



# Indiana Department of Revenue

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Income Tax Information Bulletin #64

**Subject:** Interest Rates on Assessments of Delinquent Taxes and Refunds for Overpayment of Taxes for Listed Taxes under IC 6-8.1-1-1

**Publication Date:** January 2023

**Effective Date:** Upon Publication

**References:** IC 6-8.1-1-1; IC 6-8.1-9-2; IC 6-8.1-9.5; IC 6-8.1-10-1

Replaces Bulletin #64, dated August 2014

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## Summary of Changes

Aside from nonsubstantive, technical changes, this bulletin has been changed to add newer information concerning the points from which interest is calculated on a request for refund.

## Deficiencies

If a taxpayer fails to file a return, fails to pay the full amount of tax, or files a late return with tax due, the taxpayer is subject to interest (and possibly penalty) on any outstanding balance of tax due after the due date of the return under IC 6-8.1-10-1. The interest on nonpayment of tax accrues at the rate established by the commissioner from the due date until the date on which full payment of the tax is received.

## Refunds

A taxpayer who pays more than is legally due may file a claim for refund for which interest is calculated on the overpayment based on the established annual rate. The interest will be applied to any refund after all required refund offsets are made for taxes currently due. Interest will be added to a refund made if the refund is not issued within 90 days of the date on which a refund claim is filed, the date the tax payment was due, or the date the tax was paid. Absent a refund claim (either by filing a GA-110L, tax return, or INTIME request) the department has no obligation

to compute interest. Interest accrues from the latest of: the date the tax payment was due; the date the tax was paid; the date the tax return was filed for the period and tax type for which the refund is claimed; or, in the case of a refund based on payment of a tax by the taxpayer to another state, country, or locality, the date of such payment of tax to the other state, country, or locality. The accrual of interest or the suspension of accrual cannot precede the payment by more than 30 days.

Further, a refund for an excess severance payment described in Section 3(a)(1)(A) of the Combat-Injured Veterans Tax Fairness Act of 2016 (P.L. 114–292) that is not refunded or credited against a current or future tax liability within 90 days after the date the refund claim is filed, the date the tax payment was due, or the date the tax was paid, whichever is latest, accrues interest from April 1, 2020. For purposes of this subsection, a refund claim filed prior to April 1, 2020, shall be treated as filed on April 1, 2020.

**NOTE:** The due date for the payment of sales or use tax, oil inspection fee, or petroleum severance tax is December 31 of the calendar year that contains the taxable period for which the payment is remitted. No interest is due on a refund claim before the return for the tax in question is filed.

## Adjusted Interest Rate Established by the Commissioner

IC 6-8.1-10-1 provides that the interest rate charged for a tax deficiency and the interest rate paid for an excess tax payment will be the same.

The interest rate for a calendar year will be the average investment yield on state general fund money during the state's previous fiscal year, excluding pension fund investments, as determined by the Treasurer of State and reported to the commissioner of the department on or before October 1 of each year, plus two percentage points, rounded to the nearest whole number.

For more information concerning current and past interest rates, please see [Departmental Notice #3](#), available online at [in.gov/dor/legal-resources/tax-library/departamental-notices/](http://in.gov/dor/legal-resources/tax-library/departamental-notices/).

If you have any questions concerning this bulletin, please contact the Tax Policy Division at [taxpolicy@dor.in.gov](mailto:taxpolicy@dor.in.gov).



Robert J. Grennes, Jr.  
Commissioner  
Indiana Department of Revenue