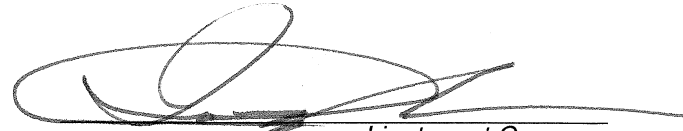


PROVINCE OF BRITISH COLUMBIA

ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

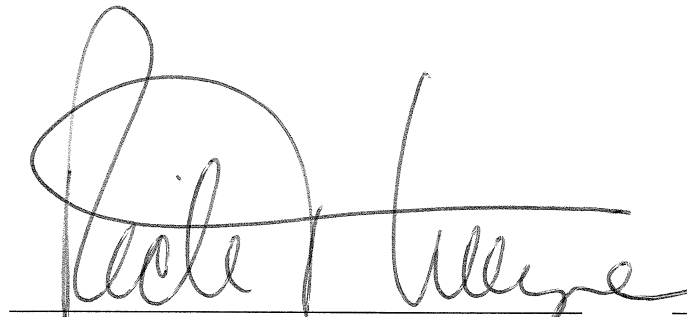
Order in Council No. **297**, Approved and Ordered **MAR 17 2005**



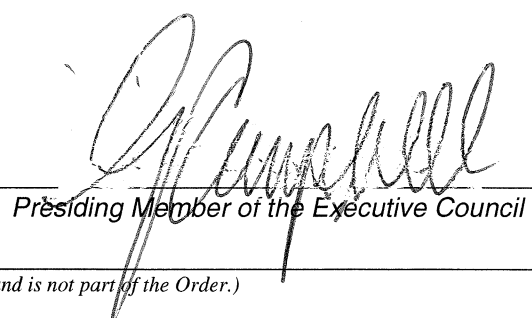
Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that the Social Service Tax Act Regulations, B.C. Reg. 84/58, is amended as set out in the attached Schedule.



Minister of Provincial Revenue



Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: Social Service Tax Act, R.S.B.C. 1996, c. 431, s. 138.

Other (specify): OIC 1388/48

SCHEDULE

1 The Social Service Tax Act Regulations, B.C. Reg. 84/58, is amended by adding the following sections:

Calculation of interest if assessment equals or exceeds refund

- 6.3** (1) This section applies to the calculation of interest under section 117 (2) of the Act if
- (a) the commissioner makes an assessment against a person under section 115 (1) or (2) of the Act for an amount of tax payable, collected or due,
 - (b) the commissioner has determined that the person referred to in paragraph (a) is entitled to a refund under Part 4 of the Act in respect of taxes paid during the period of time considered by the commissioner in making the assessment referred to in paragraph (a),
 - (c) prior to the commissioner's giving notice of the assessment for the amount of tax referred to in paragraph (a), the application for the refund that is required by the Act is made by the person but the refund is not yet made, and
 - (d) the amount of tax referred to in paragraph (a) is equal to or exceeds the amount of the refund referred to in paragraph (b).
- (2) In the circumstances set out in subsection (1), the commissioner must calculate interest on the amount of tax referred to in subsection (1) (a) in the following manner:
- (a) the commissioner must calculate the interest, in the manner prescribed under section 6.2 and at the rate prescribed under the Interest Rates Under Various Statutes Regulation, on each of the following:
 - (i) the amount of tax referred to in subsection (1) (a);
 - (ii) the amount of the refund referred to in subsection (1) (b) as if that amount were an amount of tax assessed against the person on the date that the person paid the tax that resulted in the person's entitlement to the refund;
 - (b) the commissioner must subtract the amount calculated under paragraph (a) (ii) from the amount calculated under paragraph (a) (i);
 - (c) the commissioner must, in the manner and at the rate prescribed under the Interest on Overdue Accounts Payable Regulation, calculate the interest payable on the amount of the refund referred to in subsection (1) (b);
 - (d) the commissioner must add the amount calculated under paragraph (c) to the amount calculated under paragraph (b).
- (3) If the amount calculated under subsection (2) (d) is a negative amount, the interest on the amount of tax referred to in subsection (1) (a) is zero.

Calculation of interest if refund exceeds assessment

- 6.4** (1) This section applies to the calculation of interest under section 117 (2) of the Act if section 6.3 (1) (a), (b) and (c) apply, but the amount of tax referred to in

section 6.3 (1) (a) is less than the amount of the refund referred to in section 6.3 (1) (b) and (c).

- (2) In the circumstances set out in subsection (1),
 - (a) the rate of interest payable on the amount referred to in section 6.3 (1) (a) during each successive 3 month period, beginning on January 1, April 1, July 1 and October 1 in every year, is 2% below the prime lending rate of the principal banker to the Province on the 15th day of the month immediately preceding that 3 month period, and
 - (b) interest must be
 - (i) compounded monthly, and
 - (ii) calculated on the number of days since the last compounding of interest or, if no compounding has yet occurred, since the interest commencement date.