

APPLICATION OF INTEREST AND PENALTY TAX

Interest and penalty tax play an integral role in taxation administration. Interest is applied as a means of providing an incentive to taxpayers to meet their obligations on time, to offset the opportunity cost to Government of not having the use of the principal tax sum for the period that it remains unpaid, and to provide equity to all taxpayers. Penalty tax is applied to ensure timely payments and compliance with State tax legislation.

Taxpayers have the option of paying their land tax liability either in one annual payment or quarterly instalments.

If a taxpayer chooses to pay by way of the quarterly instalments, the first instalment will be due for payment thirty days after the account is issued, with the three remaining instalment payments due ninety days after the instalment immediately preceding it.

Penalty tax will not apply to the quarterly instalment payment option, unless a default occurs.

A default in the payment of any of the four instalments (ie, payment not made by the due date, payment of only a portion of the instalment amount due) will result in the full annual amount outstanding becoming immediately due and payable.

Property owners in default will be issued a further assessment (final notice) for the full annual amount outstanding, which will include penalty tax and interest payable on the amount outstanding.

The TAA sets a flat penalty tax of 75% of the unpaid tax in instances of deliberate non-payment, or 25% for any other situation. The Commissioner of State Taxation may exercise discretion to remit penalty tax payable by a taxpayer by any amount.

In the first instance the rate of penalty tax of 25% will be remitted to 5% of the amount of primary land tax outstanding, provided the further assessment is paid in full by the due date. Failure to pay the further assessment may lead to a greater level of penalty tax being payable.

FURTHER INFORMATION

Further information may be obtained from RevenueSA.

Location

RevenueSA
Property Revenue Services
Ground Floor
State Administration Centre
200 Victoria Square
ADELAIDE SA 5000

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Commissioner of State Taxation
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COMMISSIONER OF STATE TAXATION

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