

SOUTH AUSTRALIA



RevenueSA

Taxation Administration

Circular No 259
(Replaces Circular No 249)

TAXATION ADMINISTRATION ACT 1996
CHANGE OF INTEREST RATE - FROM 7 JULY 2005

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% 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 Treasurer, has specified by way of notice in the *Gazette* dated 7 July 2005, a Market Rate of 5.68%.

Therefore from 7 July 2005, the interest rate in respect of tax defaults will be 13.68% per annum (comprising the Market Rate of 5.68% and 8%). The interest rate in respect of successful taxpayer objections and appeals will be 5.68% 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	10.5%	18.5%
1 July 1997 to 31 December 1997	9.8%	17.8%
1 January 1998 to 30 June 1998	8.8%	16.8%
1 July 1998 to 31 December 1998	8.8%	16.8%
1 January 1999 to 30 June 1999	8.8%	16.8%
1 July 1999 to 30 June 2000	4.8%	12.8%
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 onwards.	5.68%	13.68%

FURTHER INFORMATION

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4 August 2005

COMMISSIONER OF STATE TAXATION

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