

# IRS News Release

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## Fourth Quarter 2008 Interest Rates Effective Today

IR-2008-111, Oct. 1, 2008

WASHINGTON — The Internal Revenue Service has announced in Revenue Ruling 2008-47 that interest rates for the calendar quarter beginning Oct. 1, 2008 will increase by one percentage point.

The new rates are:

- Six (6) percent for overpayments [five (5) in the case of a corporation];
- Six (6) percent for underpayments;
- Eight (8) percent for large corporate underpayments; and
- Three and one-half (3.5) 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 July 2008.

[Revenue Ruling 2008-47](#), announced the new rates and was published in Internal Revenue Bulletin 2008-39 on September 29, 2008.