



Mike DeWine, Governor
Jon Husted, Lt. Governor

Office of Budget and Management

Kimberly Murnieks, Director

To: All Departments, Offices, Institutions, Boards, Commissions, and Agencies

From: Kimberly Murnieks, Director 
Office of Budget and Management

Date: December 5, 2019

Re: Prompt Payment: Calendar Year 2020 Interest Rate for Late Payments to Suppliers

Section 126.30 of the Ohio Revised Code (R.C.) and 126-3-01 of the Administrative Code (O.A.C.) require state agencies to make prompt payment for all purchases after “receipt of a proper invoice.” Any agency that fails to do so is required to pay interest on the late payment unless the interest calculated under the law is less than \$10. The rate to calculate interest for each calendar year is established in the prior year by the Tax Commissioner under R.C. 5703.47. For calendar year 2020, the interest rate to be used is 5% per annum compounded every thirty days.

You can access the Late Payment Calculator on OBM’s website <http://obm.ohio.gov/> under State Accounting> Resources> Late Payment Calculator to assist you in calculating any interest charges owed to a supplier for calendar year 2020.

If interest is owed for a period covering portions of two calendar years, agencies should calculate the interest owed for the appropriate part of each year at the rate for that year. Historical interest rate information for prior calendar years is available at the following website: https://www.tax.ohio.gov/ohio_individual/individual/interest_rates.aspx.

Please refer to R.C. 126.30 and O.A.C. 126-3-01 for additional information on prompt payment requirements. If you have questions, please contact Amber Griffith at OBM at (614-644-5759).

Thank you and Happy New Year!