

Annual Interest Rate Update

Purpose: To share the 2026 interest rates charged on deficiencies and delinquencies and paid on refunds.

Tax program(s): All tax programs administered by the Department of Revenue except the Senior and Disabled Citizen Property Tax Deferral Program (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, 2026.

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

Background: Each year, the department is required to review the interest rate it charges on deficiencies and delinquencies and the rate it pays on refunds. The rate is based on the third quarter interest rates used by the Internal Revenue Service for deficiencies and delinquencies. Our annual review found that Oregon's interest rate for 2026 will decrease to 8 percent for refunds, deficiencies, and delinquencies. The rates are effective for interest periods beginning on or after January 1, 2026.

Discussion: The annual interest rate for interest periods beginning on or after January 1, 2026 is 8 percent.

TIER ONE

Annual	0.080000 ---- (8 percent)
Daily	0.000219 ---- (0.0219 percent)

TIER TWO

Annual	0.120000 ---- (12 percent)
Daily	0.000329 ---- (0.0329 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 one-third of 1 percent per month (4 percent annually) to the Tier One annual rate.

NOTE: The daily interest rate is calculated by taking the annual interest rate and dividing by 365 without rounding. The daily interest rates shown above are rounded for illustrative purposes.



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Effect of this document

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