



**JULIE P. MAGEE**  
Commissioner

# State of Alabama Department of Revenue

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Deputy Commissioner

March 18, 2016

## MEMORANDUM

2016-006

**TO:** License Plate Issuing Officials  
**FROM:** Sherry Helms, Registration Unit *SH*  
Motor Vehicle Division  
**SUBJECT:** UPDATED Quarterly Interest Rate

The Internal Revenue Service published an updated interest rate for the calendar quarter beginning April 1, 2016. Please disregard memo 2016-005 stating the interest rate would remain at 3%. The interest rate **will increase to 4%**. In accordance with Section 40-1-44, Code of Alabama 1975, the 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. An interest chart based on a 365-day calendar year may be found on our website at <http://www.revenue.alabama.gov/motorvehicle/index.html> under "Reference" then "Interest Chart".

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 interest chart for that number of days. Second, multiply the factor times the registration fee due to determine the amount to interest due.

If you have any questions regarding this matter, please contact the Motor Vehicle Division at: [tags@revenue.alabama.gov](mailto:tags@revenue.alabama.gov) or (334) 242-9006.

