

News Release

Canada Revenue Agency interest rates for the third calendar quarter

Ottawa, Ontario, June 1, 2007... The Canada Revenue Agency (CRA) today announced the prescribed annual interest rates that will apply to any amounts owed to the CRA and to any amounts the CRA owes to individuals and corporations. These rates are calculated **quarterly** in accordance with applicable legislation and will be in effect from **July 1, 2007, to September 30, 2007**.

Income tax

- The interest rate charged on overdue taxes, Canada Pension Plan contributions, and Employment Insurance Premiums will be 9%.
- The interest rate paid on overpayments will be 7%.
- The interest rate used to calculate taxable benefits for employees and shareholders from interest-free and low-interest loans will be 5%.

Other taxes

The interest rate on overdue and overpaid remittances for the following taxes will be:

Tax and Duty	Overdue remittances	Overpaid remittances
• Goods and Services Tax	9%	7%
• Harmonized Sales Tax	9%	7%
• Air Travellers Security Charge	9%	7%
• Excise Tax (non GST)	9%	7%
• Excise Duty (except Brewer Licensees)	9%	7%
• Excise Duty (Brewer Licensees)	7%	N/A
• Softwood Lumber Products Export Charge	9%	7%

Effective July 1, 2007, prescribed interest rates for the Goods and Services Tax, the Harmonized Sales Tax, and the Air Travellers Security Charge are harmonized with other federal acts. Further information is available on the CRA Web site at the following link: <http://www.cra-arc.gc.ca/tax/business/topics/gst/legislation/menu-e.html>.

- 30 -

For media information:

Beatrice Fenelon
Media relations
613-941-6269

