

### Formula for calculating interest on delinquent taxes

1. Take the base tax amount for the delinquency **times** 2% to determine the late charge
  - a. Example -  $\$500.00 \text{ times } 2\% = \$10.00$  late charge
2. Calculate number of days delinquent using the beginning lien date for delinquency (January 1<sup>st</sup> of the year after the tax year) and the end date for calculation of interest
  - a. Example – 2006 tax being paid on August 30, 2007 would be  
January 1, 2007 to August 30, 2007 = 241 days
3. **Add** late charge to base tax -  $\$500.00 + \$10.00 = \$510.00$
4. **Multiply** the base tax **plus** late charge ( $\$510.00$ ) **times** the number of days (241) **times** the daily factor for the interest rate of 12% (.032854%)
  - a. Example –  $(\$500.00 + \$10.00) \times 241 \times .00032854 = \$40.38$   
Interest