IRS

Interest rates remain the same for the first quarter of 2026

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WASHINGTON — The Internal Revenue Service today announced that interest rates will remain the same for the calendar quarter beginning Jan. 1, 2026.

For individuals, the rate for overpayments and underpayments will be 7% per year, compounded daily.

The rates are as follows:

- 7% for overpayments (payments made in excess of the amount owed), 6% for corporations.
- 4.5% for the portion of a corporate overpayment exceeding $10,000.
- 7% for underpayments (taxes owed but not fully paid).
- 9% for large corporate underpayments.

Under the Internal Revenue Code, the rate of interest is determined on a quarterly basis. For taxpayers other than corporations, the overpayment and underpayment rates are 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 determined during October 2025. See the revenue ruling for details.

Revenue Ruling 2025-22 PDF announcing the rates of interest will appear in Internal Revenue Bulletin 2025-48, dated Nov. 24, 2025.

News items may not be updated after their release. Please verify the date before relying on the language.