

SOUTH AUSTRALIA



RevenueSA

Taxation Administration

Circular No. 249
(Replaces Circular 217)

TAXATION ADMINISTRATION ACT 1996
CHANGE OF INTEREST RATE - FROM 8 JULY 2004

Section 26 of the *Taxation Administration Act 1996* 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) further provides that the market rate may be specified from time to time by order of the Minister published in the Government Gazette.

The relevant Minister, the Treasurer, has specified by way of notice in the Gazette dated 8 July 2004, a market rate of 5.51%.

Therefore, from 8 July 2004, the interest rate in respect of tax defaults will be 13.51% per annum (comprising the market rate of 5.51% and the additional rate of 8%). The interest rate in respect of successful taxpayer objections and appeals will be 5.51% per annum.

The following interest rate table shows the effective interest rate for refunds and tax defaults since the commencement of the *Taxation Administration Act 1996*.

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 onwards	5.51%	13.51%

FURTHER INFORMATION

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8 July 2004

COMMISSIONER OF STATE TAXATION