



Finance and Central Services Department
Local Government Finance & Performance Division

Victoria Quay
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Finance Circular No. 04/2003

Chief Executives, Scottish Local Authorities

Copy to: Directors of Finance
Heads of Revenue Departments

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Your ref:
Our ref: ZCA10/1

20 March 2003

Dear Sir/Madam

**THE NON-DOMESTIC RATING (PAYMENT OF INTEREST) (SCOTLAND)
REGULATIONS 1992: INTEREST RATE FOR 2003-04**

1. I am directed by the Scottish Ministers to draw your attention to the interest rate to be applied for 2003-04 in calculating the interest due when repaying overpaid rates following alterations to the valuation roll.
2. The appropriate rate is set by regulation 4(2) of the above Regulations at 1% below the bank base rate on the preceding 15 March. The relevant base rate on that date was 3.75% so the interest rate to be applied from 1 April 2003 to 31 March 2004 will be 2.75%
3. The rates of interest on overpayments in respect of previous years remain at 5.75% for 1995-96; 5% for 1996-97; 5% for 1997-98; 6.25% for 1998-99; 4.5% for 1999-2000, 5% for 2000-01, 4.75% for 2001-02, and 3% for 2002-03.
4. Finance circular 9/2002 "*Changes to the deduction of income tax from interest payments to specified exempt bodies*", gave details of changes to the deduction of income tax from payments to specified bodies that are exempt from UK tax and who would otherwise have to reclaim that tax at a later stage.
5. Any enquiries about this Circular should be directed to me at the above address.

Yours faithfully



Carol Sibbald