

Subject 702

Penalty and Interest Charges

Interest and penalty are charged on any unpaid tax from the original due date of the return (April 15th for most taxpayers) until the date of payment. **Interest is charged at 10% per year.**

Although there are penalties for not paying the tax on time, there are higher penalties for not filing a return on time. If you are late filing your return and owe the state money, you will generally have to pay a **Failure to File Penalty of 5%** of the tax owed for each month or part of a month you are late, up to a **maximum of 35%.**

If you file on time but do not pay on time, the **Failure to Pay Penalty is 1% per month** of the unpaid taxes up to a **maximum of 35%.** The total combined penalties for failure to file and failure to pay cannot exceed a maximum of 35%.

The Individual Income Tax Section does not offer payment plans. A payment plan can be obtained once your account has been transferred to our Collections Section. For more information on collection procedures, access **Subject 703.**

When you make tax payments, be sure to return the tear off stub on your bill and write your Social Security Number and the tax year being paid on your personal check, money order, or cashier's check. Generally, interest and penalty charges will not be waived. Interest continues to accumulate until all the tax liability is paid in full.