



**THE INCOME TAX (PROVISIONAL TAX INTEREST RATES)
REGULATIONS 1994**

CATHERINE A. TIZARD, Governor-General

ORDER IN COUNCIL

At Wellington this 11th day of April 1994

Present:

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

PURSUANT to sections 398A (11) and 413A (10) of the Income Tax Act 1976, 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—These regulations may be cited as the Income Tax (Provisional Tax Interest Rates) Regulations 1994.

2. Application—These regulations shall apply with respect to the tax on income derived in a taxpayer's 1994-95 income year or any subsequent year.

3. Specified rate of interest for underpaid tax—For the purposes of section 398A of the Income Tax Act 1976, the specified rate of interest shall be 9 percent per annum.

4. Specified rate of interest for overpaid tax—For the purposes of section 413A of the Income Tax Act 1976, the specified rate of interest shall be 4.5 percent per annum.

5. Revocation—(1) The Income Tax (Use of Money Specified Rate of Interest) Regulations 1992 (S.R. 1992/120) are hereby revoked.

(2) For the avoidance of doubt, the Income Tax (Use of Money Specified Rate of Interest) Regulations 1992 continue to apply in respect of the tax on income derived in a taxpayer's 1993-94 income year.

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 set at 9 percent the rate of interest payable on underpaid provisional tax, and at 4.5 percent the interest rate payable by the Commissioner on overpaid provisional tax.

The new rates apply to under and over payments of provisional tax for a taxpayer's 1994-95 and subsequent income years. The old single rate of 6 percent continues to apply in respect of 1993-94 provisional tax.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 14 April 1994.
These regulations are administered in the Inland Revenue Department.