

## **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 filing your return late 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%.

Generally, interest and penalty charges will not be waived. Interest continues to accrue until the balance is paid in full.