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Dec. 05, 2016

The Internal Revenue Service has announced that interest rates will remain the same for the calendar quarter beginning January 1, 2017. The rates will be:

- four (4) percent for overpayments [three (3) percent in the case of a corporation];
- 1 and one-half (1.5) percent for the portion of a corporate overpayment exceeding \$10,000;
- four (4) percent for underpayments; and
- six (6) percent for large corporate underpayments.

Under the Internal Revenue Code, the rate of interest is determined on a quarterly basis. For taxpayers other than corporations, the overpayment and underpayment rate is the federal short-term rate plus 3 percentage points.

Generally, in the case of a corporation, 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 taxable period is the federal short-term rate plus one-half (0.5) of a percentage point.

The interest rates announced today are computed from the federal short-term rate determined during October 2016 to take effect November 1, 2016, based on daily compounding.

[Revenue Ruling 2016-28](#), announcing the rates of interest, is attached and will appear in Internal Revenue Bulletin 2016-51, dated December 19, 2016.

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