



**THE INCOME TAX (PROVISIONAL TAX INTEREST RATES)
REGULATIONS 1995**

CATHERINE A. TIZARD, Governor-General

ORDER IN COUNCIL

At Wellington this 10th day of April 1995

Present:

THE RIGHT HON. J. B. BOLGER PRESIDING IN COUNCIL

PURSUANT to sections 121 and 122 of the Tax Administration 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—These regulations may be cited as the Income Tax (Provisional Tax Interest Rates) Regulations 1995.

2. Application—These regulations shall apply with respect to the tax on income derived in a taxpayer's 1995-96 income year or any subsequent year.

3. Specified rate of interest for underpaid tax—For the purposes of section 121 of the Tax Administration Act 1994, the specified rate of interest shall be 14.2 percent per annum.

4. Specified rate of interest for overpaid tax—For the purposes of section 122 of the Tax Administration Act 1994, the specified rate of interest shall be 8.5 percent per annum.

5. Revocation and saving—(1) The Income Tax (Provisional Tax Interest Rates) Regulations 1994* are hereby revoked.

(2) For the avoidance of doubt,—

- (a) 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; and
- (b) The Income Tax (Provisional Tax Interest Rates) Regulations 1994* continue to apply in respect of the tax on income derived in a taxpayer's 1994–95 income year.

MARIE SHROFF,
Clerk of the Executive Council.

*S.R. 1994/54
†S.R. 1992/120

EXPLANATORY NOTE

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

These regulations set at 14.2 percent per annum the rate of interest payable on underpaid provisional tax, and at 8.5 percent per annum 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 1995–96 and subsequent income years.

The old single rate of 6 percent per annum continues to apply in respect of 1993–94 provisional tax, and the old rates of 9 percent per annum on underpayments and 4.5 percent per annum on overpayments continue to apply in respect of 1994–95 provisional tax.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 11 April 1995.
These regulations are administered in the Inland Revenue Department.