

A Technical Information Release is designed to provide immediate information of changes in tax laws administered by the Department and for the policy positions of the Department as a service to taxpayers and practitioners. A Technical Information Release represents the position of the Department on the limited issues discussed herein based on current law and Department interpretation. For the current status of any tax law, practitioners and taxpayers should consult the source documents (i.e., Revised Statutes Annotated, Rules, Case Law, Session Laws, etc.). Questions specific to this Technical Information Release should be directed to Taxpayer Assistance at (603) 271-6000 or (603) 271-2186.

The purpose of this information release is to advise taxpayers and tax preparers of changes to the interest rates, established by RSA 21-J:28, for calendar year 2004. Questions should be directed to Taxpayer Assistance, at (603) 271-2186.

NEW INTEREST RATES SET

The annual underpayment and overpayment interest rates for calendar year 2004 are established by RSA 21-J:28. Effective January 1, 2004 through December 31, 2004, the State of New Hampshire interest rates, applicable on taxes administered by the Department of Revenue Administration, will be 7% for underpayments and 4% for overpayments. The interest rates listed below apply to the number of days during the period that the payment remains unpaid or the refund is owed.

The New Hampshire statutes governing interest rates were amended in 1995 [CH 268] to require that starting on January 1, 1998, and determined annually thereafter, the New Hampshire interest rates would be based upon the rates set by the federal government under Internal Revenue Code § 6621(a)(2). RSA 21-J:28, II provides that the "annual underpayment rate" (the interest rate on tax due) is tied to the underpayment rate specified in the Internal Revenue Code of 1986, as in effect on the September 1 immediately preceding such calendar year, plus 2 percentage points. RSA 21-J:28, III provides that the "annual overpayment rate" (the interest rate paid on refunds) is to be 3 percentage points less than the rate set in RSA 21-J:28, paragraph II. The underpayment rate specified in the Internal Revenue Code § 6621(a)(2) for the period from July 1, 2003 through September 30, 2003 is 5%.

Period	Interest Rate for Underpayment of Tax	Interest Rate for Overpayment of Tax
1/1/2004- 12/31/2004	7%	4%
1/1/2003- 12/31/2003	8%	5%
1/1/2002- 12/31/2002	9%	6%
1/1/2001- 12/31/2001	11%	8%
1/1/2000- 12/31/2000	10%	7%
1/1/1999- 12/31/1999	10%	7%

1/1/1998- 12/31/1998	11%	8%
Prior to 1/1/1998	15%	10%

Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the (603) 271-2186.