fee. The interest calculated is $0.12.

BP:

Attachment