§ 6601  TITLE 26—INTERNAL REVENUE CODE

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AMENDMENTS

Subchapter A—Interest on Underpayments
Sec.
6601. Interest on underpayment, nonpayment, or extensions of time for payment, of tax.
6602. Interest on erroneous refund recoverable by suit.
6603. Deposits made to suspend running of interest on potential underpayments, etc.

AMENDMENTS

§ 6601. Interest on underpayment, nonpayment, or extensions of time for payment, of tax
(a) General rule
If any amount of tax imposed by this title (whether required to be shown on a return, or to be paid by stamp or by some other method) is not paid on or before the last date prescribed for payment, interest on such amount at the underpayment rate established under section 6621 shall be paid for the period from such last date to the date paid.

(b) Last date prescribed for payment
For purposes of this section, the last date prescribed for payment of the tax shall be determined under chapter 62 without the application of the following rules:

(1) Extensions of time disregarded
The last date prescribed for payment shall be determined without regard to any extension of time for payment or any installment agreement entered into under section 6159.

(2) Jeopardy
The last date prescribed for payment shall be determined without regard to any notice and demand for payment issued, by reason of jeopardy (as provided in chapter 70), prior to the last date otherwise prescribed for such payment.

(3) Accumulated earnings tax
In the case of the tax imposed by section 531 for any taxable year, the last date prescribed for payment shall be deemed to be the due date (without regard to extensions) for the return of tax imposed by subtitle A for such taxable year.

(4) Last date for payment not otherwise prescribed
In the case of taxes payable by stamp and in all other cases in which the last date for payment is not otherwise prescribed, the last date for payment shall be deemed to be the date the liability for tax arises (and in no event shall be later than the date notice and demand for the tax is made by the Secretary).

(c) Suspension of interest in certain income, estate, gift, and certain excise tax cases
In the case of a deficiency as defined in section 6211 (relating to income, estate, gift, and certain excise taxes), if a waiver of restrictions under section 6213(d) on the assessment of such deficiency has been filed, and if notice and demand by the Secretary for payment of such deficiency is not made within 30 days after the filing of such waiver, interest shall not be imposed on such deficiency for the period beginning immediately after such 30th day and ending with the date of notice and demand and interest shall not be imposed during such period on any interest with respect to such deficiency for any prior period.

(d) Income tax reduced by carryback or adjustment for certain unused deductions
(1) Net operating loss or capital loss carryback
If the amount of any tax imposed by subtitle A is reduced by reason of a carryback of a net operating loss or net capital loss, such reduction in tax shall not affect the computation of interest under this section for the period ending with the filing date for the taxable year in which the net operating loss or net capital loss arises.

(2) Foreign tax credit carrybacks
If any credit allowed for any taxable year is increased by reason of a carryback of a net operating loss carryback or a capital loss carryback from a subsequent taxable year, such increase shall not affect the computation of interest under this section for the period ending with the filing date for such subsequent taxable year.

(3) Certain credit carrybacks
(A) In general
If any credit allowed for any taxable year is increased by reason of a credit carryback, such increase shall not affect the computation of interest under this section for the period ending with the filing date for the taxable year in which such taxes were in fact paid or accrued, or, with respect to any portion of such credit carryback from a taxable year attributable to a net operating loss carryback or a capital loss carryback from a subsequent taxable year, such increase shall not affect the computation of interest under this section for the period ending with the filing date for such subsequent taxable year.

(B) Credit carryback defined
For purposes of this paragraph, the term “credit carryback” has the meaning given such term by section 6511(d)(4)(C).
(4) Filing date

For purposes of this subsection, the term “filing date” has the meaning given to such term by section 6611(f)(4)(A).

(e) Applicable rules

Except as otherwise provided in this title—

(1) Interest treated as tax

Interest prescribed under this section on any tax shall be paid upon notice and demand, and shall be assessed, collected, and paid in the same manner as taxes. Any reference to this title (except subchapter B of chapter 63, relating to deficiency procedures) to any tax imposed by this title shall be deemed also to refer to interest imposed by this section on such tax.

(2) Interest on penalties, additional amounts, or additions to the tax

(A) In general

Interest shall be imposed under subsection (a) in respect of any assessable penalty, additional amount, or addition to the tax (other than an addition to tax imposed under section 6651(a)(1) or 6653 or under part II of subchapter A of chapter 68) only if such assessable penalty, additional amount, or addition to the tax is not paid within 21 calendar days from the date of notice and demand therefor (10 business days if the amount for which such notice and demand is made equals or exceeds $100,000), and in such case interest shall be imposed only for the period from the date of the notice and demand to the date of payment.

(B) Interest on certain additions to tax

Interest shall be imposed under this section with respect to any addition to tax imposed by section 6651(a)(1) or 6653 or under part II of subchapter A of chapter 68 for the period which—

(i) begins on the date on which the return of the tax with respect to which such addition to tax is imposed is required to be filed (including any extensions), and

(ii) ends on the date of payment of such addition to tax.

(3) Payments made within specified period after notice and demand

If notice and demand is made for payment of any amount and if such amount is paid within 21 calendar days (10 business days if the amount for which such notice and demand is made equals or exceeds $100,000) after the date of such notice and demand, interest under this section on the amount so paid shall not be imposed for the period after the date of such notice and demand.

(f) Satisfaction by credits

If any portion of a tax is satisfied by credit of an overpayment, then no interest shall be imposed under this section on the portion of the tax so satisfied for any period during which, if the credit had not been made, interest would have been allowable with respect to such overpayment. The preceding sentence shall not apply to the extent that section 6621(d) applies.

(g) Limitation on assessment and collection

Interest prescribed under this section on any tax may be assessed and collected at any time during the period within which the tax to which such interest relates may be collected.

(h) Exception as to estimated tax

This section shall not apply to any failure to pay any estimated tax required to be paid by section 6654 or 6655.

(i) Exception as to Federal unemployment tax

This section shall not apply to any failure to make a payment of tax imposed by section 3301 for a calendar quarter or other period within a taxable year required under authority of section 6157.

(j) 2-percent rate on certain portion of estate tax extended under section 6166

(1) In general

If the time for payment of an amount of tax imposed by chapter 11 is extended as provided in section 6166, then in lieu of the annual rate provided by subsection (a)—

(A) interest on the 2-percent portion of such amount shall be paid at the rate of 2 percent, and

(B) interest on so much of such amount as exceeds the 2-percent portion shall be paid at a rate equal to 45 percent of the annual rate provided by subsection (a).

For purposes of this subsection, the amount of any deficiency which is prorated to installments payable under section 6166 shall be treated as an amount of tax payable in installments under such section.

(2) 2-percent portion

For purposes of this subsection, the term “2-percent portion” means the lesser of—

(A)(i) the amount of the tentative tax which would be determined under the rate schedule set forth in section 2001(c) if the amount with respect to which such tentative tax is to be computed were the sum of $1,000,000 and the applicable exclusion amount in effect under section 2010(c), reduced by

(ii) the applicable credit amount in effect under section 2010(c), or

(B) the amount of the tax imposed by chapter 11 which is extended as provided in section 6166.

(3) Inflation adjustment

In the case of estates of decedents dying in a calendar year after 1996, the $1,000,000 amount contained in paragraph (2)(A) shall be increased by an amount equal to—

(A) $1,000,000, multiplied by

(B) the cost-of-living adjustment determined under section 1(f)(5) for such calendar year by substituting “calendar year 1997” for “calendar year 2016” in subparagraph (A)(ii) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of $10,000, such amount shall be rounded to the next lowest multiple of $10,000.

(4) Treatment of payments

If the amount of tax imposed by chapter 11 which is extended as provided in section 6166
exceeds the 2-percent portion, any payment of a portion of such amount shall, for purposes of computing interest for periods after such payment, be treated as reducing the 2-percent portion by an amount which bears the same ratio to the amount of such payment as the amount of the 2-percent portion (determined without regard to this paragraph) bears to the amount of the tax which is extended as provided in section 6166.

(k) No interest on certain adjustments

For provisions prohibiting interest on certain adjustments in tax, see section 6205(a).

purposes of subparagraph (A), section 6158(a) shall be treated as providing that the date prescribed for payment of each installment shall not be later than the date prescribed for payment of the 1985 installment.

1989—Subsec. (e)(2). Pub. L. 101–239 substituted “section 6651(a)(1) or 6653 or under part II of subchapter A of chapter 68” for “section 6651(a)(1), 6653, 6659, 6660, or 6661” in subpars. (A) and (B).

1988—Subsec. (b)(1). Pub. L. 100–647, §623I(b)(1), inserted “or any installment agreement entered into under section 6159” after “time for payment”.

Subsec. (b)(2). Pub. L. 100–647, §1015(b)(2)(C), substituted “6635, 6660” for “6659”.

Subsec. (i). Pub. L. 100–647, §7106(c)(5), struck out “or 3321” after “3301”.

1987—Subsec. (h). Pub. L. 100–203 substituted “section 6654 or 6655” for “section 6154 or 6655”.

1986—Subsec. (a). Pub. L. 99–514, §1511(c)(11), substituted “the underpayment rate established under section 6621” for “an annual rate established under section 6621”.

Subsec. (b)(2). Pub. L. 99–514, §1404(c)(3), amended as defined by Pub. L. 100–647, §1018(a)(42), substituted “6156(a) or 6158(a)” for “6156(a), 6156(a)”, and “6158(a)” in introductory provisions and “6156(b) or 6158(a)” for “6152(b), 6156(b), or 6158(a)” in subpar. (A).

Subsec. (b)(4). (5). Pub. L. 99–514, §1512(a), added par. (4) and redesignated former par. (4) as (5).

Subsec. (c). Pub. L. 99–514, §1564(a), inserted “and interest shall not be imposed during such period on any interest with respect to such deficiency for any prior period”.


Subsec. (d)(3). (4). Pub. L. 98–369, §121(b)(26), redesignated par. (4) as (3) and struck out former par. (3) which had provided that if the amount of any tax imposed by subtitle A was reduced by operation of section 815(d)(5) (relating to reduction of policyholders surplus account of life insurance companies for certain unused deductions), such reduction in tax would not affect the computation of interest under this section for the period ending with the last day of the last taxable year to which the loss described in section 815(d)(5)(A) was carried under section 812(b)(2).

Subsec. (e)(2). Pub. L. 98–369, §158(a), in amending par. (2), generally inserted “other than an addition to tax imposed under section 6651(a)(1), 6659, 6660, or 6661”, and added subpar. (B).

Subsec. (b). Pub. L. 98–369, §412(b)(7), amended subsec. (b) generally, substituting “any estimated tax required to be paid by section 6154 or 6654” for “estimated tax required by section 6153 or section 6154”.

1983—Subsec. (i). Pub. L. 98–75 inserted “or 3321” after “3301”.

1982—Subsec. (d)(1). Pub. L. 97–248, §346(c)(2)(A), substituted “the filing date for the taxable year” for “the last day of the tax year”.


Subsec. (e). Pub. L. 97–248, §344(h)(1), struck out par. (2) which had provided that no interest under this section was to be imposed on the interest provided by this section, and redesignated pars. (3) and (4) as (2) and (3), respectively.

1980—Subsec. (c). Pub. L. 96–223 substituted “certain excise tax cases” for “chapter 41, 42, 43, or 44 tax cases” in heading.

1978—Subsec. (d)(2). Pub. L. 95–628, §402(c)(2)(A), substituted in heading “Certain credit carrybacks” for “prevision as subpar. (A), and in subpar. (A) as so designated, inserted heading “In general” and in text extended the application of the provision to credit carrybacks, previously limited to investment credit carrybacks, included other credit carrybacks, and added subpar. (B).

Subsec. (d)(4). (5). Pub. L. 95–628, §402(c)(2)(B), struck out pars. (4) and (5) which provided for work incentive program credit carrybacks and new employee credit carrybacks, respectively.


1976—Subsec. (b)(2). Pub. L. 94–452 substituted “6156(a), or 6158(a)” for “6156(a) and “6156(b), or 6158(a)” for “or 6156(b)” and inserted requirement that for purposes of subparagraph (A), section 6158(a) of this title shall be treated as providing that the date prescribed for payment of each installment shall not be later than the date prescribed for payment of the 1985 installment.

Subsec. (b)(4). Pub. L. 94–455, §1306(b)(13)(A), struck out “or his delegate” after “Secretary”.

Subsec. (c). Pub. L. 94–455, §§1307(d)(2)(H), 1605(b)(10), substituted in heading “chapter 41, 42” for “chapter 42” and “43, or 44” for “or 43” and redesignated former subsec. (i) as (k).

1973—Subsec. (a). Pub. L. 92–625, §7107(c)(2)(B), substituted “an annual rate established under section 6621” for “the rate of 6 percent per annum”.

Subsec. (b). Pub. L. 94–455, §1306(a)(34), struck out “(or section 59 of the Internal Revenue Code of 1939)”.

Subsecs. (j), (k). Pub. L. 94–455, §2004(b), added subsec. (j) and redesignated former subsec. (j) as (k).


Subsec. (e)(1). Pub. L. 91–172, §512(e)(3)(A), (B), substituted “loss or capital loss carryback” for “loss carryback” in heading, and “net operating loss or net capital loss” for “net operating loss” wherever it appears in text.

Subsec. (e)(2). Pub. L. 91–172, §512(e)(3)(C), substituted “loss carryback or a capital loss carryback” for “loss carryback”.

Subsecs. (k), (l). Pub. L. 91–53 added subsec. (k) and redesignated former subsec. (k) as (l).

1967—Subsec. (e)(2). Pub. L. 90–225 inserted “, or with respect to any portion of an investment credit carryback from a taxable year attributable to a net operating loss carryback from a subsequent taxable year, such increase shall not affect the computation of interest under this section for the period ending with the last day of such subsequent taxable year,” after “the investment credit carryback arises”.


1964—Subsec. (e). Pub. L. 88–571 added par. (3) and inserted “or adjustment for certain unused deductions” in heading.

1962—Subsec. (e). Pub. L. 87–834 designated existing provisions as par. (1) and added par. (2).

1961—(c)(2). Pub. L. 87–61 substituted “6152(a) or 6156(a)” for “6152(a)” in introductory provisions, and “6152(b) or 6156(b)” (as the case may be) for “6152(b)” in subpar. (A).

1958—Subsec. (b). Pub. L. 85–866, §§66(c), 206(e), inserted reference to section 6166, and substituted “If the time for payment of an amount of such tax is postponed or extended as provided by section 6651, the amount of such tax may be extended. If postponement of the payment of an amount of such tax is permitted by section 6166(a)”.
Subsecs. (g) to (j). Pub. L. 85–866, §§83(a)(1), 84(a), added subsecs. (g) and (h) and redesignated former subsecs. (g) and (h) as (i) and (j), respectively.

**Effective Date of 2017 Amendment**

Amendment by Pub. L. 115–97 applicable to taxable years beginning after Dec. 31, 2017, see section 11002(e) of Pub. L. 115–97, set out as a note under section 1 of this title.

**Effective Date of 2015 Amendment**

Amendment by Pub. L. 114–74 applicable to returns filed for partnership taxable years beginning after Dec. 31, 2017, see section 1101(g) of Pub. L. 114–74, set out as an Effective Date note under section 6221 of this title.

**Effective Date of 2005 Amendment**

Amendment by Pub. L. 108–183 effective as if included in the provisions of the Taxpayer Relief Act of 1997, Pub. L. 105–34, to which such amendment relates, see section 400(d) of Pub. L. 108–183, set out as a note under section 961 of this title.

**Effective Date of 1998 Amendment**


"(1) IN GENERAL.—Except as provided under paragraph (2), the amendments made by this section [amending this section and section 6221 of this title] shall apply to interest for periods beginning after the date of the enactment of this Act [July 22, 1998]."

"(2) SPECIAL RULE.—Subject to any applicable statute of limitation not having expired with regard to either a tax underpayment or a tax overpayment, the amendments made by this section shall apply to interest for periods beginning before the date of the enactment of this Act if the taxpayer—

"(A) reasonably identifies and establishes periods of such tax overpayments and underpayments for which the zero rate applies; and

"(B) not later than December 31, 1999, requests the Secretary of the Treasury to apply section 6221(d) of the Internal Revenue Code of 1986, as added by subsection (a), to such periods."

**Effective Date of 1997 Amendment**


Amendment by section 503(a), (c)(2), (3) of Pub. L. 105–34 applicable to estates of decedents dying after Dec. 31, 1997, with special rule in case of estate of any decedent dying before Jan. 1, 1998, with respect to which there is an election under section 6166 of this title, see section 503(d) of Pub. L. 105–34, set out as a note under section 163 of this title.

Pub. L. 105–34, title X, §1055(c), Aug. 5, 1997, 111 Stat. 945, provided that: "The amendments made by this section [amending this section and section 6111 of this title] shall apply to foreign tax credit carrybacks arising in taxable years beginning after the date of the enactment of this Act [Aug. 5, 1997]."

Pub. L. 105–34, title XII, §1242(b), Aug. 5, 1997, 111 Stat. 1029, provided that: "The amendment made by this section [amending this section] shall apply to adjustments with respect to partnership taxable years beginning after the date of the enactment of this Act [Aug. 5, 1997]."

**Effective Date of 1996 Amendment**

Pub. L. 104–166, title III, §303(c), July 30, 1996, 110 Stat. 1458, provided that: "The amendments made by this section [amending this section and section 6651 of this title] shall apply in the case of any notice and demand given after December 31, 1996."

**Effective Date of 1989 Amendment**

Amendment by Pub. L. 101–239 applicable to returns the due date for which (determined without regard to extensions) is after Dec. 31, 1989, see section 7721(d) of Pub. L. 101–239, set out as a note under section 461 of this title.

**Effective Date of 1988 Amendment**

Amendment by section 1015(b)(2)(C) of Pub. L. 100–647 applicable to returns the due date for which (determined without regard to extensions) is after Dec. 31, 1988, see section 1015(b)(4) of Pub. L. 100–647, set out as a note under section 6031 of this title.

Amendment by section 1018(a)(42) of Pub. L. 100–647 effective, except as otherwise provided, as if included in the provision of the Tax Reform Act of 1986, Pub. L. 99–514, to which such amendment relates, see section 1019(a) of Pub. L. 100–647, set out as a note under section 1 of this title.

Amendment by section 6224(b)(1) of Pub. L. 100–647 applicable to agreements entered into after Nov. 10, 1988, see section 6224(c) of Pub. L. 100–647, set out as an Effective Date note under section 6159 of this title.

Amendment by section 7106(c)(5) of Pub. L. 100–647 applicable to remuneration paid after Dec. 31, 1988, see section 7106(d) of Pub. L. 100–647, set out as a note under section 3321 of this title.

**Effective Date of 1987 Amendment**

Amendment by Pub. L. 100–203 applicable to taxable years beginning after Dec. 31, 1986, see section 1404(d) of Pub. L. 100–203, set out as a note under section 643 of this title.


Pub. L. 99–511, title XV, §1512(b), Oct. 22, 1986, 100 Stat. 2746, provided that: "The amendments made by this section [amending this section] shall apply to returns the due date for which (determined without regard to extensions) is after December 31, 1985."

Pub. L. 99–514, title XV, §1564(b), Oct. 22, 1986, 100 Stat. 2762, provided that:

"(1) EFFECTIVE DATE.—The amendment made by subsection (a) [amending this section] shall apply to interest accruing after December 31, 1982.

"(2) STATUTE OF LIMITATIONS.—If refund or credit of any amount resulting from the application of the amendment made by subsection (a) is prevented at any time before the close of the date which is 1 year after the date of the enactment of this Act [Oct. 22, 1986] by the operation of any law or rule of law (including res judicata), refund or credit of such amount (to the extent attributable to the application of the amendment made by subsection (a)) may, nevertheless, be made or allowed if claim therefore [sic] is filed before the close of such 1-year period."

**Effective Date of 1984 Amendment**

Pub. L. 98–369, div. A, title I, §158(b), July 18, 1984, 98 Stat. 696, provided that: "The amendment made by this section [amending this section] shall apply to interest accrued after the date of the enactment of this Act [July 18, 1984], except with respect to additions to tax for which notice and demand is made before such date."


**Effective Date of 1983 Amendment**
Amendment by Pub. L. 98–76 applicable to remuneration paid after June 30, 1986, see section 251(d) of Pub. L. 98–76, set out as an Effective Date note under section 3221 of this title.

**Effective Date of 1982 Amendment**
Amendment by section 344(b)(1) of Pub. L. 97–248 applicable to interest accruing after Dec. 31, 1982, see section 344(c) of Pub. L. 97–248, set out as an Effective Date note under section 6222 of this title.
Amendment by section 346(c)(2) of Pub. L. 97–248 applicable to interest accruing after the 30th day after Sept. 3, 1982, see section 346(d)(2) of Pub. L. 97–248, set out as a note under section 6611 of this title.

**Effective Date of 1980 Amendment**
Amendment by Pub. L. 96–223 applicable to periods after Feb. 29, 1980, see section 101(i) of Pub. L. 96–223, set out as a note under section 661 of this title.

**Effective Date of 1978 Amendment**
Amendment by Pub. L. 95–628 applicable to carrybacks arising in taxable years beginning after Nov. 10, 1978, see section 8(d) of Pub. L. 95–628, set out as a note under section 6511 of this title.

**Effective Date of 1977 Amendment**
Amendment by Pub. L. 95–30 applicable to taxable years beginning after Dec. 31, 1976, and to credit carrybacks from such years, see section 202(e) of Pub. L. 95–30, set out as an Effective Date note under section 51 of this title.

**Effective Date of 1976 Amendments**
Amendment by section 204(b) of Pub. L. 94–455 applicable to estates of decedents dying after Dec. 31, 1976, see section 204(g) of Pub. L. 94–455, set out as a note under section 6106 of this title.

**Effective Date of 1975 Amendment**
Amendment by Pub. L. 93–625 effective July 1, 1975, and applicable to amounts outstanding on such date or arising thereafter, see section 7(e) of Pub. L. 93–625, set out as an Effective Date note under section 6221 of this title.

**Effective Date of 1974 Amendment**
Amendment by Pub. L. 93–468 applicable, except as otherwise provided in section 1017(c) through (i) of Pub. L. 93–468, for plan years beginning after Sept. 2, 1974, but, in the case of plans in existence on Jan. 1, 1974, amendment by Pub. L. 93–468 applicable for plan years beginning after Dec. 31, 1973, see section 1017 of Pub. L. 93–468, set out as an Effective Date; Transitional Rules note under section 410 of this title.

**Effective Date of 1971 Amendment**

**Effective Date of 1969 Amendment**
Amendment by section 512(e)(3) of Pub. L. 91–172 applicable with respect to net capital losses sustained in taxable years beginning after Dec. 31, 1969, see section 512(g) of Pub. L. 91–172, set out as an Effective Date of 1969 Amendment note under section 1212 of this title.
Amendment by Pub. L. 91–93 applicable with respect to calendar years beginning after Dec. 31, 1969, see section 4(a) of Pub. L. 91–93, set out as an Effective Date note under section 6157 of this title.

**Effective Date of 1967 Amendment**
Amendment by Pub. L. 90–225 applicable with respect to investment credit carrybacks attributable to net operating loss carrybacks from taxable years ending after July 31, 1967, see section 2(g) of Pub. L. 90–225, set out as a note under section 46 of this title.

**Effective Date of 1966 Amendment**
Amendment by Pub. L. 89–384 applicable with respect to amounts received after December 31, 1964, in respect of foreign expropriation losses (as defined in section 1531(b) of this title) sustained after December 31, 1958, see section 2 of Pub. L. 89–384, set out as an Effective Date note under section 1351 of this title.

**Effective Date of 1964 Amendment**
Amendment by Pub. L. 88–571 effective, with respect to amounts added to policyholders surplus accounts, for taxable years beginning after Dec. 31, 1958, see section 3(f) of Pub. L. 88–571, set out as a note under section 651 of this title.

**Effective Date of 1962 Amendment**
Amendment by Pub. L. 87–834 applicable with respect to taxable years ending after Dec. 31, 1961, see section 2(b) of Pub. L. 87–834, set out as an Effective Date note under section 46 of this title.

**Effective Date of 1961 Amendment**
Amendment by Pub. L. 87–61 effective July 1, 1961, see section 208 of Pub. L. 87–61, set out as a note under section 4041 of this title.

**Effective Date of 1958 Amendment**
Amendment by sections 66(c) and 84(a) of Pub. L. 85–866 effective Aug. 17, 1954, see section 1(c)(2) of Pub. L. 85–866, set out as a note under section 165 of this title.
Pub. L. 85–866, title I, § 83(d), Sept. 2, 1958, 72 Stat. 1644, provided that: “The amendments made by subsections (a) [amending this section and section 3794 of I.R.C. 1939], (b) [amending section 6011 of this title and section 3771 of I.R.C. 1939], and (c) [amending section 6611 of this title] shall apply only in respect of overpayments credited after December 31, 1957.”
For effective date of amendment by section 206(e) of Pub. L. 85–866, see section 206(f) of Pub. L. 85–866, set out as a note under section 6161 of this title.

**Savings Provision**
For provisions that nothing in amendment by Pub. L. 115–141 be construed to affect treatment of certain transactions occurring, property acquired, or items of income, loss, deduction, or credit taken into account prior to Mar. 23, 2018, for purposes of determining liability for tax for periods ending after Mar. 23, 2018, see section 401(e) of Pub. L. 115–141, set out as a note under section 23 of this title.
For provisions that nothing in amendment by Pub. L. 101–508 be construed to affect treatment of certain transactions occurring, property acquired, or items of income, loss, deduction, or credit taken into account prior to Nov. 5, 1990, for purposes of determining liability for tax for periods ending after Nov. 5, 1990, see section 11821(b) of Pub. L. 101–508, set out as a note under section 45K of this title.

**Administration of Penalties and Interest**
and the Secretary of the Treasury shall each conduct a
separate study—
"(1) reviewing the administration and implementa-
tion by the Internal Revenue Service of the interest
and penalty provisions of the Internal Revenue Code
of 1986 (including the penalty reform provisions of the
101–239, see Tables]); and
"(2) making any legislative and administrative rec-
commendations the Committee or the Secretary
deems appropriate to simplify penalty or interest ad-
ministration and reduce taxpayer burden.

Such studies shall be submitted to the Committee on
Ways and Means of the House of Representatives and
the Committee on Finance of the Senate not later than
1 year after the date of the enactment of this Act [July
22, 1998]."

INTEREST NOT PAYABLE ON UNDERPAYMENTS CREATED
OR INCREASED BY TAX REFORM ACT OF 1976

2095, provided that: "No interest shall be payable for
any period before April 16, 1977 (March 16, 1977, in the
case of a corporation), on any underpayment of a tax
imposed by the Internal Revenue Code of 1986 (formerly
I.R.C. 1954), to the extent that such underpayment was
created or increased by any provision of the Tax Re-

INTEREST ON UNDERPAYMENT

729, provided that in the case of any taxable year end-
ing before Dec. 30, 1969, no interest on underpayment of
taxes, to the extent that such underpayment was
attributable to the amendments made by Pub. L. 91–172,
was not to be assessed or collected for any period before
the 90th day after Dec. 30, 1969.

INTEREST ATTRIBUTABLE TO NOT OPERATING LOSS
CARRYBACK FOR CERTAIN TAXABLE YEARS ENDING IN
1954

164, provided that if by reason of the enactment of sec-
tion 172(b)(1)(A) of this title, a deficiency resulted for
the first taxable year preceding a taxable year ending
after Dec. 31, 1953 but before Aug. 17, 1954 and an over-
payment resulted in the second preceding taxable year,
after Dec. 31, 1953 but before Aug. 17, 1954 and an over-
payment resulted in the second preceding taxable year,
then no interest was payable for any portion of such de-
crease in the period during which there existed a
respective overpayment to which interest was not
payable.

§6602. Interest on erroneous refund recoverable
by suit

Any portion of an internal revenue tax (or any
interest, assessable penalty, additional amount,
or addition to tax) which has been erroneously
refunded, and which is recoverable by suit pur-
suit to section 7405, shall bear interest at the
underpayment rate established under section 6621
from the date of the payment of the refund.

99–514, title XV, §1511(c)(12), Oct. 22, 1986, 100
Stat. 2745.)

AMENDMENTS

1986—Pub. L. 99–514 substituted the "underpayment rate established under section 6621" for "an annual rate established under section 6621." 1975—Pub. L. 93–625 substituted "an annual rate established under section 6621" for "the rate of 6 percent per annum".

EFFECTIVE DATE OF 1986 AMENDMENT


EFFECTIVE DATE OF 1975 AMENDMENT

Amendment by Pub. L. 93–625 effective July 1, 1975, and applicable to amounts outstanding on such date or arising thereafter, see section 7(e) of Pub. L. 93–625, set out as an Effective Date note under section 6621 of this title.

§6603. Deposits made to suspend running of in-
terest on potential underpayments, etc.

(a) Authority to make deposits other than as pay-
ment of tax

A taxpayer may make a cash deposit with the
Secretary which may be used by the Secretary
to pay any tax imposed under subtitle A or B or
chapter 41, 42, 43, or 44 which has not been as-
essed at the time of the deposit. Such a deposit
shall be made in such manner as the Secretary
shall prescribe.

(b) No interest imposed

To the extent that such deposit is used by the
Secretary to pay tax, for purposes of section 6601
(relating to interest on underpayments), the tax
shall be treated as paid when the deposit is
made.

(c) Return of deposit

Except in a case where the Secretary deter-
nines that collection of tax is in jeopardy, the
Secretary shall return to the taxpayer any
amount of the deposit (to the extent not used for
a payment of tax) which the taxpayer requests
in writing.

(d) Payment of interest

(1) In general

For purposes of section 6611 (relating to in-
terest on overpayments), except as provided in
paragraph (4), a deposit which is returned to a
taxpayer shall be treated as a payment of tax
for any period to the extent (and only to the
extent) attributable to a disputable tax for
such period. Under regulations prescribed by the
Secretary, rules similar to the rules of sec-
section 6611(b)(2) shall apply.

(2) Disputable tax

(A) In general

For purposes of this section, the term "dis-
putable tax" means the amount of tax speci-
fied at the time of the deposit as the tax-
payer’s reasonable estimate of the maximum
amount of any tax attributable to disputable
items.

(B) Safe harbor based on 30-day letter

In the case of a taxpayer who has been
issued a 30-day letter, the maximum amount
of tax under subparagraph (A) shall not be
less than the amount of the proposed defi-
ciency specified in such letter.

(3) Other definitions

For purposes of paragraph (2)—

(A) Disputable item

The term "disputable item" means any
item of income, gain, loss, deduction, or
credit if the taxpayer—

(1) has a reasonable basis for its treat-
ment of such item, and

(2) requests the Secretary to treat the
item as a disputable item.