



TaxNewsFlash

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Rev. Rul. 2019-28: No change to interest rates on tax underpayments, overpayments

The IRS today issued an advance release of Rev. Rul. 2019-28, announcing that interest rates on tax underpayments and tax overpayments will remain the same for the calendar quarter beginning January 1, 2020.

[Rev. Rul. 2019-28](#) [PDF 290 KB] provides that the interest rates will be:

- 5% for overpayments (4% in the case of a corporation)
- 2.5% for the portion of a corporate overpayment exceeding \$10,000
- 5% for underpayments
- 7% for large corporate underpayments

As noted in a related IRS release—**[IR-2019-201](#)**—the rate of interest is determined on a quarterly basis, and for taxpayers other than corporations, the overpayment and underpayment rate is the federal short-term rate plus 3 percentage points. For corporations, the underpayment rate is the federal short-term rate plus 3 percentage points and the overpayment rate is the federal short-term rate plus 2 percentage points. The rate for large corporate underpayments is the federal short-term rate plus 5 percentage points. The rate on the portion of a corporate overpayment of tax exceeding \$10,000 for a tax period is the federal short-term rate plus one-half (0.5) of a percentage point.

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