

26 CFR 301.6601-1: Interest on underpayments  
(Also Sections 6651, 7503; 301.6651-1(a)(2), 301.7503-1.)

Rev. Rul. 74-235, 1974-1 C.B. 347

**Additions to tax; filing date on Saturday, Sunday, or holiday.** Interest and a late payment penalty assessed against a taxpayer who timely filed his return on Monday, April 16, 1973, but did not pay the balance of tax due with his return, must be computed from Sunday, April 15, the prescribed date for filing.

Advice has been requested concerning the computation of interest under section 6601(a) and the addition to the tax for failure to pay under section 6651(a)(2) of the Internal Revenue Code of 1954 under the circumstances described below.

The taxpayer timely filed his individual income tax return for 1972 on Monday, April 16, 1973, because April 15, 1973, the due date of the return under section 6072 of the Internal Revenue Code of 1954, fell on a Sunday. The return showed a balance of tax due, but it was not paid with the return when filed. The taxpayer was sent a statement of notice and demand for payment of the tax, which included interest and a late payment penalty that had been computed from April 15, 1973.

The specific question is whether the interest and penalty should be computed from April 15 or from April 16, 1973.

Section 6601(a) of the Code provides that if tax is not paid when due, interest shall be paid for the period from the date required to be paid until the date paid, computed at an annual rate of 6 percent.

Section 6651(a)(2) of the Code provides that if tax shown on a return is not paid on or before the date prescribed for payment, an addition to the tax of 0.5 percent a month, (not exceeding 25 percent in the aggregate) will be imposed, until paid, unless the taxpayer shows reasonable cause for failure to pay the tax timely.

Section 6151 of the Code provides that tax shall be paid at the time and place fixed for filing the return (determined without regard to any extension of time for filing). Section 6072 provides that a calendar year individual income tax return shall be filed on or before April 15 following the close of the year.

Section 7503 of the Code provides that when a date prescribed under authority of any internal revenue law for performing any act falls on a Saturday, Sunday, or legal holiday, such act will be considered to have been performed timely if done on the next succeeding day which is not a Saturday, Sunday, or legal holiday.

Section 7503 of the Code only applies if the act is actually performed on such next succeeding day. It only provides that if an act is performed on the next succeeding day, such act will be considered as performed timely for purposes of waiving any additions to the tax or interest which

might otherwise be due if it were not for the provisions of section 7503.

Accordingly, because payment of the tax was not made on the next succeeding day which was not a Saturday, Sunday, or legal holiday, interest and additions to the tax will be computed from the actual due date of the return, April 15, 1973, notwithstanding that such due date falls on a Saturday, Sunday, or legal holiday and notwithstanding that the return was timely filed on April 16, 1973.