

2025 INTEREST RATES ON STATE COURT JUDGMENTS AND ARBITRATION AWARDS

Minnesota Statutes, section 549.09, directs the State Court Administrator to determine the annual interest rate applicable to certain state court judgments, verdicts, and arbitration awards. For judgments and awards governed by section 549.09¹ the annual interest rate for calendar year 2025 shall be 4%, provided that for judgments exceeding \$50,000 that are finally entered on or after August 1, 2009, except a judgment or award for or against the state or a political subdivision of the state entered on or after April 16, 2010, or a judgment or award in a family court action, entered on or after August 1, 2015, the interest rate shall be 10% per year until paid.² Minnesota Statutes, section 548.091, subdivision 1a, provides that beginning August 1, 2022, interest does not accrue on a past, current, or future judgment for child support, confinement and pregnancy expenses, or genetic testing fees.³

The following lists the judgment rates in effect for state courts for the periods noted:

Year	M.S. 549.09 Annual Rate	M.S. 549.09 Rate for Judgment exceeding \$50,000 finally entered on or after 8/1/09 but not Judgments for or against the state or a political subdivision finally entered on or after 4/16/2010, or Judgments or awards in family court actions entered on or after 8/1/2015	M.S. 548.091 Rate for Child Support Judgments
2016	4%	10%	4%
2017	4%	10%	4%
2018	4%	10%	4%
2019	4%	10%	4%
2020	4%	10%	4%
2021	4%	10%	4%
2022	4%	10%	4% (From 1/1/22 through 7/31/22) 0% (Commencing 8/1/22)
2023	5%	10%	0%
2024	5%	10%	0%
2025	4%	10%	0%

¹The interest rate determined pursuant to Minnesota Statutes, section 549.09, does not apply to judgments for the recovery of taxes and employment arbitrations pursuant to Minnesota Statutes, chapter 179 or 179A, and may not apply to judgments in condemnation cases. In condemnation cases governed by Minnesota Statutes, section 117.195, the interest rate determined pursuant to Minnesota Statutes, section 549.09, is presumed to satisfy the constitutional requirement of just compensation unless the landowner shows that this rate does not provide what a reasonable and prudent investor would have earned while investing so as to maximize the rate of return, yet guarantee safety of principle. State by Humphrey v. Jim Lupient Oldsmobile Co., 509 N.W.2d 361, 364 (Minn. 1993). Under a Federal Employers Liability Act (FELA) case, United States Code, title 45, section 51 (2012), brought in state court, federal law governs all substantive matters. However, post-judgment interest is procedural and did not affect substantive FELA rights, and the state post-judgment interest rate under Minnesota Statutes, section 549.09, subdivision 1, paragraph (c), clause (2), applied rather than the federal rate. Alby v. BNSF Railway Company, 934 N.W. 2d 831 (Minn. 2019); *reversed and remanded* (October, 2019).

The interest rate on judgments for the recovery of taxes owed to the Commissioner of the Department of Revenue, such as income, excise, and sales taxes, is established by the Commissioner pursuant to Minnesota Statutes, section 270C.40, subdivision 5. The interest rate for state tax judgments also applies to judgments for the recovery of real or personal property taxes, subject to a 10% minimum and 14% maximum, and double that in certain cases. See Minnesota Statutes, section 279.03, subdivision 1a. These rates may be obtained from the Department of Revenue.

Minnesota Statutes, section 549.09, subdivision 1, paragraph (d), provides that Minnesota Statutes, section 549.09, does not apply to arbitrations between employers and employees under Minnesota Statutes, chapter 179 or 179A, and that an arbitrator is neither required to nor prohibited from awarding interest under Minnesota Statutes, chapter 179, or Minnesota Statutes, section 179A.16, for essential employees.

²As amended by Minnesota Laws 2002, chapter 247, section 1, Minnesota Laws 2009, chapter 83, article 2, section 35, and Minnesota Laws 2010, chapter 249, Minnesota Statutes, section 549.09, directs that the annual rate is to be determined by using the monthly one-year constant maturity treasury yield reported in the latest statistical release of the federal reserve board of governors rounded to the nearest one percent, subject to a four percent minimum; provided that for certain judgments exceeding \$50,000 entered on or after August 1, 2009, the interest rate shall be 10% per year until paid. As amended by Minnesota Laws 2010, chapter 249, section 1, and Minnesota Laws 2015, chapter 30, section 12, judgments or awards exceeding \$50,000 for or against the state or a political subdivision of the state and in family court actions are no longer subject to the 10% interest rate.

³As amended by Minnesota Laws 2021, chapter 30, article 10, sections 73 to 77, Minnesota Statutes, section 548.091, subdivision 1a, directs that the interest rate applicable to child support judgments shall not accrue on a past, current, or future judgments for child support, confinement and pregnancy expenses, or genetic testing fees. This change does not affect interest already paid prior to August 1, 2022, or unpaid interest accrued prior to August 1, 2022.