

Information Circular No: 90

Taxation Administration Act 1996

Interest Rates

Issued 1 July 2016
 Replaces Information Circular No:80

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 2016, the interest rate in respect of tax defaults will be 10.01% per annum (comprising the market rate of 2.01% and 8.00%). The interest rate in respect of refunds for successful taxpayer objections and appeals will be 2.01% per annum.

The following interest rate table shows the effective interest rate for refunds and tax defaults since 2010-11.

Period	Refunds	Defaults
From 1 July 2016	2.01%	10.01%
1 July 2015 to 30 June 2016	2.15%	10.15%
1 July 2014 to 30 June 2015	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%

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1 July 2016

Further Information

Further information regarding these amendments can be obtained from RevenueSA.

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