



**INCOME TAX (PROVISIONAL TAX INTEREST RATES)
REGULATIONS 1997**

MICHAEL HARDIE BOYS, Governor-General

ORDER IN COUNCIL

At Wellington this 21st day of January 1997

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL

PURSUANT to sections 121 and 122 of the Tax Administration Act 1994 (and section 36 (2) of the Tax Administration Amendment Act (No. 2) 1996), His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, makes the following regulations.

REGULATIONS

1. Title and application—(1) These regulations may be cited as the Income Tax (Provisional Tax Interest Rates) Regulations 1997.

(2) The rates of interest specified in these regulations shall apply on and after 8 February 1997 with respect to the tax on income derived in an income year earlier than the taxpayer's 1997-98 income year.

2. Specified rate of interest for unpaid tax—For the purposes of section 121 of the Tax Administration Act 1994, the specified rate of interest shall be 13.9% 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 7.1% per annum.

4. Revocation—The Income Tax (Provisional Tax Interest Rates) Regulations 1996* are revoked.

MARIE SHROFF,
Clerk of the Executive Council.

*S.R. 1996/159

EXPLANATORY NOTE

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

These regulations increase from 13.8 to 13.9% the rate of interest payable by taxpayers on unpaid provisional tax, and decrease from 8.2 to 7.1% the rate payable by the Commissioner on overpaid provisional tax.

The new rates apply to all interest liabilities existing on or after 8 February 1997 with respect to the tax on income derived in an income year earlier than the taxpayer's 1997-98 income year.

The new rates are the same as those fixed by the Taxation (Use of Money Interest Rates) Regulations 1997 (which, for income tax purposes relate to the 1997-98 income year). The rates fixed by those regulations have been determined under the process specified in the Taxation (Use of Money Interest Rates Setting Process) Regulations 1997 for setting the taxpayer's paying rate and the Commissioner's paying rate.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 23 January 1997.
These regulations are administered in the Inland Revenue Department.