

Annual Interest Rate Update

Purpose: To share the 2018 interest rates charged on deficiencies and delinquencies and paid on refunds.

Tax program(s): All tax programs administered by the Department of Revenue except Senior & Disabled Property Tax Deferral (ORS 311.666 to 311.701).

Statute(s): ORS 305.220 and OAR 150-305-0140 and 150-305-0142.

Effective date: Interest periods that begin on or after January 1, 2018.

Issue: This ORB is notification of the results of the annual interest rate update.

Background: Each year we are required to review the interest rates we charge on deficiencies and delinquencies, and also, the interest rates we pay on refunds. The rate is based on the third quarter interest rates used by the Internal Revenue Service for deficiencies and delinquencies. We determined that Oregon's 2018 interest rate will remain at 5 percent for refunds, deficiencies, and delinquencies. The rates are effective for interest periods that begin on or after January 1, 2018.

Discussion: The annual interest rate for interest periods that begin on or after January 1, 2018 is 5 percent.

TIER ONE

Annual	0.050000 ---- (5 percent)
Monthly	0.004167 ---- (0.4167 percent)
Daily	0.000137 ---- (0.0137 percent)

TIER TWO

Annual	0.090000 ---- (9 percent)
Monthly	0.007500 ---- (0.7500 percent)
Daily	0.000247 ---- (0.0247 percent)

Tier Two interest is charged on deficiencies and delinquencies that remain unpaid after 60 days from the date of certain events (ORS 305.222). Tier Two interest is calculated by adding 1/3 of one percent per month (4 percent annually) to the Tier One annual rate.

Effect of this document

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Oregon Revenue Bulletin

2017-01

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Issued December 18, 2017