



**THE INCOME TAX (FRINGE BENEFIT TAX, INTEREST ON
LOANS) REGULATIONS 1995**

CATHERINE A. TIZARD, Governor-General

ORDER IN COUNCIL

At Wellington this 27th day of February 1995

Present:

THE RIGHT HON. D. C. MCKINNON PRESIDING IN COUNCIL

PURSUANT to section CI 6 of the Income Tax Act 1994, Her Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following regulations.

REGULATIONS

1. Title and commencement—(1) These regulations may be cited as the Income Tax (Fringe Benefit Tax, Interest on Loans) Regulations 1995.

(2) These regulations shall come into force on 1 April 1995.

2. Rates of interest—(1) The prescribed rate of interest that is to apply to employment related loans for any quarter is the rate specified in the First Schedule to these regulations.

(2) A rate specified in relation to a particular quarter shall also apply to all subsequent quarters for which no further rate is prescribed.

3. Non-concessionary rates of interest—The non-concessionary rates of interest for the periods of 12 consecutive months ending on 31 March in each of the years 1956 to 1985 are the rates specified in the Second Schedule to these regulations.

4. Revocations—The following regulations are revoked:

- (a) The Income Tax (Fringe Benefit Tax, Interest on Loans) Regulations 1985 (S.R. 1985/45);
 - (b) The Income Tax (Fringe Benefit Tax, Interest on Loans) Regulations 1985, Amendment No. 11 (S.R. 1991/257);
 - (c) The Income Tax (Fringe Benefit Tax, Interest on Loans) Regulations 1985, Amendment No. 21 (S.R. 1994/262).
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Reg. 2

FIRST SCHEDULE

PRESCRIBED RATE OF INTEREST FOR EMPLOYMENT RELATED LOANS

| <i>Quarter</i> | <i>Rate of Interest %</i> |
|---|-------------------------------|
| Quarter commencing 1 April 1995, and subsequent quarters ... | 11.00 |

Reg. 3

SECOND SCHEDULE

NON-CONCESSIONARY RATES OF INTEREST

| <i>Period of 12 consecutive months ending on 31 March in the year:</i> | <i>Rate of Interest. %</i> |
|--|--------------------------------|
| 1956 | 4.75 |
| 1957 | 4.75 |
| 1958 | 4.75 |
| 1959 | 4.75 |
| 1960 | 4.50 |
| 1961 | 4.50 |
| 1962 | 4.75 |
| 1963 | 5.0 |
| 1964 | 5.25 |
| 1965 | 5.25 |
| 1966 | 5.75 |
| 1967 | 6.0 |
| 1968 | 6.25 |
| 1969 | 6.50 |
| 1970 | 6.50 |
| 1971 | 6.50 |
| 1972 | 7.0 |
| 1973 | 7.0 |
| 1974 | 7.0 |
| 1975 | 7.25 |
| 1976 | 7.25 |
| 1977 | 9.50 |
| 1978 | 10.0 |
| 1979 | 10.50 |
| 1980 | 11.25 |
| 1981 | 12.75 |
| 1982 | 14.25 |
| 1983 | 15.25 |
| 1984 | 14.50 |
| 1985 | 14.0 |

MARIE SHROFF,
Clerk of the Executive Council.

EXPLANATORY NOTE

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations are made under the new Income Tax Act 1994, and replace the Income Tax (Fringe Benefit Tax, Interest on Loans) Regulations 1985 and their amendments.

The one substantive effect of the regulations is to increase from 9.20% to 11.00% the rate of interest which is to apply for fringe benefit tax purposes to employment related loans for the quarter commencing on 1 April 1995 and subsequent quarters.

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 2 March 1995.

These regulations are administered in the Inland Revenue Department.