



[Knowledgebase](#) > [Tax Extensions](#) > [How does the IRS determine interest penalties for unpaid taxes beyond the tax extension deadline?](#)

How does the IRS determine interest penalties for unpaid taxes beyond the tax extension deadline?

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The interest rate varies, but is typically around 3%-5%. It can change quarterly and is based on the Federal short-term rate plus 3%. Interest on your unpaid tax compounds daily, so you will want to pay it as soon as you are able.