

Annual Interest Rate Update

Purpose: To share the 2022 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, 2022.

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 2022 will remain at 4 percent for refunds, deficiencies, and delinquencies. The rates are effective for interest periods beginning on or after January 1, 2022.

Discussion: The annual interest rate for interest periods beginning on or after January 1, 2022 is 4 percent.

TIER ONE

| | |
|--------|--------------------------------|
| Annual | 0.040000 ---- (4 percent) |
| Daily | 0.000110 ---- (0.0110 percent) |

TIER TWO

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



Oregon Revenue Bulletin

2021-XX

Effect of this document

ORBs provide general information to the public and do not replace the need for competent legal or accounting advice. ORBs do not have the force or effect of law and are not binding.

Anyone using these publications should be alert for changes that may result from legislative action, court decisions, Attorney General opinions, or from enactments or amendments to Oregon Revised Statutes or Oregon Administrative Rules.

For more information, please visit our website at <http://www.oregon.gov/DOR/>.

Have a suggestion for a future ORB topic? Let us know by emailing questions.dor@oregon.gov.

Issued December 20, 2021