

# IRS News Release

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## **NO CHANGE IN THE INTEREST RATES FOR THE THIRD QUARTER OF 2007**

IR-2007-122, June 21, 2007

WASHINGTON – The Internal Revenue Service today announced there will be no change in the interest rates for the calendar quarter beginning July 1, 2007. The interest rates are as follows:

- eight (8) percent for overpayments [seven (7) percent in the case of a corporation];
- eight (8) percent for underpayments;
- ten (10) percent for large corporate underpayments; and
- five and one-half (5.5) percent for the portion of a corporate overpayment exceeding \$10,000.

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 based on daily compounding determined during April 2007.

Revenue Ruling 2007-39, announcing the new rates of interest, is attached and appears in Internal Revenue Bulletin No. 2007-26, dated June 25, 2007.