

701—104.8 (423A) Interest and penalty.

104.8(1) Penalties. See rule 701—10.6(421) for the calculation of penalty for tax periods beginning on or after January 1, 1991.

104.8(2) Interest. Tax not paid by the due date of the return shall draw interest at the rate described in rule 701—10.2(421). Payments made are first credited to penalty and interest due and then to the tax liability. See *Ashland Oil Co. v. Iowa Department of Revenue and Finance*, 452 N.W.2d 162 (Iowa 1990).

This rule is intended to implement Iowa Code section 423A.6.

[ARC 7761B, IAB 5/6/09, effective 6/10/09]