



TaxNewsFlash

United States



No. 2020-096
February 28, 2020

Rev. Rul. 2020-7: No change to interest rates on tax underpayments, overpayments (second quarter 2020)

The IRS today issued an advance release of Rev. Rul. 2020-7, announcing that interest rates on tax underpayments and tax overpayments will remain the same for the calendar quarter beginning April 1, 2020.

[Rev. Rul. 2020-7](#) [PDF 292 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-2020-46](#)**—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.

The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to be applied to any specific reader's particular set of facts. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)