

# **AUSTRALIAN CAPITAL TERRITORY**

## **RATES AND LAND TAX ACT 1926**

### **DETERMINATION OF INTEREST RATES**

**INSTRUMENT NO. 16 OF 1998**

#### **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 1998, Determination No. 160 of 1997 dated 7 July 1997 and notified in the Australian Capital Territory Gazette No. S220 of 15 July 1997, 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 1997, the interest rate is 16.5 percent per annum.

The date of effect of this Determination is six months since the previous interest rate variation, in line with Revenue Office policy for six monthly reviews of interest rates on overdue taxes.

The previous rate was 17.0 percent per annum.

The rate is being decreased by 0.5 per cent to reflect the continuing fall in interest rates over the past six months. It is determined on the basis of the ACT Government's overdraft rate for November 1997, which was 8.45 percent per annum, rounded up to the nearest half of one percent. 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.

Circulated by authority of the Chief Minister and Treasurer  
Kate Carnell MLA