The IRS today released an advance version of Rev. Rul. 2020-13 that provides the rates of interest with regard to tax overpayments and tax underpayments for the calendar quarter beginning July 1, 2020. The rates of interest will decrease for the third quarter 2020.

Rev. Rul. 2020-13 lists the interest rates for the calendar quarter beginning July 1, 2020, as follows:

- 5% for large corporate underpayments
- 3% for underpayments
- 2% for overpayments by a corporate taxpayer
- 0.5% for the portion of a corporate overpayment exceeding $10,000
- 3% for overpayments

For taxpayers (other than corporations), the overpayment and underpayment rate is the federal short-term rate plus three (3) percentage points.

Generally, in the case of a corporation, the underpayment rate is the federal short-term rate plus three (3) percentage points, and the overpayment rate is the federal short-term rate plus two (2) percentage points. The rate for large corporate underpayments is the federal short-term rate plus five (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. Pursuant to Rev. Rul. 2020-11, 2020-19 IRB 776, effective May 1, the federal short-term rate, rounded to the nearest full percent, is 0%.

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