

Information Circular No: 70

Taxation Administration Act 1996

Interest Rates

Issued 1 July 2014
 Replaces Information Circular No: 58

Sections 26, 90 and 99 of the *Taxation Administration Act 1996* (the "Act") provide for the interest rates to be applied in cases of tax defaults or refunds following the determination of a taxpayer's objection or appeal against an assessment or decision by the Minister or the Commissioner of State Taxation.

The interest rate comprises a 'market rate' and, in respect of defaults, an additional 8.00% per annum. Pursuant to Section 26(2) of the Act, the 'market rate', in relation to interest accruing at any time during a particular financial year, is the average rate of the 90-day Bank Accepted Bill Rate prescribed by the Reserve Bank of Australia for the month of May preceding the financial year, unless a Ministerial order setting the rate is in force.

By Notice published in the Gazette on 25 June 2009, the Treasurer revoked the previous Ministerial order determining the market rate for the purposes of Section 26 of the Act.

Effective from 1 July 2014, the interest rate in respect of tax defaults will be 10.69% per annum (comprising the market rate of 2.69% and 8.00%). The interest rate in respect of refunds for successful taxpayer objections and appeals will be 2.69% 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 July 2014 onwards	2.69%	10.69%
1 July 2013 to 30 June 2014	2.82%	10.82%
1 July 2012 to 30 June 2013	3.66%	11.66%
1 July 2011 to 30 June 2012	5.00%	13.00%
1 July 2010 to 30 June 2011	4.80%	12.80%
1 July 2009 to 30 June 2010	3.13%	11.13%
1 July 2008 to 30 June 2009	7.75%	15.75%
1 July 2007 to 30 June 2008	6.37%	14.37%

1 July 2006 to 30 June 2007	5.87%	13.87%
7 July 2005 to 30 June 2006	5.68%	13.68%
8 July 2004 to 6 July 2005	5.51%	13.51%
1 July 2001 to 7 July 2004	4.89%	12.89%
1 July 2000 to 30 June 2001	5.95%	13.95%
1 July 1999 to 30 June 2000	4.80%	12.80%
1 January 1999 to 30 June 1999	8.80%	16.80%
1 July 1998 to 31 December 1998	8.80%	16.80%
1 January 1998 to 30 June 1998	8.80%	16.80%
1 July 1997 to 31 December 1997	9.80%	17.80%
1 January 1997 to 30 June 1997	10.50%	18.50%

Mike Walker
 COMMISSIONER OF STATE TAXATION

1 July 2014

Further Information

Further information regarding these amendments can be obtained from RevenueSA.

Location	RevenueSA State Administration Centre 200 Victoria Square East ADELAIDE SA 5000
Postal	Commissioner of State Taxation RevenueSA GPO Box 1353 ADELAIDE SA 5001
Telephone	(08) 8226 3750
Facsimile	(08) 8226 3737
Email	revenuesa@sa.gov.au
Website	www.revenuesa.sa.gov.au

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