

**AUSTRALIAN CAPITAL TERRITORY**

**RATES AND LAND TAX ACT 1926**

**DETERMINATION OF INTEREST RATES**

**INSTRUMENT NO. 3 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 2000, Instrument No. 179 of 1999 dated 12 July 1999 and notified in the Australian Capital Territory Gazette No. S45 of 15 July 1999, and sets the interest rate to be charged on unpaid rates and land tax for the purpose of subsection 22(3) of the Act.

With a date of effect of 16 January 2000, the interest rate is 13.08 percent per annum.

The previous rate was 12.72 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 is based on the 5.08% market rate (weighted average yield set at the last weekly tender for the 13 week Treasury Note before the end of November 1999) determined under the *Taxation Administration Act 1999*. To this is added a fixed penalty rate of 8 percent per annum to increase the interest rate to the point where it is uneconomical to use the Government as a source of finance.

Authorised by the Treasurer