

 News Release

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Interest Rates Remain the Same for the Second Quarter of 2012

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WASHINGTON – The Internal Revenue Service today announced that interest rates will remain the same for the calendar quarter beginning April 1, 2012. The rates will be:

- three (3) percent for overpayments (two (2) percent in the case of a corporation);
- three (3) percent for underpayments;
- five (5) percent for large corporate underpayments; and
- one-half (0.5) percent for the portion of a corporate overpayment exceeding \$10,000.

The 3 percent rate also applies to estimated tax underpayments for the second calendar quarter in 2012, including the first 15 days in April 2012.

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. Further, the federal short-term rate that applies during the third month following the taxable year also applies when determining estimated tax underpayments during the first 15 days of the fourth month following the taxable year.

The interest rates announced today are computed from the federal short-term rate during January 1, 2012 to take effect February 1, 2012, based on daily compounding.

[Revenue Ruling 2012-8](#), announcing the rates of interest, is attached and will appear in Internal Revenue Bulletin No. 2012-13, dated March 26, 2012.