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A COUNTY OLDER THAN THE STATE

**MONTGOMERY COUNTY COMMISSION**

Tax & Audit Department  
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ESTABLISHED 1816

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## **NOTICE**

**DATE:** July 11, 2017

**TO:** All Montgomery County Sales, Use, Lodgings and Motor Fuels Taxpayers

**FROM:** Montgomery County Commission Tax & Audit Department

**RE:** Act 2017-415 – Montgomery County Interest Rate Change Effective August 1, 2017

Alabama [ACT 2017-415](#) effective August 1, 2017, amends [Ala. Code](#) §11-3-11.3, removing the option for Montgomery County Alabama to charge interest at the rate of one percent (1%) per month. Effective August 1, 2017, the applicable interest rate to be charged by or due from Montgomery County Alabama shall be determined pursuant to [Ala. Code](#) §40-1-44, which links interest to the underpayment rate established quarterly by the United States Secretary of the Treasury under the authority of 26 U.S.C. §6621. The current quarterly interest rate is 6% APR (<https://revenue.alabama.gov/assessments/quarterly-interest-rates/>).

To comply with this change, Montgomery County will update its system so that any delinquent interest will continue to be calculated at 1% per month through July 31, 2017, after which the interest will be calculated at the “State rate” (linked to the Federal rate pursuant to §40-1-44) from August 1, 2017 through the filing of the delinquent tax. For a quick reference link to read the Alabama Department of Revenue (“ADOR”) Notice dated June 21, 2017 specific to Act 2017-415 and for the interest calculation example provided by the ADOR, [Click here](#)

Should you have questions related to this notice or need further assistance in calculating delinquent interest due on taxes due to Montgomery County Alabama, please do not hesitate to contact our office by phone at (334) 832-1697 or via email at [taxaudit@mc-ala.org](mailto:taxaudit@mc-ala.org) at your convenience. Thank you.