

Rates & Land Tax (Interest Rates) Determination 2001 (No 1)

Disallowable instrument DI2001—342

made under the

Rates and Land Tax Act 1926, s 22 (Recovery of Rates)

EXPLANATORY STATEMENT

The *Rates and Land Tax Act 1926* (the Act) levies general rates and land tax on all rateable properties in the ACT. Section 22 of the Act deals with the recovery of rates and land tax and section 22 (3), the liability to interest on overdue rates and land tax.

This instrument revokes, from 16 January 2002, Instrument No. 152 of 2001 dated 19 June 2001 and notified in the Australian Capital Territory Gazette No. 26 of 28 June 2001. It then sets the interest rate to be charged on unpaid rates and land tax for the purposes of section 22 (3) of the Act.

With an effective date of 16 January 2002, the interest rate is 12.28 percent per annum.

The previous rate was 12.89 percent per annum.

The rate is aligned with the interest rate charged on tax defaults under the *Taxation Administration Act 1999*. This provides consistency and equity across all legislation administered by the ACT Revenue Office and applies a common interest rate to all unpaid taxes, rates and charges.

The interest rate comprises a 4.28% per annum market rate component and a fixed penalty rate of 8% per annum to increase the interest rate to the point where it is uneconomical to use the Government as a source of finance. The market rate component is the 90 day bank accepted bill rate for November 2001.

The rate has been changed as a consequence of a six monthly review of interest rates by the ACT Revenue Office in line with Government policy.

Authorised by the Treasurer