

7.05 – 1005 Personal Income Tax Interest Rates on Tax Due and Refunds

This administrative rule applies to Metro’s Supportive Housing Services personal income tax for the Tax Year 2025, while also codifying previous policy documents setting interest rates for prior tax years.

The Metro Code regarding income taxes sets an annual interest rate of 10% (or monthly interest rate of 0.833%) on tax due and on refunds. It also allows the Administrator, by administrative rule, to modify the 10% interest rate as set forth in Code to match the interest rate used by the Oregon Department of Revenue. The interest rate may only be changed once each calendar year.

The Oregon Department of Revenue (DOR) reviews and determines its interest rate once each year effective on January 1 of each year. The Administrator will review DOR’s interest rate each year when that determination is made. If the difference between Metro’s interest rate and DOR’s interest rate for a year is more than or less than DOR’s interest rate by more than one percentage point, the Administrator will match DOR’s interest rate and be effective on April 15 of that same year. If April 15 falls on a weekend or holiday the interest rate change will be effective the first business day following the weekend or holiday.

Interest on tax due and refunds is computed at 0.833% simple interest per month, or fraction of a month, per Metro Code Section 7.05.280 (c), unless a different rate is set by administrative rule. Section 7.05.280(d) states the criteria that determine when the interest rate may change.

The following table for the Supportive Housing Services personal income tax sets the interest rate to be used in computing interest on tax due or on refunds for Tax Year 2025 and for prior tax years in which the Administrator adopted changes per binding policy:

<u>Tax Due</u>	<u>Monthly</u>	<u>Annual</u>
January 1, 2021 – April 17, 2023	0.833	10.0
April 18, 2023 – April 15, 2024	0.5	6.0
April 16, 2024 – April 15, 2025	0.667	8.0
April 16, 2025 – April 15, 2026	0.75	9.0

<u>Refunds</u>	<u>Monthly</u>	<u>Annual</u>
January 1, 2021 – April 15, 2025	0.833	10.0
April 16, 2025 – April 15, 2026	0.75	9.0