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From: [REDACTED]

Sent: Monday, February 13, 2017 1:53:14 PM

To:

Cc:

Bcc:

Subject: Request for assistance regarding Title 26 underpayment interest on restitution-based assessment; POSTF-132966-16

You asked for our advice regarding the correct determination of Title 26 underpayment interest in the context of a restitution-based assessment.

In this case, the district court found a total loss to the government in the amount of

The court

clearly intended the restitution

Therefore, for purposes of
subsequently assessing underpayment interest, the

The taxes owed is the liability that is the subject of the restitution order, and the amount upon which Title 26 interest accrues. Underpayment interest accrues on this amount of liability from the last date prescribed for payment of the liability (as determined under section 6601(b)) to the date of payment. IRC § 6601(a). Here, the last date prescribed for payment was April 15, . Underpayment interest should be calculated on the tax owed from April 15, to the date of payment; the resulting amount is the total amount of underpayment interest that should be assessed on the taxes owed. Because in this case the restitution order included some form of Title 26 interest in the amount of

, that has already been assessed,
care should be taken that this amount of underpayment interest is not assessed twice.

If you have any questions, please contact _____ at (202) 317-6844.