

# ***PS LA 2011/23 - Credit interest***

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! As at 1 October 2020, this practice statement is being reviewed as a result of the decision in *Commissioner of Taxation v Travelex Limited* [2020] FCAFC 10

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# Practice Statement Law Administration

**PS LA 2011/23**

As at 1 October 2020, this practice statement is being reviewed as a result of the decision in *Commissioner of Taxation v Travelex Limited* [2020] FCAFC 10

*This practice statement is issued under the authority of the Commissioner of Taxation and must be read in conjunction with Law Administration Practice Statement [PS LA 1998/1](#). ATO personnel, including non-ongoing staff and relevant contractors, must comply with this law administration practice statement, unless doing so creates unintended consequences or where it is considered incorrect. Where this occurs tax officers must follow their business line's escalation process.*

*Taxpayers can rely on this practice statement to provide them with protection from interest and penalties in the way explained below. If a statement turns out to be incorrect and taxpayers underpay their tax as a result, they will not have to pay a penalty. Nor will they have to pay interest on the underpayment provided they reasonably relied on this law administration practice statement in good faith. However, even if they don't have to pay a penalty or interest, taxpayers will have to pay the correct amount of tax provided the time limits under the law allow it.*

**SUBJECT:** Credit interest  
**PURPOSE:** This practice statement discusses the credit interest regime administered by the Commissioner and details when interest is payable.

| TABLE OF CONTENTS   | Paragraph |
|---|-----------|
| <b>BACKGROUND</b>   | <b>1</b>  |
| <b>TERMS USED</b>   | <b>6</b>  |
| <b>STATEMENT</b>  | <b>7</b>  |
| Basic concepts  | 7         |
| <b>EXPLANATION</b>  | <b>11</b> |
| Interest on early payments  | 11        |
| Interest on overpayments  | 20        |
| <i>Part IIB of the T(IOEP)A – interest on overpayments resulting from income tax assessments</i>                                | 21        |
| <i>Ordinary taxpayers</i>   | 22        |
| <i>Full self-assessment taxpayers</i>   | 29        |
| <i>Parts IIC, IID, IIE, IIF and IIG of the T(IOEP)A – interest on overpayments resulting from certain amendments</i>            | 42        |
| <i>Application of Part III of the T(IOEP)A – interest on overpayments resulting from decision to which the T(IOEP)A applies</i> | 47        |

|  |    |
|--|----|
| <i>Application of Part IIIA of the T(IOEP)A – interest on overpayments resulting from certain remissions, refunds and credits</i>                              | 55 |
| Delayed refund interest  | 59 |
| <i>Application of Part IIIA of the T(IOEP)A – delayed refund interest on RBA surpluses</i>   | 59 |
| <i>Entitlement to delayed refund interest after notification of BAS amount or petroleum resource rent tax amount – section 12AA of the T(IOEP)A</i>            | 60 |
| <i>When is the RBA interest day?</i>   | 61 |
| <i>Entitlement to delayed refund interest for RBA surpluses after request for remission – section 12AB of the T(IOEP)A</i>                                     | 66 |
| <i>Entitlement to delayed refund interest for RBA surpluses after request for refund – section 12AC of the T(IOEP)A</i>  | 69 |
| Tax treatment of interest payable under the T(IOEP)A   | 72 |
| Entitlement to interest under Parts 2 and 5 of the Co-contributions Act  | 75 |
| Tax treatment of interest payable under the Co-contributions Act   | 81 |
| Entitlement to interest for late payments of money received by the Commissioner in accordance with release authority – section 131-70 of Schedule 1 to the TAA | 82 |
| Tax treatment of interest for amounts refunded in accordance with a release authority  | 85 |

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## BACKGROUND

1. This practice statement deals with the circumstances in which the Commissioner will be liable to pay an amount of interest to a taxpayer. In the majority of cases such interest is payable under the *Taxation (Interest on Overpayments and Early Payments) Act 1983* (T(IOEP)A).
2. Circumstances where interest is payable by the Commissioner include:
  - early payments of certain tax liabilities (interest on early payment)
  - particular overpayments of taxes (interest on overpayments)
  - delayed refunds of activity statement amount credits that have been allocated to a running balance account (RBA) (delayed refund interest)
  - certain amounts of tax on no-tax file number (no-TFN) contributions income of superannuation providers.
3. The entitlement to interest on early payments, overpayments, delayed refund interest and certain amounts of no-TFN contributions tax is set out in the T(IOEP)A.
4. Interest payable by the Commissioner under the T(IOEP)A is:
  - assessable income when it is received (applied, credited or refunded)
  - payable at the base interest rate (within the meaning of section 8AAD of the *Taxation Administration Act 1953* (TAA))
  - calculated as simple interest, not compound interest<sup>1</sup>

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<sup>1</sup> Refer to the decision in *Consolidated Fertilizers Ltd v Deputy Commissioner of Taxation* [1992] FCA 312.

- calculated to the nearest cent (0.5 cent increased to nearest cent) and amounts less than 50 cents are not payable.<sup>2</sup>
5. Apart from interest that is payable under the T(IOEP)A, interest is also payable under the following Acts:<sup>3</sup>
- Parts 2 and 5 of the *Superannuation (Government Co-contribution for Low Income Earners) Act 2003* (Co-contributions Act)
  - section 131-70 of Schedule 1 to the TAA which relates to money received by the Commissioner in accordance with a release authority.
- This includes
- excess concessional and non-concessional contributions determinations issued on or after 1 July 2018 (whether for financial years commencing before, on or after 1 July 2018)<sup>4</sup>
  - notices of assessments of amounts of Division 293 tax issued on or after 1 July 2018 (whether for financial years commencing before, on or after 1 July 2018), and
  - first home super saver determinations issued on or after 1 July 2018.
- subsections 17(2AB), 17(2AC), 20H(2AA), 24G(3A) and 24G(3B) of the *Superannuation (Unclaimed Money and Lost Members) Act 1999*.<sup>5</sup>

## TERMS USED

6. The following terms are used in this practice statement:

**BAS** – is a business activity statement.

**BAS amounts** – are any debts or credits that arise directly under the BAS provisions.

**Credit** – includes an amount that the Commissioner must pay to a taxpayer under a taxation law, whether or not described as a credit.

**Decision to which this Act applies** – is defined in subsection 3(1) of the T(IOEP)A. Decisions that fall within this definition include a decision:<sup>6</sup>

- of the Commissioner on an objection
- of the Administrative Appeals Tribunal (AAT) on an objection
- of the court in relation to an objection, or a decision of the AAT in relation to an objection
- of the Commissioner to amend an income tax assessment reducing the tax liability, including where the taxpayer has requested the amendment

<sup>2</sup> Part IIIB of the T(IOEP)A.

<sup>3</sup> Interest was previously also payable under section 292-425 of the *Income Tax Assessment Act 1997* (ITAA 1997) which relates to refunded excess concessional contributions for the financial years commencing 1 July 2011 and 1 July 2012 (repealed by *Tax Laws Amendment (Fairer Taxation of Excess Concessional Contributions) Act 2013*) and sections 44 and 48 of the *First Home Savers Accounts Act 2008* (repealed by *Tax and Superannuation Laws Amendment (2015 Measures No. 1) Act 2015*).

<sup>4</sup> For excess contribution determinations issued between 1 July 2013 to 30 June 2018, section 96-10 of Schedule 1 to the TAA (now repealed) applies.

<sup>5</sup> The provisions are not discussed further in this practice statement.

<sup>6</sup> In relation to assessments for the 1993–94 and later income years in respect to decisions made after 1 July 1994.

- of the Commissioner to amend an assessment reducing the liability to amounts that were treated under Subdivision 154-D of the *Higher Education Support Act 2003* (HESA) as if they were income tax (this includes where the taxpayer has requested the amendment)
- of the Commissioner to amend an assessment reducing the liability to amounts that were treated under section 12ZN of the *Student Assistance Act 1973* (SAA) as if they were income tax (this includes where the taxpayer has requested the amendment)
- of the Commissioner to amend a fringe benefits tax assessment reducing the liability to tax (but not where a request has been made by or on behalf of the employer)
- about foreign revenue claims made under Subdivision 263-A of Schedule 1 to the TAA
- of the Commissioner to give a notice under subsection 282-18(4) of the *Private Health Insurance Act 2007*
- of the Commissioner under section 18-130 of Schedule 1 to the TAA to reduce pay as you go (PAYG) withholding non-compliance tax in certain circumstances
- of the Commissioner to amend a petroleum rent resource tax assessment reducing the liability to tax (but not where a request has been made by or on behalf of the taxpayer).<sup>7</sup>

**Full self-assessment taxpayer** – is defined in subsection 6(1) of the *Income Tax Assessment Act 1936* (ITAA 1936). It includes companies and trustees of superannuation funds, approved deposit funds and pooled superannuation trusts.

**Income tax crediting amount** – is defined in subsection 3(1) of the T(IOEPA)A. It includes PAYG credits and refundable tax offsets.

**Notification required for the refund** – has the meaning given by section 8AAZLG of the TAA. This is a notification that affects or may affect the amount of the refund. It is required to be given under any of the BAS or petroleum resource rent tax (PRRT) provisions as defined in section 995-1 of the ITAA 1997.

**Ordinary taxpayers** – means taxpayers who are not full self-assessment taxpayers and are not taxed as companies or superannuation funds.

**RBA** – means a running balance account established under section 8AAZC of the TAA to keep account of the primary tax debts, payments and credits allocated to that RBA.

**RBA interest day** – for an RBA, surplus means the 14<sup>th</sup> day after the latest of the following days:

- the day on which the surplus arises (if section 12AA applies)
- the day on which the relevant request is made (if section 12AB or 12AC applies)
- the day on which the taxpayer has given a notification to the Commissioner that is required for the refund under 8AAZLG<sup>8</sup> (or

<sup>7</sup> Mineral Resource Rent Tax (MRRT) was repealed on 30 September 2014 by the *Minerals Resource Rent Tax Repeal and Other Measures Act 2014* (MRRT Repeal Act). The effect of this is that only petroleum rent resource amounts attract interest from 30 September 2014, however interest may be payable on MRRT amounts prior to 30 September 2014.

<sup>8</sup> See the explanation of the term 'Notification required for the refund' in paragraph 6 of this practice statement.

8AAZLGB as the case requires) of the TAA and that is accurate so far as it relates to the refund, or

- if subsection 8AAZLH(3)<sup>9</sup> of the TAA does not apply, the day on which the taxpayer nominates a financial institution account.

**RBA surplus** – is defined in section 8AAZA of the TAA and means a balance on an RBA in favour of the taxpayer, where the primary tax debts allocated to the RBA are less than the payments and credits allocated to that RBA.

**Relevant tax** – the term ‘relevant tax’ is defined in section 3C of the T(IOEP)A. It includes:

- income tax (and other tax as defined in subsection 6(1) of the ITAA 1936)
- amounts payable to the Commissioner under Subdivision 16-A of Schedule 1 to the TAA (PAYG withholding amounts)
- the general interest charge (GIC) under former section 170AA of the ITAA 1936 (in relation to the 1999–2000 and earlier income years)
- the GIC under section 16-80 and Subdivision 105-D of Schedule 1 to the TAA
- the shortfall interest charge under Division 280 of Schedule 1 to the TAA<sup>10</sup>
- interest under section 102AAM of the ITAA 1936 (interest paid by a taxpayer on distributions from certain non-resident trust estates)
- diverted profits tax
- PAYG withholding non-compliance tax (tax payable by directors of non-compliant companies in accordance with section 18-125 of Schedule 1 to the TAA)
- amounts that are treated under Subdivision 154-D of the HESA as if they were income tax
- amounts that are treated under Division 6 of Part 3A of the *VET Student Loans Act 2016* as if they were [income tax](#)
- amounts that are treated under Part 2AA.5 of the *Social Security Act 1991* as if they were [income tax](#)
- amounts that are treated under Part 3.3 of the *Trade Support Loans Act 2014* as if they were [income tax](#) amounts that are treated under section 12ZN and Division 6 of Part 2 of the SAA as if they were income tax
- amounts paid under section 282-18 of the *Private Health Insurance Act 2007*
- trust recoupment tax, applied penalty tax or penalty tax, as defined in [subsection 3\(1\)](#) of the *Trust Recoupment Tax Assessment Act 1985*
- an amount payable to the Commissioner under Subdivision 263-A of Schedule 1 to the TAA (about foreign revenue claims)
- goods and services tax (GST)
- wine equalisation tax
- luxury car tax

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<sup>9</sup> This subsection gives the Commissioner discretion to direct that certain refunds be paid in a different way.

<sup>10</sup> In relation to the 2004–05 and later income years.

- fringe benefits tax
- PRRT.<sup>11</sup>

Relevant tax does not include the following amounts:

- the GIC under section 5-15 of the ITAA 1997 (or former subsection 204(3) of the ITAA 1936)
- PAYG instalments, or
- penalties under Part 4-25 of Schedule 1 to the TAA, for example, shortfall penalties and penalties for failing to lodge on time in relation to the 2000–2001 and later income years.

## STATEMENT

### Basic concepts

7. Part IIA of the T(IOEP)A provides that interest on early payments is payable only where a taxpayer makes a payment (or part payment) that is received by the Commissioner more than 14 days before the due date for payment of certain liabilities.<sup>12</sup>
8. Parts IIB, IIC to IIG, III and IIIA of the T(IOEP)A provide when interest on overpayment is generally payable and this includes when an overpayment has arisen from:
  - an income tax assessment
  - certain amended assessments of surcharge or an advanced instalment and interest on certain offsets relating to no-TFN contributions income of superannuation funds and retirement savings account providers
  - decisions to which the T(IOEP)A applies
  - certain remissions, refunds and credits<sup>13</sup> of particular taxes that occurred as a result of a request by a taxpayer.
9. Part IIIAA of the T(IOEP)A provides that delayed refund interest is generally payable in relation to an RBA established to account for BAS amounts if a refund that the Commissioner is required to give is not paid by the RBA interest day.<sup>14</sup>
10. Further detail of the circumstances when an amount of interest is payable by the Commissioner under the T(IOEP)A and other Acts is provided in the following paragraphs of this practice statement.

## EXPLANATION

### Interest on early payments

11. Interest on early payments is payable in relation to:
  - income tax (including the Medicare levy and Medicare levy surcharge)

<sup>11</sup> See footnote 7 of this practice statement.

<sup>12</sup> In relation to a liability pertaining to the 1993–94 and later income years where the payment occurs after 1 July 1994.

<sup>13</sup> 'Credits' were removed from section part IIIA of the T(IOEP)A effective 1 April 2019 following the repeal of inoperative provisions of sections 163A and 163B of the ITAA 1936 in the *Treasury Laws Amendment (2018 Measures No. 4) Act 2019*.

<sup>14</sup> In relation to RBA established from 1 July 2000.

- shortfall interest charge under Division 280 of Schedule 1 to the TAA<sup>15</sup>
  - a compulsory repayment amount in respect of an accumulated Higher Education Loan Payment (HELP) debt<sup>16</sup>
  - a compulsory Vocational Education and Training Student Loan (VETSL) repayment amount
  - a compulsory Student Start-up Loan (SSL) repayment amount
  - a compulsory ABSTUDY SSL repayment
  - a compulsory Trade Support Loan (TSL) repayment amount
  - a Financial Supplement (FS) assessment debt<sup>17</sup>
  - interest under section 102AAM of the ITAA 1936
  - late lodgment penalty under former section 163A<sup>18</sup> of the ITAA 1936
  - GIC for late lodgment under former section 163B or GIC in relation to debit amended assessments under former section 170AA<sup>19</sup> of the ITAA 1936.
12. Early payment interest is limited to the early payment of the amount due and only for the relevant period provided for in the T(IOEP)A.
  13. If the person is not a full self-assessment taxpayer, and makes a payment more than 14 days before the payment due date, the calculation of interest commences from the beginning of the later of the following:
    - (a) the day on which the payment is made
    - (b) the day on which the notice notifying the tax, debt, interest or instalment concerned is issued.
  14. If the person is a full self-assessment taxpayer, and makes a payment more than 14 days before the payment due date, the calculation of interest commences from the beginning of the day on which the payment is made.
  15. For all taxpayers, the interest period will end on the earlier of the due date for payment or, in circumstances where the early payment is refunded before the due date, when the refund takes place.
  16. Claims for interest on early payments should be made by the taxpayer or their agent either by a written request to the Commissioner or alternatively calculated and claimed via their next income tax return.
  17. Interest on early payments can only be paid after the due date for payment of the tax paid early has lapsed and only after that tax amount has been established. If the payment is to any extent refunded before the due date, interest is not payable on the payment to that extent, in respect to the period after the day on which the refund takes place.
  18. The Commissioner will provide written details to a taxpayer of the amount of early payment interest when the interest is paid. If the interest has been offset

<sup>15</sup> PS LA 2006/8 *Remission of shortfall interest charge and general interest charge for shortfall periods* discusses the relationship between the payment of interest on early payment (IEP) and remission of shortfall interest charges for early payment of shortfall amounts.

<sup>16</sup> Accumulated HELP debt is calculated with reference to section 140-25 of the HESA, and under section 137-1 includes HECS-HELP, FEE-HELP, OS-HELP, SA-HELP, VET FEE-HELP and pre-July 2019 VSL debts.

<sup>17</sup> This refers to Student Financial Supplement Scheme debt, under subsection 19AB(2) of the *Social Security Act 1991*, or the *Student Assistance Act 1973*, as in force at a time on or after 1 July 1998.

<sup>18</sup> See footnote 13 of this practice statement.

<sup>19</sup> Former section 170AA of the ITAA 1936 repealed as inoperative by the *Tax Laws Amendment (Repeal of Inoperative Provisions) Act 2006*.

against any outstanding taxation debts, the taxpayer will also be advised in writing as to the nature and date of the offset.

19. There is no interest payable for early payments in circumstances where interest is also payable under Part IIIA of the T(IOEP)A in relation to a whole or part payment in respect of the whole or part period.

### Interest on overpayments

20. Generally, the following parts of the T(IOEP)A deal with interest on overpayments:

| <b>T(IOEP)A</b>                               | <b>Type of overpayment</b>  |
|---|---|
| Part IIB                                      | Overpayments resulting from income tax assessments.   |
| Parts IIC, IID <sup>20</sup> IIE, IIF and IIG | Overpayments relating to certain amended assessments of surcharge or an advanced instalment and interest on certain offsets relating to no-TFN contributions income of superannuation funds and retirement savings account providers. |
| Part III                                      | Overpayments resulting from decisions to which the T(IOEP)A applies (for example objections, Tribunal appeals, court decisions, certain amendments).  |
| Part IIIA                                     | Overpayments resulting from certain remissions, refunds and credits of particular taxes (including income tax, general interest charge and shortfall interest charge).  |

### ***Part IIB of the T(IOEP)A – interest on overpayments resulting from income tax assessments***

21. Interest on overpayments may be payable as a result of the application of certain credits, known as income tax crediting amounts, to a taxpayer's account at the time of processing an original return or at some later time. Interest under this Part only applies in relation to income tax related liabilities.<sup>21</sup>

### *Ordinary taxpayers*

22. For ordinary taxpayers, an entitlement to interest will arise under subsection 8E(1) of the T(IOEP)A where, on assessment:
- the income tax crediting amounts exceed the sum of their income tax and related liabilities (listed under subparagraphs 8E(1)(d)(i) to (v) of the T(IOEP)A) for the year of income, and
  - the notice of assessment is issued more than 30 days after the day on which the taxpayer lodged the relevant income tax return.

The interest is calculated on the amount of the excess.

23. The liabilities under subparagraphs 8E(1)(d)(i) to (v) of the T(IOEP)A include:
- income tax payable for the year of income (after allowing any rebate, except a tax offset that is subject to the refundable tax offset rules, or deduction under subsection 100(2) of the ITAA 1936 and before allowing any crediting, applying or other payment) plus Medicare levy

<sup>20</sup> Part IID was repealed by the *Treasury Laws Amendment (2018 Measures No. 1) Act 2018*.

<sup>21</sup> In relation to assessments for the 1993–1994 and later income years where the crediting takes place on or after 1 July 1994.

and any Medicare levy surcharge assessed on the taxable income (after adjustments)

- a repayment amount, that is notified on the notice of assessment including
  - a compulsory repayment amount under the HESA
  - a compulsory VETSL, SSL, ABSTUDY SSL, or TSL repayment amount
- an FS assessment debt
- a liability under section 282-18 of the *Private Health Insurance Act 2007*, that is notified in the notice of assessment
- interest for the year of income payable under section 102AAM of the ITAA 1936 (distributions from certain non-resident trust estates) immediately before the notice crediting.

24. Interest may also be payable to ordinary taxpayers under subsection 8E(2) of the T(IOEP)A, where an income tax crediting amount is not credited, applied or refunded until after the income tax notice of assessment is issued (this is called a 'post-notice crediting'). Where there is a post-notice crediting, the income tax crediting amounts must exceed the sum of the amounts listed in subparagraphs 8E(2)(d)(i) to (v) of the T(IOEP)A for there to be an entitlement to interest. The amounts that are listed in subparagraphs 8E(2)(d)(i) to (v) are:

- income tax payable for the year of income as reduced by any rebate, deduction under subsection 100(2) of the ITAA 1936, crediting, applying or other payment made before the post-notice crediting
- a repayment amount that is payable by the person immediately before the post-notice crediting, including
  - a compulsory repayment amount under the HESA
  - a compulsory VETSL, SSL, ABSTUDY SSL, or TSL repayment amount
- an FS assessment debt payable by the person immediately before the post-notice crediting
- a liability under section 282-18 of the *Private Health Insurance Act 2007*, payable by the person immediately before the post-notice crediting, and
- interest for the year of income payable by the person under section 102AAM of the ITAA 1936 (distributions from certain non-resident trust estates) immediately before the post-notice crediting.

The interest is calculated on the amount of the excess.

25. The periods for which interest is payable to ordinary taxpayers on the amount of the excess is as follows:

| Time of credit  | Start date for interest calculation  | End date for interest calculation                          |
|---|--|--|
| On original assessment (notice crediting)<br>Subsection 8F(1) of the T(IOEP)A | Beginning of the 30th day after the day on which the taxpayer furnishes the return | End of the day on which the notice of assessment is issued |

| After original assessment has issued (post-notice crediting)<br>Subsection 8F(2) of the T(IOEP)A | Beginning of the day on which the notice of assessment is issued | End of the day on which the post-notice crediting occurs |
|--|--|--|
|--|--|--|

26. Where the taxpayer has made a payment in anticipation of an income tax or related liability after the notice of assessment has issued and before a post-notice crediting, interest is payable on the amount of the excess income tax crediting amounts that are attributable to the payment from the beginning of the day the payment was made until the end of the day on which the post-notice crediting occurs. Interest on the remainder of the excess credits that are attributable to the post-notice crediting is calculated as described in the table above.
27. Where multiple payments have been made after the notice of assessment has issued and before a post-notice crediting, the excess is attributable to a particular payment (to the extent that it would be set off against that payment) by setting off in the reverse order that the payments were made.
28. Interest is not payable on a payment if it attracts interest under Part III of the T(IOEP)A or it has already been taken into account in a previous application of Part IIB.

#### *Full self-assessment taxpayers*

29. In relation to full self-assessment taxpayers, subsection 8G(1) of the T(IOEP)A provides that interest will be payable where:
  - the taxpayer lodges an income tax return
  - the income tax crediting amounts exceed the sum of income tax payable (after allowing any rebate, except a tax offset that is subject to the refundable tax offset rules, or deduction under subsection 100(2) of the ITAA 1936 and before allowing any crediting, applying or other payment) and interest payable under section 102AAM of the ITAA 1936 for the year of income, and
  - the 'first crediting' takes place after a specified date.

The interest is calculated on the amount of the excess credit that remains after performing the calculation taking into account the amounts referred to in the second bullet point of this paragraph.
30. A full self-assessment taxpayer will be entitled to interest in relation to the circumstances in paragraph 29 of this practice statement if:
  - they lodge an income tax return 30 days or more before the due date for payment of its assessed tax, and the first crediting occurs 30 days or more after the day on which the return was lodged, or
  - they lodge an income tax return less than 30 days before the due date for payment of their assessed tax (including after the due date), and the first crediting occurs after the due date for payment of the assessed tax.
31. Subsection 8G(2) of the T(IOEP)A provides that interest will be payable in relation to full self-assessment taxpayers, where:

- after the 'first crediting' there is a 'later crediting' of an income tax crediting amount against the full self-assessment taxpayer's income tax liabilities for the year, and
- the sum of the later income tax crediting amounts exceeds the sum of the following amounts
  - income tax payable for the year of income as reduced by any rebate, deduction under subsection 100(2) of the ITAA 1936, crediting, applying or other payment made before the later crediting, and
  - interest for the year of income payable under section 102AAM of the ITAA 1936 immediately before the later crediting.

The interest is calculated on the amount of the excess.

32. The period for which interest is applied to a full self-assessment taxpayer on the excess amount under Part IIB of the T(IOEP)A, in relation to 'first crediting' is from the earlier of:
  - the 30th day after the day on which the full self-assessment taxpayer furnishes the return of income for the year of income, or
  - the due date for payment of the assessed tax,
 until the end of the day on which the first crediting occurs.
33. The period for which interest is applied to a full self-assessment taxpayer on the excess amount under Part IIB of the T(IOEP)A in relation to a 'later crediting', is from the beginning of the due date for payment of assessed tax until the end of the day on which the 'later crediting' occurs.
34. Where the full self-assessment taxpayer has made a payment towards an income tax or related liability after the 'first crediting' and before the 'later crediting', interest is payable on the amount of the excess income tax crediting amounts that are attributable to the payment from the beginning of the day the payment was made until the end of the day on which the 'later crediting' occurs.
35. Where multiple payments have been made after the 'first crediting' and before a 'later crediting', the excess is attributable to a particular payment (to the extent that it would be set off against that payment) by setting off in the reverse order that the payments were made.
36. The term 'first crediting' is to be interpreted as meaning the date that the Commissioner first applies or refunds the excess income tax crediting amounts in relation to the income tax payable for the year of income (being a date after the full self-assessment taxpayer furnishes the income tax return).
37. The term 'later crediting' is to be interpreted as meaning the date (after the 'first crediting') that the Commissioner next applies or refunds excess income tax crediting amounts in relation to the income tax payable for the year of income.
38. The term 'applies' as it relates to the date of 'first crediting' (subject to paragraph 40 of this practice statement) or 'later crediting' means the effective date of the transaction representing the partial or full offset of the excess income tax crediting amounts against an outstanding tax debt of the full self-assessment taxpayer.
39. The term 'refunds' as it relates to the date of 'first crediting' (subject to paragraph 40 of this practice statement) or 'later crediting' means the effective date that the refund of the excess income tax crediting amounts is actually issued to the full self-assessment taxpayer (for example, the date that the refund is paid by electronic funds transfer into the full self-assessment taxpayer's bank account or the date that the cheque is sent by post to the full self-assessment taxpayer).

40. Notwithstanding the information provided in paragraphs 38 and 39 of this practice statement, under no circumstances should the effective date of the offset or the refund in relation to 'first crediting' be earlier than the effective date of the underlying credit entitlement. That credit entitlement is the deemed issue date of the notice of assessment, being the lodgment date of the income tax return.
41. In circumstances where there is both a partial offset and a residual refund in either 'first crediting' or 'later crediting' situations there will be two interest calculations (unless the partial offset and residual refund occur at the same time). One calculation will be based on the offset amount with the end date being the effective date of the offset transaction and the other calculation will be based on the residual refund amount with the effective date being the date the residual refund is actually issued to the full self-assessment taxpayer.

***Parts IIC, IID, IIE, IIF and IIG of the T(IOEP)A – interest on overpayments resulting from certain amendments***

42. Interest on overpayments is payable under Parts IIC, IID<sup>22</sup>, IIE and IIF of the T(IOEP)A where an amount of surcharge or an advance instalment is overpaid following certain amendments to assessments under the:
- *Superannuation Contributions Tax (Assessment and Collection) Act 1997*
  - *Termination Payments Tax (Assessment and Collection) Act 1997*<sup>23</sup>
  - *Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Act 1997.*
43. Interest is payable under Parts IIC, IID, IIE, IIF and IIG of the T(IOEP)A on the overpaid amount starting from the later of:
- the day on which the amount of the surcharge or advance instalment was paid, or
  - the day by which the amount of the surcharge or advance instalment was required to be paid,
- and ending on the day on which the assessment was amended.
44. Interest may also be payable under Part IIG of the T(IOEP)A to a superannuation provider in certain circumstances where an individual quotes a TFN to the provider resulting in a tax offset under Subdivision 295-J of the ITAA 1997.
45. Interest will be payable where:
- an individual has quoted their TFN to their employer before the end of an income year
  - their employer failed to comply with the requirements set out in section 133 of the *Retirement Savings Accounts Act 1997* or section 299C of *Superannuation Industry (Supervision) Act 1993* which requires them to inform the superannuation provider, to which they make contributions, of the individual's TFN before the end of the income year

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<sup>22</sup> Part IID repealed by the *Treasury Laws Amendment (2018 Measures No. 1) Act 2018*.

<sup>23</sup> See footnote 22 of this practice statement.

- due to the employer's failure to comply contributions made to that superannuation provider formed part of its no-TFN contributions income
  - tax payable on that no-TFN contributions income (the interest-bearing tax) counted towards the no-TFN contributions tax offset of the superannuation provider for the current year, and
  - the tax offset has been applied in an assessment in respect of the superannuation provider for the current year.
46. The interest is payable for a period from the day the interest-bearing tax on the no-TFN contributions income was paid or the day the interest-bearing tax was required to be paid (whichever is the later) until the day on which the assessment of the no-TFN contributions income tax offset is made. The interest is payable on each amount of interest-bearing tax.

***Application of Part III of the T(IOEP)A – interest on overpayments resulting from decision to which the T(IOEP)A applies***

47. Interest on overpayments is payable under Part III of the T(IOEP)A where an amount of 'relevant tax' is found to have been overpaid as a result of a 'decision to which this Act applies'.<sup>24</sup> The taxpayer is entitled to interest only on the overpaid amount.<sup>25</sup> Generally, overpayments that arise from an amended assessment that reduces the taxpayer's liability to tax following a decision of the Commissioner, AAT or a court decision in relation to an objection under Part IVC of the TAA, will give rise to an entitlement to interest on overpayment.
48. Interest entitlements pursuant to Part III of the T(IOEP)A are payable on the overpaid amount for the period starting from the later of:
- the day on which the notice of assessment (or deemed notice of assessment), determination or decision in relation to which the 'decision to which this Act applies' was issued, and
  - the day on which the amount of relevant tax was paid,
- and ending on the day on which the amount of overpaid relevant tax is refunded or applied.
49. Where an amount of relevant tax has been paid in instalments and as a result of a decision to which this Act applies, only part of the relevant tax is overpaid, the amount so refunded or applied is to be attributed to the instalments in the reverse order to which the instalments were paid
50. The term 'applied' (subject to paragraph 52 of this practice statement) means the effective date of the transaction representing the partial or full offset of the overpaid relevant tax against an outstanding tax debt of the taxpayer.
51. The term 'refunded' (subject to paragraph 52 of this practice statement) means the effective date that the refund of the overpaid relevant tax is actually issued to the taxpayer (for example, the date that the refund is paid by electronic funds transfer into the taxpayer's bank account or the date that the cheque is sent by post to the taxpayer).
52. Notwithstanding the information provided in paragraphs 50 and 51 of this practice statement, where the overpaid relevant tax is the result of an amended assessment, under no circumstances should the effective date of the offset or the refund be earlier than the date that the notice of amended assessment is issued.

<sup>24</sup> Refer to paragraph 6 of this practice statement for an explanation of the terms used in this section.

<sup>25</sup> Refer to *Charara v Commissioner of Taxation* [2009] NSWSC 730.

53. In circumstances where there is both a partial offset and an income tax crediting residual refund there will be two interest calculations (unless the partial offset and residual refund occur at the same time). One calculation will be based on the offset amount with the end date being the effective date of the offset transaction and the other calculation will be based on the residual refund amount with the effective date being the date the residual refund is actually issued to the taxpayer.
54. Where the decision to which this Act applies is a decision by the Commissioner, AAT or court in regard to indirect tax or assessed GST<sup>26</sup> an entitlement to interest may arise under either Part III (interest on overpayments) or Part IIIA of the T(IOEP)A (delayed refund interest) but not both. That is, there is no double entitlement to interest. However, in accordance with the underlying intent of the T(IOEP)A, the taxpayer should receive whichever amount provides the greatest benefit.

***Application of Part IIIA of the T(IOEP)A – interest on overpayments resulting from certain remissions, refunds and credits***

55. Part IIIA of the T(IOEP)A provides for an entitlement to interest on overpayments where the Commissioner, as a result of a request by a taxpayer<sup>27</sup>:
- remits, under section 8AAG of the TAA, certain amounts of the GIC that have been paid (for example, the GIC under former section 163AA of the ITAA 1936 or section 5-15 of the ITAA 1997 incurred in relation to unpaid assessed income tax liabilities)
  - remits, under section 280-160 of Schedule 1 to the TAA, the whole or part of an amount that has been paid to the Commissioner in respect of shortfall interest charge payable under Division 280 in that Schedule
  - refunds the whole or part of a payment made by a taxpayer on account of assessed income tax and certain related liabilities (for example, a compulsory repayment amount payable under section 154-1 of the HESA), and
- the refund, crediting or remission takes place more than 30 days after the day on which the request is made.
56. Where an amount of the GIC that has been paid is remitted, an entitlement to interest may arise under either Part IIIA (interest on overpayments) or Part IIIA of the T(IOEP)A (delayed refund interest) but not both. That is, there is no double entitlement to interest in relation to the remission of an amount of the general interest charge.
57. Interest on overpayments under Part IIIA of the T(IOEP)A is calculated on the amount remitted, refunded or credited from the beginning of the 30th day after the day on which the request was made and up until the end of the effective day on which the remission, refund or crediting takes place.
58. If a taxpayer makes a payment of income tax before the day they lodge their income tax return, the return will be considered a request for refund of the overpaid amount, made on the day of lodgment. There will be an entitlement to interest if the refund takes place more than 30 days after the request, regardless of whether the payment and lodgment occurred before, on, or after the payment and lodgment due dates. The amount refunded may include other amounts which are not overpaid income tax – these are not eligible for

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<sup>26</sup> Table items 145 and 155 in section 3C of the T(IOEP)A.

<sup>27</sup> See footnote 13 of this practice statement.

payment of interest. Interest is limited to the amount overpaid as determined by the income tax assessment.

### **Delayed refund interest**

#### ***Application of Part IIIAA of the T(IOEP)A – delayed refund interest on RBA surpluses***

59. Delayed refund interest is generally payable in relation to an RBA established to account for BAS amounts if a refund that the Commissioner is required to give is not paid by the RBA interest day.<sup>28</sup> However, delayed refund interest is not payable where a notification required for the refund has not been given or is inaccurate<sup>29</sup>, or there is a need to obtain further information. For example, a notification under any of the BAS provisions or a further/fuller GST return<sup>30</sup> that the taxpayer is required to give to the Commissioner.

#### ***Entitlement to delayed refund interest after notification of BAS amount or petroleum resource rent tax amount – section 12AA of the T(IOEP)A***

60. Delayed refund interest is payable under section 12AA of the T(IOEP)A where:
- the Commissioner has allocated a BAS amount or PRRT amount to an RBA of the taxpayer and an RBA surplus arises, and
  - under subsection 8AAZLF(1) of the TAA the Commissioner is required to refund the whole or part of that surplus, and
  - the refund takes place after the RBA interest day.

#### ***When is the RBA interest day?***

61. The RBA interest day as it relates to section 12AA of the T(IOEP)A means the 14<sup>th</sup> day after the latest of the following days:
- the day on which the surplus arises
  - the day on which the taxpayer has given a notification to the Commissioner that is required for the refund<sup>31</sup> under section 8AAZLG or 8AAZLGB (as the case requires) of the TAA and that is accurate so far as it relates to the refund
  - if subsection 8AAZLH(3)<sup>32</sup> of the TAA does not apply, the day on which the taxpayer nominates a financial institution account.
62. The RBA surplus will generally arise on the day that the taxpayer gives the Commissioner notification required for the refund in the approved form of their credit entitlement for a particular tax period.<sup>33</sup> This would generally be when

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<sup>28</sup> In relation to RBAs established from 1 July 2000.

<sup>29</sup> An inaccurate notification would be one where the taxpayers credit entitlement claimed in the BAS lodgment does not substantially match their actual entitlement that is ultimately refunded.

<sup>30</sup> Further or fuller GST return is described in section 31-20 of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act). The approved form for a further or fuller GST return may require information to be provided relating to the tax period to which the return relates, one or more preceding tax periods or both.

<sup>31</sup> See the explanation of the term 'Notification required for the refund' in paragraph 6 of this practice statement.

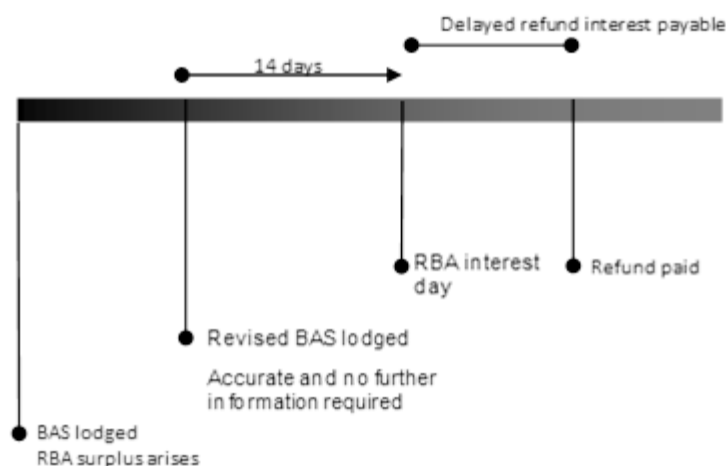
<sup>32</sup> This subsection gives the Commissioner discretion to direct that certain refunds be paid in a different way.

<sup>33</sup> Subsequent to 1 July 2012 this is a deemed assessment and deemed notice of assessment. See sections 155-15 and 155-40 of Schedule 1 to the TAA.

the taxpayer lodges their activity statement or fuel tax return. In such cases, the RBA interest day would be 14 days after the lodgment received date.

63. In certain limited circumstances, the day on which the RBA surplus arises may be a day prior to when a notification required for the refund is given to the Commissioner. For example, if a taxpayer lodges a revised activity statement/fuel tax return that results in a credit for a particular tax period, the RBA surplus would retrospectively arise on the original lodgment date as the taxpayer was in effect entitled to the credit on that date. In such cases, the RBA interest day would be 14 days after the day that the revised activity statement/fuel tax return is given (in the approved form).<sup>34</sup>

This day is later than the day on which the surplus arises and will therefore be the RBA interest day. This can be illustrated as follows:



64. The Commissioner will not pay delayed refund interest where a notification that affects or may affect the amount that is refunded has not been given, is inaccurate<sup>35</sup> or there is a need to obtain further information, for example where:
- a taxpayer has not given the Commissioner a notification that the taxpayer is required to give the Commissioner under any of the BAS provisions (for example, where the taxpayer has outstanding activity statements or where the Commissioner has requested further or fuller GST returns)
  - an activity statement is lodged and does not disclose an amount against all labels on the statement where a taxpayer has an expected liability for that period
  - a taxpayer makes an error on the activity statement (for example, arithmetic error) and it is necessary to contact the taxpayer to obtain other information to process the activity statement, or
  - a taxpayer has not nominated an account at a financial institution into which the refund should be paid (unless the Commissioner has exercised the discretion provided in subsection 8AAZLH(3) of the TAA).
65. In the situations outlined above, the RBA interest day will be 14 days after the day the taxpayer provides the relevant information or notification/return to the Commissioner. In addition, the notification that is provided must be in the approved form and must be accurate so far as it relates to the actual amount to be refunded.

<sup>34</sup> Section 388-50 of Schedule 1 to the TAA.

<sup>35</sup> An inaccurate notification would be one where the taxpayers credit entitlement claimed in the BAS lodgment does not substantially match their actual entitlement that is ultimately refunded.

*Entitlement to delayed refund interest for RBA surpluses after request for remission – section 12AB of the T(IOEP)A*

66. Delayed refund interest is also payable in accordance with section 12AB of the T(IOEP)A where:
- the Commissioner has allocated a BAS amount or PRRT amount to an RBA of a taxpayer
  - the taxpayer requests a remission of a penalty that has been notified by the Commissioner, and
  - as a result of the remission of penalty, an RBA surplus arises that the Commissioner is required to refund under subsection 8AAZLF(1) of the TAA, and the surplus is not refunded by the RBA interest day.
67. The RBA interest day as it relates to section 12AB of the T(IOEP)A, means the 14<sup>th</sup> day after the latest of the following days:
- the day on which the request for remission is received
  - the day on which the taxpayer has given a notification to the Commissioner that is required for the refund<sup>36</sup> under section 8AAZLG or 8AAZLGB (as the case requires) of the TAA and that is accurate as far as it relates to the refund
  - if subsection 8AAZLH(3) of the TAA does not apply, the day on which the taxpayer nominates a financial institution account.
68. Interest will be payable in these circumstances for the period from the end of the RBA interest day until the end of the day on which the refund takes place.

*Entitlement to delayed refund interest for RBA surpluses after request for refund – section 12AC of the T(IOEP)A*

69. Delayed refund interest is also payable in accordance with section 12AC of the T(IOEP)A where:
- the Commissioner has allocated a payment to an RBA of a taxpayer
  - the Commissioner has allocated or intends to allocate a BAS amount or PRRT amount to that RBA, and
  - the taxpayer requests a refund of an RBA surplus that has arisen as a result of a voluntary payment and that the Commissioner is required to refund under subsection 8AAZLF(2) of the TAA, and the surplus is not refunded by the RBA interest day.
70. The RBA interest day as it relates to section 12AC of the T(IOEP)A means the 14<sup>th</sup> day after the latest of the following days:
- the day on which the request for refund of the RBA surplus resulting from the voluntary payment is received
  - the day on which the taxpayer has given a notification to the Commissioner that is required for the refund<sup>37</sup> under 8AAZLG or 8AAZLGB (as the case requires) of the TAA and that is accurate as far as it relates to the refund

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<sup>36</sup> See the explanation of the term 'Notification required for the refund' in paragraph 6 of this practice statement.

<sup>37</sup> See the explanation of the term 'Notification required for the refund' in paragraph 6 of this practice statement.

- if subsection 8AAZLH(3) of the TAA does not apply, the day on which the taxpayer nominates a financial institution account.
71. Interest is payable on the amount of the RBA surplus which is required to be refunded under section 8AAZLF of the TAA for the period from the end of the RBA interest day (that is, the beginning of the next day) until the end of the effective day on which the refund is actually issued to the taxpayer.

### **Tax treatment of interest payable under the T(IOEP)A**

72. Interest payable by the Commissioner under the T(IOEP)A is assessable income when it is received (applied, credited or refunded).<sup>38</sup>
73. Generally, if an amount of interest is to be paid to a taxpayer that has an overseas address according to ATO records, or if the Commissioner is authorised to pay the interest at a place outside of Australia, 10% of the interest is withheld under section 12-245 of Schedule 1 to the TAA.
74. Interest payable under the T(IOEP)A is also a 'credit' for the purposes of Part IIB of the TAA. Accordingly, the Commissioner is required under Division 3 of Part IIB to the TAA to apply an amount of interest payable to a taxpayer against any amount due to the Commonwealth directly arising under a taxation law, including any such amount that is due but not yet payable.

### **Entitlement to interest under Parts 2 and 5 of the Co-contributions Act**

75. A person will be entitled to a payment of interest by the Commissioner if the Commissioner pays none of the Government co-contribution on or before the payment date for the co-contribution.<sup>39</sup>
76. Interest is payable:
- on the amount of the Government co-contribution, and
  - for the period from the payment date for the Government co-contribution until the day on which the Commissioner first pays an amount in satisfaction of that co-contribution.
77. A person will also be entitled to a payment of interest by the Commissioner if the Commissioner underpays a Government co-contribution and does not pay the underpaid amount in full on or before the payment date for the underpaid amount.<sup>40</sup>
78. Interest is payable:
- on the unpaid amount of the Government co-contribution (or payment shortfall) that remains unpaid on the payment date, and
  - for the period from the payment date for the underpaid amount until the day on which the underpaid amount is paid in full.
79. Additionally, if by an administrative error the Commissioner has underpaid the amount of co-contribution, the person will be entitled to interest on the amount of the payment shortfall. Interest is payable for the period from the payment date for the Government co-contribution until the payment date for the underpaid amount.<sup>41</sup>

<sup>38</sup> Section 15-35 of the ITAA 1997.

<sup>39</sup> Section 12 of the Co-contributions Act.

<sup>40</sup> Section 21 of the Co-contributions Act.

<sup>41</sup> Section 22 of the Co-contributions Act.

80. The payment date is 60 days after the Commissioner has received all of the information, required by the Co-contributions Act or requested by the Commissioner under the Act, necessary to make a determination that a Government co-contribution is payable and to whom the payment is to be directed.<sup>42</sup>

### **Tax treatment of interest payable under the Co-contributions Act**

81. The interest that is payable under section 12 of the Co-contributions Act forms part of the actual government co-contribution. Therefore, it is treated for all purposes (for example, taxation purposes) in the same manner as the government co-contribution. The government co-contribution is not assessable income in the hands of the superannuation entity or the individual (sections 295-170 and 307-135 of the ITAA 1997).

### **Entitlement to interest for late payments of money received by the Commissioner in accordance with release authority – section 131-70 of Schedule 1 to the TAA<sup>43</sup>**

82. The entitlement to interest for amounts released from superannuation is set out in section 131-70 of Schedule 1 to the TAA and applies to:
- excess concessional and non-concessional contributions determinations where issued on or after 1 July 2018 (whether for financial years commencing before, on, or after 1 July 2018)
  - notices of assessments of amounts of Division 293 tax (where issued on or after 1 July 2018 (whether for financial years commencing before, on or after 1 July 2018), and
  - First home super saver determinations issued on or after 1 July 2018.
83. A person will be entitled to interest for late payments where:
- the Commissioner issues a release authority to a superannuation provider in accordance with section 131-15 of Schedule 1 to the TAA
  - the superannuation provider pays the amount detailed in the release authority to the Commissioner
  - the person is entitled to a credit for that amount as mentioned in section 131-65 of Schedule 1 to the TAA
  - all or part of the credit is required to be refunded in accordance with Division 3A of Part IIB of the TAA, and
  - the Commissioner does not refund the required amount within 60 days after receiving the amount from the superannuation provider.
84. Interest is calculated on a daily basis utilising the base interest rate that applies for each relevant day and the interest period is determined as follows:
- beginning 60 days after the day the Commissioner receives the amount, and

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<sup>42</sup> The method for identifying the payment date is contained in regulation 7 of the *Superannuation (Government Co-contributions for Low Income Earners) Regulations 2004*.

<sup>43</sup> For excess concessional and non-concessional contributions commencing 1 July 2013 to 30 June 2018, section 96-10 of Schedule 1 to the TAA (now repealed) applies. For refunded excess concessional contributions commencing 1 July 2011 to 29 June 2013, section 292-425 of the ITAA 1997 (now repealed) applies

- ending on the effective day that the Commissioner refunds the amount to the relevant person or the effective day that the relevant amount is applied/offset against an outstanding taxation liability of the person.

**Tax treatment of interest for amounts refunded in accordance with a release authority**

85. Interest payable under section 131-70 and former sections 96-55 of Schedule 1 to the TAA and section 292-425 of the ITAA 1997, is assessable income at the time that it is received (applied, credited or refunded).
86. Interest payable is also a 'credit' for the purposes of Part IIB of the TAA. Accordingly, the Commissioner is required under Division 3 of Part IIB of the TAA to apply an amount of interest payable to a taxpayer against any amount due to the Commonwealth directly arising under a taxation law, including any such amount not yet payable.

## Amendment history

| Date of amendment | Part              | Comment  |
|-------------------|-------------------|--|
| 6 October 2020    | Paragraph 11      | Corrected error in footnote 15 – changed ‘Individual Education Plan’ to ‘interest on early payment’.   |
| 1 October 2020    | Various           | Revised content and formatting to meet ATO <i>Style guide</i> requirements and to improve readability, for example, moved text, added headings.<br>Minor wording changes to better reflect the wording of the T(IOEP)A.  |
|                   | Table of Contents | <ul style="list-style-type: none"> <li>• Removal of, or changes to headings for sections dealing with excess superannuation contributions, including updated legislative references</li> <li>• Removal of FHSA Act sections – repealed by the <i>Tax and Superannuation Laws Amendment (2015 Measures No. 1) Act 2015</i></li> <li>• Corresponding changes to page numbers</li> </ul>  |
|                   | Various           | Additional footnotes throughout to reflect content changes, including relevant repeals and additions to ‘Terms Used’ section.  |
|                   | Paragraph 5       | <ul style="list-style-type: none"> <li>• Section 96-55 reference updated to section 131-70, with corresponding changes to content to better reflect content of provision</li> <li>• Removal of section 292-45 content - repealed by the <i>Tax Laws Amendment (Fairer Taxation of Excess Concessional Contributions) Act 2013</i></li> <li>• Removal of FHSA Act sections – repealed by the <i>Tax and Superannuation Laws Amendment (2015 Measures No. 1) Act 2015</i>.</li> <li>• Removal of section 20H(2B) - the section does not provide for payment of interest</li> </ul> |

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|  | Paragraph 6- 'Terms Used' | <p>'Decision to which the act applies' -</p> <ul style="list-style-type: none"> <li>• FBT dot point revised to request made by employer rather than taxpayer to reduce ambiguity</li> <li>• deletion of MRRT - repealed by the <i>Minerals Resource Rent Tax Repeal and Other Measures Act 2014</i></li> </ul> <p>'Notification required for the refund'- added.<br/> 'RBA interest day' inserted, with inclusion of the words '8AAZLGB (as the case requires)', consistent with the T(IOEP)A.<br/> 'Relevant tax'-</p> <ul style="list-style-type: none"> <li>• clarified interest under former section 170AA of the ITAA 1936 to refer to GIC</li> <li>• deletion of MRRT from list of relevant taxes- repealed</li> <li>• addition of other tax types to more comprehensively reflect the T(IOEP)A</li> </ul> |
|  | Paragraph 7               | <p>Reference to Part 8(A)(1) of the T(IOEP)A changed to Part IIA for consistency.</p> <p>Change from '...where a taxpayer makes a payment' to '...where a taxpayer makes a payment (or part payment)'.</p>   |
|  | Paragraph 11              | <ul style="list-style-type: none"> <li>• Removal of redundant references to 'HECS assessment debt'. HECS was absorbed into HELP in 2005 reforms legislated by the HESA. The T(IOEP)A refers to 'compulsory repayment amount' which captures all HELP debt types.</li> <li>• Removal of SFSS assessment debt to reflect legislation (insert FS Assessment debt)</li> <li>• Insert HELP; VETSL; SSL; ABSTUDY SSL; TSL: FS assessment debt to reflect the HESA</li> <li>• Amended reference to subsections 163A, 163B and 170AA to reflect they have been repealed</li> </ul>   |
|  | Paragraph 13              | <p>Addition of text reflecting requirement for early payment more than 14 days before the due date to be eligible for IEP- added for clarity for staff performing IEP calculations.</p>  |
|  | Paragraph 14              | <p>Clarification of wording reflecting requirement for early payment more than 14 days before the due date to be eligible for IEP added for clarity for staff performing IEP calculations.</p>   |

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|  | Paragraph 23         | <ul style="list-style-type: none"> <li>• Removal of redundant references to 'HECS assessment debt'. HECS was absorbed into HELP in 2005 reforms legislated by the HESA. The T(IOEP)A refers to 'compulsory repayment amount' which captures all HELP debt types.</li> <li>• Removal of SFSS assessment debt to reflect legislation (insert FS Assessment debt)</li> <li>• Insert HELP; VETSL; SSL; ABSTUDY SSL; TSL: FS assessment debt to reflect the HESA</li> <li>• Clarification of wording in section 282-18 of the <i>Private Health Insurance Act 2007</i>, and section 102AAM of the ITAA 1936</li> </ul> |
|  | Paragraph 24         | <p>Removal of redundant references to 'HECS assessment debt'. HECS was absorbed into HELP in 2005 reforms legislated by the HESA. The T(IOEP)A refers to 'compulsory repayment amount' which captures all HELP debt types.</p> <p>Removal of SFSS assessment debt to reflect legislation (insert FS Assessment debt)</p> <p>Insert HELP; VETSL; SSL; ABSTUDY SSL; TSL: FS assessment debt to reflect the HESA</p> <p>Clarify section 282-18 to reflect legislation required notification of NOA</p> <p>Clarification of section 102AAM to remove 'post' preceding 'notice crediting'</p>                          |
|  | Paragraph 25         | Insert 'Notice of' before 'assessment to clarify type of assessment for section 8F(2) of the T(IOEP)A   |
|  | Paragraph 42         | Footnote to heading for Part IID IOP to reflect repeal by the <i>Treasury Laws Amendment (2018 Measures No. 1) Act</i>  |
|  | Paragraph 45         | <ul style="list-style-type: none"> <li>• Addition of 'section 133 of the <i>Retirement Savings Accounts Act</i> or' in second dot point for consistency with the T(IOEP)A</li> <li>• Removal of section 299C in third dot point for readability</li> </ul>  |
|  | Paragraph 55         | Update from 'GIC under former sub section 204(3)' to 'section 163AA of the ITAA 1936 or section 5-15 of the ITAA 1997'  |
|  | Paragraph 60,66, 69  | Additional of 'or PRRT amount' consistent with wording in Part IIIA of the T(IOEP)A   |
|  | Paragraph 61, 67, 70 | Addition of '8AAZLGB (as the case requires)', consistent with wording in the T(IOEP)A   |
|  | Paragraph 68         | Clarification of wording relating to period for which interest is payable   |

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|                 | Paragraphs 75-79                        | Addition of, or changes to content reflecting interest entitlements under sections 12, 21 and 22 of the Co-contributions Act, including separation of content in relation to situations where the Commissioner pays none of the co-contribution vs underpaying an amount, or administrative errors  |
|                 | Paragraph 80 – 83                       | Remove section 292-425 content to reflect repeal of legislation in the <i>Tax Laws Amendment (Fairer Taxation of Excess Concessional Contributions) Act 2013</i>  |
|                 | Paragraphs 82 (former paragraph 84)- 84 | <ul style="list-style-type: none"> <li>• Updates to various legislative references from sections 96 to 131</li> <li>• Change to heading to refer to 'late payments of money received by the Commissioner in accordance with release authority', consistent with section 131-70 heading and content</li> <li>• Change to content to capture (in addition to excess concessional contributions determinations), other payments subject to release authorities</li> <li>• Clarification of timing of determinations</li> </ul> |
|                 | Paragraph 85 (former paragraph 87)      | Updated current reference to section 131-70, and addition of 'former' preceding repealed sections 96-55 of Schedule 1 to the TAA and section 292-425 of the ITAA 1997   |
|                 | Paragraphs 89-95                        | Removal of FHSA content to reflect repeal of legislation in the <a href="#"><i>Tax and Superannuation Laws Amendment (2015 Measures No. 1) Act 2015</i></a>   |
| 23 January 2015 | Various                                 | Revised content and formatting to meet ATO <i>Style guide</i> requirements and to improve readability, for example, moved text, added headings.   |
|                 | Paragraph 62                            | Diagram included to assist in explaining the RBA interest day in the circumstance where RBA surplus arises prior to when notification is given.   |
|                 | Paragraphs 80 to 88                     | <p>New information on the entitlement to interest for:</p> <ul style="list-style-type: none"> <li>• Excess concessional contributions under section 96-55 of Schedule 1 to the TAA</li> <li>• Refunded excess concessional contributions under section 292-425 of the ITAA 1997</li> </ul>  |
|                 | Paragraphs 89 to 94                     | New information on the entitlement to interest under the <i>First Home Savers Accounts Act 2008</i> .   |
|                 | References                              | Revised references to cover changes in content.   |

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|----------------|---|---|
| 15 August 2011 | Paragraph 42<br>(including footnote 15) | Example updated to reflect repealed legislation (Part VII of the ITAA 1936) and refer to section 154-1 of the <i>Higher Education Support Act 2003</i> . Footnote 15 omitted. |
|                | References                              | Inserted reference to <i>Higher Education Support Act 2003</i>  |

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|------------------------|--|
| Subject references     | Delayed refund interest<br>Interest for early payment<br>Interest for overpayment<br>Interest on overpayments<br>Refunds<br>Tax administration<br>Tax assessments  |
| ATOLaw topic           | Administration ~~ Interest on early and over payments  |
| Legislative references | T(IOEP)A<br>T(IOEP)A Pt IIB<br>T(IOEP)A Pt IIC<br>T(IOEP)A Pt IID<br>T(IOEP)A Pt IIE<br>T(IOEP)A Pt IIF<br>T(IOEP)A Pt IIG<br>T(IOEP)A Pt III<br>T(IOEP)A Pt IIIA<br>T(IOEP)A Pt IIIAA<br>T(IOEP)A Pt IIIB<br>T(IOEP)A 3(1)<br>T(IOEP)A 3C<br>T(IOEP)A 8E(1)<br>T(IOEP)A 8E(1)(d)(i)<br>T(IOEP)A 8E(1)(d)(ii)<br>T(IOEP)A 8E(1)(d)(iii)<br>T(IOEP)A 8E(1)(d)(iv)<br>T(IOEP)A 8E(1)(d)(v)<br>T(IOEP)A 8E(2)(d)(i)<br>T(IOEP)A 8E(2)(d)(ii)<br>T(IOEP)A 8E(2)(d)(iii)<br>T(IOEP)A 8E(2)(d)(iv)<br>T(IOEP)A 8E(2)(d)(v)<br>T(IOEP)A 8F(1)<br>T(IOEP)A 8F(2)<br>T(IOEP)A 8G(1)<br>T(IOEP)A 8G(2)<br>T(IOEP)A 12A(1)(a)(i)<br>T(IOEP)A 12AA<br>T(IOEP)A 12AB<br>T(IOEP)A 12AC<br>ANTS(GST)A 31-20<br>ITAA 1936 6(1)<br>ITAA 1936 204(3)<br>ITAA 1936 100(2)<br>ITAA 1936 102AAM |

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| ITAA 1997 295-170                           |
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| TAA 8AAZLF                                  |
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| TAA 8AAZLF(2)                               |
| TAA 8AAZLG                                  |
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| TAA 12AA                                    |
| TAA Pt IVC                                  |
| TAA Sch 1 12-245                            |
| TAA Sch 1 Subdiv 16-A                       |
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| Section         | Operational Policy, Assurance and Law   |