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April 15 is this year's deadline for most people to file their federal tax return and pay any tax they owe. If taxpayers are due a refund, there is no penalty if they file a late tax return.

Taxpayers who owe tax, and failed to file and pay on time, will most likely owe interest and penalties on the tax they pay late. To keep interest and penalties to a minimum, taxpayers should file their tax return and pay any tax owed as soon as possible.

Here are some facts that taxpayers should know:

### Interest

You'll usually have interest on any unpaid tax from the due date of the return until the payment date. The IRS interest rate is the federal short-term rate plus 3%. The rate is set every three months, and interest is compounded daily. The interest rate recently has been about 5%.

### Penalties

**Two penalties may apply.** One penalty is for filing late and one is for paying late. They can add up fast. Interest accrues on top of penalties

1) **Penalty for late filing.** If taxpayers file their tax return more than 60 days after the due date or extended due date, the minimum penalty is \$205 or, if they owe less than \$205, 100 percent of the unpaid tax. Otherwise, the penalty can be as much as 5 percent of their unpaid taxes each month up to a maximum of 25 percent.

2) **Penalty for late payment.** The penalty is generally 0.5 percent of taxpayers' unpaid taxes per month. It can build up to as much as 25 percent of their unpaid taxes.

**Combined penalty per month.** If both the late filing and late payment penalties apply, the maximum amount charged for the two penalties is 5 percent per month.