



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

20.2.6

APRIL 27, 2016

## EFFECTIVE DATE

(05-10-2016)

## PURPOSE

- (1) This obsoletes IRM 20.2.6, *Interest, Methods of Computing Interest*.

## MATERIAL CHANGES

- (1) Content from IRM 20.2.6, *Interest, Methods of Computing Interest*, is incorporated and changed in IRM 20.2.1, *Interest, Interest Introduction, Standards and Guidelines*, which transmits a complete revision of the former IRM 20.2.1, *Interest, General and Legal Authorizations*, IRM 20.2.5, *Interest, Interest on Underpayments*, and IRM 20.2.7, *Interest, Abatement and Suspension of Debit Interest*. Content from IRM 20.2.6, *Interest: Methods of Computing Interest*, is tracked in the following table.

Subsection	(MM-DD-YYYY)New Location
IRM 20.2.6.1, <i>Methods and Rate Used</i>	IRM 20.2.1.4, <i>Types of Interest</i> , and its subsections.
IRM 20.2.6.2, <i>Compound Interest</i>	IRM 20.2.1.4, <i>Types of Interest</i> , and its subsections.
IRM 20.2.6.3, <i>Assessment of Interest Accruals</i>	IRM 20.2.5.1, <i>Underpayment Interest</i>
IRM 20.2.6.4, <i>Interest Computation Tools</i>	IRM 20.2.1.6, <i>Interest Computation Tools and Reports: Manually and Systemically Calculated Interest</i> , and its subsections.
IRM 20.2.6.5, <i>Computer Generated Interest Computations</i>	IRM 20.2.1.5, <i>Normal and Restricted Interest</i> , and its subsections; IRM 20.2.5.1, <i>Underpayment Interest</i>
IRM 20.2.6.6, <i>Steps to Compute Interest</i>	IRM 20.2.1.5, <i>Normal and Restricted Interest</i>
IRM 20.2.6.7, <i>Types of Interest Suspensions</i>	IRM 20.2.7, <i>Interest: Abatement and Suspension of Debit Interest</i> , and its subsections.
IRM 20.2.6.8, <i>Payment Allocation and Reallocation</i>	IRM 20.2.5.1, <i>Underpayment Interest</i> ; IRM 20.2.7, <i>Interest: Abatement and Suspension of Debit Interest</i> , and its subsections.

<b>Subsection</b>	<b>(MM-DD-YYYY)New Location</b>
IRM 20.2.6.9, <i>Helpful Interest Facts</i>	IRM 20.2.1.4, <i>Types of Interest</i> ; IRM 20.2.5.1, <i>Underpayment Interest</i> ; IRM 20.2.5.6, <i>Restricted Interest</i> ; IRM 20.2.7.8, <i>IRC 6601(c) Suspension of Interest on Deficiencies</i>

#### **EFFECT ON OTHER DOCUMENTS**

IRM 20.2.6, *Interest: Methods of Computing Interest*, dated June 18, 2010, is obsolete as of the date of this transmittal.

#### **AUDIENCE**

This IRM is intended for employees of all operating divisions who work with interest.

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Small Business/Self-Employed