



Administrative Journal Entry

Date: **OCT 15 2004**

In the Matter of the Determination)
of the Interest Rate Pursuant to)
R.C. 5703.47.)

R.C. 5703.47 requires the Tax Commissioner to do the following each year:

(A) As used in this section, "federal short-term rate" means the rate of the average market yield on outstanding marketable obligations of the United States with remaining periods to maturity of three years or less, as determined under section 1274 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 1274, for July of the current year.

(B) On the fifteenth day of October of each year, the tax commissioner shall determine the federal short-term rate. For purposes of any section of the Revised Code requiring interest to be computed at the rate per annum required by this section, the rate determined by the commissioner under this section, rounded to the nearest whole number per cent, plus three per cent shall be the interest rate per annum used in making the computation for interest that accrues during the following calendar year.

(C) Within ten days after the interest rate per annum is determined under this section, the tax commissioner shall notify the auditor of each county in writing of that rate of interest.

The rounded federal short-term rate for July 2004 is two per cent (2%). This rounded short-term rate, plus three per cent (3%), yields the applicable per annum interest rate used in making the computation for interest that accrues during calendar year 2005 pursuant to R.C. 5703.47. **Therefore, the Tax Commissioner hereby determines that the interest rate under R.C. 5703.47 for calendar year 2005 is five per cent (5%).**


William W. Wilkins
Tax Commissioner