

Part E Interest payable by the Commissioner**81 INTRODUCTION TO PART E – INTEREST PAYABLE BY THE COMMISSIONER**

The policy in this chapter is to be followed by Tax Office staff. We have made every effort to ensure it is technically accurate, but in the interests of clarity it has been written in 'plain English' and should not be read or interpreted like legislation. If you feel that something in the chapter is wrong or misleading, please advise the Tax Office.

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81.1 PURPOSE

81.1.1 This chapter is an introduction to this part of the *ATO Receivables policy* which outlines the various types of interest payable by the Commissioner.

81.1.2 Subsequent chapters detail the legislation and policy regarding the payment of interest.

81.2 INTEREST PAYABLE BY THE COMMISSIONER

81.2.1 Various statutes administered by the Commissioner provide for interest to be paid by the Commissioner in certain circumstances. The *Taxation (Interest on Overpayments and Early Payments) Act 1983* provides for interest to be paid on certain refunded amounts where the amounts are not refunded within a specified time.

81.2.2 **Interest on overpayments** may be paid as a result of:

- a refund of an amount which was credited as part of an assessment process or the refunding of certain amounts credited after the assessment has been made;
- a refund of an amount following a remission of certain penalties; or
- a refund or crediting of certain other amounts; and

that remission, refund or crediting is made more than 30 days after the relevant day.

81.2.3 The interest on overpayments may also payable following a successful objection or appeal.

81.2.4 **Interest on early payments** is payable on applicable payments made more than 14 days before the due date for payment of the liability.

81.2.5 **Delayed refund interest** is payable where there has been a delay in refunding a running balance account (RBA) surplus or a credit (including a non-RBA credit) to an entity pertaining to a business activity statement (BAS) amount, and the entity has not materially contributed to that delay.

81.2.6 If these refunds are not paid to an entity within 14 days then delayed refund interest is payable. It is calculated from the prescribed day until the day on which the refund is made.

81.2.7 There are circumstances in which the Commissioner may withhold certain refunds, including:

- where the entity has not given the Commissioner a notification that is required under any of the BAS provisions (eg where the entity has outstanding earlier activity statements or where the Commissioner has requested further or fuller GST returns);
- where required disclosures have not been notified; and
- where the entity has not specified financial institution account details into which the refund should be paid (unless the Commissioner has directed that the payment be made in another way).

The existence of these circumstances may affect any interest payable by the Commissioner. (Refer to policy chapters entitled [Retained refunds – financial institution account details ineligible or not provided](#) and [Retained refunds – activity statements or related information not provided and other restrictions on refunds](#)).

- 81.2.8 Similarly, if a refund of certain voluntary payments or a refund arising from the remission of certain penalties relating to a BAS amount is not paid to an entity within 14 days of the request for refund or remission then delayed refund interest is payable.
- 81.2.9 The Commissioner may offset any refund or credit, including an amount of interest payable by the Commissioner, against other taxation liabilities.
- 81.2.10 Interest on overpayments, interest on early payments and delayed refund interest do not apply to debts arising under the *Excise Act 1901*.