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Maimonides Medical Center v. U.S.

United States Court of Appeals, Second Circuit - December 18, 2015 - F.3d - 2015 WL 9261236

Not-for-profit corporation – Maimonides Medical Center (MMC) – brought action against the United States to recover overpayments of employment taxes.

The parties agreed that MMC was entitled to a refund for an overpayment of taxes, but disagreed as to the interest rate to be applied under I.R.C. § 6621(a)(1). MMC argued that the lower interest rates applicable to "corporation[s]" applied only to for-profit corporations, and that because it is a nonprofit corporation, it was entitled to the higher standard rate.

The United States District Court for the Eastern District of New York applied the lower interest rate. Taxpayer appealed.

The Court of Appeals held that the lower corporate interest rates provided by § 6621(a)(1) are also applicable to nonprofit corporations.

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