



Office of State Revenue
NSW TREASURY

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Revenue Ruling No. TAA 003

Refund of an Overpayment of Tax - Part 4 of the Taxation Administration Act, 1996

Ruling history

Ruling no.	Issued date	Dates of effect		Status
		From	To	
TAA 003	16 September 1999	16 September 1999	-	Current

Preamble

- The following guidelines relate to the refund of an overpayment of tax under Part 4 of the Taxation Administration Act 1996. ("TAA")
- If a taxpayer makes a payment that is greater than the assessment against which the payment is made, the Chief Commissioner must generally refund the difference to the taxpayer (section 18) or offset the amount against another taxation liability (section 19).

Ruling

Determining the refund mode

- When an overpayment of tax occurs, the Chief Commissioner will determine whether a refund cheque should issue or whether the overpayment should be applied to another taxation liability of the taxpayer.
- If a taxpayer has another taxation liability or liabilities, section 19(1) of the TAA provides a discretion for the Chief Commissioner to transfer the amount of the overpayment to that other liability or liabilities. This is the course which will usually be followed by the Office of State Revenue. The taxpayer will be provided with full details of how the overpayment was applied.
- A refund may be credited towards a taxpayer's future liability but only with the taxpayer's consent. (section 19(2)).

Refunds by Cheque

- A refund cheque will be issued to the taxpayer/person primarily liable in all instances unless:
 - it is a cash refund paid over the counter to an agent of the person (limited to nominal amounts), or
 - the OSR has obtained authority from a taxpayer to issue the refund cheque to another person, or where
 - the circumstances are such that the taxpayer/person primarily liable cannot be readily identified from the information immediately available. In these cases, the refund will be issued to the applicant for Duties impressed matters and to the agent for all other matters.
- A decision will be made on a case by case basis in the following circumstances:
 - legal action is in course between the parties, or

- a third party has paid the tax and proof is provided to the Office of State Revenue, but the third party is unable to obtain authorisation from the taxpayer, or
- other special circumstances exist.

Refunds after a successful objection or appeal

- A refund of an overpayment of tax which arises on a reassessment of a taxation liability as a result of a successful objection or appeal will be made under section 104 of the TAA. If the taxpayer has other taxation liabilities, the amount of the overpayment of tax may be applied to those other liabilities.
- In addition, interest at the market rate will be paid under section 105, on the amount of the relevant overpayment. Interest payable under section 105 is not a “refund” and will not be applied to another taxation liability. A cheque for the interest will be issued to the taxpayer.

Refunds when the tax has been passed on

- Where legislation provides for the passing on of the tax to another person, and this has occurred, a refund cheque will be issued only where the Chief Commissioner is satisfied that arrangements have been made to pass on the refund to the person/s who paid the tax.

P. Achterstraat

Chief Commissioner of State Revenue
16 September 1999