



## Division 7A – benchmark interest rate

Under Division 7A of Part III of the *Income Tax Assessment Act 1936*, the 'benchmark interest rate' for an income year is the 'Indicator Lending Rates – Bank variable housing loans interest rate'. This is the 'Housing loans; Banks; Variable; Standard; Owner-occupier' rate last published by the [Reserve Bank of Australia](http://www.rba.gov.au/statistics/tables/?anchor=interest-rates#interest-rates) (<http://www.rba.gov.au/statistics/tables/?anchor=interest-rates#interest-rates>) before the start of the income year.

### Benchmark interest rates

These rates apply to private companies with an income year ending 30 June.

A private company that meets certain requirements may adopt an income year ending on a date other than 30 June – a [substituted accounting period](#). Those companies will need to determine the relevant rate.

#### Benchmark interest rates

| Year of income ended 30 June | %     | ATO reference  |
|------------------------------|-------|--|
| 2020                         | 5.37% | This is the 'Indicator Lending Rates - Bank variable housing loans interest rate' published by the Reserve Bank of Australia on 4 June 2019.<br><b>Note:</b> Annual Taxation Determinations for the benchmark interest rate are no longer published. |
| 2019                         | 5.20% | <a href="#">TD 2018/14 (/law/view/document?docid=TXD/TD201814/NAT/ATO/00001)</a> .   |
| 2018                         | 5.30% | <a href="#">TD 2017/17 (/law/view/document?docid=TXD/TD201717/NAT/ATO/00001)</a> .   |
| 2017                         | 5.40% | <a href="#">TD 2016/11 (/law/view/document?docid=TXD/TD201611/NAT/ATO/00001)</a> .   |
| 2016                         | 5.45% | <a href="#">TD 2015/15 (/law/view/document?docid=TXD/TD201515/NAT/ATO/00001)</a> .   |
| 2015                         | 5.95% | <a href="#">TD 2014/20 (/law/view/document?docid=TXD/TD201420/NAT/ATO/00001)</a> .   |

### Substituted accounting period

If a private company has adopted a substituted accounting period, the applicable benchmark interest rate is the 'Housing loans; Banks; Variable; Standard; Owner-occupier' rate last published by the [Reserve Bank of Australia](http://www.rba.gov.au/statistics/tables/?anchor=interest-rates#interest-rates) (<http://www.rba.gov.au/statistics/tables/?anchor=interest-rates#interest-rates>) before the start of the private company's substituted accounting period.