

AUSTRALIAN CAPITAL TERRITORY
TAXATION ADMINISTRATION ACT 1999

REPEAL

I, Gary Humphries, Treasurer, hereby **REPEAL** the order made pursuant to paragraph 26(2)(b) of the *Taxation Administration Act 1999* and notified in the Australian Capital Territory Gazette No. 26 of 29 June 2000.

Dated this 23rd day of October 2000

GARY HUMPHRIES
TREASURER

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EXPLANATORY STATEMENT

The *Taxation Administration Act 1999* (the Act) deals with the administration of various tax laws relating to the imposition and collection of certain taxes, duties and fees. Section 25 imposes interest on tax defaults, while section 26 provides specific details of the interest rate and how the market rate component of that rate may be set. Paragraph 26 (2) (b) empowers the Minister to specify (and thus repeal) the market rate component by order published in the Gazette.

Following the repeal last year of the Commonwealth legislation from which the market rate under the Act was picked up automatically every six months, it has been necessary for the rate to be set by order of the Minister. However, a recent amendment to the Act has allowed the process to once again become automatic under paragraph 26 (2) (a), precluding the need for an order under paragraph 26 (2) (b). As in NSW, the market rate component is the relevant Treasury Note yield rate rounded to the 2nd decimal place (rounding 0.005 upwards).

This instrument repeals the Order of the Minister under paragraph 26 (2) (b) of the Act, which was notified in the Australian Capital Territory Gazette No. 26 of 29 June 2000. Repeal is necessary to allow the automatic process to take over. On the repeal of the Order, the market rate component will remain at the current rate of 6.00% per annum until the next automatic review on 1 January 2001.