NEW JERSEY DIVISION OF TAXATION
TECHNICAL BULLETIN

DISTRIBUTION: **C, INCLUDING FIELD** **TB-21(R)**

FOR RELEASE: **INTERNAL ONLY** _____ **ISSUED: 12-5-06**
OUTSIDE DIVISION **X** **EXPIRES: 1-1-08**

TOPIC: **INTEREST RATE ASSESSED FOR JANUARY 1 – DECEMBER 31, 2007**

The assessed interest rate for the period January 1 – December 31, 2007, is ***11.25%***.

The rate is calculated as follows: *Prime Rate* (8.25%) + 3% = 11.25%, compounded annually.

Under the Taxpayers' Bill of Rights, interest assessed on outstanding tax balances is Prime Rate plus 3%. *Prime Rate* for this purpose is the average predominant prime rate, as determined by the Board of Governors of the Federal Reserve System, that was in effect on December 1 of the year prior to the year in which the tax became due. At any time that the Director determines that the prime rate varies by more than one percentage point from the rate previously determined, the Director shall redetermine the prime rate to be that quoted prime rate for subsequent calendar quarters of the year in which the payments become due.

At the end of each calendar year any tax, penalties, and interest remaining due (unpaid) will become part of the balance on which interest is charged.

Listed below is the Federal Reserve prime rate and assessed interest rate history.

Review Date	Federal Reserve Prime Rate	Effective Date	Assessed Interest Rate
12/1/00	9.50%	1/1/01	12.50%
5/1/01	7.50%	7/1/01	10.50%
9/19/01	6.00%	10/1/01	9.00%
12/1/01	5.00%	1/1/02	8.00%
12/1/02	4.25%	1/1/03	7.25%
12/1/03	4.00%	1/1/04	7.00%
12/1/04	5.00%	1/1/05	8.00%
9/14/05	6.50%	10/1/05	9.50%
12/1/05	7.00%	1/1/06	10.00%
9/1/06	8.25%	10/1/06	11.25%
12/1/06	8.25%	1/1/07	11.25%

For more information, contact the Division's Customer Service Center at 609-292-6400, e-mail us at **nj.taxation@treas.state.nj.us,** or write to:

NEW JERSEY DIVISION OF TAXATION
INFORMATION AND PUBLICATIONS BRANCH
PO BOX 281
TRENTON NJ 08695-0281

Many State tax forms and publications are available by fax and through our Web site. Call NJ TaxFax at 609-826-4500 from your fax machine's phone, or access the Division's home page at: **www.state.nj.us/treasury/taxation/**