

AUSTRALIAN CAPITAL TERRITORY

RATES AND LAND TAX ACT 1926

DETERMINATION OF INTEREST RATES

INSTRUMENT NO. 380 OF 2000

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 subsection 22 (3), the liability to interest on overdue rates and land tax.

This instrument revokes, from 16 January 2001, Instrument No. 244 of 2000 dated 12 July 2000 and notified in the Australian Capital Territory Gazette No. S37 of 13 July 2000, and sets the interest rate to be charged on unpaid rates and land tax for the purposes of subsection 22 (3) of the Act.

With a date effective of 16 January 2001, the interest rate is 13.86 percent per annum.

The previous rate was 14.00 percent per annum.

The rate is aligned with the interest rate charged 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 5.86% per annum market rate 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 is the weighted average yield set at the last weekly tender for the 13 week Treasury Note before the end of November 2000, rounded to the second decimal place.