



**THE INCOME TAX (PROVISIONAL TAX INTEREST RATES)  
REGULATIONS 1996**

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MICHAEL HARDIE BOYS, Governor-General

ORDER IN COUNCIL

At Wellington this 10th day of June 1996

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL

PURSUANT to sections 121 and 122 of the Tax Administration Act 1994, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following regulations.

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REGULATIONS

**1. Title and application**—(1) These regulations may be cited as the Income Tax (Provisional Tax Interest Rates) Regulations 1996.

(2) The rates of interest specified in these regulations shall apply on and after the 12th day of July 1996.

**2. 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 13.8 percent per annum.

**3. 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 8.2 percent per annum.

**4. Revocation**—(1) The Income Tax (Provisional Tax Interest Rates) Regulations 1995\* are hereby revoked.

(2) For the avoidance of doubt, the rates of interest specified in the Income Tax (Provisional Tax Interest Rates) Regulations 1995\* continue to apply in respect of all periods in a late balance date taxpayer's 1995-96 income year that fall before the 12th day of July 1996, but do not apply on or after that date.

MARIE SHROFF,  
Clerk of the Executive Council.

\*S.R. 1995/76

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EXPLANATORY NOTE

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

These regulations reduce from 14.2 to 13.8 percent the rate of interest payable by taxpayers on unpaid provisional tax, and from 8.5 to 8.2 percent the rate payable by the Commissioner on overpaid provisional tax.

The new rates apply from 12 July 1996. They apply to all interest liabilities existing on or after that date under sections 121 and 122 of the Tax Administration Act 1994, regardless of which particular income year those liabilities relate to.

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Issued under the authority of the Acts and Regulations Publication Act 1989.  
Date of notification in *Gazette*: 13 June 1996.  
These regulations are administered in the Inland Revenue Department.