

## IRS ANNOUNCES QUARTERLY INTEREST RATES

Washington -- The Internal Revenue Service today announced that interest rates for the calendar quarter beginning January 1, 2000, will remain at eight (8) percent for overpayments (seven (7) percent in the case of a corporation), eight (8) percent for underpayments, and ten (10) percent for large corporate underpayments. The overpayment rate for the portion of a corporate overpayment exceeding \$10,000 will remain at five and one-half (5.5) percent.

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 October 1999.

Rev. Rul. 99-53, announcing the new rates of interest, is attached and will appear in Internal Revenue Bulletin No. 1999-50, dated Dec. 13, 1999.

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