



## Interest Rates Remain the Same for the Second Quarter of 2010

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WASHINGTON — The Internal Revenue Service today announced that interest rates for the calendar quarter beginning April 1, 2010, will remain the same. The rates will be:

- four (4) percent for overpayments [three (3) percent in the case of a corporation];
- four (4) percent for underpayments;
- six (6) percent for large corporate underpayments; and
- one and one-half (1.5) 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. Additionally, the rate for determining the addition to tax for failure to pay estimated tax for the first 15 days in April 2010 is the 4 percent rate that applied to underpayments of tax during the first calendar quarter in 2010.

The interest rates announced today are computed from the federal short-term rate during January 2010 to take effect Feb. 1, 2010, based on daily compounding. Revenue Ruling 2010-9, announcing the rates of interest, is attached and will appear in Internal Revenue Bulletin No. 2010-13, dated March 29, 2010.

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