



Matthew G. Bevin
Governor

**FINANCE AND ADMINISTRATION CABINET
DEPARTMENT OF REVENUE**

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Daniel P. Bork
Commissioner

Robert M. Gillim
Executive Director

MEMORANDUM

To: Daniel P. Bork, Commissioner
Kentucky Department of Revenue

From: R. Mack Gillim, Executive Director *MG*
Office of Processing and Enforcement
Kentucky Department of Revenue

Date: October 11, 2018

Subject: Annual Adjustment to the Tax Interest Rate

Pursuant to KRS 131.183, the 2019 tax interest rate has been set at five percent (5%). The rate charged by the Kentucky Department of Revenue on unpaid taxes shall be seven percent (7%) and when interest is due on a refund, the rate shall be three percent (3%). The average rate has been raised from four percent (4%) in 2018.

This rate, effective January 1, 2019, is based on the adjusted prime rate charged by Kentucky banks during the month of September 2018. A recent survey of Kentucky banks revealed that the average prime interest rate in September 2018 was five and a quarter percent (5.25%).

Approved: *Daniel P. Bork*
Daniel P. Bork, Commissioner
Kentucky Department of Revenue

Date: 10-16-2018