

**TAXATION ADMINISTRATION ACT 1996  
CHANGE OF INTEREST RATE - FROM 1 JULY 2006**

Section 26 of the *Taxation Administration Act 1996* (the "Act") provides for the interest rate to be applied in cases of a tax default or refund following a taxpayer's successful objection or appeal against an assessment by the Commissioner.

The interest rate comprises a "Market Rate" and, in respect of defaults, an additional 8.00% per annum. Section 26(2)(b) of the Act further provides that the Market Rate may be specified from time to time by order of the Minister published in the *South Australian Government Gazette* (the "Gazette").

The relevant Minister, the Acting Treasurer, has specified by way of notice in the *Gazette* dated 29 June 2006 a Market Rate of 5.87%.

Therefore, from 1 July 2006 the interest rate in respect of tax defaults will be 13.87% per annum (comprising the Market Rate of 5.87% and 8.00%). The interest rate in respect of successful taxpayer objections and appeals will be 5.87% per annum.

The following interest rate table shows the effective interest rate for refunds and tax defaults since the commencement of the Act.

Period	Refunds	Defaults
1 January 1997 to 30 June 1997	10.50%	18.50%
1 July 1997 to 31 December 1997	9.80%	17.80%
1 January 1998 to 30 June 1998	8.80%	16.80%
1 July 1998 to 31 December 1998	8.80%	16.80%
1 January 1999 to 30 June 1999	8.80%	16.80%
1 July 1999 to 30 June 2000	4.80%	12.80%
1 July 2000 to 30 June 2001	5.95%	13.95%
1 July 2001 to 7 July 2004	4.89%	12.89%
8 July 2004 to 6 July 2005	5.51%	13.51%
7 July 2005 to 30 June 2006	5.68%	13.68%
1 July 2006 onwards	5.87%	13.87%

## FURTHER INFORMATION

Further information regarding these amendments may be obtained from RevenueSA.

### ***Location***

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30 June 2006

COMMISSIONER OF STATE TAXATION

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