

**NEW JERSEY DIVISION OF TAXATION
TECHNICAL BULLETIN**

TB-21(R)

**ISSUED: 12-29-16
EXPIRES: 12-31-17**

TOPIC: INTEREST RATE ASSESSED FOR JANUARY 1 – DECEMBER 31, 2017

The assessed interest rate for the period January 1 – December 31, 2017, is **6.50%**.

The rate is calculated as follows: *Prime Rate* (3.50%) + 3% = 6.50%, 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. If the prime rate varies by more than one percentage point from the rate previously determined, the Director of the Division of Taxation shall redetermine the rate to be the quoted prime rate for subsequent calendar quarters of the year in which the payments become due.

At the end of each calendar year any unpaid tax, penalties and interest 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
12/1/06	8.25%	1/1/07	11.25%
12/1/07	7.50%	1/1/08	10.50%
3/1/08	6.00%	4/1/08	9.00%
12/1/08	4.00%	1/1/09	7.00%
12/1/09	3.25%	1/1/10	6.25%
12/1/10	3.25%	1/1/11	6.25%
12/1/11	3.25%	1/1/12	6.25%
12/1/12	3.25%	1/1/13	6.25%
12/1/13	3.25%	1/1/14	6.25%
12/1/14	3.25%	1/1/15	6.25%
12/1/15	3.25%	1/1/16	6.25%
12/1/16	3.50%	1/1/17	6.50%

For more information, contact the Division's Customer Service Center at 609-292-6400. You can email general State tax questions to us at nj.taxation@treas.nj.gov. Do not include confidential information such as Social Security or Federal tax identification numbers, liability or payment amounts, dates of birth, or bank account numbers in your email. You can also write to:

NEW JERSEY DIVISION OF TAXATION
TECHNICAL INFORMATION UNIT
PO BOX 281
TRENTON, NJ 08695-0281

Many State tax forms and publications are available on our [website](#).
