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PERMANENT ADMINISTRATIVE ORDER

FILED
12/15/2025 3:59 PM
ARCHIVES DIVISION
SECRETARY OF STATE
& LEGISLATIVE COUNSEL

REV 9-2025
CHAPTER 150
DEPARTMENT OF REVENUE

FILING CAPTION: Establishes updated interest rates charged for deficiencies/delinquencies and refunds paid to taxpayers.

EFFECTIVE DATE: 01/01/2026

AGENCY APPROVED DATE: 12/10/2025

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RULES:
150-305-0140, 150-305-0142

AMEND: 150-305-0140

RULE TITLE: Interest on Deficiencies and Delinquencies

NOTICE FILED DATE: 09/30/2025

RULE SUMMARY: Amend rule to update annual interest rate for deficiencies and delinquencies from 9% to 8% based on decrease of IRS' third quarter interest rate from 8% to 7%.

RULE TEXT:
(1) Adjustment to statutory rate. For deficiencies and delinquencies owing on or after January 1, 2026, unless otherwise provided by law, every deficiency and delinquency arising under any law administered by the department will bear interest at the rate of eight percent annually. For historic interest rates, see section (4) of this rule.
(2) Interest start date. The interest start date for deficiencies and delinquencies will be one day after the due date of the return, excluding extensions.
(3) Interest periods.
(a) An interest period is one full calendar day beginning with the interest start date. Interest will be computed on a daily basis. The daily rate is based on a 365-day year.
(b) The daily interest rate is calculated by dividing the annual interest rate by 365 without rounding.
(4) Interest rates. The following table shows interest rates used by the department to compute interest due from taxpayers on deficiencies and delinquencies.

Percentage Rates.
Effective date - Annual rate - Monthly rate - Daily rate
Prior to January 1, 1969 — 6 — 0.5 — —
January 1, 1969 — 8 — 0.6667 — —
September 13, 1975 — 12 — 1.0 — —
June 1, 1982 — 18 — 1.5 — 0.0493

August 1, 1986 — 17 — 1.4167 — 0.0466
January 1, 1987 — 16 — 1.3333 — 0.0438
January 1, 1988 — 11 — 0.9167 — 0.0301
January 1, 1993 — 8 — 0.6667 — 0.0219
January 1, 1995 — 10 — 0.8333 — 0.0274
January 1, 1999 — 9 — 0.75 — 0.0247
January 1, 2001 — 10 — 0.8333 — 0.0274
February 1, 2002 — 8 — 0.6667 — 0.0219
February 1, 2003 — 7 — 0.5833 — 0.0192
January 1, 2004 — 6 — 0.5 — 0.0164
January 1, 2005 — 5 — 0.4167 — 0.0137
January 1, 2006 — 7 — 0.5833 — 0.0192
January 1, 2007 — 9 — 0.75 — 0.0247
January 1, 2009 — 6 — 0.5 — 0.0164
January 1, 2010 — 5 — 0.4167 — 0.0137
January 1, 2013 — 4 — 0.3333 — 0.0110
January 1, 2017 — 5 — 0.4167 — 0.0137
January 1, 2018 — 5 — N/A — 0.0137
January 1, 2019 — 6 — N/A — 0.0164
January 1, 2021 — 4 — N/A — 0.0110
January 1, 2023 — 6 — N/A — 0.0164
January 1, 2024 — 8 — N/A — 0.0219
January 1, 2025 — 9 — N/A — 0.0247
January 1, 2026 — 8 — N/A — 0.0219

The daily interest rates shown above are rounded for illustrative purposes.

Example 1: Tom filed a 2016 return reporting tax to pay of $500. He made a $500 payment on February 25, 2019. The interest start date is April 19, 2017, the first day after the due date of the return, which was April 18, 2017. Interest is computed on a daily basis as follows:

4/19/17-12/31/2018 (Annual interest rate / 365 days) x number of days x tax due
(5% / 365) x 622 days x $500 = $42.57
1/1/2019-2/24/19 (Annual interest rate / 365 days) x number of days x tax due
(6% / 365) x 55 days x $500 = $4.52
Total interest: $47.09

STATUTORY/OTHER AUTHORITY: ORS 305.100, 305.220

STATUTES/OTHER IMPLEMENTED: ORS 305.220

AMEND: 150-305-0142

RULE TITLE: Interest on Refunds

NOTICE FILED DATE: 09/30/2025

RULE SUMMARY: Amend rule to update annual interest rate for deficiencies and delinquencies from 9% to 8% based on decrease of IRS' third quarter interest rate from 8% to 7%.

RULE TEXT:

(1) Adjustment to statutory rate. For refunds owing on or after January 1, 2026, unless specifically provided by statute or by rule, every refund arising under any law administered by the department will bear interest at the rate of eight percent annually. For historic rates, see section (4) of this rule.

(2) Interest start date.

(a) As provided in OAR 150-314-0240, when a refund of individual income tax is attributable to tax withheld by an employer, or when a refund of individual income tax, corporate excise tax, or corporate income tax is attributable to estimated taxes, the interest starting date is 45 days after the return was due or 45 days after the return was filed, whichever is later.

(b) The interest start date for a refund of estate tax is 45 days after the return was due, 45 days after the original return was filed, or 45 days after the tax was paid, whichever is later.

(c) The interest start date for refunds not described in (2)(a) or (2)(b) is 45 days after the return was due or 45 days after the date the tax was paid, whichever is later.

(3) Interest periods.

(a) An interest period is one full calendar day beginning with the interest start date. Interest will be computed on a daily basis. The daily rate is based on a 365-day year.

(b) The daily interest rate is calculated by dividing the annual interest rate by 365 without rounding.

(4) The following table shows interest rates used by the department to compute interest due to taxpayers on refunds.

Percentage Rates.

Effective date — Annual rate — Monthly rate — Daily rate

January 1, 1969 — 8 — 0.6667 — —

September 13, 1975 — 6 — 0.5 — —

June 1, 1982 — 12 — 1.0 — 0.0329

June 1, 1983 — 18 — 1.5 — 0.0493

August 1, 1986 — 17 — 1.4167 — 0.0466

January 1, 1987 — 16 — 1.3333 — 0.0438

January 1, 1988 — 11 — 0.9167 — 0.0301

January 1, 1993 — 8 — 0.6667 — 0.0219

January 1, 1995 — 10 — 0.8333 — 0.0274

January 1, 1999 — 9 — 0.75 — 0.0247

January 1, 2001 — 10 — 0.8333 — 0.0274

February 1, 2002 — 8 — 0.6667 — 0.0219

February 1, 2003 — 7 — 0.5833 — 0.0192

January 1, 2004 — 6 — 0.5 — 0.0164

January 1, 2005 — 5 — 0.4167 — 0.0137

January 1, 2006 — 7 — 0.5833 — 0.0192

January 1, 2007 — 9 — 0.75 — 0.0247

January 1, 2009 — 6 — 0.5 — 0.0164

January 1, 2010 — 5 — 0.4167 — 0.0137

January 1, 2013 — 4 — 0.3333 — 0.0110

January 1, 2017 — 5 — 0.4167 — 0.0137
January 1, 2018 — 5 — N/A — 0.0137
January 1, 2019 — 6 — N/A — 0.0164
January 1, 2021 — 4 — N/A — 0.0110
January 1, 2023 — 6 — N/A — 0.0164
January 1, 2024 — 8 — N/A — 0.0219
January 1, 2025 — 9 — N/A — 0.0247
January 1, 2026 — 8 — N/A — 0.0219

The daily interest rates shown above are rounded for illustrative purposes.

Example: Tom filed his 2016 return and paid the tax due on April 6, 2017. On November 1, 2018, Tom filed a 2016 amended return to claim a $1,000 refund. The refund was paid on December 11, 2018. The interest start date is June 2, 2017, the 45th day after the original return was due (April 18, 2017). Interest is computed on a daily basis as follows:

6/2/2017-12/11/2018 – (Annual interest rate / 365 days) x number of days x amount of refund

(5% / 365) x 558 days x $1,000 = $76.44

Total interest: $76.44

STATUTORY/OTHER AUTHORITY: ORS 305.100, 305.220

STATUTES/OTHER IMPLEMENTED: ORS 305.220