



DEPARTMENT OF THE TREASURY

Bureau of the Fiscal Service

Prompt Payment Interest Rate; Contract Disputes Act

AGENCY: Bureau of the Fiscal Service, Treasury.

ACTION: Notice of prompt payment interest rate; Contract Disputes Act.

SUMMARY: For the period beginning January 1, 2026, and ending on June 30, 2026, the prompt payment interest rate is 4-1/8 per centum per annum.

DATES: Applicable January 1, 2026, to June 30, 2026.

ADDRESSES: Comments or inquiries may be mailed to: Alternative Payments Division, Bureau of the Fiscal Service, 801 9th Street, N.W., Washington, D.C. 20220. Comments or inquiries may also be emailed to PromptPayment@fiscal.treasury.gov.

FOR FURTHER INFORMATION CONTACT: Pavita Murthi, Alternative Payments Division, (202) 874-5303; or Ashlee Adams, Senior Counsel, Office of the Chief Counsel, (304) 480-8692.

SUPPLEMENTARY INFORMATION: An agency that has acquired property or service from a business concern and has failed to pay for the complete delivery of property or service by the required payment date shall pay the business concern an interest penalty. 31 U.S.C. 3902(a). The Contract Disputes Act of 1978, sec. 12, Pub. L. 95-563, 92 Stat. 2389, and the Prompt Payment Act, 31 U.S.C. 3902(a), provide for the calculation of interest due on claims at the rate established by the Secretary of the Treasury.

The Secretary of the Treasury has the authority to specify the rate by which the interest shall be computed for interest payments under section 12 of the Contract Disputes Act of 1978 and under the Prompt Payment Act. Under the Prompt Payment Act, if an interest penalty is owed to a business concern, the penalty shall be paid

regardless of whether the business concern requested payment of such penalty. 31 U.S.C. 3902(c)(1). Agencies must pay the interest penalty calculated with the interest rate, which is in effect at the time the agency accrues the obligation to pay a late payment interest penalty. 31 U.S.C. 3902(a). “The interest penalty shall be paid for the period beginning on the day after the required payment date and ending on the date on which payment is made.” 31 U.S.C. 3902(b).

Therefore, notice is given that the Secretary of the Treasury has determined that the rate of interest applicable for the period beginning January 1, 2026, and ending on June 30, 2026, is 4-1/8 per centum per annum.

Timothy E. Gribben,

Commissioner,

Bureau of the Fiscal Service.

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