

A New Tax System (Goods and Services Tax) Act 1999

No. 55, 1999

**Compilation No. 9**

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**Includes amendments:** Act No. 83, 2004 and Act No. 118, 2009

**This compilation was rectified to take into account retrospective amendments made by Act No. 118, 2009. The original compilation and any other previous compilations for this point in time are available in the replacement history on the Federal Register of Legislation.**

**About this compilation**

This is a compilation of the *A New Tax System (Goods and Services Tax) Act 1999* that shows the text of the law as amended and in force on 25 June 2004 (the ***compilation date***).

The notes at the end of this compilation (the ***endnotes***) include information about amending laws and the amendment history of provisions of the compiled law.

**Uncommenced amendments**

The effect of uncommenced amendments is not shown in the text of the compiled law. Any uncommenced amendments affecting the law are accessible on the Register (www.legislation.gov.au). The details of amendments made up to, but not commenced at, the compilation date are underlined in the endnotes. For more information on any uncommenced amendments, see the Register for the compiled law.

**Application, saving and transitional provisions for provisions and amendments**

If the operation of a provision or amendment of the compiled law is affected by an application, saving or transitional provision that is not included in this compilation, details are included in the endnotes.

**Editorial changes**

For more information about any editorial changes made in this compilation, see the endnotes.

**Presentational changes**

The *Legislation Act 2003* provides for First Parliamentary Counsel to make presentational changes to a compilation. Presentational changes are applied to give a more consistent look and feel to legislation published on the Register, and enable the user to more easily navigate those documents.

**Modifications**

If the compiled law is modified by another law, the compiled law operates as modified but the modification does not amend the text of the law. Accordingly, this compilation does not show the text of the compiled law as modified. For more information on any modifications, see the Register for the compiled law.

**Self-repealing provisions**

If a provision of the compiled law has been repealed in accordance with a provision of the law, details are included in the endnotes.

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An Act about a goods and services tax to implement A New Tax System, and for related purposes

Chapter 1—Introduction

Part 1‑1—Preliminary

Division 1—Preliminary

1‑1 Short title

This Act may be cited as the *A New Tax System (Goods and Services Tax) Act 1999*.

1‑2 Commencement

(1) This Act commences on 1 July 2000.

1‑3 Commonwealth‑State financial relations

The Parliament acknowledges that the Commonwealth:

(a) will introduce legislation to provide that the revenue from the GST will be granted to the States, the Australian Capital Territory and the Northern Territory; and

(b) will maintain the rate and base of the GST in accordance with the Agreement on Principles for the Reform of Commonwealth‑State Financial Relations endorsed at the Special Premiers’ Conference in Canberra on 13 November 1998.

1‑4 States and Territories are bound by the GST law

The \*GST law binds the Crown in right of each of the States, of the Australian Capital Territory and of the Northern Territory. However, it does not make the Crown liable to be prosecuted for an offence.

Part 1‑2—Using this Act

Division 2—Overview of the GST legislation

2‑1 What this Act is about

This Act is about the GST.

It begins (in Chapter 2) with the basic rules about the GST, and then sets out in Chapter 3 the exemptions from the GST and in Chapter 4 the special rules that can apply in particular cases.

It concludes with definitions and other interpretative material.

Note: The GST is imposed by 3 Acts:

(a) the *A New Tax System (Goods and Services Tax Imposition—General) Act 1999*; and

(b) the *A New Tax System (Goods and Services Tax Imposition—Customs) Act 1999*; and

(c) the *A New Tax System (Goods and Services Tax Imposition—Excise) Act 1999*.

2‑5 The basic rules (Chapter 2)

Chapter 2 has the basic rules for the GST, including:

when and how the GST arises, and who is liable to pay it;

when and how input tax credits arise, and who is entitled to them;

how to work out payments and refunds of GST;

when and how the payments and refunds are to be made.

2‑10 The exemptions (Chapter 3)

Chapter 3 sets out the supplies and importations that are GST‑free or input taxed.

2‑15 The special rules (Chapter 4)

Chapter 4 has special rules which, in particular cases, have the effect of modifying the basic rules in Chapter 2.

Note: There is a checklist of special rules at the end of Chapter 2 (in Part 2‑8).

2‑20 Miscellaneous (Chapter 5)

Chapter 5 deals with miscellaneous matters.

2‑25Interpretative provisions (Chapter 6)

Chapter 6 contains the Dictionary, which sets out a list of all the terms that are defined in this Act. It also sets out the meanings of some important concepts and rules on how to interpret this Act.

2‑30 Administration, collection and recovery provisions (Part VI of the *Taxation Administration Act 1953*)

Part VI of the *Taxation Administration Act 1953* contains provisions relating to the administration of the GST, and to collection and recovery of amounts of GST.

Division 3—Defined terms

3‑1 When defined terms are identified

(1) Many of the terms used in the law relating to the GST are defined.

(2) Most defined terms in this Act are identified by an asterisk appearing at the start of the term: as in “\*enterprise”. The footnote that goes with the asterisk contains a signpost to the Dictionary definitions starting at section 195‑1.

3‑5 When terms are *not* identified

(1) Once a defined term has been identified by an asterisk, later occurrences of the term in the same subsection are *not* usually asterisked.

(2) Terms are *not* asterisked in the non‑operative material contained in this Act.

Note: The non‑operative material is described in Division 4.

(3) The following basic terms used throughout the Act are *not* identified with an asterisk.

| Common definitions that are not asterisked | |
| --- | --- |
| Item | This term: |
| 1 | acquisition |
| 2 | amount |
| 3 | Australia |
| 4 | Commissioner |
| 5 | entity |
| 6 | goods |
| 7 | GST |
| 8 | import |
| 8A | individual |
| 9 | input tax credit |
| 10 | tax period |
| 11 | thing |
| 12 | supply |
| 13 | you |

3‑10 Identifying the defined term in a definition

Within a definition, the defined term is identified by ***bold italics***.

Division 4—Status of Guides and other non‑operative material

4‑1 Non‑operative material

In addition to the operative provisions themselves, this Act contains other material to help you identify accurately and quickly the provisions that are relevant to you and to help you understand them.

This other material falls into 2 main categories.

4‑5 Explanatory sections

One category is the explanatory section in many Divisions. Under the section heading “What this Division is about”, a short explanation of the Division appears in boxed text.

Explanatory sections form part of this Act but are not operative provisions. In interpreting an operative provision, explanatory sections may only be considered for limited purposes. They are set out in section 182‑10.

4‑10 Other material

The other category consists of material such as notes and examples. These also form part of the Act. They are distinguished by type size from the operative provisions (except for formulas), but are not kept separate from them.

Chapter 2—The basic rules

Division 5—Introduction

5‑1 What this Chapter is about

This Chapter sets out the basic rules for the GST. In particular, these rules will tell you:

• where liability for GST arises;

• where entitlements to input tax credits arise;

• how the amounts of GST and input tax credits are combined to work out the amount payable by you or to you;

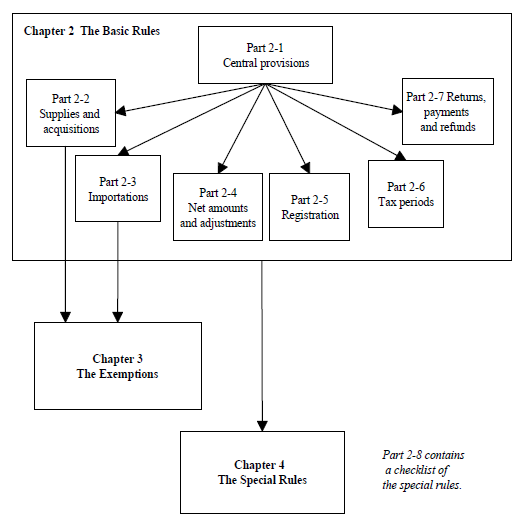
• when and how that amount is to be paid.

5‑5 The structure of this Chapter

The diagram on the next page shows how the basic rules in this Chapter relate to each other. It also shows their relationship with:

• the exemptions (Chapter 3)—these provisions exempt from the GST what would otherwise be taxable; and

• the special rules (Chapter 4)—these provisions modify the basic rules in particular situations, often in quite limited ways.



Part 2‑1—The central provisions

Division 7—The central provisions

7‑1 GST and input tax credits

(1) GST is payable on \*taxable supplies and \*taxable importations.

(2) Entitlements to input tax credits arise on \*creditable acquisitions and \*creditable importations.

For taxable supplies and creditable acquisitions, see Part 2‑2.

For taxable importations and creditable importations, see Part 2‑3.

7‑5 Net amounts

Amounts of GST and amounts of input tax credits are set off against each other to produce a \*net amount for a tax period (which may be altered to take account of \*adjustments).

For net amounts (including adjustments to net amounts), see Part 2‑4.

7‑10 Tax periods

Every entity that is \*registered, or \*required to be registered, has tax periods applying to it.

For registration, see Part 2‑5.

For tax periods, see Part 2‑6.

7‑15 Payments and refunds

The \*net amount for a tax period is the amount that the entity must pay to the Commonwealth, or the Commonwealth must refund to the entity, in respect of the period.

For payments and refunds (and GST returns), see Part 2‑7.

Note: Refunds may be set off against your other liabilities (if any) under laws administered by the Commissioner.

Part 2‑2—Supplies and acquisitions

Division 9—Taxable supplies

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9‑A What are taxable supplies?

9‑B Who is liable for GST on taxable supplies?

9‑C How much GST is payable on taxable supplies?

9‑1 What this Division is about

GST is payable on taxable supplies. This Division defines taxable supplies, states who is liable for the GST, and describes how to work out the GST on supplies.

Subdivision 9‑A—What are taxable supplies?

9‑5 Taxable supplies

You make a ***taxable supply*** if:

(a) you make the supply for \*consideration; and

(b) the supply is made in the course or furtherance of an \*enterprise that you \*carry on; and

(c) the supply is \*connected with Australia; and

(d) you are \*registered, or \*required to be registered.

However, the supply is not a \*taxable supply to the extent that it is \*GST‑free or \*input taxed.

9‑10 Meaning of *supply*

(1) A ***supply*** is any form of supply whatsoever.

(2) Without limiting subsection (1), ***supply*** includes any of these:

(a) a supply of goods;

(b) a supply of services;

(c) a provision of advice or information;

(d) a grant, assignment or surrender of \*real property;

(e) a creation, grant, transfer, assignment or surrender of any right;

(f) a \*financial supply;

(g) an entry into, or release from, an obligation:

(i) to do anything; or

(ii) to refrain from an act; or

(iii) to tolerate an act or situation;

(h) any combination of any 2 or more of the matters referred to in paragraphs (a) to (g).

(3) It does not matter whether it is lawful to do, to refrain from doing or to tolerate the act or situation constituting the supply.

(3A) For the avoidance of doubt, the delivery of:

(a) livestock for slaughtering or processing into \*food; or

(b) game for processing into \*food;

under an arrangement under which the entity making the delivery only relinquishes title after food has been produced, is the supply of the livestock or game (regardless of when the entity relinquishes title). The supply does not take place on or after the subsequent relinquishment of title.

(4) However, a supply does not include a supply of \*money unless the money is provided as \*consideration for a supply that is a supply of money.

9‑15 Consideration

(1) ***Consideration*** includes:

(a) any payment, or any act or forbearance, in connection with a supply of anything; and

(b) any payment, or any act or forbearance, in response to or for the inducement of a supply of anything.

(2) It does not matter whether the payment, act or forbearance was voluntary, or whether it was by the \*recipient of the supply.

(2A) It does not matter:

(a) whether the payment, act or forbearance was in compliance with an order of a court, or of a tribunal or other body that has the power to make orders; or

(b) whether the payment, act or forbearance was in compliance with a settlement relating to proceedings before a court, or before a tribunal or other body that has the power to make orders.

(2B) For the avoidance of doubt, the fact that the supplier is an entity of which the \*recipient of the supply is a member, or that the supplier is an entity that only makes supplies to its members, does not prevent the payment, act or forbearance from being consideration.

(3) However:

(a) if a right or option to acquire a thing is granted, then:

(i) the consideration for the supply of the thing on the exercise of the right or option is limited to any additional consideration provided either for the supply or in connection with the exercise of the right or option; or

(ii) if there is no such additional consideration—there is no consideration for the supply; and

(b) making a gift to a non‑profit body is not the provision of consideration; and

(c) a payment made by a \*government related entity to another government related entity is not the provision of consideration if the payment is specifically covered by an appropriation under an \*Australian law.

9‑20 Enterprises

(1) An ***enterprise*** is an activity, or series of activities, done:

(a) in the form of a \*business; or

(b) in the form of an adventure or concern in the nature of trade; or

(c) on a regular or continuous basis, in the form of a lease, licence or other grant of an interest in property; or

(d) by the trustee of a fund that is covered by, or by an authority or institution that is covered by, Subdivision 30‑B of the *Income Tax Assessment Act 1997* and to which deductible gifts can be made; or

(da) by a trustee of a \*complying superannuation fund or, if there is no trustee of the fund, by a person who manages the fund; or

(e) by a charitable institution or by a trustee of a charitable fund; or

(f) by a religious institution; or

(g) by the Commonwealth, a State or a Territory, or by a body corporate, or corporation sole, established for a public purpose by or under a law of the Commonwealth, a State or a Territory.

(2) However, ***enterprise*** does not include an activity, or series of activities, done:

(a) by a person as an employee or in connection with earning \*withholding payments covered by subsection (4) (unless the activity or series is done in supplying services as the holder of an office that the person has accepted in the course of or in connection with an activity or series of activities of a kind mentioned in subsection (1)); or

Note: Acts done as mentioned in paragraph (a) will still form part of the activities of the enterprise to which the person provides work or services.

(b) as a private recreational pursuit or hobby; or

(c) by an individual (other than a trustee of a charitable fund), or a \*partnership (all or most of the members of which are individuals), without a reasonable expectation of profit or gain; or

(d) as a member of a local governing body established by or under a \*State law or \*Territory law (except a local governing body to which subsection 12‑45(3) in Schedule 1 to the *Taxation Administration Act 1953* applies).

(3) For the avoidance of doubt, the fact that activities of an entity are limited to making supplies to members of the entity does not prevent those activities:

(a) being in the form of a \*business within the meaning of paragraph (1)(a); or

(b) being in the form of an adventure or concern in the nature of trade within the meaning of paragraph (1)(b).

(4) This subsection covers a \*withholding payment covered by any of the provisions in Schedule 1 to the *Taxation Administration Act 1953* listed in the table.

| Withholding payments covered | | |
| --- | --- | --- |
| Item | Provision | Subject matter |
| 1 | Section 12‑35 | Payment to employee |
| 2 | Section 12‑40 | Payment to company director |
| 3 | Section 12‑45 | Payment to office holder |
| 4 | Section 12‑60 | Payment under labour hire arrangement, or specified by regulations |

9‑25 Supplies connected with Australia

Supplies of goods wholly within Australia

(1) A supply of goods is ***connected with Australia*** if the goods are delivered, or made available, in Australia to the \*recipient of the supply.

Supplies of goods from Australia

(2) A supply of goods that involves the goods being removed from Australia is ***connected with Australia***.

Supplies of goods to Australia

(3) A supply of goods that involves the goods being brought to Australia is ***connected with Australia*** if the supplier either:

(a) imports the goods into Australia; or

(b) installs or assembles the goods in Australia.

Supplies of real property

(4) A supply of \*real property is ***connected with Australia*** if the real property, or the land to which the real property relates, is in Australia.

Supplies of anything else

(5) A supply of anything other than goods or \*real property is ***connected with Australia*** if either:

(a) the thing is done in Australia; or

(b) the supplier makes the supply through an \*enterprise that the supplier \*carries on in Australia.

When enterprises are carried on in Australia

(6) An \*enterprise is ***carried on in Australia*** if the enterprise is carried on through:

(a) a permanent establishment (as defined in subsection 6(1) of the *Income Tax Assessment Act 1936*); or

(b) a place that would be such a permanent establishment if paragraph (e), (f) or (g) of that definition did not apply.

9‑30 Supplies that are GST‑free or input taxed

GST‑free

(1) A supply is ***GST‑free*** if:

(a) it is GST‑free under Division 38 or under a provision of another Act; or

(b) it is a supply of a right to receive a supply that would be GST‑free under paragraph (a).

Input taxed

(2) A supply is ***input taxed*** if:

(a) it is input taxed under Division 40 or under a provision of another Act; or

(b) it is a supply of a right to receive a supply that would be input taxed under paragraph (a).

Note: If a supply is input taxed, there is no entitlement to an input tax credit for the things that are acquired or imported to make the supply (see sections 11‑15 and 15‑10).

Supplies that would be both GST‑free and input taxed

(3) To the extent that a supply would, apart from this subsection, be both \*GST‑free and \*input taxed:

(a) the supply is GST‑free and not input taxed, unless the provision under which it is input taxed requires the supplier to have chosen for its supplies of that kind to be input taxed; or

(b) the supply is input taxed and not GST‑free, if that provision requires the supplier to have so chosen.

Note: Subdivisions 40‑E (School tuckshops and canteens) and 40‑F (Fund‑raising events conducted by charitable institutions etc.) require such a choice.)

Supply of things used solely in connection with making supplies that are input taxed but not financial supplies

(4) A supply is taken to be a supply that is \*input taxed if it is a supply of anything (other than \*new residential premises) that you have used *solely* in connection with your supplies that are input taxed but are not \*financial supplies.

9‑39 Special rules relating to taxable supplies

Chapter 4 contains special rules relating to taxable supplies, as follows:

| Checklist of special rules | | |
| --- | --- | --- |
| Item | For this case ... | See: |
| 1A | Agents and insurance brokers | Division 153 |
| 1 | Associates | Division 72 |
| 2 | Cancelled lay‑by sales | Division 102 |
| 3 | Company amalgamations | Division 90 |
| 3A | Compulsory third party schemes | Division 79 |
| 4 | Deposits as security | Division 99 |
| 5 | Gambling | Division 126 |
| 5A | GST religious groups | Division 49 |
| 5B | Income tax‑related transactions | Division 110 |
| 6 | Insurance | Division 78 |
| 7 | Offshore supplies other than goods or real property | Division 84 |
| 8 | Payments of taxes, fees and charges | Division 81 |
| 8A | Second‑hand goods | Division 66 |
| 8B | Settlement sharing arrangements | Division 80 |
| 9 | Supplies and acquisitions made on a progressive or periodic basis | Division 156 |
| 9A | Supplies in return for rights to develop land | Division 82 |
| 10 | Supplies in satisfaction of debts | Division 105 |
| 11 | Supplies partly connected with Australia | Division 96 |
| 12 | Supply under arrangement covered by PAYG voluntary agreement | Division 113 |
| 13 | Telecommunication supplies | Division 85 |
| 14 | Vouchers | Division 100 |

Subdivision 9‑B—Who is liable for GST on taxable supplies?

9‑40 Liability for GST on taxable supplies

You must pay the GST payable on any \*taxable supply that you make.

9‑69 Special rules relating to liability for GST on taxable supplies

Chapter 4 contains special rules relating to liability for GST on taxable supplies, as follows:

| Checklist of special rules | |  |
| --- | --- | --- |
| Item | For this case ... | See: |
| 1 | Company amalgamations | Division 90 |
| 2 | GST groups | Division 48 |
| 3 | GST joint ventures | Division 51 |
| 4 | Offshore supplies other than goods or real property | Division 84 |
| 4A | Non‑residents making supplies connected with Australia | Division 83 |
| 4B | Representatives of incapacitated entities | Division 58 |
| 5 | Resident agents acting for non‑residents | Division 57 |

Subdivision 9‑C—How much GST is payable on taxable supplies?

9‑70 The amount of GST on taxable supplies

The amount of GST on a \*taxable supply is 10% of the \*value of the taxable supply.

9‑75 The value of taxable supplies

(1) The ***value*** of a \*taxable supply is as follows:

Start formula Price times start fraction 10 over 11 end fraction end formula

where:

***price*** is the sum of:

(a) so far as the \*consideration for the supply is consideration expressed as an amount of \*money—the amount (without any discount for the amount of GST (if any) payable on the supply); and

(b) so far as the consideration is not consideration expressed as an amount of money—the \*GST inclusive market value of that consideration.

Example: You make a taxable supply by selling a car for $22,000 in the course of carrying on an enterprise.

The value of the supply is:

Start formula $22,000 times start fraction 10 over 11 end fraction equals $20,000 end formula

The GST on the supply is therefore $2,000 (i.e. 10% of $20,000).

(2) However, if the taxable supply is of a \*luxury car, the ***value*** of the taxable supply is as follows:

Start formula Luxury car tax value times start fraction 10 over 11 end fraction end formula

where:

***luxury car tax value*** has the meaning given by section 5‑20 of the *A New Tax System (Luxury Car Tax) Act 1999*.

(3) In working out under subsection (1) the value of a \*taxable supply made in a \*tax period, being a supply that is a \*fringe benefit, the price is taken to be the sum of:

(a) to the extent that, apart from this subsection, paragraph (a) of the definition of ***price*** in subsection (1) would be applicable:

(i) if the fringe benefit is a car fringe benefit—so much of the amount that would be worked out under that paragraph as represented the \*recipient’s payment made in that period; or

(ii) if the fringe benefit is a benefit other than a car fringe benefit—so much of the amount that would be worked out under that paragraph as represented the \*recipients contribution made in that period; and

(b) to the extent that, apart from this subsection, paragraph (b) of the definition of ***price*** in subsection (1) would be applicable:

(i) if the fringe benefit is a car fringe benefit—so much of the amount that would be worked out under that paragraph as represented the recipient’s payment made in that period; or

(ii) if the fringe benefit is a benefit other than a car fringe benefit—so much of the amount that would be worked out under that paragraph as represented the recipients contribution made in that period.

9‑80 The value of taxable supplies that are partly GST‑free or input taxed

(1) If a supply (the ***actual supply***) is:

(a) partly a \*taxable supply; and

(b) partly a supply that is \*GST‑free or \*input taxed;

the ***value*** of the part of the actual supply that is a taxable supply is the proportion of the value of the actual supply that the taxable supply represents.

(2) The value of the actual supply, for the purposes of subsection (1), is as follows:

Start formula start fraction *Price of the actual supply times 10 over 10 plus Taxable proportion end fraction end formula

where:

***taxable proportion*** is the proportion of the value of the actual supply that represents the value of the \*taxable supply (expressed as a number between 0 and 1).

9‑85 Value of taxable supplies to be expressed in Australian currency

(1) For the purposes of this Act, the \*value of a \*taxable supply is to be expressed in Australian currency.

(2) In working out the \*value of a \*taxable supply, any amount of the \*consideration for the supply that is expressed in a currency other than Australian currency is to be treated as if it were an amount of Australian currency worked out in the manner determined by the Commissioner.

9‑90 Rounding of amounts of GST

One taxable supply recorded on an invoice

(1) If the amount of GST on a \*taxable supply that is the only taxable supply recorded on a particular \*invoice would, apart from this section, be an amount that includes a fraction of a cent, the amount of GST is rounded to the nearest cent (rounding 0.5 cents upwards).

Several taxable supplies recorded on an invoice

(2) If 2 or more \*taxable supplies are recorded on the same \*invoice, the total amount of GST on the supplies is:

(a) what would be the amount of GST if it were worked out by:

(i) working out the GST on each of the supplies (without rounding the amounts to the nearest cent); and

(ii) adding the amounts together and, if the total is an amount that includes a fraction of a cent, rounding it to the nearest cent (rounding 0.5 cents upwards); or

(b) the amount worked out using the following method statement:

Method statement

*Step 1.* Work out, for each \*taxable supply, what would, apart from this section, be the amount of GST on the supply.

*Step 2.* If the amount for the supply has more decimal places than the number of decimal places allowed by the accounting system used to work out the amount, round the amount (up or down as appropriate) to that number of decimal places.

Note: Subsection (4) gives further details of this rounding.

*Step 3.* Work out the sum of the amounts worked out under step 1 and (if applicable) step 2 for each supply.

*Step 4.* If the sum under step 3 includes a fraction of a cent, round the sum to the nearest cent (rounding 0.5 cents upwards).

(3) Whether to use paragraph (2)(a) or paragraph (2)(b) to work out the total amount of GST on the supplies is a matter of choice for:

(a) the supplier if the amount is being worked out to ascertain the supplier’s liability for GST; or

(b) the \*recipient of the supplies if the amount is being worked out to ascertain the recipient’s entitlement to input tax credits.

(4) In applying step 2 of the method statement in subsection (2), if:

(a) the number of decimal places in the amount for the supply exceeds by one decimal place the number of decimal places allowed by the accounting system used to work out the amount; and

(b) the last digit of the amount (before rounding) is 5;

the amount is rounded upwards to that number of decimal places.

Taxable supplies divided into items

(5) If one or more \*taxable supplies recorded on the same \*invoice are divided into 2 or more items:

(a) subsection (1) does not apply; and

(b) subsection (2) applies as if each such item represented a separate taxable supply.

Taxable supplies recorded on documents other than invoices

(6) If one or more \*taxable supplies, none of which are recorded on an \*invoice, are recorded on a document that is not an invoice, this section applies as if the document were an invoice.

9‑99 Special rules relating to the amount of GST on taxable supplies

Chapter 4 contains special rules relating to the amount of GST on taxable supplies, as follows:

| Checklist of special rules | | |
| --- | --- | --- |
| Item | For this case ... | See: |
| 1A | Agents and insurance brokers | Division 153 |
| 1 | Associates | Division 72 |
| 2 | Company amalgamations | Division 90 |
| 2A | Compulsory third party schemes | Division 79 |
| 3 | Gambling | Division 126 |
| 4 | Long‑term accommodation in commercial residential premises | Division 87 |
| 4AA | Non‑residents making supplies connected with Australia | Division 83 |
| 4A | Offshore supplies other than goods or real property | Division 84 |
| 5 | Sale of freehold interests etc. | Division 75 |
| 7 | Supplies partly connected with Australia | Division 96 |
| 8 | Transactions relating to insurance policies | Division 78 |
| 9 | Valuation of taxable supplies of goods in bond | Division 108 |

Division 11—Creditable acquisitions

11‑1 What this Division is about

You are entitled to input tax credits for your creditable acquisitions. This Division defines creditable acquisitions, states who is entitled to the input tax credits and describes how to work out the input tax credits on acquisitions.

11‑5 What is a creditable acquisition?

You make a ***creditable acquisition*** if:

(a) you acquire anything solely or partly for a \*creditable purpose; and

(b) the supply of the thing to you is a \*taxable supply; and

(c) you provide, or are liable to provide, \*consideration for the supply; and

(d) you are \*registered, or \*required to be registered.

11‑10 Meaning of *acquisition*

(1) An ***acquisition*** is any form of acquisition whatsoever.

(2) Without limiting subsection (1), ***acquisition*** includes any of these:

(a) an acquisition of goods;

(b) an acquisition of services;

(c) a receipt of advice or information;

(d) an acceptance of a grant, assignment or surrender of \*real property;

(e) an acceptance of a grant, transfer, assignment or surrender of any right;

(f) an acquisition of something the supply of which is a \*financial supply;

(g) an acquisition of a right to require another person:

(i) to do anything; or

(ii) to refrain from an act; or

(iii) to tolerate an act or situation;

(h) any combination of any 2 or more of the matters referred to in paragraphs (a) to (g).

(3) However, an acquisition does not include an acquisition of \*money unless the money is provided as \*consideration for a supply that is a supply of money.

11‑15 Meaning of *creditable purpose*

(1) You acquire a thing for a ***creditable purpose*** to the extent that you acquire it in \*carrying on your \*enterprise.

(2) However, you do not acquire the thing for a creditable purpose to the extent that:

(a) the acquisition relates to making supplies that would be \*input taxed; or

(b) the acquisition is of a private or domestic nature.

(3) An acquisition is not treated, for the purposes of paragraph (2)(a), as relating to making supplies that would be \*input taxed to the extent that the supply is made through an \*enterprise, or a part of an enterprise, that you \*carry on outside Australia.

(4) An acquisition is not treated, for the purposes of paragraph (2)(a), as relating to making supplies that would be \*input taxed if:

(a) the only reason it would (apart from this subsection) be so treated is because it relates to making \*financial supplies; and

(b) you do not \*exceed the financial acquisitions threshold.

(5) An acquisition is not treated, for the purposes of paragraph (2)(a), as relating to making supplies that would be \*input taxed to the extent that:

(a) the acquisition relates to making a \*financial supply consisting of a borrowing; and

(b) the borrowing relates to you making supplies that are not input taxed.

11‑20 Who is entitled to input tax credits for creditable acquisitions?

You are entitled to the input tax credit for any \*creditable acquisition that you make.

11‑25 How much are the input tax credits for creditable acquisitions?

The amount of the input tax credit for a \*creditable acquisition is an amount equal to the GST payable on the supply of the thing acquired. However, the amount of the input tax credit is reduced if the acquisition is only \*partly creditable.

11‑30 Acquisitions that are partly creditable

(1) An acquisition that you make is ***partly creditable*** if it is a \*creditable acquisition to which one or both of the following apply:

(a) you make the acquisition only partly for a \*creditable purpose;

(b) you provide, or are liable to provide, only part of the \*consideration for the acquisition.

(3) The amount of the input tax credit on an acquisition that you make that is \*partly creditable is as follows:

Start formula Full input tax credit times Extent of creditable purpose times Extent of consideration end formula

where:

***extent of consideration*** is the extent to which you provide, or are liable to provide, the \*consideration for the acquisition, expressed as a percentage of the total consideration for the acquisition.

***extent of creditable purpose*** is the extent to which the \*creditable acquisition is for a \*creditable purpose, expressed as a percentage of the total purpose of the acquisition.

***full input tax credit*** is what would have been the amount of the input tax credit for the acquisition if it had been made solely for a creditable purpose and you had provided, or had been liable to provide, all of the consideration for the acquisition.

(4) For the purpose of working out the extent of the \*consideration, so far as the consideration is not expressed as an amount of \*money, take into account the \*GST inclusive market value of the consideration.

(5) The Commissioner may determine, in writing, one or more ways in which to work out, for the purpose of subsection (3), the extent to which a \*creditable acquisition is for a \*creditable purpose.

11‑99 Special rules relating to acquisitions

Chapter 4 contains special rules relating to acquisitions, as follows:

| Checklist of special rules | | |
| --- | --- | --- |
| Item | For this case ... | See: |
| 1A | Agents and insurance brokers | Division 153 |
| 1 | Associates | Division 72 |
| 2 | Company amalgamations | Division 90 |
| 2A | Compulsory third party schemes | Division 79 |
| 3 | Financial supplies (reduced credit acquisitions) | Division 70 |
| 3A | Fringe benefits provided by input taxed suppliers | Division 71 |
| 4 | Gambling | Division 126 |
| 5 | GST groups | Division 48 |
| 6 | GST joint ventures | Division 51 |
| 6A | GST religious groups | Division 49 |
| 7 | Insurance | Division 78 |
| 8 | Non‑deductible expenses | Division 69 |
| 8A | Offshore supplies other than goods or real property | Division 84 |
| 9 | Pre‑establishment costs | Division 60 |
| 10 | Reimbursement of employees etc. | Division 111 |
| 10A | Representatives of incapacitated entities | Division 58 |
| 11 | Resident agents acting for non‑residents | Division 57 |
| 13 | Sale of freehold interests etc. | Division 75 |
| 14 | Second‑hand goods | Division 66 |
| 15 | Settlement sharing arrangements | Division 80 |

Part 2‑3—Importations

Division 13—Taxable importations

13‑1 What this Division is about

GST is payable on taxable importations. This Division defines taxable importations, states who is liable for the GST and describes how to work out the GST on importations.

Note 1: This Division applies whether or not you are registered.

Note 2: Things other than goods that are supplied overseas for use in Australia (and are therefore in that sense “imported”) are not taxable importations, but they can attract GST under Division 84.

13‑5 What are taxable importations?

(1) You make a ***taxable importation*** if:

(a) goods are imported; and

(b) you enter the goods for home consumption (within the meaning of the *Customs Act 1901*).

However, the importation is not a taxable importation to the extent that it is a \*non‑taxable importation.

Note: There is no registration requirement for taxable importations, and the importer need not be carrying on an enterprise.

(3) However, an importation of \*money is not an importation of goods into Australia.

13‑10 Meaning of *non‑taxable importation*

An importation is a ***non‑taxable******importation*** if:

(a) it is a non‑taxable importation under Part 3‑2; or

(b) it would have been a supply that was \*GST‑free or \*input taxed if it had been a supply.

13‑15 Who is liable for GST on taxable importations?

You must pay the GST payable on any \*taxable importation that you make.

13‑20 How much GST is payable on taxable importations?

(1) The amount of GST on the \*taxable importation is 10% of the \*value of the taxable importation.

(2) The ***value*** of a \*taxable importation is the sum of:

(a) the \*customs value of the goods imported; and

(b) the amount paid or payable:

(i) for the \*international transport of the goods to their \*place of consignment in Australia; and

(ii) to insure the goods for that transport;

to the extent that the amount is not already included under paragraph (a); and

(c) any \*customs duty payable in respect of the importation of the goods; and

(d) any \*wine tax payable in respect of the \*local entry of the goods.

(2A) If an amount to be taken into account under paragraph (2)(b) is not an amount in Australian currency, the amount so taken into account is the equivalent in Australian currency of that amount, ascertained in the way provided in section 161J of the *Customs Act 1901*.

(3) The Commissioner may, in writing:

(a) determine the way in which the amount paid or payable for a specified kind of transport or insurance is to be worked out for the purposes of paragraph (2)(b); and

(b) in relation to importations of a specified kind or importations to which specified circumstances apply, determine that the amount paid or payable for a specified kind of transport or insurance is taken, for the purposes of that paragraph, to be zero.

13‑25 The value of taxable importations that are partly non‑taxable importations

If an importation (the ***actual importation***) is:

(a) partly a \*taxable importation; and

(b) partly a \*non‑taxable importation;

the ***value*** of the part of the actual importation that is a taxable importation is the proportion of the value of the actual importation (worked out as if it were solely a taxable importation) that the taxable importation represents.

13‑99 Special rules relating to taxable importations

Chapter 4 contains special rules relating to taxable importations, as follows:

| Checklist of special rules | | |
| --- | --- | --- |
| Item | For this case ... | See: |
| 1 | GST groups | Division 48 |
| 2 | GST joint ventures | Division 51 |
| 3 | Importations without entry for home consumption | Division 114 |
| 4 | Representatives of incapacitated entities | Division 58 |
| 5 | Resident agents acting for non‑residents | Division 57 |
| 6 | Valuation of re‑imported goods | Division 117 |

Division 15—Creditable importations

15‑1 What this Division is about

You are entitled to input tax credits for your creditable importations. This Division defines creditable importations, states who is entitled to the input tax credits and describes how to work out the input tax credits on importations.

15‑5 What are creditable importations?

You make a ***creditable importation*** if:

(a) you import goods solely or partly for a \*creditable purpose; and

(b) the importation is a \*taxable importation; and

(c) you are \*registered, or \*required to be registered.

15‑10 Meaning of *creditable purpose*

(1) You import goods for a ***creditable purpose*** to the extent that you import the goods in \*carrying on your \*enterprise.

(2) However, you do not import the goods for a creditable purpose to the extent that:

(a) the importation relates to making supplies that would be \*input taxed; or

(b) the importation is of a private or domestic nature.

(3) An importation is not treated, for the purposes of paragraph (2)(a), as relating to making supplies that would be \*input taxed to the extent that the supply is made through an \*enterprise, or a part of an enterprise, that you \*carry on outside Australia.

(4) An importation is not treated, for the purposes of paragraph (2)(a), as relating to making supplies that would be \*input taxed if:

(a) the only reason it would (apart from this subsection) be so treated is because it relates to making \*financial supplies; and

(b) you do not \*exceed the financial acquisitions threshold.

(5) An importation is not treated, for the purposes of paragraph (2)(a), as relating to making supplies that would be \*input taxed to the extent that:

(a) the importation relates to making a \*financial supply consisting of a borrowing; and

(b) the borrowing relates to you making supplies that are not input taxed.

15‑15 Who is entitled to input tax credits for creditable importations?

You are entitled to the input tax credit for any \*creditable importation that you make.

15‑20 How much are the input tax credits for creditable importations?

The amount of input tax credit for a \*creditable importation is an amount equal to the GST payable on the importation. However, the amount of the input tax credit is reduced if the importation is only \*partly creditable.

15‑25 Importations that are partly creditable

(1) An importation that you make is ***partly creditable*** if it is a \*creditable importation that you make only partly for a \*creditable purpose.

(3) The amount of the input tax credit on an importation that you make that is \*partly creditable is as follows:

Start formula Full input tax credit times Extent of creditable purpose end formula

where:

***extent of creditable purpose*** is the extent to which the importation is for a \*creditable purpose, expressed as a percentage of the total purpose of the importation.

***full input tax credit*** is what would have been the amount of the input tax credit for the importation if it had been made solely for a creditable purpose.

(4) The Commissioner may determine, in writing, one or more ways in which to work out, for the purpose of subsection (3), the extent to which an importation is for a \*creditable purpose.

15‑99 Special rules relating to creditable importations

Chapter 4 contains special rules relating to creditable importations, as follows:

| Checklist of special rules | | |
| --- | --- | --- |
| Item | For this case ... | See: |
| 1A | Fringe benefits provided by input taxed suppliers | Division 71 |
| 1 | GST groups | Division 48 |
| 2 | GST joint ventures | Division 51 |
| 2AA | Importations without entry for home consumption | Division 114 |
| 2A | Non‑deductible expenses | Division 69 |
| 3 | Pre‑establishment costs | Division 60 |
| 3A | Representatives of incapacitated entities | Division 58 |
| 4 | Resident agents acting for non‑residents | Division 57 |

Part 2‑4—Net amounts and adjustments

Division 17—Net amounts and adjustments

17‑1 What this Division is about

A net amount is worked out for each tax period that applies to you. This is the amount payable by you to the Commonwealth, or payable to you by the Commonwealth, for the tax period.

Adjustments can be made to the net amount. Increasing adjustments increase your net amount, and decreasing adjustments decrease your net amount.

Note 1: GST on taxable importations is not included in the net amount. It is dealt with separately under section 33‑15.

Note 2: Net amounts payable to the Commonwealth are to be paid to the Commissioner on the Commonwealth’s behalf (see Division 33).

17‑5 Net amounts

(1) The ***net amount*** for a tax period applying to you is worked out using the following formula:

Start formula GST minus Input tax credits end formula

where:

***GST*** is the sum of all of the GST for which you are liable on the \*taxable supplies that are attributable to the tax period.

***input tax credits*** is the sum of all of the input tax credits to which you are entitled for the \*creditable acquisitions and \*creditable importations that are attributable to the tax period.

For the basic rules on what is attributable to a particular period, see Division 29.

(2) However, the \*net amount for the tax period may be increased or decreased if you have any \*adjustments for the tax period.

17‑10 Adjustments

If you have any \*adjustments that are attributable to a tax period applying to you, alter your \*net amount for the period as follows:

(a) add to the amount worked out under subsection 17‑5(1) for the period the sum of all the \*increasing adjustments (if any) that are attributable to the period;

(b) subtract from that amount the sum of all the \*decreasing adjustments (if any) that are attributable to the period.

For the basic rules on what adjustments are attributable to a particular period, see Division 29.

17‑15 Working out net amounts using approved forms

(1) You may choose to work out your \*net amount for a tax period in the way specified in an \*approved form if you use the form to notify the Commissioner of that net amount. The amount so worked out is treated as your net amount for the tax period.

Note: Choosing to use section 17‑5 to work out your net amount does not mean your GST return is not in the approved form: see subsection 31‑15(3).

(2) This section has effect despite section 17‑5.

17‑20 Determinations relating to how to work out net amounts

(1) The Commissioner may make a determination that, in the circumstances specified in the determination, a \*net amount for a tax period may be worked out to take account of other matters in the way specified in the determination.

(2) The matters must relate to correction of errors made in working out \*net amounts for the immediately preceding tax period.

(3) If those circumstances apply in relation to a tax period applying to you, you may work out your \*net amount for the tax period in that way.

17‑99 Special rules relating to net amounts or adjustments

Chapter 4 contains special rules relating to net amounts or adjustments, as follows:

| Checklist of special rules | | |
| --- | --- | --- |
| Item | For this case ... | See: |
| 1 | Anti‑avoidance | Division 165 |
| 2 | Cessation of registration | Division 138 |
| 3 | Changes in the extent of creditable purpose | Division 129 |
| 4 | Company amalgamations | Division 90 |
| 4AA | Compulsory third party schemes | Division 79 |
| 4A | Distributions from deceased estates | Division 139 |
| 5 | Gambling | Division 126 |
| 5A | Goods applied solely to private or domestic use | Division 130 |
| 6 | GST branches | Division 54 |
| 7 | GST groups | Division 48 |
| 8 | GST joint ventures | Division 51 |
| 8A | GST religious groups | Division 49 |
| 9 | Insurance | Division 78 |
| 9AA | Non‑deductible expenses | Division 69 |
| 9A | Non‑profit sub‑entities | Division 63 |
| 9B | Payment of GST by instalments | Division 162 |
| 10 | Representatives of incapacitated entities | Divisions 58 and 147 |
| 11 | Resident agents acting for non‑residents | Division 57 |
| 12 | Second‑hand goods | Division 66 |
| 12AA | Settlement sharing arrangements | Division 80 |
| 12A | Simplified accounting methods for retailers | Division 123 |
| 12B | Stock on hand on becoming registered etc. | Division 137 |
| 13 | Supplies in satisfaction of debts | Division 105 |
| 14 | Supplies of going concerns | Division 135 |
| 15 | Supplies of things acquired etc. without full input tax credits | Division 132 |
| 16 | Tradex scheme goods | Division 141 |
| 17 | Vouchers | Division 100 |

Division 19—Adjustment events

Table of Subdivisions

19‑A Adjustment events

19‑B Adjustments for supplies

19‑C Adjustments for acquisitions

19‑1 What this Division is about

Adjustments can arise because of adjustment events. They are events such as a cancellation of a supply or acquisition, or a change in the consideration for a supply or acquisition (for example, because of a volume discount).

Note: Importations do not give rise to adjustment events.

19‑5 Explanation of the effect of adjustment events

The following diagram shows how an \*adjustment event for a supply or acquisition can give rise to an \*increasing adjustment or a \*decreasing adjustment.

A flowchart showing how an adjustment event for a supply or acquisition can give rise to an increasing adjustment or a decreasing adjustment

Note: This section is an explanatory section.

Subdivision 19‑A—Adjustment events

19‑10 Adjustment events

(1) An ***adjustment event*** is any event which has the effect of:

(a) cancelling a supply or acquisition; or

(b) changing the \*consideration for a supply or acquisition; or

(c) causing a supply or acquisition to become, or stop being, a \*taxable supply or \*creditable acquisition.

Example: If goods that are supplied for export are not exported within the time provided in section 38‑185, the supply is likely to become a taxable supply after originally being a supply that was GST‑free.

(2) Without limiting subsection (1), these are \*adjustment events:

(a) the return to a supplier of a thing, or part of a thing, supplied (whether or not the return involves a change of ownership of the thing);

(b) a change to the previously agreed \*consideration for a supply or acquisition, whether due to the offer of a discount or otherwise;

(c) a change in the extent to which an entity that makes an acquisition provides, or is liable to provide, consideration for the acquisition (unless the entity \*accounts on a cash basis).

(3) An \*adjustment event:

(a) can arise in relation to a supply even if it is not a \*taxable supply; and

(b) can arise in relation to an acquisition even if it is not a \*creditable acquisition.

(4) However, the return of a thing supplied, or part of a thing supplied, to its supplier is not an \*adjustment event if the return is for the purpose of repair or maintenance.

Subdivision 19‑B—Adjustments for supplies

19‑40 Where adjustments for supplies arise

You have an ***adjustment*** for a supply for which you are liable to pay GST (or would be liable to pay GST if it were a \*taxable supply) if:

(a) in relation to the supply, one or more \*adjustment events occur during a tax period; and

(b) GST on the supply was attributable to an earlier tax period (or, if the supply was not a taxable supply, would have been attributable to an earlier tax period had the supply been a taxable supply); and

(c) as a result of those adjustment events, the \*previously attributed GST amount for the supply (if any) no longer correctly reflects the amount of GST (if any) on the supply (the ***corrected GST amount***), taking into account any change of circumstances that has given rise to an adjustment for the supply under this Subdivision or Division 21.

19‑45 Previously attributed GST amounts

The ***previously attributed GST amount*** for a supply is:

(a) the amount of any GST that was attributable to a tax period in respect of the supply; plus

(b) the sum of any \*increasing adjustments, under this Subdivision or Division 21, that were previously attributable to a tax period in respect of the supply; minus

(c) the sum of any \*decreasing adjustments, under this Subdivision or Division 21, that were previously attributable to a tax period in respect of the supply.

19‑50 Increasing adjustments for supplies

If the \*corrected GSTamount is *greater* than the \*previously attributed GST amount, you have an ***increasing adjustment*** equal to the difference between the corrected GST amount and the previously attributed GST amount.

19‑55 Decreasing adjustments for supplies

If the \*corrected GST amount is *less* than the \*previously attributed GST amount, you have a ***decreasing adjustment*** equal to the difference between the previously attributed GST amount and the corrected GST amount.

Subdivision 19‑C—Adjustments for acquisitions

19‑70 Where adjustments for acquisitions arise

You have an ***adjustment*** for an acquisition for which you are entitled to an input tax credit (or would be entitled to an input tax credit if the acquisition were a \*creditable acquisition) if:

(a) in relation to the acquisition, one or more \*adjustment events occur during a tax period; and

(b) an input tax credit on the acquisition was attributable to an earlier tax period (or, if the acquisition was not a creditable acquisition, would have been attributable to an earlier tax period had the acquisition been a creditable acquisition); and

(c) as a result of those adjustment events, the \*previously attributed input tax credit amount for the acquisition (if any) no longer correctly reflects the amount of the input tax credit (if any) on the acquisition (the ***corrected input tax credit amount***), taking into account any change of circumstances that has given rise to an adjustment for the acquisition under this Subdivision or Division 21 or 129.

19‑75 Previously attributed input tax credit amounts

The ***previously attributed input tax credit amount*** for an acquisition is:

(a) the amount of any input tax credit that was attributable to a tax period in respect of the acquisition; minus

(b) the sum of any \*increasing adjustments, under this Subdivision or Division 21 or 129, that were previously attributable to a tax period in respect of the acquisition; plus

(c) the sum of any \*decreasing adjustments, under this Subdivision or Division 21 or 129, that were previously attributable to a tax period in respect of the acquisition.

19‑80 Increasing adjustments for acquisitions

If the \*previously attributed input tax credit amount is *greater* than the \*corrected input tax credit amount, you have an ***increasing adjustment*** equal to the difference between the previously attributed input tax credit amount and the corrected input tax credit amount.

19‑85 Decreasing adjustments for acquisitions

If the \*previously attributed input tax credit amount is *less* than the \*corrected input tax credit amount, you have a ***decreasing adjustment*** equal to the difference between the corrected input tax credit amount and the previously attributed input tax credit amount.

19‑99 Special rules relating to adjustment events

Chapter 4 contains special rules relating to \*adjustment events in particular cases, as follows:

| Checklist of special rules | | | |
| --- | --- | --- | --- |
| Item | For this case ... | | See: |
| 1AA | | Compulsory third party schemes | Division 79 |
| 1A | | GST religious groups | Division 49 |
| 1 | | Insurance | Division 78 |
| 2 | | Non‑deductible expenses | Division 69 |
| 3 | | Settlement sharing arrangements | Division 80 |

Division 21—Bad debts

21‑1 What this Division is about

If debts are written off as bad or are outstanding after 12 months, adjustments (for the purpose of working out net amounts) are made. They can arise both for amounts written off or outstanding and for recovery of amounts previously written off or outstanding.

Note: This Division does not apply to supplies and acquisitions that you account for on a cash basis (except in the limited circumstances referred to in Division 159).

21‑5 Writing off bad debts (taxable supplies)

(1) You have a ***decreasing adjustment*** if:

(a) you made a \*taxable supply; and

(b) the whole or part of the \*consideration for the supply has not been received; and

(c) you write off as bad the whole or a part of the debt, or the whole or a part of the debt has been \*overdue for 12 months or more.

The amount of the decreasing adjustment is 1/11 of the amount written off, or 1/11 of the amount that has been overdue for 12 months or more, as the case requires.

(2) However, you cannot have an \*adjustment under this section if you \*account on a cash basis.

21‑10 Recovering amounts previously written off (taxable supplies)

You have an ***increasing adjustment*** if:

(a) you made a \*taxable supply in relation to which you had a \*decreasing adjustment under section 21‑5 for a debt; and

(b) you recover the whole or a part of the amount written off, or the whole or a part of the amount that has been \*overdue for 12 months or more, as the case requires.

The amount of the increasing adjustment is 1/11 of the amount recovered.

21‑15 Bad debts written off (creditable acquisitions)

(1) You have an ***increasing adjustment*** if:

(a) you made a \*creditable acquisition for \*consideration; and

(b) the whole or part of the consideration is \*overdue, but you have not provided the consideration overdue; and

(c) the supplier of the thing you acquired writes off as bad the whole or a part of the debt, or the whole or a part of the debt has been overdue for 12 months or more.

The amount of the increasing adjustment is 1/11 of the amount written off, or 1/11 of the amount that has been overdue for 12 months or more, as the case requires.

(2) However, you cannot have an \*adjustment under this section if you \*account on a cash basis.

21‑20 Recovering amounts previously written off (creditable acquisitions)

You have a ***decreasing adjustment*** if:

(a) you made a \*creditable acquisition in relation to which you had an \*increasing adjustment under section 21‑15 for a debt; and

(b) you pay to the supplier of the thing you acquired the whole or a part of the amount written off, or the whole or a part of the amount that has been \*overdue for 12 months or more, as the case requires.

The amount of the decreasing adjustment is 1/11 of the amount recovered.

21‑99 Special rules relating to adjustments for bad debts

Chapter 4 contains special rules relating to adjustments for bad debts, as follows:

| Checklist of special rules | | | |
| --- | --- | --- | --- |
| Item | For this case ... | See: |
| 1A | Bad debts relating to transactions that are not taxable or creditable to the fullest extent | Division 136 |
| 1 | Changing your accounting basis | Division 159 |
| 2 | Gambling | Division 126 |
| 2A | Representatives of incapacitated entities | Division 58 |
| 3 | Sale of freehold interests etc. | Division 75 |

Part 2‑5—Registration

Division 23—Who is required to be registered and who may be registered

23‑1 Explanation of Division

This diagram shows when you are required to be, and when you may, be registered.

A flowchart showing that you can't be registered if you are not carrying on an enterprise, you may be registered if your GST turnover does not meet the registration turnover threshold, and you are required to be registered if your GST turnover does meet the registration turnover threshold

Note: This section is an explanatory section.

23‑5 Who is required to be registered

You are ***required to be registered*** under this Act if:

(a) you are \*carrying on an \*enterprise; and

(b) your \*annual turnover meets the \*registration turnover threshold.

Note: It is the entity that carries on the enterprise that is required to be registered (and not the enterprise).

23‑10 Who may be registered

(1) You may be \*registered under this Act if you are carrying on an \*enterprise (whether or not your turnover is at, above or below the \*registration turnover threshold).

(2) You may be \*registered under this Act if you intend to carry on an \*enterprise from a particular date.

23‑15 The registration turnover threshold

(1) Your ***registration turnover threshold*** (unless you are a non‑profit body) is:

(a) $50,000; or

(b) such higher amount as the regulations specify.

(2) Your ***registration turnover threshold*** if you are a non‑profit body is:

(a) $100,000; or

(b) such higher amount as the regulations specify.

23‑99 Special rules relating to who is required to be registered or who may be registered

Chapter 4 contains special rules relating to who is \*required to be registered, or who may be \*registered, as follows:

| Checklist of special rules | | |
| --- | --- | --- |
| Item | For this case ... | See: |
| 1A | Government entities | Division 149 |
| 1B | Non‑profit sub‑entities | Division 63 |
| 1 | Representatives of incapacitated entities | Division 147 |
| 2 | Resident agents acting for non‑residents | Division 57 |
| 3 | Taxis | Division 144 |

Division 25—How you become registered, and how your registration can be cancelled

Table of Subdivisions

25‑A How you become registered

25‑B How your registration can be cancelled

Subdivision 25‑A—How you become registered

25‑1 When you must apply for registration

You must apply, in the \*approved form, to be \*registered under this Act if:

(a) you are not registered under this Act; and

(b) you are \*required to be registered.

You must make your application within 21 days after becoming required to be registered.

25‑5 When the Commissioner must register you

(1) The Commissioner must \*register you if:

(a) you have applied for registration in an \*approved form; and

(b) the Commissioner is satisfied that you are \*carrying on an \*enterprise, or you intend to carry on an enterprise from a particular date specified in your application.

Note: Refusing to register you under this subsection is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(2) The Commissioner must \*register you (even if you have not applied for registration) if the Commissioner is satisfied that you are \*required to be registered.

Note: Registering you under this subsection is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(3) The Commissioner must notify you in writing of any decision he or she makes in relation to you under this section. If the Commissioner decides to register you, the notice must specify the following:

(a) the date of effect of your registration;

(b) your registration number;

(c) the tax periods that apply to you.

25‑10 The date of effect of your registration

(1) The Commissioner must decide the date from which your \*registration takes effect, or took effect. However:

(a) if you did not apply for registration and the Commissioner is satisfied that you are \*required to be registered—the date of effect must not be a day before the day on which you became required to be registered; or

(b) if you applied for registration—the date of effect must not be a day before:

(i) the day specified in your application; or

(ii) if the Commissioner is satisfied that you became required to be registered on an earlier day—the day that the Commissioner is satisfied is that earlier day; or

(c) if you are being registered only because you intend to \*carry on an \*enterprise—the date of effect must not be a day before the day specified, in your application for registration, as the day from which you intend to carry on the enterprise.

Note: Deciding the date of effect of your registration is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(2) The \*Australian Business Registrar must enter in the \*Australian Business Register the date on which your \*registration takes or took effect.

25‑15 Effect of backdating your registration

If the Commissioner decides under section 25‑10, as the date of effect of your \*registration (***your registration day***), a day before the day of the decision, then you are taken:

(a) for the purpose of determining whether a supply you made on or after your registration day was a \*taxable supply; and

(b) for the purpose of determining whether an acquisition you made on or after that day was a \*creditable acquisition; and

(c) for the purpose of determining whether an importation you made on or after that day was a \*creditable importation;

to have been registered from and including your registration day.

Note: This section ensures that backdating your registration enables your supplies and acquisitions made on or after the date of effect to be picked up by the GST system. Section 25‑10 limits the extent to which your registration can be backdated.

25‑49 Special rules relating to registration

Chapter 4 contains special rules relating to \*registration in particular cases, as follows:

| Checklist of special rules | | | | |
| --- | --- | --- | --- | --- |
| Item | | For this case ... | | See: |
| 1A | | Government entities | Division 149 |
| 1 | | | GST branches | Division 54 |
| 2 | | | Non‑profit sub‑entities | Division 63 |
| 3 | | | Non‑residents making supplies connected with Australia | Division 83 |

Subdivision 25‑B—How your registration can be cancelled

25‑50 When you must apply for cancellation of registration

If you are \*registered and you are not \*carrying on any \*enterprise, you must apply to the Commissioner in the \*approved form for cancellation of your \*registration. You must lodge your application within 21 days after the day on which you ceased to be carrying on any \*enterprise.

25‑55 When the Commissioner must cancel registration

(1) The Commissioner must cancel your \*registration if:

(a) you have applied for cancellation of registration in the \*approved form; and

(b) at the time you applied for cancellation of registration, you had been registered for at least 12 months; and

(c) the Commissioner is satisfied that you are not \*required to be registered.

Note: Refusing to cancel your registration under this subsection is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(2) The Commissioner must cancel your \*registration (even if you have not applied for cancellation of your registration) if:

(a) the Commissioner is satisfied that you are not \*carrying on an \*enterprise; and

(b) the Commissioner believes on reasonable grounds that you are not likely to carry on an enterprise for at least 12 months.

Note: Cancelling your registration under this subsection is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(3) The Commissioner must notify you of any decision he or she makes in relation to you under this section. If the Commissioner decides to cancel your registration, the notice must specify the date of effect of the cancellation.

25‑57 When the Commissioner may cancel your registration

(1) The Commissioner may cancel your \*registration if:

(a) less than 12 months after being registered, you apply for cancellation of registration in the \*approved form; and

(b) the Commissioner is satisfied that you are not \*required to be registered.

Note: Refusing to cancel your registration under this subsection is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(2) In considering your application, the Commissioner may have regard to:

(a) how long you have been \*registered; and

(b) whether you have previously been registered; and

(c) any other relevant matters.

(3) The Commissioner must notify you of any decision he or she makes in relation to you under this section. If the Commissioner decides to cancel your registration, the notice must specify the date of effect of the cancellation.

25‑60 The date of effect of your cancellation

(1) The Commissioner must decide the date on which the cancellation of your \*registration under subsection 25‑55(1) or (2) or section 25‑57 takes effect. That date may be any day occurring before, on or after the day on which the Commissioner makes the decision.

Note: Deciding the date of effect of the cancellation of your registration is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(2) The \*Australian Business Registrar must enter in the \*Australian Business Register the date on which the cancellation of your \*registration takes effect.

25‑65 Effect of backdating your cancellation of registration

If the Commissioner decides under section 25‑60, as the date of effect of the cancellation of your \*registration (***your cancellation day***), a day before the day of the decision, your registration is taken:

(a) for the purpose of determining whether a supply you made on or after your cancellation day was a \*taxable supply; and

(b) for the purpose of determining whether an acquisition you made on or after that day was a \*creditable acquisition; and

(c) for the purpose of determining whether an importation you made on or after that date was a \*creditable importation;

to have been cancelled from and including your cancellation day.

25‑99 Special rules relating to cancellation of registration

Chapter 4 contains special rules relating to cancellation of \*registration in particular cases, as follows:

| Checklist of special rules | | |
| --- | --- | --- |
| Item | For this case ... | See: |
| 1A | Government entities | Division 149 |
| 1 | GST branches | Division 54 |
| 1B | Non‑profit sub‑entities | Division 63 |
| 2 | Representatives of incapacitated entities | Division 147 |
| 3 | Resident agents acting for non‑residents | Division 57 |

Part 2‑6—Tax periods

Division 27—How to work out the tax periods that apply to you

27‑1 What this Division is about

This Division tells you the tax periods that apply to you. You need to know this because your net amounts (the amounts payable by you or to you) are worked out in respect of these tax periods.

27‑5 General rule—3 month tax periods

The ***tax periods*** that apply to you are each period of 3 months ending on 31 March, 30 June, 30 September or 31 December in any year, except to the extent that:

(a) an election is in force under section 27‑10; or

(b) the Commissioner determines otherwise under this Division.

27‑10 Election of one month tax periods

(1) The ***tax periods*** that apply to you are each individual month if, by notifying the Commissioner in the \*approved form, you elect to have as the tax periods that apply to you each individual month.

(2) The election takes effect on the day specified in the notice. However, the day specified must be 1 January, 1 April, 1 July or 1 October.

27‑15 Determination of one month tax periods

(1) The Commissioner must determine that the ***tax periods*** that apply to you are each individual month if:

(a) the Commissioner is satisfied that your \*annual turnover meets the \*tax period turnover threshold; or

(b) the Commissioner is satisfied that the period for which you will be \*carrying on an \*enterprise in Australia is less than 3 months; or

(c) the Commissioner is satisfied that you have a history of failing to comply with your obligations under a \*taxation law.

Note: Determining under this section the tax periods applying to you is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(2) The determination takes effect on the day specified in the determination. However, the day specified must be 1 January, 1 April, 1 July or 1 October.

Note: Deciding the date of effect of the determination is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(3) The ***tax period turnover threshold*** is:

(a) $20 million; or

(b) such other amount as the regulations specify.

However, if the regulations change the tax period turnover threshold, the change does not apply to you until the start of the next tax period that starts after the regulation in question comes into operation.

27‑20 Withdrawing elections of one month tax periods

(1) You may, by notifying the Commissioner in the \*approved form, withdraw an election under section 27‑10, unless your \*annual turnover meets the \*tax period turnover threshold.

(2) The withdrawal takes effect on the day specified in the notice. However, the day specified:

(a) must be 1 January, 1 April, 1 July or 1 October, or any day occurring before the election takes effect; and

(b) must not be a day occurring earlier than 12 months after the election took effect.

27‑22 Revoking elections of one month tax periods

(1) The Commissioner may, if you so request in the \*approved form, revoke your election under section 27‑10, with effect from a day occurring earlier than 12 months after the election took effect, unless the Commissioner is satisfied that your \*annual turnover meets the \*tax period turnover threshold.

Note: Refusing to revoke your election under this subsection is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(2) In considering your request, the Commissioner may have regard to:

(a) for how long the tax periods applying to you have been each individual month; and

(b) whether you have previously been \*registered, and whether such tax periods had applied to you; and

(c) any other relevant matters.

(3) The revocation:

(a) takes effect on the day specified in the instrument of revocation; or

(b) is taken to have had effect from a past day specified in the instrument of revocation.

However, the day specified must be 1 January, 1 April, 1 July or 1 October.

Note: Deciding the date of effect of the revocation is a reviewable decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

27‑25 Revoking determinations of one month tax periods

(1) The Commissioner must revoke a determination under section 27‑15 relating to you if you so request, unless the Commissioner is satisfied that any of the grounds for making a determination under that section apply to you.

Note: Refusing to revoke a determination under this section is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(2) The revocation takes effect on the day specified in the instrument of revocation. However, the day specified:

(a) must be 1 January, 1 April, 1 July or 1 October; and

(b) must not be a day occurring earlier than 12 months after the determination took effect.

Note: Deciding the date of effect of the revocation is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

27‑30 Tax periods determined by the Commissioner to take account of changes in tax periods

(1) For the purpose of ensuring the effective operation of this Division where:

(a) you become \*registered or \*required to be registered; or

(b) the tax periods applying to you have changed;

the Commissioner may, by written notice given to you, determine that a period specified in the notice is a ***tax period*** that applies to you.

Note: Determining under this section a tax period applying to you is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(2) The period specified in the notice may start earlier than the day on which the notice is given to you.

(3) However, the period specified in the notice:

(a) must be less than 3 months; and

(b) must not overlap with any part of any other tax period for which you have already given a \*GST return to the Commissioner.

For the giving of GST returns to the Commissioner, see Division 31.

27‑35 Changing the days on which your tax periods end

(1) You may change the day in each year on which a tax period would otherwise end. However:

(a) the day must be no more than 7 days earlier or 7 days later than a day on which one of the tax periods that applies to you would otherwise end if the days were not changed; and

(b) the change must be consistent with the commercial accounting periods that apply to you.

(2) If the day on which a tax period ends is changed, the next tax period starts on the day after that day.

27‑37 Special determination of tax periods on request

(1) The Commissioner may, in accordance with a request you make in the \*approved form, determine the tax periods applying to you to be the tax periods specified in the request if the Commissioner is satisfied that:

(a) your \*annual turnover meets the \*tax period turnover threshold; and

(b) the tax periods specified in the request are consistent with the commercial accounting periods that apply to you; and

(c) the tax periods specified in the request would, if determined under this section, result in 12 complete tax periods in each year; and

(d) any other requirements specified in the regulations are complied with.

Note: Refusing a request for a determination under this section is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(2) A determination under this section overrides any determination under section 27‑15 or 27‑30 relating to tax periods applying to you.

27‑38 Revoking special determination of tax periods

(1) The Commissioner must revoke a determination under section 27‑37 if the Commissioner is satisfied that any of the requirements of paragraphs 27‑37(1)(a), (b), (c) and (d) are not complied with.

Note: Revoking a determination under this section is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(2) The revocation takes effect on the day specified in the instrument of revocation. However, the day specified must be 1 January, 1 April, 1 July or 1 October.

Note: Deciding the date of effect of the revocation is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(3) A revocation under this section revives any election under section 27‑10, or any determination under section 27‑15 or 27‑30, relating to tax periods applying to you.

27‑40 An entity’s concluding tax period

(1) If:

(a) an individual dies or becomes bankrupt; or

(b) any other entity goes into liquidation or receivership or for any reason ceases to exist;

the individual’s or entity’s tax period at the time is taken to have ceased at the end of the day before the death, bankruptcy, liquidation or receivership.

(1A) If an entity ceases to \*carry on any \*enterprise, the entity’s tax period at the time is taken to have ceased at the end of the day on which the cessation occurred.

(2) If an entity’s \*registration is cancelled, the entity’s tax period at the date of effect of the cancellation (the ***cancellation day***) ceases at the end of the cancellation day.

27‑99 Special rules relating to tax periods

Chapter 4 contains special rules relating to tax periods, as follows:

| Checklist of special rules | | |
| --- | --- | --- |
| Item | For this case ... | See: |
| 1 | Changes in the extent of creditable purpose | Division 129 |
| 1AA | Payment of GST by instalments | Division 162 |
| 1A | Representatives of incapacitated entities | Division 147 |
| 2 | Resident agents acting for non‑residents | Division 57 |

Division 29—What is attributable to tax periods

Table of Subdivisions

29‑A The attribution rules

29‑B Accounting on a cash basis

29‑C Tax invoices and adjustment notes

29‑1 What this Division is about

This Division tells you the tax periods to which your taxable supplies, creditable acquisitions, creditable importations and adjustments are attributable. You need to know this to work out your net amounts under Part 2‑4.

Note: This Division does not deal with your taxable importations, because they are not attributed to tax periods. See section 33‑15 for payment of GST on taxable importations.

Subdivision 29‑A—The attribution rules

29‑5 Attributing the GST on your taxable supplies

(1) The GST payable by you on a \*taxable supply is attributable to:

(a) the tax period in which any of the \*consideration is received for the supply; or

(b) if, before any of the consideration is received, an \*invoice is issued relating to the supply—the tax period in which the invoice is issued.

(2) However, if you \*account on a cash basis, then:

(a) if, in a tax period, *all* of the \*consideration is received for a \*taxable supply—GST on the supply is attributable to that tax period; or

(b) if, in a tax period, *part* of the consideration is received—GST on the supply is attributable to that tax period, but only to the extent that the consideration is received in that tax period; or

(c) if, in a tax period, *none* of the consideration is received—none of the GST on the supply is attributable to that tax period.

29‑10 Attributing the input tax credits for your creditable acquisitions

(1) The input tax credit to which you are entitled for a \*creditable acquisition is attributable to:

(a) the tax period in which you provide any of the \*consideration for the acquisition; or

(b) if, before you provide any of the consideration, an \*invoice is issued relating to the acquisition—the tax period in which the invoice is issued.

(2) However, if you \*account on a cash basis, then:

(a) if, in a tax period, you provide *all* of the \*consideration for a \*creditable acquisition—the input tax credit for the acquisition is attributable to that tax period; or

(b) if, in a tax period, you provide *part* of the consideration—the input tax credit for the acquisition is attributable to that tax period, but only to the extent that you provided the consideration in that tax period; or

(c) if, in a tax period, *none* of the consideration is provided—none of the input tax credit for the acquisition is attributable to that tax period.

(3) If you do not hold a \*tax invoice for a \*creditable acquisition when you give to the Commissioner a \*GST return for the tax period to which the input tax credit (or any part of the input tax credit) on the acquisition would otherwise be attributable:

(a) the input tax credit (including any part of the input tax credit) is not attributable to that tax period; and

(b) the input tax credit (or part) is attributable to the first tax period for which you give to the Commissioner a GST return at a time when you hold that tax invoice.

However, this subsection does not apply in circumstances of a kind determined in writing by the Commissioner to be circumstances in which the requirement for a tax invoice does not apply.

For the giving of GST returns to the Commissioner, see Division 31.

(4) If the \*GST return for the tax period referred to in paragraph (3)(b) states a \*net amount that does not take into account an input tax credit attributable to that tax period:

(a) the input tax credit is not attributable to that tax period; and

(b) the input tax credit is attributable to the first tax period for which you give the Commissioner a GST return that does take it into account.

29‑15 Attributing the input tax credits for your creditable importations

(1) The input tax credit to which you are entitled for a \*creditable importation is attributable to the tax period in which you pay the GST on the importation.

(2) However, if paragraph 33‑15(b) applies to payment of the GST on the importation, the input tax credit is attributable to the tax period in which the liability for the GST arose.

29‑20 Attributing your adjustments

(1) An \*adjustment that you have is attributable to the tax period in which you become aware of the adjustment.

(2) However, if you \*account on a cash basis, and the \*adjustment arises from an \*adjustment event as a result of which you are liable to provide \*consideration, then:

(a) if, in a tax period, *all* of the consideration is provided—the \*adjustment is attributable to that tax period; or

(b) if, in a tax period, *part* of the consideration is provided—the adjustment is attributable to that tax period, but only to the extent that the consideration is provided in that tax period; or

(c) if, in a tax period, *none* of the consideration is provided—none of the adjustment is attributable to that tax period.

(3) If:

(a) you have a \*decreasing adjustment arising from an \*adjustment event; and

(b) you do not hold an \*adjustment note for the adjustment when you give to the Commissioner a \*GST return for the tax period to which the adjustment (or any part of the adjustment) would otherwise be attributable;

then:

(c) the adjustment (including any part of the adjustment) is not attributable to that tax period; and

(d) the adjustment (or part) is attributable to the first tax period for which you give to the Commissioner a GST return at a time when you hold that adjustment note.

However, this subsection does not apply in circumstances of a kind determined in writing by the Commissioner to be circumstances in which the requirement for an adjustment note does not apply.

For the giving of GST returns to the Commissioner, see Division 31.

29‑25 Commissioner may determine particular attribution rules

(1) The Commissioner may, in writing, determine the tax periods to which:

(a) GST on \*taxable supplies of a specified kind; or

(b) input tax credits for \*creditable acquisitions of a specified kind; or

(c) input tax credits for \*creditable importations of a specified kind; or

(d) \*adjustments of a specified kind;

are attributable.

(2) However, the Commissioner must not make a determination under this section unless satisfied that it is necessary to prevent the provisions of this Division and Chapter 4 applying in a way that is inappropriate in circumstances involving:

(a) a supply or acquisition in which possession of goods passes, but title in the goods will, or may, pass at some time in the future; or

(b) a supply or acquisition for which payment is made or an \*invoice is issued, but use, enjoyment or passing of title will, or may, occur at some time in the future; or

(c) a supply or acquisition occurring, but still being subject to a statutory cooling off period under an \*Australian law; or

(d) a supply or acquisition occurring before the supplier or \*recipient knows it has occurred; or

(e) a supply or acquisition occurring before the supplier or recipient knows the total \*consideration; or

(f) a supply or acquisition made under a contract that is subject to preconditions; or

(g) a supply or acquisition made under a contract that provides for retention of some or all of the consideration until certain conditions are met.

(3) Determinations under subsection (1) override the provisions of this Division (except this section) and Chapter 4, but only to the extent of any inconsistency.

29‑39 Special rules relating to attribution rules

Chapter 4 contains special rules relating to attribution rules, as follows:

| Checklist of special rules | | |
| --- | --- | --- |
| Item | For this case ... | See: |
| 1 | Agents and insurance brokers | Division 153 |
| 2 | Associates | Division 72 |
| 3 | Cancelled lay‑by sales | Division 102 |
| 4 | Cessation of registration | Division 138 |
| 5 | Changes in the extent of creditable purpose | Division 129 |
| 6 | Changing your accounting basis | Division 159 |
| 7 | Company amalgamations | Division 90 |
| 8 | Deposits as security | Division 99 |
| 8A | Distributions from deceased estates | Division 139 |
| 8B | Non‑deductible expenses | Division 69 |
| 9 | Pre‑establishment costs | Division 60 |
| 10 | Reimbursement of employees etc. | Division 111 |
| 11 | Representatives of incapacitated entities | Division 58 |
| 11A | Second‑hand goods | Division 66 |
| 12 | Supplies and acquisitions made on a progressive or periodic basis | Division 156 |
| 13 | Supplies of things acquired etc. without full input tax credits | Division 132 |
| 14 | Tradex scheme goods | Division 141 |

Subdivision 29‑B—Accounting on a cash basis

29‑40 Choosing to account on a cash basis

(1) If:

(a) your \*annual turnover does not exceed the \*cash accounting turnover threshold; or

(b) for income tax purposes, you account for your income using the receipts method; or

(c) each of the \*enterprises that you \*carry on is an enterprise of a kind that the Commissioner determines, in writing, to be a kind of enterprise in respect of which a choice to \*account on a cash basis may be made under this section;

you may choose to account on a cash basis, with effect from the first day of the tax period that you choose.

(2) However, any charitable institution, any trustee of a charitable fund, any \*gift‑deductible entity or any \*government school may choose to \*account on a cash basis, with effect from the first day of the tax period that the institution, trustee or entity chooses, whether or not paragraph (1)(a), (b) or (c) applies.

(3) The ***cash accounting turnover threshold*** is:

(a) $1,000,000; or

(b) such higher amount as the regulations specify.

29‑45 Permission to account on a cash basis

(1) The Commissioner may permit you to \*account on a cash basis if:

(a) you apply to the Commissioner in the \*approved form for permission to account on a cash basis; and

(b) the Commissioner is satisfied that, having regard to:

(i) the nature and size of the \*enterprise that you \*carry on; and

(ii) the nature of the accounting system that you use;

it is appropriate to permit you to account on a cash basis.

Note: Refusing to permit you to account on a cash basis is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(2) The Commissioner must notify you in writing of any decision he or she makes in relation to you under this section. If the Commissioner decides to permit you to \*account on a cash basis, the notice must specify the date of effect of your permission.

Note: Deciding the date of effect of your permission to account on a cash basis is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

29‑50 Ceasing to account on a cash basis

(1) You cease to \*account on a cash basis if:

(a) your \*annual turnover meets the \*cash accounting turnover threshold and you do not have permission to \*account on a cash basis; or

(b) you notify the Commissioner, in the \*approved form, that you are ceasing to \*account on a cash basis.

(2) The date of effect of your cessation is the first day of the next tax period to commence after your \*annual turnover meets the \*cash accounting turnover threshold, or you notify the Commissioner, as the case may be.

(3) The Commissioner must revoke any permission for you to \*account on a cash basis if the Commissioner is satisfied that:

(a) your \*annual turnover meets the \*cash accounting turnover threshold; and

(b) it is not appropriate to permit you to account on a cash basis.

Note: Revoking your permission to account on a cash basis is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(4) The Commissioner must notify you in writing of his or her decision under subsection (3). The notice must specify the date of effect of the revocation, which can be the first day of any tax period starting before, on or after the day on which the Commissioner makes the decision.

Note: Deciding the date of effect of the revocation of your permission to account on a cash basis is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(5) Paragraph (1)(a) and subsection (3) do not apply in relation to any charitable institution, any trustee of a charitable fund or any \*gift‑deductible entity.

Subdivision 29‑C—Tax invoices and adjustment notes

29‑70 Tax invoices

(1) A ***tax invoice*** for a \*taxable supply:

(a) must be issued by the supplier, unless it is a \*recipient created tax invoice (in which case it must be issued by the \*recipient); and

(b) must set out the \*ABN of the entity that issues it; and

(c) must set out the \*price for the supply; and

(d) must contain such other information as the regulations specify; and

(e) must be in the \*approved form.

However, the Commissioner may treat as a tax invoice a particular document that is not a tax invoice.

(2) The supplier of a \*taxable supply must, within 28 days after the \*recipient of the supply requests it, give to the recipient a \*tax invoice for the supply, unless it is a \*recipient created tax invoice.

(3) A ***recipient created tax invoice*** is a \*tax invoice belonging to a class of tax invoices that the Commissioner has determined in writing may be issued by the \*recipient of a \*taxable supply.

29‑75 Adjustment notes

(1) An ***adjustment note*** for an \*adjustment that arises from an \*adjustment event relating to a \*taxable supply:

(a) must be issued by the supplier of the \*taxable supply in the circumstances set out in subsection (2); and

(b) must set out the \*ABN of the entity that issues it; and

(c) must contain such other information as the Commissioner determines in writing; and

(d) must be in the \*approved form.

However, the Commissioner may treat as an adjustment note a particular document that is not an adjustment note.

(2) The supplier of the \*taxable supply must:

(a) within 28 days after the \*recipient of the supply requests the supplier to give an \*adjustment note for the \*adjustment relating to the supply; or

(b) if the supplier has issued a \*tax invoice in relation to the supply (or the recipient has requested one) and the supplier becomes aware of the adjustment before an adjustment note is requested—within 28 days after becoming aware of that fact;

give to the recipient an \*adjustment note for the \*adjustment, unless any \*tax invoice relating to the supply would have been a \*recipient created tax invoice (in which case it must be issued by the recipient).

(3) However, in circumstances that the Commissioner determines in writing, paragraph (2)(b) has effect as if the number of days referred to in that paragraph is the number of days specified in the determination in relation to those circumstances.

(4) Those circumstances may, for example, include the kind of the \*taxable supply.

29‑80 Tax invoices and adjustment notes not required for low value transactions

(1) Subsections 29‑10(3) and 29‑70(2) do not apply to a \*creditable acquisition that relates to a \*taxable supply the \*value of which does not exceed $50, or such higher amount as the regulations specify.

(2) Subsections 29‑20(3) and 29‑75(2) do not apply to a \*decreasing adjustment of an amount that does not exceed $50, or such higher amount as the regulations specify.

29‑99 Special rules relating to tax invoices and adjustment notes

Chapter 4 contains special rules relating to tax invoices and adjustment notes, as follows:

| Checklist of special rules | | |
| --- | --- | --- |
| Item | For this case ... | See: |
| 1 | Agents and insurance brokers | Division 153 |
| 2 | Gambling | Division 126 |
| 3 | GST branches | Division 54 |
| 4 | Non‑residents making supplies connected with Australia | Division 83 |
| 5 | Sale of freehold interests etc. | Division 75 |

Part 2‑7—Returns, payments and refunds

Division 31—GST returns

31‑1 What this Division is about

This Division is about your obligation (if you are registered or required to be registered) to give to the Commissioner GST returns for each tax period.

For the penalties for failing to comply with these obligations, see the *Taxation Administration Act 1953*.

31‑5 Who must give GST returns

(1) If you are \*registered or \*required to be registered, you must give to the Commissioner a \*GST return for each tax period.

(2) You must give the return whether or not:

(a) your \*net amount for the tax period is zero; or

(b) you are liable for the GST on any \*taxable supplies that are attributable to the tax period.

31‑8 When GST returns must be given—quarterly tax periods

(1) If a tax period applying to you is a \*quarterly tax period, you must give your \*GST return for the tax period to the Commissioner:

(a) as provided in the following table; or

(b) within such further period as the Commissioner allows.

| When quarterly GST returns must be given | | |
| --- | --- | --- |
| Item | If this day falls within the quarterly tax period … | Give the GST return to the Commissioner on or before this day: |
| 1 | 1 September | the following 28 October |
| 2 | 1 December | the following 28 February |
| 3 | 1 March | the following 28 April |
| 4 | 1 June | the following 28 July |

(2) A tax period is a ***quarterly tax period*** if:

(a) it is a period of 3 months; or

(b) it would be a period of 3 months but for the application of section 27‑30 or 27‑35.

Note: Under section 27‑30, a tax period can be determined to take account of changes in tax periods. Under section 27‑35, the start or finish of a 3 month tax period can vary by up to 7 days from the start or finish of a normal quarter.

31‑10 When GST returns must be given—other tax periods

(1) You must give your \*GST return for a tax period (other than a \*quarterly tax period) to the Commissioner:

(a) on or before the 21st day of the month following the end of that tax period; or

(b) within such further period as the Commissioner allows.

(2) However, if the tax period ends during the first 7 days of a month, you must give the \*GST return to the Commissioner:

(a) on or before the 21st day of that month; or

(b) within such further period as the Commissioner allows.

31‑15 The form and contents of GST returns

(1) Your \*GST return for a tax period must be in the \*approved form.

(2) However, if during the tax period:

(a) you are not liable for the GST on any \*taxable supplies, and you did not make any supplies that would have been taxable supplies had they not been \*GST‑free or \*input taxed; and

(b) you are not liable for the GST on any \*taxable importations the GST on which is payable at the time when GST on taxable supplies is normally payable; and

(c) you are not entitled to the input tax credits on any \*creditable acquisitions or \*creditable importations;

you may give your \*GST return for the period to the Commissioner in the manner the Commissioner requires.

(3) The fact that, in your \*GST return for the \*tax period, your \*net amount for the \*tax period is worked out:

(a) in the way specified in section 17‑5; and

(b) not in the way specified in the \*approved form for a GST return;

does not prevent your GST return for the tax period being treated as being in the approved form.

31‑20 Additional GST returns

(1) In addition to the \*GST returns required under section 31‑5, you must give to the Commissioner such further or fuller GST returns as the Commissioner directs you to give (including any GST return in your capacity as agent or trustee).

(2) The \*approved form for a further or fuller \*GST return may require information to be provided relating to:

(a) the tax period to which the return relates; or

(b) one or more preceding tax periods; or

(c) both the tax period to which the return relates, and one or more preceding tax periods.

31‑25 Electronic lodgment of GST returns

(1) You may give your \*GST returns to the Commissioner by \*lodging them electronically.

Note: Section 388‑75 in Schedule 1 to the *Taxation Administration Act 1953* deals with signing returns.

(2) However, if your \*annual turnover meets the \*electronic lodgment turnover threshold, you *must* give your \*GST returns to the Commissioner by \*lodging them electronically, unless the Commissioner otherwise approves.

Note 1: A penalty applies if you fail to lodge your GST return electronically as required—see section 288‑10 in Schedule 1 to the *Taxation Administration Act 1953*.

Note 2: If you lodge your GST return electronically, you must also electronically notify the Commissioner of other BAS amounts—see section 388‑80 in that Schedule.

(3) A \*GST return is ***lodged electronically*** if it is transmitted to the Commissioner in an electronic format approved by the Commissioner.

(4) The ***electronic lodgment turnover threshold*** is:

(a) $20 million; or

(b) such higher amount as the regulations specify.

31‑99 Special rules relating to GST returns

Chapter 4 contains special rules relating to \*GST returns, as follows:

| Checklist of special rules | | |
| --- | --- | --- |
| Item | For this case ... | See: |
| 1 | GST branches | Division 54 |
| 2 | GST groups | Division 48 |
| 3 | GST joint ventures | Division 51 |
| 4 | Insurance | Division 78 |
| 4A | Payment of GST by instalments | Division 162 |
| 5 | Resident agents acting for non‑residents | Division 57 |
| 6 | Supplies in satisfaction of debts | Division 105 |

Division 33—Payments of GST

33‑1 What this Division is about

This Division is about your obligation to pay to the Commonwealth amounts of GST that remain after off‑setting your entitlements to input tax credits. The obligation to pay arises for any of your net amounts that are *greater* than zero.

For the penalties for failing to comply with these obligations, see the *Taxation Administration Act 1953*.

For provisions about collection and recovery of GST, see  
Part 4‑15 in Schedule 1 to the *Taxation Administration Act 1953* and Division 3 of Part VI of that Act.

Note: Payments of GST on importations of goods are dealt with separately in section 33‑15.

33‑3 When payments of net amounts must be made—quarterly tax periods

If:

(a) the \*net amount for a tax period applying to you is greater than zero; and

(b) the tax period is a \*quarterly tax period;

you must pay the net amount to the Commissioner as follows:

| When quarterly GST payments must be made | | |
| --- | --- | --- |
| Item | If this day falls within the quarterly tax period … | Pay the net amount to the Commissioner on or before this day: |
| 1 | 1 September | the following 28 October |
| 2 | 1 December | the following 28 February |
| 3 | 1 March | the following 28 April |
| 4 | 1 June | the following 28 July |

33‑5 When payments of net amounts must be made—other tax periods

(1) If the \*net amount for a tax period (other than a \*quarterly tax period) applying to you is greater than zero, you must pay the net amount to the Commissioner on or before the 21st day of the month following the end of that tax period.

(2) However, if the tax period ends during the first 7 days of a month, you must pay the \*net amount to the Commissioner on or before the 21st day of that month.

33‑10 How payments of net amounts are made

(1) You may pay by \*electronic payment any \*net amounts payable by you. Any amounts of a net amount that you do not pay by electronic payment must be paid in the manner determined in writing by the Commissioner.

(2) However, if your \*annual turnover meets the \*electronic lodgment turnover threshold, you *must* pay by \*electronic payment any \*net amounts payable by you.

Note 1: A penalty applies if you fail to pay electronically as required—see section 288‑20 in Schedule 1 to the *Taxation Administration Act 1953*.

Note 2: You must also pay other tax debts electronically—see section 8AAZMA in that Act.

33‑15 Payments of amounts of GST on importations

(1) Amounts of GST on \*taxable importations are to be paid by the importer to the Commonwealth:

(a) at the same time, at the same place, and in the same manner, as \*customs duty is payable on the goods in question (or would be payable if the goods were subject to customs duty); or

(b) in the circumstances specified in the regulations, within such further time specified in the regulations, and at the place and in the manner specified in the regulations.

Note: The regulations could (for example) allow for deferral of payments to coincide with payments of net amounts.

(2) An officer of Customs (within the meaning of subsection 4(1) of the *Customs Act 1901*) may refuse to deliver the goods concerned unless the GST has been paid.

33‑99 Special rules relating to payments of GST

Chapter 4 contains special rules relating to payments of GST, as follows:

| Checklist of special rules | | |
| --- | --- | --- |
| Item | For this case ... | See: |
| 1 | Anti‑avoidance | Division 165 |
| 2 | Customs security etc. given on taxable importations | Division 171 |
| 3 | GST branches | Division 54 |
| 4 | GST joint ventures | Division 51 |
| 4A | Importations without entry for home consumption | Division 114 |
| 5 | Insurance | Division 78 |
| 5A | Payment of GST by instalments | Division 162 |
| 6 | Supplies in satisfaction of debts | Division 105 |

Division 35—Refunds

35‑1 What this Division is about

This Division is about the Commissioner’s obligation to pay to you your entitlements to input tax credits that remain after off‑setting amounts of GST. The obligation to pay arises for any of your net amounts that are *less* than zero.

35‑5 Entitlement to refund

If the \*net amount for a tax period is less than zero, the Commissioner must, on behalf of the Commonwealth, pay that amount (expressed as a positive amount) to you.

Note 1: See Division 3A of Part IIB and section 39 of the *Taxation Administration Act 1953* for the rules about how the Commissioner must pay you. Division 3 of Part IIB allows the Commissioner to apply the amount owing as a credit against tax debts that you owe to the Commonwealth.

Note 2: Interest is payable under the *Taxation (Interest on Overpayments and Early Payments) Act 1983* if the Commissioner is late in refunding the amount.

35‑10 When entitlement arises

Your entitlement to be paid an amount under section 35‑5 arises when you give the Commissioner a \*GST return.

35‑99 Special rules relating to refunds

Chapter 4 contains special rules relating to refunds, as follows:

| Checklist of special rules | | |
| --- | --- | --- |
| Item | For this case ... | See: |
| 1 | Anti‑avoidance | Division 165 |
| 2 | GST branches | Division 54 |
| 3 | GST joint ventures | Division 51 |
| 4 | Tourist refund scheme | Division 168 |

Note: Section 39 of the *Taxation Administration Act 1953* also relates to refunds of net amounts.

Part 2‑8—Checklist of special rules

Division 37—Checklist of special rules

37‑1 Checklist of special rules

The provisions set out in the table contain special rules relating to the matters indicated.

| Checklist of special rules | | | |
| --- | --- | --- | --- |
| Item | For this case... | | See: |
| 1 | Agents and insurance brokers | | Division 153 |
| 2 | Anti‑avoidance | | Division 165 |
| 3 | Associates | | Division 72 |
| 3A | Bad debts relating to transactions that are not taxable or creditable to the fullest extent | | Division 136 |
| 4 | Cancelled lay‑by sales | | Division 102 |
| 5 | Cessation of registration | | Division 138 |
| 6 | Changes in the extent of creditable purpose | | Division 129 |
| 7 | Changing your accounting basis | | Division 159 |
| 8 | Company amalgamations | | Division 90 |
| 8A | Compulsory third party schemes | | Division 79 |
| 9 | Customs security etc. given for taxable importations | | Division 171 |
| 10 | Deposits as security | | Division 99 |
| 10A | Distributions from deceased estates | | Division 139 |
| 11 | Financial supplies (reduced credit acquisitions) | | Division 70 |
| 11A | Fringe benefits provided by input taxed suppliers | | Division 71 |
| 12 | Gambling | | Division 126 |
| 12A | Goods applied solely to private or domestic use | | Division 130 |
| 12B | Government entities | | Division 149 |
| 13 | GST branches | | Division 54 |
| 14 | GST groups | | Division 48 |
| 15 | GST joint ventures | | Division 51 |
| 15A | GST religious groups | | Division 49 |
| 17 | Importations without entry for home consumption | | Division 114 |
| 17A | Income tax‑related transactions | | Division 110 |
| 18 | Insurance | | Division 78 |
| 19 | Long‑term accommodation in commercial residential premises | | Division 87 |
| 20 | Non‑deductible expenses | | Division 69 |
| 20A | Non‑profit sub‑entities | | Division 63 |
| 20B | Non‑residents making supplies connected with Australia | | Division 83 |
| 21 | Offshore supplies other than goods or real property | | Division 84 |
| 21A | Payment of GST by instalments | | Division 162 |
| 22 | Payments of taxes | | Division 81 |
| 23 | Pre‑establishment costs | | Division 60 |
| 24 | Reimbursement of employees etc. | | Division 111 |
| 25 | Representatives of incapacitated entities | | Division 147 |
| 26 | Resident agents acting for non‑residents | | Division 57 |
| 28 | Sale of freehold interests etc. | | Division 75 |
| 29 | Second‑hand goods | | Division 66 |
| 29AA | | Settlement sharing arrangements | Division 80 |
| 29A | Simplified accounting methods for retailers | | Division 123 |
| 29B | Stock on hand on becoming registered etc. | | Division 137 |
| 30 | Supplies and acquisitions made on a progressive or periodic basis | | Division 156 |
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Chapter 3—The exemptions

Part 3‑1—Supplies that are not taxable supplies

Division 38—GST‑free supplies

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38‑1 What this Division is about

This Division sets out the supplies that are GST‑free. If a supply is GST‑free, then:

• no GST is payable on the supply;

• an entitlement to an input tax credit for anything acquired or imported to make the supply is not affected.

For the basic rules about supplies that are GST‑free, see sections 9‑30 and 9‑80.

Subdivision 38‑A—Food

38‑2 Food

A supply of \*food is ***GST‑free***.

38‑3 Food that is not GST‑free

(1) A supply is not GST‑free under section 38‑2 if it is a supply of:

(a) \*food for consumption on the \*premises from which it is supplied; or

(b) hot food for consumption away from those premises; or

(c) food of a kind specified in the third column of the table in clause 1 of Schedule 1, or food that is a combination of one or more foods at least one of which is food of such a kind; or

(d) a \*beverage (or an ingredient for a beverage), other than a beverage (or ingredient) of a kind specified in the third column of the table in clause 1 of Schedule 2; or

(e) food of a kind specified in regulations madefor the purposes of this subsection.

(2) However, this section does not apply to a supply of \*food of a kind specified in regulations madefor the purposes of this subsection.

(3) The items in the table in clause 1 of Schedule 1 or 2 are to be interpreted subject to the other clauses of Schedule 1 or 2, as the case requires.

38‑4 Meaning of *food*

(1) ***Food*** means any of these, or any combination of any of these:

(a) food for human consumption (whether or not requiring processing or treatment);

(b) ingredients for food for human consumption;

(c) \*beverages for human consumption;

(d) ingredients for beverages for human consumption;

(e) goods to be mixed with or added to food for human consumption (including condiments, spices, seasonings, sweetening agents or flavourings);

(f) fats and oils marketed for culinary purposes;

but does not include:

(g) live animals (other than crustaceans or molluscs); or

(ga) unprocessed cow’s milk; or

(h) any grain, cereal or sugar cane that has not been subject to any process or treatment resulting in an alteration of its form, nature or condition; or

(i) plants under cultivation that can be consumed (without being subject to further process or treatment) as food for human consumption.

(2) ***Beverage*** includes water.

38‑5 Premises used in supplying food

***Premises***, in relation to a supply of \*food, includes:

(a) the place where the supply takes place; or

(b) the grounds surrounding a cafe or public house, or other outlet for the supply; or

(c) the whole of any enclosed space such as a football ground, garden, showground, amusement park or similar area where there is a clear boundary or limit;

but does not include any part of a public thoroughfare unless it is an area designated for use in connection with supplies of food from an outlet for the supply of food.

38‑6 Packaging of food

(1) A supply of the packaging in which \*food is supplied is ***GST‑free*** if the supply of the food is GST‑free.

(2) However, the supply of the packaging is GST‑free under this section only to the extent that the packaging:

(a) is necessary for the supply of the food; and

(b) is packaging of a kind in which food of that kind is normally supplied.

Subdivision 38‑B—Health

38‑7 Medical services

(1) A supply of a \*medical service is ***GST‑free***.

(2) However, a supply of a \*medical service is *not* GST‑free under subsection (1) if:

(a) it is a supply of a \*professional service rendered in prescribed circumstances within the meaning of regulation 14 of the Health Insurance Regulations made under the *Health Insurance Act 1973* (other than the prescribed circumstances set out in regulations 14(2)(ea), (f) and (g)); or

(b) it is rendered for cosmetic reasons and is not a \*professional service for which medicare benefit is payable under Part II of the *Health Insurance Act 1973*.

(3) A supply of goods is ***GST‑free*** if:

(a) it is made to an individual in the course of supplying to him or her a \*medical service the supply of which is GST‑free; and

(b) it is made at the premises at which the medical service is supplied.

38‑10 Other health services

(1) A supply is ***GST‑free*** if:

(a) it is a service of a kind specified in the table in this subsection, or of a kind specified in the regulations; and

(b) the supplier is a \*recognised professional in relation to the supply of services of that kind; and

(c) the supply would generally be accepted, in the profession associated with supplying services of that kind, as being necessary for the appropriate treatment of the \*recipient of the supply.

| Health services | |
| --- | --- |
| Item | Service |
| 1 | Aboriginal or Torres Strait Islander health |
| 2 | Acupuncture |
| 3 | Audiology, audiometry |
| 4 | Chiropody |
| 5 | Chiropractic |
| 6 | Dental |
| 7 | Dietary |
| 8 | Herbal medicine (including traditional Chinese herbal medicine) |
| 9 | Naturopathy |
| 10 | Nursing |
| 11 | Occupational therapy |
| 12 | Optometry |
| 13 | Osteopathy |
| 14 | Paramedical |
| 15 | Pharmacy |
| 16 | Psychology |
| 17 | Physiotherapy |
| 18 | Podiatry |
| 19 | Speech pathology |
| 20 | Speech therapy |
| 21 | Social work |

(2) However, a supply of a pharmacy service is *not* GST‑free under subsection (1) unless it is:

(a) a supply relating to a supply that is GST‑free because of section 38‑50; or

(b) a service of conducting a medication review.

(3) A supply of goods is ***GST‑free*** if:

(a) it is made to a person in the course of supplying to the person a service the supply of which is GST‑free under subsection (1) (other than a service referred to in item 8, 9, 12 or 15 of the table in subsection (1)); and

(b) it is made at the premises at which the service is supplied.

(4) A supply of goods is ***GST‑free*** if:

(a) it is made to a person in the course of supplying to the person a service referred to in item 8 or 9 of the table in subsection (1); and

(b) it is supplied, and used or consumed, at the premises at which the service is supplied.

(5) A supply is ***GST‑free***if it is provided by an ambulance service in the course of the treatment of the \*recipient of the supply.

38‑15 Other government funded health services

A supply is ***GST‑free*** if:

(a) it is a supply of a health service in connection with a supply that is GST‑free because of section 38‑7 or 38‑10; and

(b) the supplier receives funding from the Commonwealth*,* a State or a Territory in connection with the supply of the health service; and

(c) the supply of the health service is of a kind determined in writing by the \*Health Minister.

38‑20 Hospital treatment

(1) A supply of \*hospital treatment is ***GST‑free***.

(2) However, a supply of \*hospital treatment is *not* GST‑free to the extent that it relates to a supply of a \*professional service that, because of subsection 38‑7(2), is not GST‑free.

(3) A supply of goods is ***GST‑free*** if it is a supply that is directly related to a supply of \*hospital treatment that is:

(a) GST‑free because of subsection (1); and

(b) supplied by, or on behalf of, the supplier of the hospital treatment.

38‑25 Residential care etc.

(1) A supply of services is ***GST‑free*** if:

(a) it is a supply of services covered by Schedule 1 to the \*Quality of Care Principles; and

(b) it is provided through a residential care service (within the meaning of the *Aged Care Act 1997*); and

(c) the supplier is an approved provider (within the meaning of that Act).

(2) A supply of services is ***GST‑free*** if:

(a) the services are provided to one or more aged or disabled people; and

(b) the \*Aged Care Minister has determined in writing that the services are of a kind covered by Schedule 1 to the \*Quality of Care Principles; and

(c) the supplier receives funding from the Commonwealth*,* a State or a Territory in connection with the supply.

(3) A supply of services is ***GST‑free*** if:

(a) the services are provided to one or more aged or disabled people in a residential setting; and

(b) the \*Aged Care Minister has determined in writing that the services are of a kind covered by Schedule 1 to the \*Quality of Care Principles; and

(c) the services include, and are only provided to people who require, the services set out in:

(i) item 2.1 (daily living activities assistance) of Part 2 of that Schedule; or

(ii) item 3.8 (nursing services) of Part 3 of that Schedule.

(4) A supply of accommodation is ***GST‑free*** if it is made to a person in the course of making a supply to that person that is GST‑free under subsection (1), (2) or (3).

(5) However, a supply of services that is covered by an extra services fee within the meaning of Division 35 of the *Aged Care Act 1997* is only ***GST‑free*** under this section to the extent that the services are covered by Schedule 1 to the \*Quality of Care Principles.

38‑30 Community care etc.

(1) A supply of \*community care is ***GST‑free*** if community care subsidy is payable under Part 3‑2 of the *Aged Care Act 1997* to the supplier for the care.

(2) A supply of care is ***GST‑free*** if the supplier receives funding under the *Home and Community Care Act 1985* in connection with the supply.

(3) A supply of \*community care is ***GST‑free*** if the supply is of services:

(a) that are provided to one or more aged or disabled people; and

(b) that are of a kind covered by item 2.1 (daily living activities assistance) of Part 2 of Schedule 1 to the \*Quality of Care Principles.

(4) A supply of care is ***GST‑free*** if:

(a) the supplier receives funding from the Commonwealth, a State or a Territory in connection with the supply; and

(b) the supply of the care is of a kind determined in writing by the \*Aged Care Minister to be similar to a supply that is GST‑free because of subsection (2).

38‑35 Flexible care

A supply of flexible care (within the meaning of section 49‑3 of the *Aged Care Act 1997*) is ***GST‑free*** if flexible care subsidy is payable under Part 3.3 of that Act to the supplier for the care.

38‑40 Specialist disability services

A supply of services is ***GST‑free*** if the supplier receives funding under the *Disability Services Act 1986* or under a complementary \*State law or \*Territory law in respect of the services.

38‑45 Medical aids and appliances

(1) A supply is ***GST‑free*** if:

(a) it is covered by Schedule 3 (medical aids and appliances), or specified in the regulations; and

(b) the thing supplied is specifically designed for people with an illness or disability, and is not widely used by people without an illness or disability.

(2) A supply is ***GST‑free*** if the thing supplied is supplied as a spare part for, and is specifically designed as a spare part for, another thing the supply of which would be GST‑free under subsection (1).

(3) However, a supply is *not* GST‑free under subsection (1) or (2) if the supplier and the \*recipient have agreed that the supply, or supplies of a kind that include that supply, not be treated as GST‑free supplies.

38‑47 Other GST‑free health goods

(1) A supply is ***GST‑free*** if it is a supply of goods of a kind that the \*Health Minister, by determination in writing, declares to be goods the supply of which is GST‑free.

(2) However, a supply is *not* GST‑free under subsection (1) if the supplier and the \*recipient have agreed that the supply, or supplies of a kind that include that supply, not be treated as GST‑free supplies.

38‑50 Drugs and medicinal preparations etc.

(1) A supply of a drug or medicinal preparation is ***GST‑free*** if the supply is on prescription and:

(a) under a \*State law or a \*Territory law in the State or Territory in which the supply takes place, supply of the drug or medicinal preparation is restricted, but may be supplied on prescription; or

(b) the drug or medicinal preparation is a pharmaceutical benefit (within the meaning of Part VII of the *National Health Act 1953*).

(2) A supply of a drug or medicinal preparation is ***GST‑free*** if, under a \*State law or a \*Territory law in the State or Territory in which it is supplied, the supply of the drug or medicinal preparation to an \*individual for private or domestic use or consumption is restricted but may be made by:

(a) a \*medical practitioner, \*dental practitioner or pharmacist; or

(b) any other person permitted by or under that law to do so.

(3) Subsection (2) does not cover the supply of a drug or medicinal preparation of a kind specified in the regulations.

(4) A supply of a drug, medicine or other pharmaceutical item is ***GST‑free*** if the supply is on prescription and:

(a) it is supplied as a pharmaceutical benefit (within the meaning of section 91 of the *Veterans’ Entitlements Act* 1986); and

(b) it is supplied under an approved scheme (within the meaning of that section).

(5) A supply of a drug or medicinal preparation is ***GST‑free*** if:

(a) the drug or medicinal preparation is an analgesic that has a single active ingredient the supply of which as a drug or medicinal preparation would be GST‑free under subsection (2) if it were supplied in a larger quantity; and

(b) the drug or medicinal preparation is of a kind the supply of which is declared by the \*Health Minister to be GST‑free, by determination in writing.

(6) A supply of a drug or medicinal preparation is ***GST‑free*** if:

(a) the drug or medicinal preparation is the subject of an approval under paragraph 19(1)(a) of the *Therapeutic Goods Act 1989*, and any conditions to which the approval is subject have been complied with; or

(b) the drug or medicinal preparation is supplied under an authority under subsection 19(5) of that Act, and the supply is in accordance with any regulations made for the purposes of subsection 19(7) of that Act; or

(c) the drug or medicinal preparation is exempted from the operation of Part 3 of that Act under regulation 12A of the Therapeutic Goods Regulations.

(7) A supply of a drug or medicinal preparation covered by this section is ***GST‑free*** if, and only if:

(a) the drug or medicinal preparation is for human use or consumption; and

(b) the supply is to an \*individual for private or domestic use or consumption.

38‑55 Private health insurance etc.

(1) A supply of \*private health insurance is ***GST‑free***.

(2) A supply of insurance against liability to pay for services supplied by ambulance is ***GST‑free***.

(3) However, a supply of re‑insurance is *not* GST‑free under this section.

Subdivision 38‑C—Education

38‑85 Education courses

A supply is ***GST‑free*** if it is a supply of:

(a) an \*education course; or

(b) administrative services directly related to the supply of such a course, but only if they are supplied by the supplier of the course.

38‑90 Excursions or field trips

(1) A supply is ***GST‑free*** if it is a supply of an excursion or field trip, but only if the excursion or field trip:

(a) is directly related to the curriculum of an \*education course; and

(b) is not predominantly recreational.

(2) However:

(a) if the course is a \*tertiary course, a \*Masters or Doctoral course, a \*tertiary residential college course or a \*professional or trade course—any supply of accommodation as part of the excursion or field trip is *not* GST‑free; and

(b) in any case—any supply of \*food as part of the excursion or field trip is *not* GST‑free under this section.

38‑95 Course materials

A supply of \*course materials for a subject undertaken in an \*education course is ***GST‑free***.

38‑97 Lease etc. of curriculum related goods

A supply by way of lease or hire of goods is ***GST‑free*** if:

(a) the goods are for use directly or principally by a student in undertaking a \*pre‑school course, \*primary course or \*secondary course in which the student is enrolled; and

(b) the entity supplying the course leases or hires the goods; and

(c) at all times while the lease or hiring has effect, the entity supplying the course has the right to decide who uses goods and the use to which the goods are put; and

(d) the lease or hiring is not part of an arrangement that includes:

(i) a transfer of ownership of the goods; or

(ii) an agreement to transfer ownership of the goods; or

(iii) imposing an obligation, or conferring a right, to transfer ownership of the goods.

38‑100 Supplies that are *not* GST‑free

To avoid doubt, the following supplies related to an \*education course are *not* GST‑free:

(a) a supply by way of sale, lease or hire of goods (other than \*course materials covered by section 38‑95, or a supply by way of lease or hire that is covered by section 38‑97);

(b) a supply of membership of a student organisation.

38‑105 Accommodation at boarding schools etc.

(1) A supply is ***GST‑free*** if:

(a) it is a supply of \*student accommodation to students undertaking a \*primary course, a \*secondary course or a \*special education course; and

(b) the supplier of the accommodation also supplies the course.

(2) A supply is ***GST‑free*** if:

(a) it is a supply of \*student accommodation to students who are undertaking a \*primary course, a \*secondary course or a \*special education course; and

(b) the accommodation is provided in a hostel whose primary purpose is to provide accommodation for students from rural or remote locations who are undertaking such courses.

(3) ***Student accommodation*** means the right to occupy the whole or part of the premises used to provide the accommodation, including, if it is provided as part of the right so to occupy, the supply of:

(a) cleaning and maintenance; or

(b) electricity, gas, air‑conditioning or heating; or

(c) telephone, television, radio or any other similar thing.

(4) However, a supply is *not* GST‑free under subsection (1) or (2) to the extent that it consists of the supply of \*food.

38‑110 Recognition of prior learning etc.

(1) A supply is ***GST‑free*** if the supply is the assessment or issue of qualifications for the purpose of:

(a) access to education; or

(b) membership of a professional or trade association; or

(c) registration or licensing for a particular occupation; or

(d) employment.

(2) However, a supply is *not* GST‑free under subsection (1) unless the supply is carried out by:

(a) a professional or trade association; or

(b) an \*education institution; or

(c) an entity that is registered by a training recognition authority of a State or Territory in accordance with the Australian Recognition Framework to provide skill recognition (assessment only) services; or

(d) an authority of the Commonwealth or of a State or Territory; or

(e) a local government body.

Subdivision 38‑D—Child care

38‑140 Child care—registered carers under the family assistance law

A supply is ***GST‑free*** if it is a supply of child care by a registered carer (within the meaning of section 3 of the *A New Tax System (Family Assistance) (Administration) Act 1999*)*.*

38‑145 Child care—approved child care services under the family assistance law

A supply is ***GST‑free*** if:

(a) it is a supply of child care by an approved child care service (within the meaning of section 3 of the *A New Tax System (Family Assistance) (Administration) Act 1999*); or

(b) it is a supply of an excursion that is directly related to a supply of child care covered by paragraph (a).

38‑150 Other child care

A supply is ***GST‑free*** if it is a supply of child care by a supplier that is eligible for funding (whether or not in respect of that particular supply) from the Commonwealth under guidelines made by the \*Child Care Minister that relate to the funding of:

(a) family day care; or

(b) occasional care; or

(c) outside school hours care; or

(d) vacation care; or

(e) any other type of care determined in writing by that Minister.

38‑155 Supplies directly related to child care that is GST‑free

A supply is ***GST‑free*** if it is a supply that is directly related to a supply of child care that is:

(a) GST‑free because of section 38‑140, 38‑145 or 38‑150; and

(b) supplied by, or on behalf of, the supplier of the child care.

Subdivision 38‑E—Exports and other supplies for consumption outside Australia

38‑185 Exports of goods

(1) The third column of this table sets out supplies that are ***GST‑free***:

| GST‑free exports of goods | | |
| --- | --- | --- |
| Item | Topic | These supplies are GST‑free ... |
| 1 | Export of goods—general | a supply of goods, but only if the supplier exports them from Australia before, or within 60 days (or such further period as the Commissioner allows) after:  (a) the day on which the supplier receives any of the \*consideration for the supply; or  (b) if, on an earlier day, the supplier gives an \*invoice for the supply—the day on which the supplier gives the invoice. |
| 2 | Export of goods—supplies paid for by instalments | a supply of goods for which the \*consideration is provided in instalments under a contract that requires the goods to be exported, but only if the supplier exports them from Australia before, or within 60 days (or such further period as the Commissioner allows) after:  (a) the day on which the supplier receives any of the final instalment of the consideration for the supply; or  (b) if, on an earlier day, the supplier gives an \*invoice for that final instalment—the day on which the supplier gives the invoice. |
| 3 | Export of aircraft or ships | a supply of an aircraft or \*ship, but only if the recipient of the aircraft or ship exports it from Australia under its own power within 60 days (or such further period as the Commissioner allows) after taking physical possession of it. |
| 4 | Export of aircraft or ships—paid for by instalments | a supply of an aircraft or \*ship for which the \*consideration is provided in instalments under a contract that requires the aircraft or ship to be exported, but only if the \*recipient exports it from Australia before, or within 60 days (or such further period as the Commissioner allows) after, the earliest day on which one or more of the following occurs:  (a) the supplier receives any of the final instalment of the consideration for the supply;  (b) the supplier gives an \*invoice for that final instalment;  (c) the supplier delivers the aircraft or ship to the recipient or (at the recipient’s request) to another person. |
| 5 | Export of goods that are to be consumed on international flights or voyages | a supply of:  (a) \*aircraft’s stores, or spare parts, for use, consumption or sale on an aircraft on a flight that has a destination outside Australia; or  (b) \*ship’s stores, or spare parts, for use, consumption or sale on a \*ship on a voyage that has a destination outside Australia;  whether or not part of the flight or voyage involves a journey between places in Australia. |
| 6 | Export of goods used to repair etc. imported goods | a supply of goods in the course of repairing, renovating, modifying or treating other goods from outside Australia whose destination is outside Australia, but only if:  (a) the goods are attached to, or become part of, the other goods; or  (b) the goods become unusable or worthless as a direct result of being used to repair, renovate, modify or treat the other goods. |
| 7 | Goods exported by travellers as accompanied baggage | a supply of goods to a \*relevant traveller, but only if:  (a) the supply is made in accordance with the rules specified in the regulations; and  (b) the goods are exported as accompanied baggage of the relevant traveller. |

(2) However, a supply covered by any of items 1 to 6 in the table in subsection (1) is *not* GST‑free if the supplier reimports the goods into Australia.

(3) Without limiting items 1 and 2 in the table in subsection (1), a supplier of goods is treated, for the purposes of those items, as having exported the goods from Australia if:

(a) before the goods are exported, the supplier supplies them to an entity that is not \*registered or \*required to be registered; and

(b) that entity exports the goods from Australia; and

(c) the goods have been entered for export within the meaning of section 113 of the *Customs Act 1901*; and

(d) since their supply to that entity, the goods have not been altered or used in any way, except to the extent (if any) necessary to prepare them for export; and

(e) the supplier has sufficient documentary evidence to show that the goods were exported.

However, if the goods are reimported into Australia, the supply is *not* GST‑free unless the reimportation is a \*taxable importation.

38‑187 Lease etc. of goods for use outside Australia

A supply of goods is ***GST‑free*** if:

(a) the supply is by way of lease or hire; and

(b) the goods are used outside Australia.

Note: If goods are leased or hired and used partly in Australia and partly outside Australia, the supply could be taxable to the extent that the goods are used in Australia (see section 9‑5).

38‑188 Tooling used by non‑residents to manufacture goods for export

A supply of goods is ***GST‑free*** if:

(a) the \*recipient of the supply is a \*non‑resident, and is not \*registered or \*required to be registered; and

(b) the goods are jigs, patterns, templates, dies, punches and similar machine tools to be used in Australia solely to manufacture goods that will be for export from Australia.

38‑190 Supplies of things, other than goods or real property, for consumption outside Australia

(1) The third column of this table sets out supplies that are ***GST‑free*** (except to the extent that they are supplies of goods or \*real property):

| Supplies of things, other than goods or real property, for consumption outside Australia | | |
| --- | --- | --- |
| Item | Topic | These supplies are GST‑free (except to the extent that they are supplies of goods or \*real property)... |
| 1 | Supply connected with property outside Australia | a supply that is directly connected with goods or real property situated outside Australia. |
| 2 | Supply to \*non‑resident outside Australia. | a supply that is made to a \*non‑resident who is not in Australia when the thing supplied is done, and:  (a) the supply is neither a supply of work physically performed on goods situated in Australia when the work is done nor a supply directly connected with \*real property situated in Australia; or  (b) the \*non‑resident acquires the thing in \*carrying on the non‑resident’s \*enterprise, but is not \*registered or \*required to be registered. |
| 3 | Supplies used or enjoyed outside Australia | a supply:  (a) that is made to a \*recipient who is not in Australia when the thing supplied is done; and  (b) the effective use or enjoyment of which takes place outside Australia;  other than a supply of work physically performed on goods situated in Australia when the thing supplied is done, or a supply directly connected with \*real property situated in Australia. |
| 4 | Rights | a supply that is made in relation to rights if:  (a) the rights are for use outside Australia; or  (b) the supply is to an entity that is not an \*Australian resident and is outside Australia when the thing supplied is done. |
| 5 | Export of services used to repair etc. imported goods | a supply that is constituted by the repair, renovation, modification or treatment of goods from outside Australia whose destination is outside Australia. |

(2) However, a supply covered by any of items 1 to 5 in the table in subsection (1) is *not* GST‑free if it is the supply of a right or option to acquire something the supply of which would be \*connected with Australia and would not be \*GST‑free.

(3) Without limiting subsection (2), a supply covered by item 2 in that table is *not* GST‑free if:

(a) it is a supply under an agreement entered into, whether directly or indirectly, with a \*non‑resident; and

(b) the supply is provided, or the agreement requires it to be provided, to another entity in Australia.

(4) A supply is taken, for the purposes of item 3 in that table, to be a supply made to a \*recipient who is not in Australia if:

(a) it is a supply under an agreement entered into, whether directly or indirectly, with an \*Australian resident; and

(b) the supply is provided, or the agreement requires it to be provided, to another entity outside Australia.

Subdivision 38‑F—Religious services

38‑220 Religious services

A supply is ***GST‑free*** if it is a supply of service that:

(a) is supplied by a religious institution; and

(b) is integral to the practice of that religion.

Subdivision 38‑G—Non‑commercial activities of charitable institutions etc.

38‑250 Nominal consideration etc.

(1) A supply is ***GST‑free*** if:

(a) the supplier is a charitable institution, a trustee of a charitable fund, a \*gift‑deductible entity or a \*government school; and

(b) the supply is for \*consideration that:

(i) if the supply is a supply of accommodation—is less than 75% of the \*GST inclusive market value of the supply; or

(ii) if the supply is not a supply of accommodation—is less than 50% of the GST inclusive market value of the supply.

(2) A supply is ***GST‑free*** if:

(a) the supplier is a charitable institution, a trustee of a charitable fund, a \*gift‑deductible entity or a \*government school; and

(b) the supply is for \*consideration that:

(i) if the supply is a supply of accommodation—is less than 75% of the cost to the supplier of providing the accommodation; or

(ii) if the supply is not a supply of accommodation—is less than 75% of the consideration the supplier provided, or was liable to provide, for acquiring the thing supplied.

38‑255 Second‑hand goods

A supply of \*second‑hand goods is ***GST‑free*** if:

(a) the supplier is a charitable institution, a trustee of a charitable fund, a \*gift‑deductible entity or a \*government school; and

(b) the goods were supplied to the institution, trustee, gift‑deductible entity or government school:

(i) as a gift; or

(ii) by way of a supply that was GST‑free because of a previous application of this section.

However, the supply is *not* GST‑free if the institution, trustee, gift‑deductible entity or government school has dealt with the goods in such a way that the goods no longer have their original character.

Subdivision 38‑H—Raffles and bingo conducted by charitable institutions etc.

38‑270 Raffles and bingo conducted by charitable institutions etc.

A supply is ***GST‑free*** if:

(a) the supplier is a charitable institution, a trustee of a charitable fund, a \*gift‑deductible entity or a \*government school; and

(b) the supply is:

(i) a supply of a ticket in a raffle; or

(ii) an acceptance of a person’s participation in a game of bingo; or

(iii) a \*gambling supply of a kind specified in the regulations; and

(c) the supply does not contravene a \*State law or a \*Territory law.

Subdivision 38‑I—Water, sewerage and drainage

38‑285 Water

(1) A supply of water is ***GST‑free***.

(2) However, a supply of water is *not* GST‑free under this section if it is:

(a) supplied in a container; or

(b) transferred into a container;

that has a capacity of less than 100 litres or such other quantity as the regulations specify.

(3) It does not matter whether or not the amount of water supplied or transferred fills the container.

38‑290 Sewerage and sewerage‑like services

(1) A supply of sewerage services is ***GST‑free***.

(2) A supply that consists of removing waste matter from \*residential premises is ***GST‑free*** if:

(a) the premises are not serviced by sewers; and

(b) the waste matter is of a kind that would normally be removed using sewers if the premises were serviced by sewers.

(3) A supply that consists of servicing a domestic self‑contained sewage system is ***GST‑free***.

38‑295 Emptying of septic tanks

A supply of a service that consists of the emptying of a septic tank is ***GST‑free***.

38‑300 Drainage

A supply of a service that consists of draining storm water is ***GST‑free***.

Subdivision 38‑J—Supplies of going concerns

38‑325 Supply of a going concern

(1) The \*supply of a going concern is ***GST‑free*** if:

(a) the supply is for \*consideration; and

(b) the \*recipient is \*registered or \*required to be registered; and

(c) the supplier and the recipient have agreed in writing that the supply is of a going concern.

(2) A ***supply of a*** ***going concern*** is a supply under an arrangement under which:

(a) the supplier supplies to the \*recipient all of the things that are necessary for the continued operation of an \*enterprise; and

(b) the supplier carries on, or will carry on, the enterprise until the day of the supply (whether or not as a part of a larger enterprise carried on by the supplier).

Subdivision 38‑K—Transport and related matters

38‑355 Supplies of transport and related matters

The third column of this table sets out supplies that are ***GST‑free***:

| Supplies of transport and related matters | | |
| --- | --- | --- |
| Item | Topic | These supplies are GST‑free ... |
| 1 | Transport of passengers to, from or outside Australia | the transport of a passenger:  (a) from the last place of departure in Australia to a destination outside Australia; or  (b) from a place outside Australia to the first place of arrival in Australia; or  (c) from a place outside Australia to the same or another place outside Australia. |
| 2 | Transport of passengers on domestic legs of international flights | the transport of a passenger within Australia by air, but only if:  (a) the transport is part of a wider arrangement, itinerary or contract for transport by air involving international travel; and  (b) at the time the arrangement, itinerary or contract was entered into, the transport within Australia formed part of a ticket for international travel, or was cross referenced to such a ticket, issued at that time. |
| 3 | Domestic air travel of non‑residents | the transport of a passenger within Australia by air, but only if:  (a) the passenger is a \*non‑resident; and  (b) the supply was purchased while the passenger was outside Australia. |
| 4 | Transport of passengers on domestic legs of international sea voyages | the transport of a passenger within Australia by sea, but only if:  (a) the transport is part of a journey by sea from Australia to a destination outside Australia, or from a destination outside Australia to Australia; and  (b) the transport is provided by the supplier who transports the passenger to or from Australia. |
| 5 | Transport etc. of goods | the \*international transport of goods:  (a) from their \*place of export in Australia to a destination outside Australia; or  (b) from a place outside Australia to their \*place of consignment in Australia; or  (c) from a place outside Australia to the same or another place outside Australia.  However, paragraph (a) or (b) only applies to the transport of the goods within Australia if it is supplied by the supplier of the transport of the goods from or to Australia (whichever is relevant). |
| 6 | Insuring transport etc. | (a) insuring transport covered by item 1, 2, 3 or 4; or  (b) insuring the \*international transport of goods from their \*place of export in Australia to a destination outside Australia; or  (c) insuring:  (i) the transport of goods from a place outside Australia to their \*place of consignment in Australia; and  (ii) the subsequent transport of those goods within Australia, if it is an integral part of the transport of goods from the place outside Australia to the place of consignment in Australia;  including loading and handling within Australia that is part of that transport; or  (d) insuring the transport of goods from a place outside Australia to the same or another place outside Australia. |
| 7 | Arranging transport etc. | (a) arranging transport covered by item 1, 2, 3 or 4; or  (b) arranging the \*international transport of goods covered by item 5; or  (c) arranging insurance covered by item 6. |

38‑360 Travel agents arranging overseas supplies

A supply is ***GST‑free*** if:

(a) the supplier makes it in the course of \*carrying on an \*enterprise as a travel agent; and

(b) it consists of arranging for the making of a supply, the effective use or enjoyment of which is to take place outside Australia.

Subdivision 38‑L—Precious metals

38‑385 Supplies of precious metals

A supply of \*precious metal is ***GST‑free*** if:

(a) it is the first supply of that precious metal after its refining by, or on behalf of, the supplier; and

(b) the entity that refined the precious metal is a \*refiner of precious metal; and

(c) the \*recipient of the supply is a \*dealer in precious metal.

Note: Any other supply of precious metal is input taxed under section 40‑100.

Subdivision 38‑M—Supplies through inwards duty free shops

38‑415 Supplies through inwards duty free shops

A supply is ***GST‑free*** if the supply is a sale of \*airport shop goods through an \*inwards duty free shop to a \*relevant traveller.

Subdivision 38‑N—Grants of land by governments

38‑445 Grants of freehold and similar interests by governments

(1) A supply by the Commonwealth, a State or a Territory of land on which there are no improvements is ***GST‑free*** if:

(a) the supply is of a freehold interest in the land; or

(b) the supply is by way of \*long‑term lease.

(1A) A supply by the Commonwealth, a State or a Territory of land is ***GST‑free*** if:

(a) the supply is of a freehold interest in the land, or is by way of \*long‑term lease; and

(b) the Commonwealth, State or Territory had previously supplied the land, by way of lease, to the \*recipient of the supply; and

(c) at the time of that previous supply, there were no improvements on the land; and

(d) because conditions to which that lease was subject had been satisfied, the recipient was entitled to the supply of the freehold interest or the supply by way of long‑term lease.

(2) However, the supply is *not* GST‑free if, since 1 July 2000, the land has already been the subject of a supply that is GST‑free under this section.

38‑450 Leases preceding grants of freehold and similar interests by governments

(1) A supply by the Commonwealth, a State or a Territory of land on which there are no improvements is ***GST‑free*** if:

(a) the supply is by way of lease (other than \*long‑term lease); and

(b) the lease is subject to conditions the satisfaction of which will entitle the \*recipient of the supply to the grant of a freehold interest in the land or a long‑term lease of the land.

(2) A supply consisting of the surrender, to the Commonwealth, a State or Territory, of a lease over land is ***GST‑free*** if:

(a) the supplier acquired the land under a supply that:

(i) was GST‑free under subsection (1); or

(ii) if the supply was made before 1 July 2000—would have been GST‑free under subsection (1) if it had been made on or after that day; and

(b) solely or partly in return for the surrender of the lease, the Commonwealth, State or Territory makes a supply of the land to the supplier that is GST‑free under section 38‑445.

Subdivision 38‑O—Farm land

38‑475 Subdivided farm land

(1) The supply of a freehold interest in, or the lease by an \*Australian government agency of or the \*long term lease of, \*potential residential land is ***GST‑free*** if:

(a) the land is subdivided from land on which a \*farming business has been \*carried on for at least 5 years; and

(b) the supply is made to an \*associate of the supplier of the land without \*consideration or for consideration that is less than the \*GST inclusive market value of the supply.

(2) An entity \*carries on a ***farming business*** if it carries on a \*business of:

(a) cultivating or propagating plants, fungi or their products or parts (including seeds, spores, bulbs and similar things), in any physical environment; or

(b) maintaining animals for the purpose of selling them or their bodily produce (including natural increase); or

(c) manufacturing dairy produce from raw material that the entity produced; or

(d) planting or tending trees in a plantation or forest that are intended to be felled.

38‑480 Farm land supplied for farming

The supply of a freehold interest in, or the lease by an \*Australian government agency of or the \*long term lease of, land is ***GST‑free*** if:

(a) the land is land on which a \*farming business has been \*carried on for at least the period of 5 years preceding the supply; and

(b) the \*recipient of the supply intends that a farming business be carried on, on the land.

Subdivision 38‑P—Cars for use by disabled people

38‑505 Disabled veterans

(1) A supply is ***GST‑free*** if it is a supply of a \*car to an individual who:

(a) has served in the Defence Force or in any other armed force of Her Majesty; and

(b) as a result of that service:

(i) has lost a leg or both arms; or

(ii) has had a leg, or both arms, rendered permanently and completely useless; or

(iii) is a veteran to whom section 24 of the *Veterans’ Entitlements Act 1986* applies and receives a pension under Part II of that Act; and

(c) intends to use the car in his or her personal transportation during all of the \*Subdivision 38‑P period.

(2) However, a supply covered by subsection (1) is *not* GST‑free to the extent that the \*GST inclusive market value of the \*car exceeds the \*car limit.

(3) In working out the \*GST inclusive market value of the \*car for the purposes of subsection (2), disregard any value that is attributable to modifications made to the car solely for the purpose of:

(a) adapting it for driving by the person; or

(b) adapting it for transporting the person.

(4) A supply is ***GST‑free*** if it is a supply of \*car parts that are for a \*car for an individual to whom paragraphs (1)(a), (b) and (c) apply.

38‑510 Other disabled people

(1) A supply is ***GST‑free*** if it is a supply of a \*car to an individual who:

(a) has a current disability certificate issued by:

(i) the person holding the position of Managing Director of the nominated company (within the meaning of Part 2 of the *Hearing Services and AGHS Reform Act 1997*); or

(ii) an officer or employee of that company who is authorised in writing by the Managing Director for the purposes of this section;

certifying that the individual has lost the use of one or more limbs to such an extent that he or she is unable to use public transport; and

(b) intends to use the car in his or her personal transportation to or from gainful employment during all of the \*Subdivision 38‑P period.

(2) However, a supply covered by subsection (1) is *not* GST‑free to the extent that the \*GST inclusive market value of the \*car exceeds the \*car limit.

(3) In working out the \*GST inclusive market value of the \*car for the purposes of subsection (2), disregard any value that is attributable to modifications made to the car solely for the purpose of:

(a) adapting it for driving by the individual; or

(b) adapting it for transporting the individual.

(4) A supply is ***GST‑free*** if it is a supply of \*car parts that are for a \*car for an individual to whom paragraphs (1)(a) and (b) applies.

Subdivision 38‑Q—International mail

38‑540 International mail

A supply is ***GST‑free*** if it is a supply of services to a foreign postal administration for:

(a) the delivery in Australia; or

(b) the transit through Australia;

of postal articles mailed outside Australia.

Division 40—Input taxed supplies

Table of Subdivisions

40‑A Financial supplies

40‑B Residential rent

40‑C Residential premises

40‑D Precious metals

40‑E School tuckshops and canteens

40‑F Fund‑raising events conducted by charitable institutions etc.

40‑1 What this Division is about

This Division provides for the supplies that are input taxed. If a supply is input taxed, then:

• no GST is payable on the supply;

• there is no entitlement to an input tax credit for anything acquired or imported to make the supply (see sections 11‑15 and 15‑10).

For the basic rules about supplies that are input taxed, see sections 9‑30 and 9‑80.

Subdivision 40‑A—Financial supplies

40‑5 Financial supplies

(1) A \*financial supply is ***input taxed***.

(2) ***Financial supply*** has the meaning given by the regulations.

Subdivision 40‑B—Residential rent

40‑35 Residential rent

(1) A supply of premises that is by way of lease, hire or licence (including a renewal or extension of a lease, hire or licence) is ***input taxed*** if:

(a) the supply is of \*residential premises (other than \*commercial residential premises); or

(b) the supply is of \*commercial accommodation and Division 87 (which is about long‑term accommodation in commercial premises) would apply to the supply but for a choice made by the supplier under section 87‑25.

(1A) A supply of a berth at a marina that is by way of lease, hire or licence (including a renewal or extension of a lease, hire or licence) is ***input taxed*** if:

(a) the berth is occupied, or is to be occupied, by a \*ship used as a residence; and

(b) the supply is of \*commercial accommodation and Division 87 (which is about long‑term accommodation in commercial premises) would apply to the supply but for a choice made by the supplier under section 87‑25.

(2) However:

(a) the supply is input taxed only to the extent that the premises are to be used predominantly for residential accommodation; and

(b) the supply is not input taxed under this section if the lease, hire or licence, or the renewal or extension of a lease, hire or licence, is a \*long‑term lease.

Subdivision 40‑C—Residential premises

40‑65 Sales of residential premises

(1) A sale of \*real property is ***input taxed***, but only to the extent that the property is \*residential premises to be used predominantly for residential accommodation.

(2) However, the sale is *not* input taxed to the extent that the \*residential premises are:

(a) \*commercial residential premises; or

(b) \*new residential premises other than those used for residential accommodation before 2 December 1998.

40‑70 Supplies of residential premises by way of long‑term lease

(1) A supply is ***input taxed*** if:

(a) the supply is of \*real property but only to the extent that the property is \*residential premises to be used predominantly for residential accommodation; and

(b) the supply is by way of \*long‑term lease.

(2) However, the supply is *not* input taxed to the extent that the \*residential premises are:

(a) \*commercial residential premises; or

(b) \*new residential premises other than those used for residential accommodation before 2 December 1998.

40‑75 Meaning of *new residential premises*

(1) \*Residential premises are ***new residential premises*** if they:

(a) have not previously been sold as residential premises and have not previously been the subject of a \*long‑term lease; or

(b) have been created through \*substantial renovations of a building; or

(c) have been built, or contain a building that has been built, to replace demolished premises on the same land.

(2) However, the premises are not new residential premises if, for the period of at least 5 years since:

(a) if paragraph (1)(a) applies (and neither paragraph (1)(b) nor paragraph (1)(c) applies)—the premises first became \*residential premises; or

(b) if paragraph (1)(b) applies—the premises were last \*substantially renovated; or

(c) if paragraph (1)(c) applies—the premises were last built;

the premises have only been used for making supplies that are \*input taxed because of paragraph 40‑35(1)(a).

(3) To avoid doubt, if the \*residential premises are new residential premises because of paragraph (1)(b) or (c), the new residential premises include land of which the new residential premises are a part.

Subdivision 40‑D—Precious metals

40‑100 Precious metals

A supply of \*precious metal is ***input taxed***.

Note: If the supply is the first supply of precious metal after refinement, the supply is GST‑free under section 38‑385.

Subdivision 40‑E—School tuckshops and canteens

40‑130 School tuckshops and canteens

(1) A supply of \*food is ***input taxed*** if:

(a) the supply is made by a non‑profit bodythrough a shop operating on the grounds of a \*school that supplies \*primary courses or \*secondary courses; and

(b) the non‑profit body chooses to have all its supplies of food through the shop treated as input taxed.

(2) However, the non‑profit body:

(b) cannot revoke the choice within 12 months after the day on which the non‑profit body made the choice; and

(c) cannot make a further choice within 12 months after the day on which the non‑profit body revoked a previous choice.

(3) This section does not apply to a supply of \*food by a \*school to boarding students of the school as part of their board.

Subdivision 40‑F—Fund‑raising events conducted by charitable institutions etc.

40‑160 Fund‑raising events conducted by charitable institutions etc.

A supply is ***input taxed*** if:

(a) the supplier is a charitable institution, a trustee of a charitable fund, a \*gift‑deductible entity or a \*government school; and

(b) the supply is made in connection with a \*fund‑raising event; and

(c) the supplier chooses to have all supplies that it makes in connection with the event treated as input taxed; and

(d) the event is referred to in the supplier’s records as an event that is treated as input taxed.

40‑165 Meaning of *fund‑raising event*

(1) Any of these is a ***fund‑raising event*** if it is conducted for the purpose of fund‑raising and it does not form any part of a series or regular run of like or similar events:

(a) a fete, ball, gala show, dinner, performance or similar event;

(b) an event comprising sales of goods if:

(i) each sale is for a \*consideration that does not exceed $20 or such other amount as the regulations specify; and

(ii) selling such goods is not a normal part of the supplier’s \*business;

(c) an event that the Commissioner decides, on an application by the supplier in writing, to be a fund‑raising event.

Note: Refusing an application for a decision under this paragraph is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(2) Paragraph (1)(b) does not apply to an event that involves the sale of alcoholic beverages or tobacco products.

(3) The Commissioner must not make a decision under paragraph (1)(c) unless satisfied that:

(a) the supplier is not in the \*business of conducting such events; and

(b) the proceeds from conducting the event are for the direct benefit of the supplier’s charitable or non‑profit purposes.

(4) The Commissioner may determine, in writing, the frequency with which events may be held without forming any part of a series or regular run of like or similar events for the purposes of subsection (1).

Part 3‑2—Non‑taxable importations

Division 42—Non‑taxable importations

42‑1 What this Division is about

This Division sets out the importations that are non‑taxable. No GST is payable on an importation that is non‑taxable (see sections 7‑1 and 13‑5).

For the basic rules about non‑taxable importations, see sections 13‑10 and 13‑25.

42‑5 Non‑taxable importations—Schedule 4 to the *Customs Tariff Act 1995*

(1) An importation of goods is a ***non‑taxable importation*** if the goods are covered by item 4, 8, 15, 18A, 18B, 18C, 21, 21A, 23A, 23B, 24, 25A, 25B, 25C, 32A, 32B, 33A, 33B or 64 in Schedule 4 to the *Customs Tariff Act 1995*.

(1A) An importation of a container is a ***non‑taxable importation*** if:

(a) goods covered by item 34 in Schedule 4 to the *Customs Tariff Act 1995* are imported in or on the container; and

(b) the container will be exported from Australia without being put to any other use.

(1C) An importation of goods is a ***non‑taxable importation*** if the goods are covered by:

(a) item 1A, 1B, 1C, 1D, 1E, 5, 6, 9 or 16 in Schedule 4 to the *Customs Tariff Act 1995*; and

(b) regulations made for the purposes of this subsection.

(2) To avoid doubt, a reference to goods that are covered by an item in Schedule 4 to the *Customs Tariff Act 1995* includes a reference to goods to which that item would apply apart from the operation of subsection 18(1) of that Act.

42‑10 Goods returned to Australia in an unaltered condition

(1) An importation of goods is a ***non‑taxable importation*** if:

(a) the goods were exported from Australia and are returned to Australia, without having been subject to any treatment, industrial processing, repair, renovation, alteration or any other process since their export; and

(b) the importer was not entitled to, and did not claim, a payment under Division 168 (about the tourist refund scheme) related to the export of the goods; and

(c) the importer:

(i) is the manufacturer of the goods; or

(ii) has previously acquired the goods, and the supply by means of which the importer acquired the goods was a \*taxable supply (or would have been a taxable supply but for section 66‑45); or

(iii) has previously imported the goods, and the previous importation was a \*taxable importation in respect of which the GST was paid.

(2) An importation of goods is a ***non‑taxable importation*** if:

(a) the importer had manufactured, acquired or imported the goods before 1 July 2000; and

(b) the goods were exported from Australia before, on or after 1 July 2000; and

(c) the goods are returned to Australia on or after 1 July 2000, without having been subject to any treatment, industrial processing, repair, renovation, alteration or any other process since their export; and

(d) the importer was not entitled to, and did not claim, a payment under Division 168 (about the tourist refund scheme) related to the export of the goods; and

(e) the ownership of the goods when they are returned to Australia is the same as their ownership on 1 July 2000.

Note: An importation covered by this section may also be duty‑free under item 17 of Schedule 4 to the *Customs Tariff Act 1995*.

Chapter 4—The special rules

Division 45—Introduction

45‑1 What this Chapter is about

This Chapter sets out the special rules for the GST. The special rules apply only in particular circumstances, and are generally quite limited in their scope.

The special rules modify the application of the basic rules for the GST in Chapter 2.

Note 1: The special rules that modify each group of basic rules in Chapter 2 are specifically identified in tables located at the end of the Divisions and Subdivisions in Chapter 2. In addition, a checklist of special rules is set out in Part 2‑8.

Note 2: This section is an explanatory section.

45‑5 The effect of special rules

The provisions of this Chapter override the provisions of Chapter 2 (except section 29‑25), but only to the extent of any inconsistency.

Part 4‑1—Special rules mainly about particular ways entities are organised

Note: The special rules in this Part mainly modify the operation of Part 2‑2 so far as that Part deals with liability for GST and entitlement to input tax credits, but the special rules also affect other aspects of Part 2‑2 and the other Parts of Chapter 2.

Division 48—GST groups

Table of Subdivisions

48‑A Approval of GST groups

48‑B Consequences of approval of GST groups

48‑C Administrative matters

48‑D Ceasing to be a member of a GST group

48‑1 What this Division is about

Companies within a 90% owned group, and in some cases other entities (such as non‑profit bodies), can be approved as a GST group. One member of the group then deals with all the GST liabilities and entitlements (except for GST on most taxable importations) of the group, and (in most cases) intra‑group transactions are excluded from the GST.

Note: Provisions for members of GST groups apply for the wine equalisation tax (see Subdivision 21‑B of the *A New Tax System (Wine Equalisation Tax) Act 1999*) and the luxury car tax (see Subdivision 16‑A of the *A New Tax System (Luxury Car Tax) Act 1999*).

Subdivision 48‑A—Approval of GST groups

48‑5 Approval of GST groups

(1) The Commissioner must approve 2 or more entities as a \*GST group if:

(a) the entities jointly apply, in the \*approved form, for approval as a GST group; and

(b) each of the entities \*satisfies the membership requirements for that GST group; and

(c) the application nominates one of the entities to be the \*representative member for the group; and

(d) the entity so nominated is an \*Australian resident.

A group of entities that is so approved is a ***GST group***.

(2) If 2 or more entities would \*satisfy the membership requirements of that \*GST group, the application need not include all those entities.

Note: Refusing an application for approval under this section is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

48‑10 Membership requirements of a GST group

(1) An entity ***satisfies the membership*** ***requirements*** of a \*GST group, or a proposed GST group, if the entity:

(a) is:

(i) a \*company; or

(ii) a \*partnership, trust or individual that satisfies the requirements specified in the regulations; and

(b) is, if the entity is a company, a company of the same \*90% owned group as all the other members of the GST group or proposed GST group that are also companies; and

(c) is \*registered; and

(d) has the same tax periods applying to it as the tax periods applying to all the other members of the GST group or proposed GST group; and

(e) accounts on the same basis as all the other members of the GST group or proposed GST group; and

(f) is not a member of any other GST group; and

(g) does not have any branch that is registered under Division 54.

(2) Paragraph (1)(b) does not apply if:

(a) the entity is a non‑profit body; and

(b) all the other members of the GST group or proposed GST group are non‑profit bodies; and

(c) the entity and all those other members are members of the same \*non‑profit association.

Note 1: For the membership requirements of non‑profit sub‑entities, see section 63‑50.

Note 2: For the membership requirements of a GST group of government related entities, see section 149‑25.

(3) A \*company does not satisfy the membership requirements of a \*GST group, or a proposed GST group, if:

(a) one or more other members of the GST group or proposed GST group are not companies; and

(b) none of the members of the GST group or proposed GST group that are companies satisfy section 48‑15.

48‑15 Relationship of companies and non‑companies in a GST group

(1) A \*company that is a member of a \*GST group, or a proposed GST group, satisfies this section if:

(a) a \*partnership, trust or individual that is a member of the GST group or proposed GST group would, if it were another company, have \*at least a 90% stake in that company; or

(b) the company has only one member, and that member:

(i) is a partner in a partnership that is a member of the GST group or proposed GST group; or

(ii) is an individual that is a member of the GST group or proposed GST group; or

(iii) is a \*family member of that partner or individual; or

(c) the company has more than one member, each of whom is:

(i) a partner in the same partnership that is a member of the GST group or proposed GST group; or

(ii) a family member of any such partner;

and one of the following applies:

(iii) at least 2 of the partners are members of the company;

(iv) one of the partners is a member of the company, and at least one other member of the company is a family member of a different partner;

(v) none of the partners is a member of the company, and the members of the company are not all family members of the same partner and no other partner; or

(d) the company has more than one member, each of whom is:

(i) an individual who is a member of the GST group or proposed GST group; or

(ii) a family member of that individual; or

(e) a trust is a member of the GST group or proposed GST group, and distributions of income or capital of the trust are not made except to an entity that is:

(i) the company; or

(ii) any other company that is a member of the GST group or proposed GST group; or

(iia) a member of, or a family member of a member of, any company referred to in subparagraph (i) or (ii) that is a company to which subsection (1A) applies; or

(iii) a charitable institution, a trustee of a charitable fund or a \*gift‑deductible entity.

(1A) This subsection applies to a company if:

(a) the company has only one member; or

(b) the company has more than one member, and:

(i) at least 2 of the members are beneficiaries of the trust in question (either directly, or indirectly through one or more interposed trusts); or

(ii) one of the members is such a beneficiary, and at least one other such beneficiary is a \*family member of a different member of the company; or

(iii) none of the members is such a beneficiary, and those family members (of the members of the company) who are such beneficiaries are not all family members of the same member of the company and no other member.

(2) A person is a ***family member*** of an individual if the individual’s family, within the meaning of section 272‑95 of Schedule 2F to the \*ITAA 1936, includes that person. There are no family members of an entity that is not an individual.

Subdivision 48‑B—Consequences of approval of GST groups

48‑40 Who is liable for GST

(1) GST payable on any \*taxable supply or \*taxable importation that a \*member of a \*GST group makes:

(a) is payable by the \*representative member; and

(b) is not payable by the member that made it (unless the member is the representative member).

(2) However:

(a) a supply that an entity makes to another \*member of the same \*GST group is treated as if it were not a \*taxable supply, unless:

(i) it is a taxable supply because of Division 84 (which is about offshore supplies other than goods or real property); or

(ii) the entity is a participant in a \*GST joint venture and acquired the thing supplied from the \*joint venture operator for the joint venture; and

(b) this section only applies to GST payable on a \*taxable importation made, by a member of the GST group other than the \*representative member, if the GST on the importation is payable at a time when GST on \*taxable supplies is normally payable by the representative member.

(3) This section has effect despite sections 9‑40 and 13‑15 (which are about liability for GST).

48‑45 Who is entitled to input tax credits

(1) If a \*member of a \*GST group makes a \*creditable acquisition or \*creditable importation:

(a) the \*representative member is entitled to the input tax credit on the acquisition or importation; and

(b) the member making the acquisition or importation is not entitled to the input tax credit on the acquisition or importation (unless the member is the representative member).

(2) In deciding, for the purposes of subsection (1), whether an acquisition or importation by a \*member of a \*GST group is a \*creditable acquisition or \*creditable importation, the acquisition or importation is treated as being solely or partly for a \*creditable purpose if, and only if, it would be so treated if:

(a) the GST group were treated as a single entity; and

(b) the GST group were not treated as a number of entities corresponding to the members of the GST group.

(3) However, an acquisition that an entity makes from another \*member of the same \*GST group is not a \*creditable acquisition unless the supply of the thing acquired by the entity was a \*taxable supply because of Division 84 (which is about offshore supplies other than goods or real property).

(4) This section has effect despite sections 11‑5 and 15‑5 (which are about what are creditable acquisitions and creditable importations), and sections 11‑20 and 15‑15 (which are about who is entitled to input tax credits).

48‑50 Adjustments

(1) Any \*adjustment that a \*member of a \*GST group has is to be treated as if:

(a) that member did not have the adjustment (unless that member is the \*representative member); and

(b) the representative member had the adjustment.

(2) This section has effect despite section 17‑10 (which is about the effect of adjustments on net amounts).

48‑55 GST groups treated as single entities for certain purposes

(1) Despite sections 48‑45 and 48‑50, a \*GST group is treated as a single entity, and not as a number of entities corresponding to the \*members of the GST group, for the purposes of working out:

(a) the amounts of any input tax credits to which the \*representative member is entitled; and

(b) whether the representative member has any \*adjustments; and

(c) the amounts of any such adjustments.

(2) This section has effect despite section 11‑25 (which is about the amount of input tax credits) and section 17‑10 (which is about the effect of adjustments on net amounts).

48‑60 GST returns

(1) If you are a \*member of a \*GST group during the whole of a tax period, you are not required to give to the Commissioner a \*GST return for that tax period, unless you are the \*representative member of the group during that period.

(2) This section has effect despite section 31‑5 (which is about who must give GST returns).

Subdivision 48‑C—Administrative matters

48‑70 Changing the membership etc. of GST groups

Changes made on application

(1) The Commissioner must, if the \*representative member of a \*GST group applies to the Commissioner in the \*approved form, do one or more of these (as requested in the application):

(a) approve, as an additional \*member of the GST group, another entity that \*satisfies the membership requirements for the GST group;

(b) revoke the approval of one of the members of the GST group as a member of the group;

(c) approve another member of the GST group to replace the applicant as the representative member of the group.

Note: Refusing an application for approval or revocation under this subsection is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

Changes made without application

(2) The Commissioner must revoke the approval of one of the \*members of a \*GST group if satisfied that the member does not \*satisfy the membership requirements for the GST group.

Note: Revoking under this subsection an approval under this Division is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

48‑75 Revoking the approval of GST groups

Revoking on application

(1) The Commissioner must, if the \*representative member of a \*GST group applies to the Commissioner in the \*approved form, revoke the approval of the group as a GST group.

Note: Refusing an application for revocation under this subsection is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

Revoking without application

(2) The Commissioner must revoke the approval of the \*GST group if satisfied that none of its members, or only one of its members, \*satisfies the membership requirements for that GST group.

Note: Revoking under this subsection the approval of a GST group is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

48‑80 Notification by representative members

The \*representative member of a \*GST group must notify the Commissioner of any circumstances under which the Commissioner must:

(a) revoke the approval of one of the \*members of the group under subsection 48‑70(2); or

(b) revoke the approval of the group under subsection 48‑75(2).

The notification may (in appropriate cases) be in the form of an application under subsection 48‑70(1). The notification, or application, must be given to the Commissioner within 21 days after the circumstances occurred.

48‑85 Date of effect of approvals and revocations

(1) The Commissioner must decide the date of effect of any approval, or any revocation of an approval, under this Division.

(2) The date of effect may be the day of the decision, or a day before or after that day. However, it must be the beginning of a tax period applying to the members of the \*GST group in question.

Note: Deciding under this section the date of effect of any approval, or any revocation of an approval, under this Division is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

48‑90 Notification by the Commissioner

The Commissioner must give notice of any decision that he or she makes under this Division:

(a) if the decision relates to the approval of 2 or more companies as a \*GST group—to the company nominated in the application for approval to be the \*representative member of the group; or

(b) otherwise—to the representative member of the \*GST group to which the decision relates.

Subdivision 48‑D—Ceasing to be a member of a GST group

48‑110 Adjustments after you cease to be a member of a GST group

(1) If you \*cease to be a member of a GST group (the ***first GST group***), any \*adjustment that arises afterwards in relation to a supply, acquisition or importation that you made while a \*member of the first GST group (other than a supply to, or an acquisition from, another member of that group):

(a) is an adjustment that you have; and

(b) is not an adjustment of the entity that is or was the \*representative member of the first GST group (unless you were that representative member).

(2) In relation to the first GST group, this section has effect despite section 48‑50 (which is about who has adjustments for a GST group).

48‑115 Changes in extent of creditable purpose after you cease to be a member of a GST group

(1) If:

(a) while you were a \*member of a \*GST group (the ***first GST group***), you acquired a thing (other than from another member of that group) or imported a thing; and

(b) you \*cease to be a member of the first GST group;

then, when applying section 129‑40 for the first time after that cessation, the \*intended or former application of the thing is the extent of \*creditable purpose last used to work out, under section 48‑55:

(c) the amount of the input tax credit to which the \*representative member was entitled for the acquisition or importation; or

(d) the amount of any \*adjustment the representative member had under Division 129 in relation to the thing.

(2) If:

(a) while you were a \*member of a \*GST group (the ***first GST group***), you acquired a thing (other than from another member of that group) or imported a thing; and

(b) you have \*ceased to be a member of the first GST group; and

(c) you have an \*adjustment under Division 129 in relation to the thing, or the \*representative member of another GST group of which you are a \*member has that adjustment;

then, for the purposes of working out the full input tax credit in section 129‑70 or 129‑75, you are taken not to have been a member of a GST group when you acquired or imported the thing.

Division 49—GST religious groups

Table of Subdivisions

49‑A Approval of GST religious groups

49‑B Consequences of approval of GST religious groups

49‑C Administrative matters

49‑1 What this Division is about

Some registered charitable bodies can be approved as a GST religious group. Transactions between members of the group are then excluded from the GST.

Subdivision 49‑A—Approval of GST religious groups

49‑5 Approval of GST religious groups

The Commissioner must approve 2 or more entities as a \*GST religious group if:

(a) the entities jointly apply, in the \*approved form, for approval as a GST religious group; and

(b) each of the entities \*satisfies the membership requirements for that GST religious group; and

(c) the application nominates one of the entities to be the \*principal member for the group; and

(d) the entity so nominated is an \*Australian resident.

A group of entities that is so approved is a ***GST religious group***.

Note: Refusing an application for approval under this section is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

49‑10 Membership requirements of a GST religious group

An entity ***satisfies the membership*** ***requirements*** of a \*GST religious group, or a proposed GST religious group, if:

(a) the entity is \*registered; and

(b) the entity is endorsed as exempt from income tax under Subdivision 50‑B of the \*ITAA 1997; and

(c) all the other members of the GST religious group or proposed GST religious group are so endorsed; and

(d) the entity and all those other members are part of the same religious organisation; and

(e) the entity is not a member of any other GST religious group.

Subdivision 49‑B—Consequences of approval of GST religious groups

49‑30 Supplies between members of GST religious groups

(1) A supply that a \*member of a \*GST religious group makes to another member of the same GST religious group is treated as if it were not a \*taxable supply.

(2) This section has effect despite section 9‑5 (which is about what are taxable supplies).

49‑35 Acquisitions between members of GST religious groups

(1) An acquisition that a \*member of a \*GST religious group makes from another member of the same GST religious group is treated as if it were not a \*creditable acquisition.

(2) This section has effect despite section 11‑5 (which is about what are creditable acquisitions).

49‑40 Adjustment events

(1) An \*adjustment event cannot arise in relation to:

(a) a supply that a \*member of a \*GST religious group makes to another member of the same GST religious group; or

(b) an acquisition that a member of a GST religious group makes from another member of the same GST religious group.

(2) This section has effect despite section 19‑10 (which is about what are adjustment events).

49‑45 Changes in the extent of creditable purpose

(1) An \*adjustment cannot arise under Division 129 in relation to an acquisition that a \*member of a \*GST religious group makes from another member of the same GST religious group.

(2) This section has effect despite section 129‑5 (which is about when adjustments can arise under Division 129).

49‑50 GST religious groups treated as single entities for certain purposes

(1) Despite sections 49‑35, 49‑40 and 49‑45, a \*GST religious group is treated as a single entity, and not as a number of entities corresponding to the \*members of the GST religious group, for the purposes of working out:

(a) whether acquisitions or importations by a member are for a \*creditable purpose; and

(b) the amounts of any input tax credits to which the member is entitled; and

(c) whether the member has any \*adjustments; and

(d) the amounts of any such adjustments.

(2) This section has effect despite section 11‑25 (which is about the amount of input tax credits) and section 17‑10 (which is about the effect of adjustments on net amounts).

Subdivision 49‑C—Administrative matters

49‑70 Changing the membership etc. of GST religious groups

Changes made on application

(1) The Commissioner must, if the \*principal member of a \*GST religious group applies to the Commissioner in the \*approved form, do one or more of these (as requested in the application):

(a) approve, as an additional \*member of the GST religious group, another entity that \*satisfies the membership requirements for the GST religious group;

(b) revoke the approval of one of the members of the GST religious group as a member of the group;

(c) approve another member of the GST religious group to replace the applicant as the principal member of the group.

Note: Refusing an application for approval or revocation under this subsection is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

Changes made without application

(2) The Commissioner must revoke the approval of one of the \*members of a \*GST religious group if satisfied that the member does not \*satisfy the membership requirements for the GST religious group.

Note: Revoking under this subsection an approval under this Division is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

49‑75 Revoking the approval of GST religious groups

Revoking on application

(1) The Commissioner must, if the principal member of a \*GST religious group applies to the Commissioner in the \*approved form, revoke the approval of the group as a GST religious group.

Note: Refusing an application for revocation under this subsection is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

Revoking without application

(2) The Commissioner must revoke the approval of the \*GST religious group if satisfied that none of its members, or only one of its members, \*satisfies the membership requirements for that GST religious group.

Note: Revoking under this subsection the approval of a GST group is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

49‑80 Notification by principal members

The principal member of a \*GST religious group must notify the Commissioner of any circumstances under which the Commissioner must:

(a) revoke the approval of one of the \*members of the group under subsection 49‑70(2); or

(b) revoke the approval of the group under subsection 49‑75(2).

The notification may (in appropriate cases) be in the form of an application under subsection 49‑70(1) or 49‑75(1). The notification, or application, must be given to the Commissioner within 21 days after the circumstances occurred.

49‑85 Date of effect of approvals and revocations

(1) The Commissioner must decide the date of effect of any approval, or any revocation of an approval, under this Division.

(2) The date of effect may be the day of the decision, or a day before or after that day. However, it must be a day on which, for all the \*members of the \*GST religious group in question, a tax period begins.

Note: Deciding under this section the date of effect of any approval, or any revocation of an approval, under this Division is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

49‑90 Notification by the Commissioner

The Commissioner must give notice of any decision that he or she makes under this Division:

(a) if the decision relates to the approval of 2 or more entities as a \*GST religious group—to the entity nominated in the application for approval to be the \*principal member of the group; or

(b) otherwise—to the principal member of the \*GST religious group to which the decision relates.

Division 50—GST treatment of religious practitioners

Guide to Division 50

50‑1 What this Division is about

Activities of a religious practitioner done in pursuit of his or her vocation as a religious practitioner and as a member of a religious institution will be treated as activities done by the religious institution, unless the religious practitioner is acting as an employee or agent.

Table of sections

50‑5 GST treatment of religious practitioners

50‑5 GST treatment of religious practitioners

If a \*religious practitioner:

(a) does an activity, or a series of activities:

(i) in pursuit of his or her vocation as a religious practitioner; and

(ii) as a member of a religious institution; and

(b) does not do the activity, or series of activities, as an employee or agent of the religious institution or another entity;

the \*GST law applies as if the activity, or series of activities, had been done by the religious institution and not by the religious practitioner.

Note: This will mean that such an activity will be an enterprise of the religious institution under subsection 9‑20(1) and not an enterprise of the religious practitioner.

Division 51—GST joint ventures

Table of Subdivisions

51‑A Approval of GST joint ventures

51‑B Consequences of approval of GST joint ventures

51‑C Administrative matters

51‑D Ceasing to be a participant in, or an operator of, a GST joint venture

51‑1 What this Division is about

Entities engaged in a joint venture can have it approved as a GST joint venture. The joint venture operator then deals with the GST liabilities and entitlements arising from the joint venture operator’s dealings on behalf of the participants in the joint venture.

Note: Provisions for participants in GST joint ventures apply for the wine equalisation tax (see Subdivision 21‑C of the *A New Tax System (Wine Equalisation Tax) Act 1999*) and the luxury car tax (see Subdivision 16‑B of the *A New Tax System (Luxury Car Tax) Act 1999*).

Subdivision 51‑A—Approval of GST joint ventures

51‑5 Approval of GST joint ventures

(1) The Commissioner must approve 2 or more entities as the \*participants in a \*GST joint venture if:

(a) the joint venture is a joint venture for the exploration or exploitation of \*mineral deposits, or for a purpose specified in the regulations; and

(b) the joint venture is not a \*partnership; and

(c) the entities jointly apply, in the \*approved form, for approval of the joint venture as a GST joint venture; and

(d) each of those entities \*satisfies the participation requirements for that GST joint venture; and

(e) the application nominates one of those entities, or another entity, to be the \*joint venture operator of the joint venture; and

(f) if the nominated joint venture operator is not a party to the joint venture agreement—the nominated joint venture operator satisfies the requirements of paragraphs 51‑10(c) and (f).

A joint venture that is so approved is a ***GST joint venture***.

(2) The application for approval need not include all the entities that are engaged in, or intend to engage in, the joint venture.

Note: Refusing an application for approval under this section is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

51‑10 Participation requirements of a GST joint venture

An entity ***satisfies the participation requirements*** for a \*GST joint venture, or a proposed GST joint venture, if the entity:

(a) participates in, or intends to participate in, the joint venture; and

(b) is a party to a joint venture agreement with all the other entities participating in, or intending to participate in, the joint venture; and

(c) is \*registered; and

(f) accounts on the same basis as all those other participants.

Subdivision 51‑B—Consequences of approval of GST joint ventures

51‑30 Who is liable for GST

(1) GST payable on any \*taxable supply or \*taxable importation that the \*joint venture operator of a \*GST joint venture makes, on behalf of another entity that is a \*participant in the joint venture, in the course of activities for which the joint venture was entered into:

(a) is payable by the joint venture operator; and

(b) is not payable by the participant.

(2) However, a supply that the \*joint venture operator of a \*GST joint venture makes is treated as if it were not a \*taxable supply if:

(a) it is made to another entity that is a \*participant in the joint venture; and

(b) the participant acquired the thing supplied for consumption, use or supply in the course of activities for which the joint venture was entered into.

(3) This section has effect despite sections 9‑40 and 13‑15 (which are about liability for GST).

51‑35 Who is entitled to input tax credits

(1) If the \*joint venture operator of a \*GST joint venture makes a \*creditable acquisition or \*creditable importation, on behalf of another entity that is a \*participant in the joint venture, in the course of activities for which the joint venture was entered into:

(a) the \*joint venture operator is entitled to the input tax credit for the acquisition or importation; and

(b) the participant is not entitled to the input tax credit on the acquisition or importation.

(2) This section has effect despite sections 11‑20 and 15‑15 (which are about who is entitled to input tax credits).

51‑40 Adjustments

(1) Any \*adjustment relating to any supply, acquisition or importation that the \*joint venture operator of a \*GST joint venture makes, on behalf of another entity that is a \*participant in the joint venture, in the course of activities for which the joint venture was entered into is to be treated as if:

(a) the participant did not have the adjustment; and

(b) the entity that is the joint venture operator at the time the adjustment arises had the adjustment.

(2) This section has effect despite section 17‑10 (which is about the effect of adjustments on net amounts).

51‑45 Additional net amounts relating to GST joint ventures

(1) Division 17 applies to the \*joint venture operator of a \*GST joint venture as if the joint venture operator had an additional \*net amount, relating to the joint venture, for each tax period.

(2) The additional \*net amount relating to the joint venture is worked out as if the joint venture operator:

(a) is only liable for the GST on \*taxable supplies that the joint venture operator makes, on behalf of another entity that is a \*participant in the joint venture, in the course of activities for which the joint venture was entered into; and

(b) is only entitled to the input tax credits for \*creditable acquisitions or \*creditable importations that the joint venture operator makes on behalf of another entity that is a participant in the joint venture, in the course of activities for which the joint venture was entered into; and

(c) only has adjustments relating to supplies, acquisitions or importations that the joint venture operator makes, on behalf of another entity that is a participant in the joint venture, in the course of activities for which the joint venture was entered into.

(2A) However, while an election made by the \*joint venture operator under section 51‑52 has effect:

(a) Division 17 applies to the joint venture operator as if the joint venture operator had an additional \*net amount, relating to all the \*GST joint ventures for which the joint venture operator is the joint venture operator, for each tax period; and

(b) that additional net amount is worked out by aggregating what would be the additional \*net amounts relating to each GST joint venture under subsection (2) if that subsection applied.

(3) This section has effect despite sections 17‑5 and 17‑10 (which are about net amounts and adjustments).

51‑50 GST returns relating to GST joint ventures

(1) The \*joint venture operator of a \*GST joint venture must, in relation to each \*GST joint venture of the joint venture operator, give to the Commissioner a \*GST return for each tax period applying to the joint venture operator.

(2) However, while an election made by the \*joint venture operator under section 51‑52 has effect, the joint venture operator must, in relation to all the \*GST joint ventures for which the joint venture operator is the joint venture operator, give to the Commissioner a single \*GST return for each tax period applying to the joint venture operator.

(3) This section has effect despite section 31‑5 (which is about who must give GST returns).

51‑52 Consolidation of GST returns relating to GST joint ventures

Electing to consolidate GST returns

(1) The \*joint venture operator of 2 or more \*GST joint ventures may, by notifying the Commissioner in the \*approved form, elect to give to the Commissioner consolidated \*GST returns relating to all the GST joint ventures of the joint venture operator.

(2) The election takes effect on the day specified in the notice. However, the day specified must be the first day of a tax period applying to the \*joint venture operator that has not already ceased when the notice is given.

Withdrawal of elections

(3) The \*joint venture operator may, by notifying the Commissioner in the \*approved form, withdraw the election.

(4) The withdrawal takes effect on the day specified in the notice. However, the day specified:

(a) must be the first day of a tax period applying to the \*joint venture operator that has not already ceased when the notice is given; and

(b) must not be a day occurring earlier than 12 months after the election took effect.

Disallowance of elections

(5) The Commissioner may disallow the election if the Commissioner is satisfied that the \*joint venture operator has a history of failing to comply with the joint venture operator’s obligations (either as a joint venture operator or in any other capacity) under a \*taxation law.

Note: Disallowing an election is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(6) The disallowance is taken to have had effect from the start of the tax period in which the disallowance occurs.

51‑55 Payments of GST relating to GST joint ventures

(1) If the \*net amount relating to one or more \*GST joint ventures for a tax period is greater than zero:

(a) the \*joint venture operator of that GST joint venture or those GST joint ventures must pay that net amount to the Commissioner; and

(b) Division 33 applies to payment of that amount as if it were a payment the joint venture operator was obliged to make under section 33‑3 or 33‑5 (as the case requires).

(2) This section has effect despite Division 33 (which is about payments of GST).

51‑60 Refunds relating to GST joint ventures

If the \*net amount relating to one or more \*GST joint ventures for a tax period is less than zero, the Commissioner must, on behalf of the Commonwealth, pay that net amount (expressed as a positive amount) to the \*joint venture operator of that GST joint venture or those GST joint ventures.

Note 1: See Division 3A of Part IIB and section 39 of the *Taxation Administration Act 1953* for the rules about how the Commissioner must pay the operator. Division 3 of Part IIB allows the Commissioner to apply the amount owing as a credit against tax debts that the operator owes to the Commonwealth.

Note 2: Interest is payable under the *Taxation (Interest on Overpayments and Early Payments) Act 1983* if the Commissioner is late in refunding the amount.

Subdivision 51‑C—Administrative matters

51‑70 Changing the participants etc. of GST joint ventures

Changes made on application

(1) The Commissioner must, if the \*joint venture operator of a \*GST joint venture applies to the Commissioner in the \*approved form, do one or more of these (as requested in the application):

(a) approve, as an additional \*participant of the GST joint venture, another entity that \*satisfies the participation requirements of the GST joint venture;

(b) revoke the approval of one of the participants of the GST joint venture as a participant in the joint venture;

(c) approve another entity that satisfies the requirements of paragraphs 51‑10(c) and (f) as the joint venture operator of the joint venture.

Note: Refusing an application for approval or revocation under this subsection is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

Changes made without application

(2) The Commissioner must revoke the approval of:

(a) one of the \*participants of a \*GST joint venture if satisfied that the participant does not \*satisfy the participation requirements of the GST joint venture; or

(b) the \*joint venture operator of a GST joint venture if satisfied that the operator does not satisfy the requirements of paragraphs 51‑10(c) and (f).

Note: Revoking under this subsection an approval under this Division is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

51‑75 Revoking the approval of GST joint ventures

Revoking on application

(1) The Commissioner must, if the \*joint venture operator of a \*GST joint venture applies to the Commissioner in the \*approved form, revoke the approval of the joint venture as a GST joint venture.

Note: Refusing an application for revocation under this subsection is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

Revoking without application

(2) The Commissioner must revoke the approval of the \*GST joint venture if satisfied that none of its \*participants, or only one of its participants, \*satisfies the participation requirements of the GST joint venture.

Note: Revoking under this subsection the approval of a GST joint venture is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

51‑80 Notification by joint venture operators

The \*joint venture operator of a \*GST joint venture must notify the Commissioner of any circumstances under which the Commissioner must:

(a) revoke the approval of one of the \*participants of the joint venture under subsection 51‑70(2); or

(b) revoke the approval of the joint venture under subsection 51‑75(2).

The notification may (in appropriate cases) be in the form of an application under subsection 51‑70(1). The notification, or application, must be given to the Commissioner within 21 days after the circumstances occurred.

51‑85 Date of effect of approvals and revocations

(1) The Commissioner must decide the date of effect of any approval, or any revocation of an approval, under this Division.

(2) The date of effect may be the day of the decision, or a day before or after that day. However, it must be the beginning of a tax period applying to the participants of the \*GST joint venture in question.

Note: Deciding under this section the date of effect of any approval, or any revocation of an approval, under this Division is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

51‑90 Notification by the Commissioner

The Commissioner must give notice of any decision that he or she makes under this Division:

(a) if the decision relates to the approval of 2 or more entities as the \*participants of a \*GST joint venture—to the entity nominated in the application for approval to be the \*joint venture operator of the joint venture; or

(b) otherwise—to the joint venture operator of the \*GST joint venture to which the decision relates.

Subdivision 51‑D—Ceasing to be a participant in, or an operator of, a GST joint venture

51‑110 Adjustments after you cease to be a participant in a GST joint venture

(1) If you \*cease to be a participant in a GST joint venture, any \*adjustment that arises afterwards in relation to a supply, acquisition or importation that the \*joint venture operator made on your behalf in the course of activities for which the joint venture was entered into (other than a supply covered by subsection 51‑30(2)):

(a) is an adjustment that you have; and

(b) is not an adjustment of the entity that is or was the joint venture operator.

(2) This section has effect despite section 51‑40 (which is about who has adjustments for a GST joint venture).

51‑115 Changes in extent of creditable purpose after you cease to be a member of a GST joint venture

(1) If:

(a) while you were a \*participant in a \*GST joint venture, you acquired or imported a thing by the joint venture operator acquiring or importing it on your behalf; and

(b) you \*cease to be a participant in the GST joint venture;

then, when applying section 129‑40 for the first time after that cessation, the \*intended or former application of the thing is the extent of \*creditable purpose last used to work out:

(c) under section 51‑35, the amount of the input tax credit to which the \*joint venture operator was entitled for the acquisition or importation; or

(d) under section 51‑40, the amount of any \*adjustment the joint venture operator had under Division 129 in relation to the acquisition or importation.

(2) If:

(a) while you were a \*participant in a \*GST joint venture, you acquired or imported a thing by the joint venture operator acquiring or importing it on your behalf; and

(b) you have \*ceased to be a participant in the GST joint venture; and

(c) you have an \*adjustment under Division 129 in relation to the acquisition or importation;

then, for the purposes of working out the full input tax credit in section 129‑70 or 129‑75, you are taken not to have been a participant of a GST joint venture when you acquired or imported the thing.

Division 54—GST branches

Table of Subdivisions

54‑A Registration of GST branches

54‑B Consequences of registration of GST branches

54‑C Cancellation of registration of GST branches

54‑1 What this Division is about

A branch of a registered entity can be separately registered as a GST branch. Separate GST returns are given, and separate payments and refunds of GST are made, in respect of the branch.

Subdivision 54‑A—Registration of GST branches

54‑5 Registration of GST branches

(1) The Commissioner must \*register a branch of a \*registered entity if:

(a) the registered entity applies, in the \*approved form, for registration of the branch; and

(b) the Commissioner is satisfied that the branch maintains an independent system of accounting, and can be separately identified by reference to:

(i) the nature of the activities carried on through the branch; or

(ii) the location of the branch; and

(c) the Commissioner is satisfied that the registered entity is \*carrying on an \*enterprise through the branch, or intends to carry on an enterprise through the branch, from a particular date specified in the application.

A branch that is so registered is a ***GST branch***.

(2) A branch of a \*registered entity can be registered as a \*GST branch without all or any of the other branches of the entity being so registered.

(3) However, a branch of a \*registered entity cannot be registered as a \*GST branch if the registered entity is a \*member of a \*GST group.

Note: Refusing an application for registration under this section is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

54‑10 The date of effect of registration of a GST branch

The Commissioner must decide the date from which \*registration as a \*GST branch takes effect. However, the date of effect must not be a day before:

(a) the day specified in the application for that purpose; or

(b) if the branch is being registered only because it is intended that an \*enterprise be \*carried on through the branch—the date of effect must not be a day before the day specified, in the application, as the day from which it is intended to carry on the enterprise through the branch.

Note: Deciding the date of effect of registration as a GST branch is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

54‑15 GST branch registration number

If the Commissioner \*registers a \*GST branch, the Commissioner must notify the registered entity of the branch’s \*GST branch registration number.

Subdivision 54‑B—Consequences of registration of GST branches

54‑40 Additional net amounts relating to GST branches

(1) If an entity (the ***parent entity***) has a \*GST branch, Division 17 applies to the parent entity as if it had an additional \*net amount, relating to the branch, for each tax period.

(2) The additional \*net amount relating to the branch is worked out as if the branch were a separate entity and as if:

(a) all the supplies, acquisitions and importations made through the branch were made by that separate entity; and

(b) all the \*adjustments that the parent entity has arising from such supplies, acquisitions and importations were adjustments that the branch has; and

(c) all transfers of anything by the branch to the parent entity (including any other branch of the parent entity), that would have been supplies made by the branch if it were an entity, were supplies made by the separate entity; and

(d) all transfers of anything by the parent entity (including any other branch of the parent entity) to the branch, that would have been acquisitions made by the branch if it were an entity, were acquisitions made by the separate entity; and

(e) all adjustments that the branch would have had, if it were an entity, relating to the supplies and acquisitions it would have made as mentioned in paragraphs (c) and (d), were adjustments that the branch had.

(3) This section has effect despite sections 17‑5 and 17‑10 (which are about net amounts and adjustments).

54‑45 Net amounts of parent entities

(1) If an entity (the ***parent entity***) has a \*GST branch, the parent entity’s \*net amount is worked out as if:

(a) all the supplies, acquisitions and importations made through any GST branch of the parent entity were not supplies for which the parent entity is liable for GST, or acquisitions or importations for which the parent entity is entitled to input tax credits; and

(b) the parent entity does not have any \*adjustments arising from such supplies, acquisitions and importations; and

(c) all transfers of anything by the parent entity to any GST branch of the parent entity, that would have been supplies made to the branch if it were an entity, were supplies made by the parent entity; and

(d) all transfers of anything by any GST branch of the parent entity to the parent entity, that would have been acquisitions made from the branch if it were an entity, were acquisitions made by the parent entity; and

(e) all adjustments that the parent entity would have had, if the GST branches of the parent entity were entities, relating to the supplies and acquisitions the parent entity would have made as mentioned in paragraphs (c) and (d), were adjustments that the parent entity had.

(2) However, the parent entity has no \*net amount under this section if all the \*enterprises that it \*carries on are carried on through its \*GST branches.

(3) This section has effect despite sections 17‑5 and 17‑10 (which are about net amounts and adjustments).

54‑50 Tax invoices and adjustment notes

(1) The \*GST branch registration number of a \*GST branch must be set out in:

(a) any \*tax invoice relating to a \*taxable supply made through that GST branch; and

(b) any \*adjustment note for a \*decreasing adjustment that arose from the occurrence of an \*adjustment event relating to a \*taxable supply made through that GST branch.

(2) This section has effect despite sections 29‑70 and 29‑75 (which are about tax invoices and adjustment notes).

54‑55 GST returns relating to GST branches

(1) An entity must, in relation to each \*GST branch of the entity, give to the Commissioner a \*GST return for each tax period applying to the entity.

(3) The entity must still give a \*GST return under section 31‑5, unless all the \*enterprises that it \*carries on are carried on through its \*GST branches.

(4) This section has effect despite section 31‑5 (which is about who must give GST returns).

54‑60 Payments of GST relating to GST branches

(1) If an entity has a \*GST branch and the \*net amount relating to the \*GST branch for a tax period is greater than zero:

(a) the entity must pay that net amount to the Commissioner; and

(b) Division 33 applies to payment of that amount as if it were a payment the entity was obliged to make under section 33‑3 or 33‑5 (as the case requires).

(2) This section has effect despite Division 33 (which is about payments of GST).

54‑65 Refunds relating to GST branches

If an entity has a \*GST branch and the \*net amount relating to the \*GST branch for a tax period is less than zero, the Commissioner must, on behalf of the Commonwealth, pay that net amount (expressed as a positive amount) to the entity.

Note 1: See Division 3A of Part IIB and section 39 of the *Taxation Administration Act 1953* for the rules about how the Commissioner must pay the entity. Division 3 of Part IIB allows the Commissioner to apply the amount owing as a credit against tax debts that the entity owes to the Commonwealth.

Note 2: Interest is payable under the *Taxation (Interest on Overpayments and Early Payments) Act 1983* if the Commissioner is late in refunding the amount.

Subdivision 54‑C—Cancellation of registration of GST branches

54‑70 When an entity must apply for cancellation of registration of a GST branch

(1) If an entity has a \*GST branch and the entity is not \*carrying on any \*enterprise through the branch, the entity must apply to the Commissioner in the \*approved form for cancellation of the \*registration of the branch.

(2) The entity must lodge its application within 21 days after the day on which it ceased to \*carry on any \*enterprise through the branch.

54‑75 When the Commissioner must cancel registration of a GST branch

(1) The Commissioner must cancel the \*registration of a \*GST branch of an entity if:

(a) the entity has applied for cancellation of registration in the \*approved form; and

(b) at the time it applied, the branch had been registered for at least 12 months.

Note: Refusing to cancel the registration of a GST branch under this subsection is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(2) The Commissioner must cancel the \*registration of a \*GST branch of the entity (even if the entity has not applied for cancellation of the registration) if:

(a) the Commissioner is satisfied that the entity is not \*carrying on an \*enterprise through the branch; and

(b) the Commissioner believes on reasonable grounds that the entity is unlikely to carry on an enterprise through the branch for at least 12 months.

Note: Cancelling the registration of a GST branch under this subsection is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(3) The Commissioner must notify the entity of any decision he or she makes in relation to it under this section. If the Commissioner decides to cancel the \*registration, the notice must specify the date of effect of the cancellation.

54‑80 The date of effect of cancellation of registration of a GST branch

The Commissioner must decide the date on which the cancellation of the \*registration of a \*GST branch of an entity under subsection 54‑75(1) or (2) takes effect. That date may be any day occurring before, on or after the day on which the Commissioner makes the decision.

Note: Deciding the date of effect of the cancellation of the registration of a GST branch is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

54‑85 Application of Subdivision 25‑B

Subdivision 25‑B does not apply to the cancellation of the \*registration of a \*GST branch.

54‑90 Effect on GST branches of cancelling the entity’s registration

If an entity’s \*registration is cancelled, the registration of any \*GST branches of the entity ceases to have effect from the day the cancellation takes effect.

Division 57—Resident agents acting for non‑residents

57‑1 What this Division is about

This Division effectively makes resident agents acting for non‑residents responsible for the GST consequences of what the non‑residents do through their resident agents.

57‑5 Who is liable for GST

(1) GST payable on a \*taxable supply or \*taxable importation made by a \*non‑resident through a \*resident agent:

(a) is payable by the agent; and

(b) is not payable by the non‑resident.

(2) This section has effect despite sections 9‑40 and 13‑15 (which are about liability for GST).

57‑10 Who is entitled to input tax credits

(1) If a \*non‑resident makes a \*creditable acquisition or \*creditable importation through a \*resident agent:

(a) the agent is entitled to the input tax credit on the acquisition or importation; and

(b) the non‑resident is not entitled to the input tax credit on the acquisition or importation.

(2) This section has effect despite sections 11‑20 and 15‑15 (which are about who is entitled to input tax credits).

57‑15 Adjustments

(1) Any \*adjustment that a \*non‑resident has relating to a supply, acquisition or importation made through a \*resident agent is to be treated as if:

(a) the non‑resident did not have the adjustment; and

(b) the agent had the adjustment.

(2) This section has effect despite section 17‑10 (which is about the effect of adjustments on net amounts).

57‑20 Resident agents are required to be registered

(1) A \*resident agent who is acting as agent for a \*non‑resident is ***required to be registered*** if the non‑resident is \*registered or \*required to be registered.

(2) The section has effect despite section 23‑5 (which is about who is required to be registered).

57‑25 Cancellation of registration of a resident agent

(1) The Commissioner must cancel the \*registration of a \*resident agent if the Commissioner is satisfied that the resident agent is not \*required to be registered.

Note: Cancelling the registration of a resident agent under this subsection is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(2) The Commissioner must notify the \*resident agent of the cancellation.

(3) Sections 25‑50 and 25‑55 do not apply to the cancellation of the \*registration of a \*resident agent.

57‑30 Notice of cessation of agency

A \*resident agent who ceases to act as agent for a \*non‑resident must notify the Commissioner of that cessation, in the \*approved form, within 14 days after so ceasing to act.

57‑35 Tax periods of resident agents

(1) If you are a \*resident agent who is acting as agent for a \*non‑resident, the Commissioner must determine that the ***tax periods*** that apply to you are each individual month if the Commissioner is satisfied that the non‑resident’s \*annual turnover meets the \*tax period turnover threshold.

Note: Determining under this section the tax periods applying to you is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(2) The determination takes effect on the day specified in the determination. However, the day specified must be 1 January, 1 April, 1 July or 1 October.

Note: Deciding the date of effect of the determination is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(3) This section has effect in addition to section 27‑15 (which is about determination of one month tax periods).

57‑40 GST returns for non‑residents

(1) A \*non‑resident is not required to give a \*GST return for a tax period if:

(a) the non‑resident’s \*net amount for the tax period is zero; or

(b) the only \*taxable supplies or \*taxable importations that the non‑resident made that are attributable to the tax period are taxable supplies or taxable importations made through a \*resident agent.

(2) This section has effect despite section 31‑5 (which is about who must give GST returns).

57‑45 Resident agents giving GST returns

If you are a \*resident agent acting for a \*non‑resident, subsection 31‑15(2) does not apply to you in relation to a tax period if, during the tax period:

(a) the non‑resident made \*taxable supplies, or supplies that would have been taxable supplies had they not been \*GST‑free or \*input taxed, through you as agent; or

(b) the non‑resident made \*creditable acquisitions through you as agent.

57‑50 Non‑residents that belong to GST groups

This Division does not apply in relation to a \*non‑resident that is a \*member of a \*GST group.

Division 58—Representatives of incapacitated entities

58‑1 What this Division is about

This Division sets out how to ascribe activities of a representative of an incapacitated entity between the representative and the incapacitated entity for GST purposes.

In particular, supplies, acquisitions and importations, and associated acts and omissions, by the representative are, in most cases, treated as having been by the incapacitated entity. This ensures that a transaction by the representative has the same consequences under the GST law as if the incapacitated entity had no representative.

However, in most cases, GST‑related liabilities and entitlements are allocated to the representative for transactions that are within the scope of the representative’s responsibility or authority.

58‑5 General principle for the relationship between incapacitated entities and their representatives

(1) Subject to this Division, any supply, acquisition or importation by an entity in the capacity of a \*representative of another entity that is an \*incapacitated entity is taken to be a supply, acquisition or importation by the other entity.

(2) Subject to this Division, any other act, or any omission, of an entity in the capacity of a \*representative of another entity that is an \*incapacitated entity is taken to be an act or omission of the other entity, but only for the purposes of determining, for the purposes of the \*GST law:

(a) whether a supply or importation is a \*taxable supply or \*taxable importation, or the amount of GST payable on the supply or importation; or

(b) whether an acquisition or importation is a \*creditable acquisition or \*creditable importation, or the amount of the input tax credit for the acquisition or importation; or

(c) whether an \*adjustment arises in relation to a supply, acquisition or importation, or the amount of such an adjustment.

(3) To avoid doubt, if the other entity ceases to be an \*incapacitated entity, this section continues to apply in relation to the supply, acquisition or importation, or to the act or omission, after the other entity ceases to be an incapacitated entity.

(4) To avoid doubt, to the extent that an act or omission referred to in subsection (2) relates to deciding to \*account on a cash basis, that subsection does not apply for the purposes of determining, for the purposes of the \*GST law, whether an \*adjustment arises under Division 21 in relation to a supply or acquisition.

58‑10 Circumstances in which representatives have GST‑related liabilities and entitlements

General rule

(1) A \*representative of an \*incapacitated entity:

(a) is liable to pay any GST that the incapacitated entity would, but for this section or section 48‑40, be liable to pay on a \*taxable supply or a \*taxable importation; and

(b) is entitled to any input tax credit that the incapacitated entity would, but for this section or section 48‑45, be entitled to for a \*creditable acquisition or a \*creditable importation; and

(c) has any \*adjustment that the incapacitated entity would, but for this section or section 48‑50, have;

to the extent that the making of the supply, importation or acquisition to which the GST, input tax credit or adjustment relates is within the scope of the representative’s responsibility or authority for managing the incapacitated entity’s affairs.

Exceptions for certain taxable supplies

(2) This section does not apply to the GST payable on a \*taxable supply to the extent that one or more of the following apply:

(a) the \*incapacitated entity received the \*consideration for the supply before the \*representative became a representative of the incapacitated entity;

(b) if, under Division 83 or 84, the GST is payable by the recipient of the supply—the incapacitated entity provided the consideration for the supply before the representative became a representative of the incapacitated entity;

(c) if:

(i) the supply is a supply for which a \*voucher to which Division 100 applies is redeemed; and

(ii) the incapacitated entity supplied the voucher before the representative became a representative of the incapacitated entity;

the consideration for the supply referred to in subparagraph (i) does not exceed the consideration provided for the incapacitated entity’s supply of the voucher.

Exception for certain creditable acquisitions

(3) This section does not apply to an input tax credit for a \*creditable acquisition to the extent that the \*incapacitated entity provided the \*consideration for the acquisition before the \*representative became a representative of the incapacitated entity.

Exceptions for certain adjustments

(4) This section does not apply to an \*adjustment to the extent that one or more of the following apply:

(a) if the adjustment relates to a supply—the \*incapacitated entity received the \*consideration for the supply before the \*representative became a representative of the incapacitated entity;

(b) if the adjustment relates to an acquisition—the incapacitated entity provided the consideration for the supply before the representative became a representative of the incapacitated entity;

(c) the adjustment would not be attributable to a tax period applying to the representative in the capacity of a representative of the incapacitated entity.

Incapacitated entity not liable to pay GST etc.

(5) An \*incapacitated entity or, if the incapacitated entity is a \*member of a \*GST group, the \*representative member of that group:

(a) is not liable to pay the GST on a \*taxable supply or a \*taxable importation to the extent that a \*representative of the incapacitated entity is liable under this section to pay the GST on the supply or importation; and

(b) is not entitled to the input tax credit for a \*creditable acquisition or a \*creditable importation to the extent that a representative of the incapacitated entity is entitled under this section to the input tax credit for the acquisition or importation; and

(c) does not have an \*adjustment to the extent that a representative of the incapacitated entity has the adjustment under this section.

Other

(6) This section has effect despite sections 9‑40, 11‑20, 13‑15, 15‑15, 83‑5 and 84‑10 and subsections 48‑40(1), 48‑45(1) and 48‑50(1) (which are about who is liable for GST, and who is entitled to input tax credits).

58‑15 Adjustments for bad debts

(1) For the purposes of determining whether an \*adjustment arises under section 21‑5 or 21‑15 for the whole or a part of a debt relating to a \*taxable supply or \*creditable acquisition for which a \*representative of an \*incapacitated entity is liable to pay GST, or is entitled to an input tax credit, under section 58‑10:

(a) the adjustment cannot arise if, when the whole or part of the debt is written off, or has been \*overdue for 12 months, the representative \*accounts on a cash basis; but

(b) it does not matter whether the incapacitated entity accounts on a cash basis at that or any other time.

(2) This section has effect despite subsections 21‑5(2) and 21‑15(2) (which preclude adjustments for bad debts when accounting on a cash basis).

58‑40 Effect on attribution rules of not accounting on a cash basis

(1) If:

(a) a \*representative of an \*incapacitated entity does not \*account on a cash basis; and

(b) because of section 58‑10, all or part of the amount of GST payable on a \*taxable supply is payable by the representative, or the representative is entitled to all or part of the input tax credit for a \*creditable acquisition;

then, to the extent that, but for this section, the GST or input tax credit would be attributable to a tax period that ended before the representative became a representative of the incapacitated entity, the GST or input tax credit is instead attributable to the first tax period applying to the representative in that capacity.

(2) This section has effect despite sections 29‑5 and 29‑10 (which are about attribution of GST on taxable supplies and of input tax credits for creditable acquisitions).

Division 60—Pre‑establishment costs

60‑1 What this Division is about

This Division enables input tax credits to arise in some circumstances in which acquisitions and importations are made before a company is in existence.

60‑5 Input tax credit for acquisitions and importations before establishment

(1) If you make a \*creditable acquisition that is a\*pre‑establishment acquisition, or a \*creditable importation that is a \*pre‑establishment importation, relating to a \*company before it is \*in existence:

(a) you are not entitled to the input tax credit on the acquisition or importation; and

(b) once the company is in existence, it is entitled to the input tax credit on the acquisition or importation.

(2) This section has effect despite sections 11‑20 and 15‑15 (which are about who is entitled to input tax credits).

60‑10 Registration etc. not needed for input tax credits

(1) If you make a \*pre‑establishment acquisition, the fact that you are not \*registered or \*required to be registered does not stop the acquisition being a \*creditable acquisition.

(2) If you make a \*pre‑establishment importation, the fact that you are not \*registered or \*required to be registered does not stop the acquisition being a \*creditable importation.

(3) This section has effect despite sections 11‑5 and 15‑5 (which are about what are creditable acquisitions and creditable importations).

60‑15 Pre‑establishment acquisitions and importations

(1) An acquisition that you make is a ***pre‑establishment*** ***acquisition***,and an importation that you make is a ***pre‑establishment importation***,if:

(a) you do not \*apply the thing acquired or imported for any purpose other than for a \*creditable purpose relating to a \*company not yet \*in existence; and

(b) the company comes into existence, and becomes \*registered, within 6 months after the acquisition or importation; and

(c) you become a member, officer or employee of the company; and

(d) in the case of an acquisition—you have been fully reimbursed by the company for the \*consideration you provided for the acquisition; and

(e) in the case of an importation—you have been fully reimbursed by the company:

(i) for the GST paid on the importation; and

(ii) for the cost of acquiring or producing the thing imported.

(2) However, the acquisition or importation is *not* a ***pre‑establishment*** ***acquisition*** or a ***pre‑establishment importation*** if:

(a) you are entitled to an input tax credit for the acquisition or importation; or

(b) the company acquires the thing acquired or imported, and that acquisition by the company is a \*creditable acquisition.

60‑20 Creditable purpose

(1) If, before a \*company is \*in existence, you make an acquisition or importation:

(a) for the purpose of bringing the company into existence; or

(b) for the purpose of the company \*carrying on an \*enterprise after it is in existence;

you acquire or import the thing for a ***creditable purpose*** only to the extent that you acquire or import it for either or both of those purposes.

(2) However, you do not acquire or import the thing for a creditable purpose to the extent that:

(a) the acquisition or importation relates (directly or indirectly) to the company making supplies that would be \*input taxed; or

(b) the acquisition or importation is of a private or domestic nature.

(3) An acquisition or importation is not treated, for the purposes of paragraph (2)(a), as relating to making supplies that would be \*input taxed to the extent that the supply is made through an \*enterprise, or a part of an enterprise, that the company will \*carry on outside Australia.

(4) This section has effect despite sections 11‑15 and 15‑10 (which are about creditable purpose).

60‑25 Attributing the input tax credit for pre‑establishment acquisitions

(1) The input tax credit to which a \*company is entitled under this Division for an acquisition that you made is attributable to the tax period (applying to the company) in which you were fully reimbursed by the company for the \*consideration you paid for the acquisition.

(2) However, if the company does not hold a copy of a \*tax invoice that you (or your agent) hold for the acquisition when the company gives to the Commissioner a \*GST return for the tax period to which the input tax credit for the acquisition would otherwise be attributable, then:

(a) the input tax credit (including any part of the input tax credit) is not attributable to that tax period; and

(b) the input tax credit (or the part of the input tax credit) is attributable to the first tax period for which the company gives to the Commissioner a GST return at a time when it holds a copy of that tax invoice.

However, this subsection does not apply in circumstances of a kind determined in writing by the Commissioner, under subsection 29‑10(3), to be circumstances in which the requirement for a tax invoice does not apply.

For the giving of GST returns to the Commissioner, see Division 31.

(3) This section has effect despite section 29‑10 (which is about attributing input tax credits for acquisitions).

60‑30 Attributing the input tax credit for pre‑establishment importations

(1) The input tax credit to which a \*company is entitled under this Division for an importation that you made is attributable to the tax period (applying to the company) in which you were fully reimbursed by the company:

(a) for the GST paid on the importation; and

(b) for the cost of acquiring or producing the thing imported.

(2) This section has effect despite section 29‑15 (which is about attributing input tax credits for importations).

60‑35 Application of Division 129

If a \*company is entitled under this Division to an input tax credit for an acquisition or importation, the acquisition or importation is treated, for the purposes of Division 129 (which is about changes in the extent of creditable purpose), as if the company had made it.

Division 63—Non‑profit sub‑entities

63‑1 What this Division is about

Some kinds of non‑profit entities may choose to have some (or all) of their separately identifiable branches treated as separate entities for GST purposes.

Note: The parent entities then cease to be responsible, for GST purposes, for these branches. (By way of contrast, parent entities would remain responsible for their branches if they registered them under Division 54.)

63‑5 Entities that may choose to apply this Division

(1) An entity may choose to apply this Division.

(2) However, the entity must be \*registered and must be:

(a) a charitable institution, a trustee of a charitable fund, a \*gift‑deductible entity or a \*government school; or

(b) a non‑profit body that is exempt from income tax under any of these provisions of the \*ITAA 1997:

(i) section 50‑5 (charity, education, science and religion);

(ii) section 50‑10 (community service);

(iii) section 50‑15 (employees and employers);

(iv) section 50‑40 (primary and secondary resources, and tourism);

(v) item 9.1 or 9.2 of section 50‑45 (sports, culture and recreation).

63‑10 Period for which a choice has effect

(1) The choice has effect from the time the entity makes the choice.

(2) The choice ceases to have effect if:

(a) the entity revokes the choice; or

(b) the entity ceases to meet the requirements of subsection 63‑5(2).

(3) However, the entity:

(a) cannot revoke the choice within 12 months after the day on which the entity made the choice; and

(b) cannot make a further choice within 12 months after the day on which the entity revoked a previous choice.

63‑15 Consequences of choosing to apply this Division

(1) While the choice has effect, any branch of the entity is treated, for the purposes of the \*GST law (other than sections 63‑5 and 63‑10 and this section), as an entity if that branch:

(a) maintains an independent system of accounting; and

(b) can be separately identified by reference to:

(i) the nature of the activities carried on through the branch; or

(ii) the location of the branch; and

(c) is referred to in the entity’s records to the effect that it is to be treated as a separate entity for the purposes of the GST law.

(2) The branch’s treatment as an entity ceases if:

(a) the choice ceases to have effect; or

(b) the branch ceases to meet the requirements of paragraphs (1)(a), (b) and (c).

However, if the branch is \*registered, its treatment as an entity continues until its registration is cancelled.

(3) At all times during its treatment as an entity, the branch is a ***non‑profit sub‑entity***.

63‑20 Non‑profit sub‑entities may register

(1) A \*non‑profit sub‑entity may apply to be \*registered under section 23‑10 even if it is not \*carrying on an \*enterprise and is not intending to carry on an enterprise.

(2) The Commissioner must \*register the \*non‑profit sub‑entity whether or not the Commissioner is satisfied that it is \*carrying on an \*enterprise or intending to carry on an enterprise.

(3) This section has effect despite section 23‑10 (which is about who may be registered) and section 25‑5 (which is about when the Commissioner must register an entity).

63‑25 Registration turnover threshold for non‑profit sub‑entities

Regulations made for the purposes of paragraph 23‑15(2)(b) may:

(a) provide that they apply only to \*non‑profit sub‑entities, or only to other non‑profit entities; or

(b) specify one amount for \*non‑profit sub‑entities and a different amount for other non‑profit entities.

63‑30 When non‑profit sub‑entities must apply for cancellation of registration

(1) If a \*non‑profit sub‑entity is \*registered and it does not meet the requirements of paragraphs 63‑15(1)(a), (b) and (c), it must apply to the Commissioner in the \*approved form for cancellation of its \*registration. It must lodge the application within 21 days after the day on which it ceased to meet those requirements.

(2) Section 25‑50 (which is about cancelling registration) does not apply to \*non‑profit sub‑entities.

63‑35 When the Commissioner must cancel registration of non‑profit sub‑entities

(1) The Commissioner must cancel \*registration of a \*non‑profit sub‑entity (even if it has not applied for cancellation of the registration) if the Commissioner is satisfied that the sub‑entity does not meet the requirements of paragraphs 63‑15(1)(a), (b) and (c).

Note: Cancelling registration under this subsection is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(2) The Commissioner must notify the sub‑entity if the Commissioner decides to cancel its registration. The notice must specify the date of effect of the cancellation.

(3) Subsection 25‑55(2) (which is about cancelling registration) does not apply to \*non‑profit sub‑entities.

63‑40 Effect on adjustments of becoming a non‑profit sub‑entity

(1) If a branch of an entity becomes a \*non‑profit sub‑entity, any \*adjustment arising afterwards in relation to a supply, acquisition or importation, made by the entity through the branch before it became a non‑profit sub‑entity:

(a) is taken to be an adjustment that the non‑profit sub‑entity has, as if the non‑profit sub‑entity had made the supply, acquisition or importation; and

(b) is not taken to be an adjustment that the entity has.

(2) For the purpose of applying subsection (1) to an adjustment under Division 129 relating to a thing acquired or imported before the branch became a \*non‑profit sub‑entity, that Division applies as if:

(a) the extent to which the acquisition or importation of the thing was for a \*creditable purpose were the extent to which the non‑profit sub‑entity acquired or imported it for a creditable purpose; and

(b) the extent to which the thing has been \*applied for a creditable purpose since its acquisition or importation were the extent to which the non‑profit sub‑entity applied it for a creditable purpose.

63‑45 Effect on adjustments of ceasing to be a non‑profit sub‑entity

(1) If a branch of an entity ceases to be a \*non‑profit sub‑entity, any \*adjustment arising afterwards in relation to a supply, acquisition or importation, made by the branch while it was a non‑profit sub‑entity, is taken to be an adjustment that the entity has, as if the entity had made the supply, acquisition or importation.

(2) For the purpose of applying subsection (1) to an adjustment under Division 129 relating to a thing acquired or imported before the branch ceased to be a \*non‑profit sub‑entity, that Division applies as if:

(a) the extent to which the acquisition or importation of the thing was for a \*creditable purpose were the extent to which the entity acquired or imported it for a creditable purpose; and

(b) the extent to which the thing has been \*applied for a creditable purpose since its acquisition or importation were the extent to which the entity applied it for a creditable purpose.

63‑50 Membership requirements of GST groups

A \*non‑profit sub‑entity ***satisfies the membership requirements*** for a \*GST group, or a proposed GST group, if:

(a) it is \*registered; and

(b) it has the same tax periods applying to it as the tax periods applying to all the other members of the GST group or proposed GST group; and

(c) it accounts on the same basis as all those other members; and

(d) it is not a \*member of any other GST group; and

(e) each of the other members of the GST group or proposed GST group is either:

(i) the entity of which the non‑profit sub‑entity is a branch; or

(ii) another branch of that entity that is a non‑profit sub‑entity.

Part 4‑2—Special rules mainly about supplies and acquisitions

Note: The special rules in this Part mainly modify the operation of Part 2‑2, but they may affect other Parts of Chapter 2 in minor ways.

Division 66—Second‑hand goods

Table of Subdivisions

66‑A Input tax credits for acquiring second‑hand goods

66‑B Acquisitions of second‑hand goods that are divided for   
re‑supply

66‑1 What this Division is about

This Division allows you to claim input tax credits for your acquisitions of second‑hand goods, even though GST was not payable on the supply of the goods to you. However, some limitations apply, and a form of global accounting is used for some acquisitions of second‑hand goods that are divided for re‑supply.

Subdivision 66‑A—Input tax credits for acquiring second‑hand goods

66‑5 Creditable acquisitions of second‑hand goods

(1) If you acquire \*second‑hand goods for the purposes of sale or exchange (but not for manufacture) in the ordinary course of \*business, the fact that the supply of the goods to you is not a \*taxable supply does not stop the acquisition being a \*creditable acquisition.

(2) However, this section does not apply, and is taken never to have applied, to the acquisition if:

(a) the supply of the goods to you was a \*taxable supply, or was \*GST‑free; or

(b) you \*imported the goods; or

(c) the supply of the goods to you was a supply by way of hire; or

(d) Subdivision 66‑B applies to the acquisition; or

(e) you make a supply of the goods that is not a taxable supply.

(3) This section has effect despite section 11‑5 (which is about what is a creditable acquisition).

66‑10 Amounts of input tax credits for creditable acquisitions of second‑hand goods

(1) The amount of the input tax credit for a \*creditable acquisition of \*second‑hand goods for which the \*consideration is more than $300 is:

(a) an amount equal to 1/11 of the \*consideration that you provide, or are liable to provide, for the acquisition; or

(b) if that amount is more than the amount of the GST payable on a \*taxable supply of the goods that you make—the amount of GST on that taxable supply.

(1A) The amount of the input tax credit for a \*creditable acquisition of \*second‑hand goods for which the \*consideration is $300 or less is an amount equal to 1/11 of the \*consideration that you provide, or are liable to provide, for the acquisition.

(2) However, this section does not apply if the supply of the goods to you is a \*taxable supply.

(3) This section has effect despite section 11‑25 (which is about the amount of input tax credits for creditable acquisitions).

66‑15 Attributing input tax credits for creditable acquisitions of second‑hand goods

(1) If:

(a) you are entitled, under this Division, to the input tax credit for a \*creditable acquisition of \*second‑hand goods; and

(b) either the \*consideration for the acquisition was more than $300 or you choose to have this section apply to the acquisition;

the input tax credit for the acquisition is attributable to:

(c) the tax period in which any \*consideration is received for a subsequent \*taxable supply of the goods; or

(d) if, before any of the consideration is received, you have issued an \*invoice relating to the supply—the tax period in which the invoice is issued.

(2) However, if you \*account on a cash basis, then:

(a) if, in a tax period, *all* of the \*consideration is received for the subsequent \*taxable supply—the input tax credit for the acquisition is attributable to that tax period; or

(b) if, in a tax period, *part* of the consideration is received—the input tax credit for the acquisition is attributable to that tax period, but only to the extent that the consideration is received in that tax period; or

(c) if, in a tax period, *none* of the consideration is received—none of the input tax credit for the acquisition is attributable to that tax period.

(4) This section has effect despite section 29‑10 (which is about attributing the input tax credits for creditable acquisitions).

66‑17 Records of creditable acquisitions of second‑hand goods

(1) If you make a \*creditable acquisition of second‑hand goods and the supply of the goods to you was not a \*taxable supply:

(a) subsection 29‑10(3) applies to the acquisition as if references to a \*tax invoice were references to a record you prepared that complies with this section; and

(b) subsection 29‑20(3) applies to an adjustment event relating to the acquisition as if references to an \*adjustment note were references to a record you prepared that complies with this section.

(2) To comply with this section, the record must:

(a) set out the name and address of the entity that supplied the goods to you; and

(b) describe the goods (including their quantity); and

(c) set out the date of, and the \*consideration for, the acquisition.

(2A) Subsection 29‑10(3) does not apply to a \*creditable acquisition of \*second‑hand goods if:

(a) the supply to which the acquisition relates is not a \*taxable supply; and

(b) the amount that would have been the \*value of the supply (if it had been a \*taxable supply) does not exceed $50, or such higher amount as the regulations made for the purposes of subsection 29‑80(1) specify.

(2B) Subsection 29‑20(3) does not apply to a \*decreasing adjustment relating to a \*creditable acquisition of \*second‑hand goods if:

(a) the supply to which the acquisition relates is not a \*taxable supply; and

(b) the amount of the adjustment does not exceed $50, or such higher amount as the regulations made for the purposes of subsection 29‑80(2) specify.

(3) This section has effect despite section 29‑10 (which is about attributing the input tax credits for creditable acquisitions) and section 29‑20 (which is about attributing decreasing adjustments).

Subdivision 66‑B—Acquisitions of second‑hand goods that are divided for re‑supply

66‑40 Acquisitions of second‑hand goods that can be used to offset GST on future re‑supplies

(1) This Subdivision applies to an acquisition of \*second‑hand goods if:

(a) you acquire the goods for the purposes of sale or exchange (but not for manufacture) in the ordinary course of \*business; and

(b) either the \*consideration for the acquisition was more than $300 or you choose to have this section apply to the acquisition; and

(c) the goods are of such a kind, or they are supplied to you in such a way, that it would be reasonable to expect you to divide them before supplying them in 2 or more separate supplies; and

(d) you do not subsequently make a single supply of the entirety of the goods acquired.

(2) However, this Subdivision does not apply, and is taken never to have applied, to the acquisition if:

(a) the \*consideration for the acquisition separately itemises the consideration for the different goods acquired, and your division of the goods before supplying them:

(i) corresponds to that itemisation; or

(ii) does not involve dividing the goods any further than the division indicated by that itemisation; or

(b) the supply of the goods to you was a \*taxable supply, or was \*GST‑free; or

(c) you \*imported the goods; or

(d) the supply of the goods to you was a supply by way of hire; or

(e) you make a supply of the goods, or of part of the goods, that is not a taxable supply (other than because of section 66‑45).

66‑45 Future re‑supplies that are not taxable supplies

(1) A supply you make is not a \*taxable supply if:

(a) it is a supply of goods that were part of an acquisition you made that was an acquisition of \*second‑hand goods to which this Subdivision applied; and

(b) your \*total Subdivision 66‑B credit amount is more than your \*total Subdivision 66‑B GST amount; and

(c) what would be the amount of GST payable on the supply, if the supply were a taxable supply, is less than or equal to the difference between:

(i) your \*total Subdivision 66‑B credit amount; and

(ii) your \*total Subdivision 66‑B GST amount.

Note: This section will not apply unless the record keeping requirements of section 66‑55 are met.

(2) This section has effect despite section 9‑5 (which is about what are taxable supplies).

66‑50 Future re‑supplies on which GST is reduced

(1) The amount of GST on a \*taxable supply you make is reduced if:

(a) it is a supply of goods that were part of an acquisition you made that was an acquisition of \*second‑hand goods to which this Subdivision applied; and

(b) your \*total Subdivision 66‑B credit amount is more than your \*total Subdivision 66‑B GST amount; and

(c) what would be the amount of GST payable on the supply, if the amount were not reduced under this section, is more than the difference between:

(i) your total Subdivision 66‑B credit amount; and

(ii) your total Subdivision 66‑B GST amount.

Note: This section will not apply unless the record keeping requirements of section 66‑55 are met.

(2) The amount by which the GST on the supply is reduced is an amount equal to the difference between:

(a) your \*total Subdivision 66‑B credit amount; and

(b) your \*total Subdivision 66‑B GST amount.

(3) This section has effect despite section 9‑70 (which is about the amount of GST on taxable supplies).

Note: Section 9‑90 (rounding of amounts of GST) can apply to amounts of GST worked out using this section.

66‑55 Records of acquisitions of second‑hand goods to which this Subdivision applied

Sections 66‑45 and 66‑50 do not apply to a supply of goods you made unless you hold a record, relating to the acquisition of \*second‑hand goods of which the goods supplied were a part, that:

(a) sets out the name and address of the entity that supplied the goods to you; and

(b) describes the goods (including their quantity); and

(c) sets out the date of, and the \*consideration for, the acquisition.

66‑60 Input tax credits for acquiring second‑hand goods the supply of which is not fully taxable

(1) If an entity acquires \*second‑hand goods, and, because of section 66‑45 and for no other reason, the supply of the goods to the entity is not a \*taxable supply:

(a) the fact that the supply is not a taxable supply does not stop the acquisition being a \*creditable acquisition; and

(b) the amount of the input tax credit for the creditable acquisition is worked out as if the supply were a taxable supply.

(2) If:

(a) an entity makes a \*creditable acquisition of \*second‑hand goods; and

(b) the amount of GST on the supply of the goods to the entity was reduced because of section 66‑50;

the amount of the input tax credit for the creditable acquisition is worked out as if that amount of GST had not been so reduced.

(3) This section has effect despite section 11‑5 (which is about what is a creditable acquisition) and section 11‑25 (which is about the amount of input tax credits for creditable acquisitions).

66‑65 Total Subdivision 66‑B credit amounts and Subdivision 66‑B GST amounts

(1) Your ***total Subdivision 66‑B credit amount*** is the sum of the amounts of the input tax credits to which you would have been entitled, for all your acquisitions of \*second‑hand goods to which this Subdivision applied, if this Subdivision had not applied to them.

(2) Your ***total Subdivision 66‑B GST amount*** is the sum of:

(a) all the amounts of GST that, but for the operation of section 66‑45, would have been payable on supplies that you made; and

(b) all the amounts by which GST payable on supplies that you made has been reduced under section 66‑50.

66‑70 Commissioner may determine rules for applying this Subdivision

(1) The Commissioner may, in writing, determine:

(a) that acquisitions of \*second‑hand goods of a specified kind are, or are not, acquisitions of second‑hand goods to which this Subdivision applies; or

(b) how \*total Subdivision 66‑B credit amounts or \*total Subdivision 66‑B GST amounts are to be worked out in specified circumstances.

(2) Determinations under subsection (1) override the provisions of this Subdivision (except this section), but only to the extent of any inconsistency.

Division 69—Non‑deductible expenses

Table of Subdivisions

69‑A Non‑deductible expenses generally

69‑B Elections for GST purposes relating to meal entertainment and entertainment facilities

69‑1 What this Division is about

Some expenses that are not deductible under the ITAA 1997 do not give rise to creditable acquisitions or creditable importations. The amount of input tax credits on some creditable acquisitions or creditable importations of cars is reduced.

Subdivision 69‑A—Non‑deductible expenses generally

69‑5 Non‑deductible expenses do not give rise to creditable acquisitions or creditable importations

(1) An acquisition is not a \*creditable acquisition to the extent that it is a \*non‑deductible expense.

(2) An importation is not a \*creditable importation to the extent that it is a \*non‑deductible expense.

(3) An acquisition or importation is a ***non‑deductible expense*** if it is not deductible under Division 8 of the \*ITAA 1997 because of one of the following:

(a) section 26‑5 of the \*ITAA 1997 (Penalties);

(b) section 26‑30 of the \*ITAA 1997 (Relative’s travel expenses);

(c) section 26‑40 of the \*ITAA 1997 (Maintaining your family);

(d) section 26‑45 of the \*ITAA 1997 (Recreational club expenses);

(e) section 26‑50 of the \*ITAA 1997 (Expenses for a leisure facility or boat);

(f) Division 32 of the \*ITAA 1997 (Entertainment expenses);

(g) Division 34 of the \*ITAA 1997 (Non‑compulsory uniforms);

(h) section 51AK of the \*ITAA 1936 (Agreements for the provision of non‑deductible non‑cash business benefits);

(i) Division 4A of Part III of the \*ITAA 1936 (Car parking for certain self‑employed persons, partnerships and trusts).

(3A) An acquisition or importation is also a ***non‑deductible expense*** to the extent that it is not deductible under Division 8 of the \*ITAA 1997 because of one of the following:

(a) section 51AEA of the \*ITAA 1936 (Meal entertainment—election to use the 50/50 split method);

(b) section 51AEB of the ITAA 1936 (Meal entertainment—election to use the 12 week register method);

(c) section 51AEC of the ITAA 1936 (Entertainment facility—election to use the 50/50 split method).

(4) If the entity making the acquisition or importation is an \*exempt entity, the acquisition or importation is a ***non‑deductible expense*** if it would have been a non‑deductible expense under subsection (3) or (3A) had the entity not been an exempt entity.

(5) This section has effect despite sections 11‑5 and 15‑5 (which are about what is a creditable acquisition and what is a creditable importation).

69‑10 Amounts of input tax credits for creditable acquisitions or creditable importations of certain cars

(1) If:

(a) you are entitled to an input tax credit for a \*creditable acquisition or \*creditable importation of a \*car; and

(b) you are not, for the purposes of the *A New Tax System (Luxury Car Tax) Act 1999*, entitled to quote an \*ABN in relation to the supply to which the creditable acquisition relates, or in relation to the importation, as the case requires; and

(c) the \*GST inclusive market value of the car exceeds the \*car limit for the \*financial year in which you first used the car for any purpose;

the amount of the input tax credit on the acquisition or importation is the amount of GST payable on the supply or importation of the car up to 1/11 of that limit.

(2) However, if:

(a) the supply of the car is \*GST‑free to any extent under Subdivision 38‑P; or

(b) the importation of the car is non‑taxable to any extent under paragraph 13‑10(b) because it would have been GST‑free to any extent under Subdivision 38‑P if it had been a supply;

you are not entitled to the input tax credit for the acquisition or importation.

(3) If your acquisition or importation is \*partly creditable, the input tax credit is reduced to the extent (expressed as a percentage) to which the acquisition or importation is made for a \*creditable purpose.

(4) This section does not apply in relation to:

(a) the acquisition or importation of a \*car that is not a \*luxury car because of subsection 25‑1(2) of the *A New Tax System (Luxury Car Tax) Act 1999*; or

Note: Emergency vehicles, cars fitted to transport disabled people, non‑passenger commercial vehicles, motor homes and campervans are not luxury cars under that subsection.

(b) the acquisition of a car by lease or hire.

(5) This section has effect despite sections 11‑25 and 15‑20 (which are about the amount of input tax credits on creditable acquisitions and creditable importations).

Subdivision 69‑B—Elections for GST purposes relating to meal entertainment and entertainment facilities

69‑15 What this Subdivision is about

The GST consequences of incurring certain expenses for the provision of meal entertainment and entertainment facilities depend on elections made under fringe benefits tax law. These elections might not be made until after GST returns are due.

This Subdivision allows elections to be made for GST purposes so that GST returns can take into account the likely application of subsection 69‑5(3A) to those expenses, before the fringe benefits tax elections are made.

69‑20 Effect of elections on net amounts

(1) If you make an election under this Subdivision that has effect during a particular tax period, your \*net amount for the tax period must be worked out on the basis of that election.

(2) This section has effect despite section 17‑5 (which is about working out your net amount).

69‑25 Election to use the 50/50 split method for meal entertainment

You may elect to have acquisitions or importations treated, for the purposes of this Subdivision, as \*non‑deductible expenses because of paragraph 69‑5(3A)(a), to the extent that the acquisitions or importations would be non‑deductible expenses because of that paragraph if:

(a) an election were in force under section 37AA of the *Fringe Benefits Tax Assessment Act 1986* (but no further election were in force under section 37CA of that Act); and

(b) section 51AEA of the \*ITAA 1936 were to apply, because of that election, to expenses relating to the acquisitions or importations.

69‑30 Election to use the 12 week register method for meal entertainment

(1) You may elect to have acquisitions or importations treated, for the purposes of this Subdivision, as \*non‑deductible expenses because of paragraph 69‑5(3A)(b), to the extent that the acquisitions or importations would be non‑deductible expenses because of that paragraph if:

(a) an election were in force under section 37CA of the *Fringe Benefits Tax Assessment Act 1986*; and

(b) section 51AEB of the \*ITAA 1936 were to apply, because of that election, to expenses relating to the acquisitions or importations.

(2) However, you cannot make the election unless you have a \*valid meal entertainment register.

69‑35 Election to use the 50/50 split method for entertainment facilities

You may elect to have acquisitions or importations treated, for the purposes of this Subdivision, as \*non‑deductible expenses because of paragraph 69‑5(3A)(c), to the extent that the acquisitions or importations would be non‑deductible expenses because of that paragraph if:

(a) an election were in force under section 152B of the *Fringe Benefits Tax Assessment Act 1986*; and

(b) section 51AEC of the \*ITAA 1936 were to apply, because of that election, to expenses relating to the acquisitions or importations.

69‑40 When elections take effect

(1) An election under this Subdivision is taken to have effect, or to have had effect, from the start of the tax period specified in the election.

(2) The tax period may be a future tax period or the current tax period. It cannot be a tax period that has already come to an end.

69‑45 When elections cease to have effect

If a circumstance specified in the second column of the following table occurs, the election ceases to have effect from the start of the tax period specified in the third column:

| When elections cease to have effect | | | |
| --- | --- | --- | --- |
| Item | Kind of election | Circumstance | Tax period |
| 1 | Any election under this Subdivision | You withdraw the election | The tax period (which must not be a past tax period) specified in the withdrawal |
| 2 | An election under section 69‑25 | You make an election under section 69‑30 | The tax period at the start of which the election under section 69‑30 takes effect |
| 3 | An election under section 69‑30 | You make an election under section 69‑25 | The tax period at the start of which the election under section 69‑25 takes effect |
| 4 | An election under section 69‑30 | You cease to have a \*valid meal entertainment register | The tax period during which you cease to have such a register |
| 5 | An election under section 69‑25 or 69‑30 | You make an election under section 37AA or 37CA of the *Fringe Benefits Tax Assessment Act 1986* | The tax period during which the election is made |
| 6 | An election under section 69‑35 | You make an election under section 152B of that Act | The tax period during which the election is made |

69‑50 Adjustment events relating to elections

(1) The following are ***adjustment events*** if they have the effect of changing the extent to which an acquisition you made is a \*creditable acquisition:

(a) an election you make under this Subdivision ceases to have effect at a time other than the start of an \*FBT year;

(b) an election is made under section 37AA, 37CA or 152B of the *Fringe Benefits Tax Assessment Act 1986* for an FBT year, without one or more corresponding elections under this Subdivision having been made covering all the tax periods in that year;

(c) an election is not made under section 37AA, 37CA or 152B of that Act for an FBT year, but one or more corresponding elections have been made under this Subdivision covering one or more of the tax periods in that year.

(2) However, an \*adjustment event under this section arises only in respect of a tax period in which:

(a) the day occurs by which you are required, under section 68 of the *Fringe Benefits Tax Assessment Act 1986*, to furnish a return to the Commissioner relating to an \*FBT year; or

(b) if you are not required under that section to lodge a return relating to that FBT year—the day occurs by which you would have been required under that section to lodge a return relating to that FBT year, if you were required to lodge the return.

(3) Subdivision 19‑C applies to the acquisition in question as if every \*adjustment event under this section that occurred during the \*FBT year, and that relates to the acquisition, occurred during the tax period referred to in paragraph 19‑70(a).

(4) This table sets out when elections that you make or fail to make under section 37AA, 37CA or 152B of the *Fringe Benefits Tax Assessment Act 1986* correspond to elections under this Subdivision:

| Corresponding elections | | |
| --- | --- | --- |
| Item | These elections under the *Fringe Benefits Tax Assessment Act 1986...* | correspond to these elections under this Subdivision... |
| 1 | an election under section 37AA, but without a further election under section 37CA | an election under section 69‑25 |
| 2 | an election under section 37AA, together with a further election under section 37CA | an election under section 69‑30 |
| 3 | an election under section 152B | an election under section 69‑35 |

69‑55 Adjustment notes not required

Subsection 29‑20(3) does not apply to a \*decreasing adjustment arising from an \*adjustment event of a kind referred to in section 69‑50.

Division 70—Financial supplies (reduced credit acquisitions)

70‑1 What this Division is about

In some cases, acquisitions relating to financial supplies can attract a reduced input tax credit, even though no input tax credit could arise under the basic rules.

70‑5 Acquisitions that attract the reduced credit

(1) The regulations may provide that acquisitions of a specified kind that relate to making \*financial supplies can give rise to an entitlement to a reduced input tax credit. These are ***reduced credit acquisitions***.

(1A) However, an acquisition is not a reduced credit acquisition to the extent (if any) that, without this Division applying, an entity is entitled to an input tax credit for the acquisition.

Note: Acquisitions relating to financial supplies can give rise to input tax credits: see subsections 11‑15(4) and (5).

(2) For each kind of \*reduced credit acquisition specified, the regulations must specify a percentage to which the input tax credit is reduced.

70‑10 Extended meaning of *creditable purpose*

(1) The fact that a \*reduced credit acquisition relates to making \*financial supplies does not stop it being for a \*creditable purpose, to the extent that it relates to making financial supplies.

(2) The fact that you \*apply a \*reduced credit acquisition in making \*financial supplies does not stop it being applied for a \*creditable purpose, to the extent that it relates to making financial supplies.

(3) This section has effect despite sections 11‑15 and 129‑50 (which are about the meaning of creditable purpose).

70‑15 How much are the reduced input tax credits?

(1) The amount of an input tax credit for a \*creditable acquisition of a \*reduced credit acquisition is an amount equal to the GST payable on the supply of the acquisition multiplied by the percentage specified under subsection 70‑5(2) for acquisitions of that kind.

(2) However, the amount of such an input tax credit is further reduced if the acquisition is only \*partly creditable.

(3) This section has effect despite section 11‑25 (which is about the amount of input tax credits).

70‑20 Extent of creditable purpose

(1) If:

(a) a \*reduced credit acquisition is a \*creditable acquisition; and

(b) it is not wholly for a \*creditable purpose because of this Division;

it is \*partly creditable.

(2) The extent to which the acquisition is acquired or applied for a \*creditable purpose is worked out using the following formula:

Start formula Extent of creditable purpose plus open bracket Extent of Division 70 creditable purpose time Percentage credit reduction close bracket end formula

where:

***extent of creditable purpose*** is the extent to which the purpose for which you applied or acquired the acquisition was a \*creditable purpose otherwise than because of this Division, expressed as a percentage.

***extent of Division 70 creditable purpose*** is the extent to which the purpose for which you applied or acquired the acquisition was a \*creditable purpose because of this Division, expressed as a percentage.

***percentage credit reduction*** is the reduced input tax credit percentage prescribed for the purposes of subsection 70‑5(2) for an acquisition of that kind.

Note: This section affects sections 11‑30 and 129‑40. It is used even if the reduced credit acquisition is used wholly in carrying on your enterprise (unless the acquisition was wholly for a creditable purpose because of this Division, then section 70‑15 applies).

Example 1: You make a reduced credit acquisition of $110,000, wholly for the purposes of carrying on your enterprise, partly for the purpose of making financial supplies (40%) and partly for the purpose of making taxable supplies (60%). Assume the percentage credit reduction to be 50%. The extent to which you make the acquisition for a creditable purpose is:

Start formula 60% plus open bracket 40% times 50% close bracket equals 80% end formula

Applying section 11‑30, your input tax credit is $8,000 (assuming you were liable for all the consideration).

Example 2: You subsequently apply the acquisition partly in making financial supplies (40%), partly in making taxable supplies (40%) and partly for private use (20%). The extent to which you made the acquisition for a creditable purpose is:

Start formula 40% plus open bracket 40% times 50% close bracket equals 60% end formula

Applying Division 129, your input tax credit is reduced to $6,000, giving you an increasing adjustment of $2,000.

(3) The Commissioner may determine, in writing, one or more ways in which to work out, for the purpose of subsection (2), the extent to which an acquisition is for a \*creditable purpose.

70‑25 Sale of reduced credit acquisitions (Division 132)

(1) If:

(a) you supply a \*reduced credit acquisition in circumstances to which Division 132 applies; and

(b) you made the acquisition for a \*creditable purpose because of this Division, or you applied the acquisition for a \*creditable purpose because of this Division;

this section applies for the purposes of Division 132.

(2) In working out the full input tax credit in subsection 132‑5(2), the reference to a \*creditable purpose in paragraph (a) of the definition of ***full input tax credit*** is to be read as a reference to a \*creditable purpose otherwise than because of Division 70.

(3) In working out the adjusted input tax credit in subsection 132‑5(2), the extent of the \*creditable purpose because of subsection 132‑5(4) is increased by the following extent:

Start formula Extent of Division 70 creditable purpose times Percentage credit reduction end formula

where:

***extent of Division 70 creditable purpose*** has the same meaning as in section 70‑20.

***percentage credit reduction*** has the same meaning as in section 70‑20.

Division 71—Fringe benefits provided by input taxed suppliers

71‑1 What this Division is about

Suppliers making input taxed supplies may not be entitled to input tax credits for acquisitions or importations they make to provide fringe benefits to their employees.

Note: Under the *Fringe Benefits Tax Assessment Act 1986*, a lower rate of fringe benefits tax is payable for providing fringe benefits without entitlement to input tax credits.

71‑5 Acquisitions by input taxed suppliers to provide fringe benefits

(1) An acquisition that solely or partly relates to making supplies that are \*input taxed is not a \*creditable acquisition if:

(a) the acquisition would (but for this section) be an acquisition of a kind referred to in paragraph 149A(2)(b) of the *Fringe Benefits Tax Assessment Act 1986*; and

(b) the acquisition specifically relates to the provision of a particular benefit (within the meaning of that Act) in respect of which \*fringe benefits tax is or will be payable.

(2) However, this section does not apply to an acquisition if:

(a) the only reason it relates to making supplies that are \*input taxed is because it relates to making \*financial supplies; and

(b) you do not \*exceed the financial acquisitions threshold.

(3) This section has effect despite section 11‑5 (which is about what is a creditable acquisition).

71‑10 Importations by input taxed suppliers to provide fringe benefits

(1) An importation that solely or partly relates to making supplies that are \*input taxed is not a \*creditable importation if:

(a) the importation would (but for this section) be an importation of a kind referred to in paragraph 149A(2)(b) of the *Fringe Benefits Tax Assessment Act 1986*; and

(b) the importation specifically relates to the provision of a particular benefit (within the meaning of that Act) in respect of which \*fringe benefits tax is or will be payable.

(2) However, this section does not apply to an importation if:

(a) the only reason it relates to making supplies that are \*input taxed is because it relates to making \*financial supplies; and

(b) you do not \*exceed the financial acquisitions threshold.

(3) This section has effect despite section 15‑5 (which is about what is a creditable importation).

Division 72—Associates

Table of Subdivisions

72‑A Supplies without consideration

72‑B Acquisitions without consideration

72‑C Supplies for inadequate consideration

72‑D Application of this Division to certain sub‑entities

72‑1 What this Division is about

This Division ensures that supplies to, and acquisitions from, your associates *without* consideration are brought within the GST system, and that supplies to your associates for inadequate consideration are properly valued for GST purposes.

Subdivision 72‑A—Supplies without consideration

72‑5 Taxable supplies without consideration

(1) The fact that a supply to your \*associate is without \*consideration, does not stop the supply being a \*taxable supply if:

(a) your associate is not \*registered or \*required to be registered; or

(b) your associate acquires the thing supplied otherwise than solely for a \*creditable purpose.

(2) This section has effect despite paragraph 9‑5(a) (which would otherwise require a taxable supply to be for consideration).

(3) However, this section does not apply to any supply that is constituted by an insured entity settling a claim under an \*insurance policy or by an entity (other than an \*operator) settling a claim under a \*compulsory third party scheme.

72‑10 The value of taxable supplies without consideration

(1) If a supply to your \*associate without \*consideration is a \*taxable supply, its ***value*** is the \*GST exclusive market value of the supply.

(2) This section has effect despite section 9‑75 (which is about the value of taxable supplies).

72‑15 Attributing the GST to tax periods

(1) The tax period to which the GST on a \*taxable supply to your \*associate without \*consideration is attributable is the tax period in which the supply first becomes a supply that is \*connected with Australia.

(2) This section has effect despite section 29‑5 (which is about attributing GST on taxable supplies).

Subdivision 72‑B—Acquisitions without consideration

72‑40 Creditable acquisitions without consideration

(1) The fact that an acquisition from your \*associate is without \*consideration does not stop the acquisition being a \*creditable acquisition if you acquire the thing supplied otherwise than solely for a \*creditable purpose.

(2) This section has effect despite paragraph 11‑5(c) (which would otherwise require a creditable acquisition to be for consideration).

(3) However, this section does not apply to any acquisition that is constituted by an insurer settling a claim under an \*insurance policy or by an \*operator settling a claim under a \*compulsory third party scheme.

72‑45 The amount of the input tax credit

(1) The amount of the input tax credit on an acquisition from your \*associate that is without \*consideration is as follows:

Start formula Full input tax credit times Extent of creditable purpose end formula

where:

***extent of creditable purpose*** is the extent to which the creditable acquisition is for a \*creditable purpose, expressed as a percentage of the total purpose of the acquisition.

***full input tax credit*** is what would have been the amount of the input tax credit for the acquisition if it had been made solely for a creditable purpose and you had provided, or had been liable to provide, all of the consideration for the acquisition.

(2) This section has effect despite subsection 11‑30(3) (which is about the amount of input tax credits on partly creditable acquisitions).

72‑50 Attributing the input tax credit to tax periods

(1) The tax period to which the input tax credit for a \*creditable acquisition from your \*associate without \*consideration is attributable is the tax period in which the supply to which the acquisition relates first becomes a supply that is \*connected with Australia.

(2) This section has effect despite section 29‑10 (which is about attributing input tax credits for creditable acquisitions).

Subdivision 72‑C—Supplies for inadequate consideration

72‑70 The value of taxable supplies for inadequate consideration

(1) If a supply to your \*associate for \*consideration that is *less* than the \*GST inclusive market value is a \*taxable supply, its ***value*** is the \*GST exclusive market value of the supply.

(2) Subsection (1) does not apply if:

(a) your associate is \*registered or \*required to be registered; and

(b) your associate acquires the thing supplied *solely* for a \*creditable purpose.

(3) This section has effect despite section 9‑75 (which is about the value of taxable supplies).

Subdivision 72‑D—Application of this Division to certain sub‑entities

72‑90 GST branches

This Division applies to a \*GST branch of an entity as if the GST branch were an \*associate of:

(a) that entity; and

(b) every other GST branch of that entity; and

(c) any other associate of that entity.

72‑92 Non‑profit sub‑entities

This Division applies to a \*non‑profit sub‑entity of an entity as if the non‑profit sub‑entity were an \*associate of:

(a) that entity; and

(b) every other non‑profit sub‑entity of that entity; and

(c) any other associate of that entity.

72‑95 Commonwealth government entities

This Division applies to a \*government entity that is:

(a) a Department of State of the Commonwealth; or

(b) a Department of the Parliament; or

(c) an Executive Agency, or Statutory Agency, within the meaning of the *Public Service Act 1999*; or

(d) an organisation, established by the Commonwealth, of a kind referred to in paragraph (e) of the definition of ***government entity*** in section 41 of the *A New Tax System (Australian Business Number) Act 1999*;

as if the government entity were an \*associate of the Commonwealth, of every other government entity of a kind referred to in paragraph (a), (b), (c) or (d) and of any other associate of the Commonwealth.

72‑100 State or Territory government entities

This Division applies to a \*government entity that is:

(a) a Department of State of a State or Territory; or

(b) an organisation, established by a State or Territory, of a kind referred to in paragraph (e) of the definition of ***government entity*** in section 41 of the *A New Tax System (Australian Business Number) Act 1999*;

as if the government entity were an \*associate of:

(c) that State or Territory; and

(d) every other Department of State of that State or Territory, or organisation, established by that State or Territory, of a kind referred to in paragraph (e) of that definition; and

(e) any other associate of that State or Territory.

Division 75—Sale of freehold interests etc.

75‑1 What this Division is about

This Division allows you to use a margin scheme to bring within the GST system your taxable supplies of freehold interests in land, of stratum units and of long‑term leases.

75‑5 Choosing to apply the margin scheme

(1) If you make a \*taxable supply of \*real property by:

(a) selling a freehold interest in land; or

(b) selling a \*stratum unit; or

(c) granting or selling a \*long‑term lease;

you may choose to apply the \*margin scheme in working out the amount of GST on the supply.

(2) However, you cannot choose to apply the \*margin scheme if you acquired the freehold interest, \*stratum unit or \*long‑term lease through a \*taxable supply on which the GST was worked out without applying the margin scheme.

75‑10 The amount of GST on taxable supplies

(1) If a \*taxable supply of \*real property is under the \*margin scheme, the amount of GST on the supply is 1/11 of the \*margin for the supply.

(2) The ***margin*** for the supply is the amount by which the \*consideration for the supply exceeds the consideration for your acquisition of the interest, unit or lease in question.

(3) However, if:

(a) the circumstances specified in an item in the second column of the table in this subsection apply to the supply; and

(b) a valuation of the freehold interest, \*stratum unit or \*long‑term lease, as at the day specified in the corresponding item in the third column of the table, has been made that complies with any requirements determined in writing by the Commissioner for making valuations for the purposes of this Division;

the ***margin*** for the supply is the amount by which the \*consideration for the supply exceeds that valuation of the interest, unit or lease.

| Use of valuations to work out margins | | |
| --- | --- | --- |
| Item | When valuations may be used | Days when valuations are to be made |
| 1 | The supplier acquired the interest, unit or lease before 1 July 2000, and items 2, 3 and 4 do not apply. | 1 July 2000 |
| 2 | The supplier acquired the interest, unit or lease before 1 July 2000, but does not become \*registered or \*required to be registered until after 1 July 2000. | The date of effect of your registration, or the day on which you applied for registration (if it is earlier) |
| 2A | The supplier acquired the interest, unit or lease on or after 1 July 2000, but the supply to the supplier:  (a) was \*GST‑free under subsection 38‑445(1A); and  (b) related to a supply before 1 July 2000, by way of lease, that would have been GST‑free under section 38‑450 had it been made on or after 1 July 2000. | 1 July 2000 |
| 3 | The supplier is \*registered or \*required to be registered and has held the interest, unit or lease since before 1 July 2000, and there were improvements on the land or premises in question as at 1 July 2000. | 1 July 2000 |
| 4 | The supplier is the Commonwealth, a State or a Territory and has held the interest, unit or lease since before 1 July 2000, and there were no improvements on the land or premises in question as at 1 July 2000. | The day on which the \*taxable supply takes place |

(3A) If:

(a) the circumstances specified in item 4 in the second column of the table in subsection (3) apply to the supply; and

(b) there are improvements on the land or premises in question on the day on which the \*taxable supply takes place;

the valuation is to be made as if there are no improvements on the land or premises on that day.

(4) This section has effect despite section 9‑70 (which is about the amount of GST on taxable supplies).

Note: Section 9‑90 (rounding of amounts of GST) can apply to amounts of GST worked out using this section.

75‑15 Subdivided land

For the purposes of section 75‑10, if the freehold interest, \*stratum unit or \*long‑term lease you supply relates only to part of land or premises that you acquired, the \*consideration for your acquisition of that part is the corresponding proportion of the consideration for the land or premises that you acquired.

75‑20 Supplies under a margin scheme do not give rise to creditable acquisitions

(1) An acquisition of a freehold interest in land, a \*stratum unit or a \*long‑term lease is not a \*creditable acquisition if the supply of the interest, unit or lease was a \*taxable supply under the \*margin scheme.

(2) This section has effect despite section 11‑5 (which is about what is a creditable acquisition).

75‑25 Adjustments relating to bad debts

(1) If:

(a) you have an \*adjustment under Division 21 relating to a supply that you made that is a \*taxable supply of \*real property under the \*margin scheme; and

(b) the amount of the adjustment would (apart from this section) exceed 1/11 of the \*margin for the supply;

the amount of the adjustment is 1/11 of the margin for the supply.

(2) This section has effect despite sections 21‑5 and 21‑10 (which are about adjustments for writing off and recovering suppliers’ bad debts).

75‑30 Tax invoices not required for supplies of real property under the margin scheme

(1) You are not required to issue a \*tax invoice for a \*taxable supply that you make that is solely a supply of \*real property under the \*margin scheme.

(2) This section has effect despite section 29‑70 (which is about the requirement to issue tax invoices).

Division 78—Insurance

78‑1 What this Division is about

Stamp duty is not included in working out the GST on insurance premiums. Insurers have decreasing adjustments which enable the net GST on insurance to reflect correctly their margins after settlements of claims are taken into account.

Note: Payments and supplies under compulsory third party schemes are dealt with in some cases under this Division and in others under Division 79 or 80.

Table of Subdivisions

78‑A Insurers

78‑B Insured entities etc.

78‑C Third parties

78‑D Insured entities that are not registered etc.

78‑E Statutory compensation schemes

78‑F Miscellaneous

Subdivision 78‑A—Insurers

78‑5 GST on insurance premiums is exclusive of stamp duty

(1) The \*value of a \*taxable supply of an \*insurance policy is worked out as if the \*price of the supply were reduced by the amount of any stamp duty payable under a \*State law or \*Territory law in respect of the supply.

(2) This section has effect despite section 9‑75 (which is about the value of taxable supplies).

78‑10 Decreasing adjustments for settlements of insurance claims

(1) An insurer has a ***decreasing adjustment*** if, in settlement of a claim under an \*insurance policy, the insurer:

(a) makes a payment of \*money; or

(b) makes a supply; or

(c) makes both a payment of money and a supply.

(2) However, this section only applies if:

(a) the supply of the \*insurance policy by the insurer was solely or partly a \*taxable supply; and

(b) either:

(i) there was no entitlement to an input tax credit for the premium paid in relation to the period during which the event giving rise to the claim happened; or

(ii) there was an entitlement to such an input tax credit, but the amount of the input tax credit was less than the GST payable by the insurer for the taxable supply; and

(c) the insurer settles the claim for a \*creditable purpose; and

(d) the insurer is \*registered, or \*required to be registered; and

(e) the settlement does not relate solely to one or more \*non‑creditable insurance events.

(3) An event is a ***non‑creditable insurance event*** if the supply of an \*insurance policy would not be a \*taxable supply if it were only an insurance policy against loss, damage, injury or risk that relates to that event happening.

78‑15 How to work out the decreasing adjustments

No input tax credit for the premium

(1) If there was no entitlement to an input tax credit for the premium paid in relation to the period during which the event giving rise to the claim happened, the amount of the decreasing adjustment is 1/11 of the \*settlement amount.

Partial input tax credit for the premium

(2) If there was an entitlement to such an input tax credit, the amount of the decreasing adjustment is as follows:

Start formula start fraction 1 over 11 end fraction times *Settlement amount times open bracket 1 minus Extent of input tax credit close bracket end formula

where:

***extent of input tax credit*** is the amount of the input tax credit expressed as a fraction of the GST payable for the supply of the \*insurance policy for the period to which the premium relates.

Note: There is no decreasing adjustment if there is a full input tax credit for the premium paid: see paragraph 78‑10(2)(b).

Non‑creditable insurance events

(3) The amount of the decreasing adjustment under subsection (1) or (2) is reduced to the extent (if any) that the settlement relates to one or more \*non‑creditable insurance events.

Settlement amounts

(4) The ***settlement amount*** is worked out using this method statement.

Method statement

*Step 1.* Add together:

(a) the sum of the payments of \*money (if any) made in settlement of the claim; and

(b) the \*GST inclusive market value of the supplies (if any) made by the insurer in settlement of the claim (other than supplies that would have been \*taxable supplies but for section 78‑25).

*Step 2.* If any payments of excess were made to the insurer under the \*insurance policy in question, subtract from the step 1 amount the sum of all those payments (except to the extent that they are payments of excess to which section 78‑18 applies).

*Step 3.* Multiply the step 1 amount, or (if step 2 applies) the step 2 amount, by the following:

Start formula start fraction 11 over 11 minus Extent of input tax credit end fraction end formula

where:

***extent of input tax credit*** has the meaning given by subsection (2).

78‑18 Increasing adjustments for payments of excess under insurance policies

(1) An insurer has an ***increasing adjustment*** if:

(a) there is a payment of an excess to the insurer under an \*insurance policy; and

(b) the insurer makes, or has made, payments or supplies in settlement of a claim under the policy; and

(c) the insurer makes, or has made, \*creditable acquisitions or \*creditable importations directly for the purpose of settling the claim.

(2) The amount of the increasing adjustment is 1/11 of the amount that represents the extent to which the payment of excess relates to \*creditable acquisitions and \*creditable importations made by the insurer directly for the purpose of settling the claim.

(3) An insurer has an ***increasing adjustment*** if:

(a) there is a payment of an excess to the insurer under an \*insurance policy; and

(b) the insurer makes, or has made, \*creditable acquisitions or \*creditable importations directly for the purpose of settling the claim; and

(c) the insurer has not made any payments or supplies in settlement of the claim.

The amount of the increasing adjustment is 1/11 of the amount of the payment of the excess.

78‑20 Settlements of insurance claims do not give rise to creditable acquisitions

(1) If, in settlement of a claim under an \*insurance policy, an insurer:

(a) makes a payment of \*money; or

(b) makes a supply; or

(c) makes both a payment of money and a supply;

the payment or supply is *not* treated as \*consideration for an acquisition made by the insurer.

(2) This section has effect despite section 11‑5 (which is about what is a creditable acquisition).

78‑25 Supplies in settlement of claims are not taxable supplies

(1) A supply that an insurer makes in settlement of a claim under an \*insurance policy is not a \*taxable supply.

(2) This section has effect despite section 9‑5 (which is about what are taxable supplies).

78‑30 Acquisitions by insurers in the course of settling claims under non‑taxable policies

(1) An acquisition is not a \*creditable acquisition if:

(a) the insurer makes the acquisition:

(i) to the extent that the acquisition is an acquisition of goods—solely for the purpose of supplying the goods in the course of settling a claim under an \*insurance policy; or

(ii) otherwise—solely for a purpose directly related to settling a particular claim under an \*insurance policy; and

(b) the supply of the insurance policy by the insurer was \*GST‑free.

(2) This section has effect despite section 11‑5 (which is about what is a creditable acquisition).

78‑35 Taxable supplies relating to rights of subrogation

(1) If, in settlement of a claim made by an insurer in the insurer’s exercising of rights of subrogation in respect of an \*insurance policy, an entity that is not insured under the policy:

(a) makes a payment of \*money; or

(b) makes a supply; or

(c) makes both a payment of money and a supply;

the payment or supply is *not* treated as \*consideration for a supply made by the insurer (whether or not the payment or supply is made to the insurer) or by the entity insured.

(2) This section has effect despite section 9‑15 (which is about consideration).

78‑40 Adjustment events relating to decreasing adjustments under this Division

(1) Division 19 applies in relation to a \*decreasing adjustment that an insurer has under this Division as if:

(a) the adjustment were an input tax credit; and

(b) the settlement of the claim to which the adjustment relates were a \*creditable acquisition that the insurer made; and

(c) any payment or supply made by another entity, in settlement of a claim made by an insurer in the insurer’s exercising of rights of subrogation in respect of the \*insurance policy in question, were a reduction in the \*consideration for the acquisition.

(2) Paragraph (1)(c) does not apply to a payment by another entity in relation to which an \*increasing adjustment arises under section 80‑30 or 80‑70 (which are about settlement sharing arrangements).

78‑42 Adjustment events relating to increasing adjustments under section 78‑18

Division 19 applies in relation to an \*increasing adjustment that an insurer has under section 78‑18 as if:

(a) payments of excess under an \*insurance policy to which the adjustment relates were \*consideration for a \*taxable supply that the insurer made; and

(b) the adjustment were the GST payable on the taxable supply; and

(c) any refund of that payment of excess made by the insurer were a reduction in the consideration for the supply.

Subdivision 78‑B—Insured entities etc.

78‑45 Settlements of insurance claims do not give rise to taxable supplies

(1) If, in settlement of a claim under an \*insurance policy, an insurer:

(a) makes a payment of \*money; or

(b) makes a supply; or

(c) makes both a payment of money and a supply;

the payment or supply is *not* treated as \*consideration for a supply made by the entity insured, or by any entity (other than the entity insured) that was entitled to an input tax credit for the premium paid for the insurance policy.

(2) This section has effect despite section 9‑15 (which is about consideration).

78‑50 Settlements of insurance claims give rise to taxable supplies if entitlement to input tax credits is not disclosed

(1) However, the payment or supply *is* treated as \*consideration for a supply made by an entity if:

(a) the entity paid all or a part of the premium, for the \*insurance policy, relating to the period during which the event giving rise to the claim happened; and

(b) the entity, or the \*representative member of the \*GST group of which the entity is a \*member, was entitled to an input tax credit for the premium it paid; and

(c) the entity:

(i) did not, at or before the time a claim was first made under the insurance policy since the last payment of a premium, inform the insurer of the entitlement to an input tax credit for the premium it paid; or

(ii) in informing the insurer of the entitlement at or before that time, understated its extent; and

(d) the insurance policy was not issued under a \*compulsory third party scheme.

It does not matter whether that entity is the entity insured, or whether the payment or supply is made to that entity or any other entity.

(2) The extent to which the payment or supply is treated as \*consideration is the extent of the entitlement, or the extent to which the entitlement was understated, as the case requires.

(3) The supply made by the entity is a ***taxable supply*** whether or not the entity is \*registered, or \*required to be registered, at the time of the settlement or at the time of the payment or supply by the insurer.

Note: Subdivision 78‑D deals with how GST applies to the taxable supply if the insured entity is not registered, or required to be registered.

(4) This section has effect despite section 9‑5 (which is about what are taxable supplies) and section 9‑15 (which is about consideration).

78‑55 Payments of excess under insurance policies are not consideration for supplies

(1) The making of any payment by an entity is not treated as \*consideration for a supply, to the entity or any other entity, to the extent that the payment is the payment of an excess to the insurer under an \*insurance policy.

(2) This section has effect despite section 9‑15 (which is about consideration).

78‑60 Supplies of goods to insurers in the course of settling claims

(1) A supply of goods is not a \*taxable supplyif it is *solely* a supply made under an \*insurance policy to an insurer in the course of settling a claim under the policy.

(2) In working out the ***value*** of a \*taxable supply that is *partly* a supply of goods made under an \*insurance policy to an insurer in the course of settling a claim under the policy, disregard the \*consideration to the extent that it relates to the supply of those goods.

(3) This section has effect despite section 9‑5 (which is about what are taxable supplies) and section 9‑75 (which is about the value of taxable supplies).

Subdivision 78‑C—Third parties

78‑65 Payments etc. to third parties by insurers

(1) The making of any payment by an insurer to an entity is not treated as \*consideration for a supply to the insurer by the entity, to the extent that:

(a) the payment is made in settlement of a claim under an \*insurance policy under which the entity is not insured; and

(b) the payment is to discharge a liability owed to that entity by the entity insured.

(2) The making of any supply by an insurer to an entity:

(a) is not to be treated as a \*taxable supply by the insurer; and

(b) is not to be treated as \*consideration for a supply to the insurer by the entity, or any other entity;

to the extent that:

(c) the supply is made in settlement of a claim under an \*insurance policy under which the entity is not insured; and

(d) the supply is to discharge a liability owed to that entity by the entity insured.

(3) This section has effect despite section 9‑5 (which is about what are taxable supplies) and section 9‑15 (which is about consideration).

78‑70 Payments etc. to third parties by insured entities

(1) The making of any payment by an entity to another entity is not to be treated as \*consideration for a supply to the entity by that other entity, to the extent that:

(a) the payment is to discharge a liability of the entity to that other entity; and

(b) the payment is covered by a settlement of a claim under an \*insurance policy under which the entity was insured against that liability.

(2) The making of any supply by an entity to another entity:

(a) is not to be treated as a \*taxable supply by the entity; and

(b) is not to be treated as \*consideration for a supply to the entity by that other, or any other, entity;

to the extent that:

(c) the supply is to discharge a liability of the entity to that other entity; and

(d) the supply is covered by a settlement of a claim under an \*insurance policy under which the entity was insured against that liability.

(3) This section has effect despite section 9‑5 (which is about what are taxable supplies) and section 9‑15 (which is about consideration).

78‑75 Creditable acquisitions relating to rights of subrogation

(1) If, in settlement of a claim made by an insurer in the insurer’s exercising of rights of subrogation in respect of an \*insurance policy, an entity that is not insured under the policy:

(a) makes a payment of \*money; or

(b) makes a supply; or

(c) makes both a payment of money and a supply;

the payment or supply is *not* treated as \*consideration for an acquisition made by the entity.

(2) This section has effect despite section 11‑5 (which is about what is a creditable acquisition).

Subdivision 78‑D—Insured entities that are not registered etc.

78‑80 Net amounts

(1) If an entity insured under an \*insurance policy is not \*registered or \*required to be registered, it does not have a \*net amount under Part 2‑4 merely because it makes a \*taxable supply under section 78‑50.

(2) This section does not prevent an \*adjustment arising that relates to such a supply, but the entity cannot have a \*decreasing adjustment unless it is \*registered or \*required to be registered.

(3) This section has effect despite Division 17 (which is about net amounts and adjustments).

78‑85 GST returns

(1) If, during a month:

(a) an entity makes any \*taxable supplies under section 78‑50; or

(b) an entity has any \*increasing adjustments that arise in relation to any such supplies (whether made in that month or a previous month);

and the entity is not \*registered or \*required to be registered during that month, it must give to the Commissioner a \*GST return, within 21 days after the end of the month, relating to those supplies it made in that month and those adjustments.

(3) This section has effect despite sections 31‑5 and 31‑10 (which are about giving GST returns).

78‑90 Payments of GST

(1) If an entity is not \*registered or \*required to be registered during a particular month, it must pay:

(a) amounts of GST on \*taxable supplies under section 78‑50 that it makes during that month; and

(b) amounts of \*increasing adjustments that it has that arise, during that month, in relation to supplies that are \*taxable supplies under section 78‑50;

within 21 days after the end of the month, and at the place and in the manner specified by the Commissioner.

(2) This section has effect despite Division 33 (which is about payments of GST).

Subdivision 78‑E—Statutory compensation schemes

78‑95 GST on premiums etc. under statutory compensation schemes is exclusive of stamp duty

(1) The \*value of a \*taxable supply of membership of, or participation in, a \*statutory compensation scheme is worked out as if the \*price of the supply were reduced by the amount of any stamp duty payable under a \*State law or \*Territory law in respect of the supply.

(2) This section has effect despite section 9‑75 (which is about the value of taxable supplies).

78‑100 Settlements of claims for compensation under statutory compensation schemes

(1) This Division applies in relation to a payment or supply made in settlement of a claim for compensation under a \*statutory compensation scheme in the same way that it applies to a payment or supply made in settlement of a claim under an \*insurance policy.

(2) For the purposes of the application of this Division in relation to such a payment or supply:

(a) the claim for compensation under the scheme is treated as a claim under an \*insurance policy; and

(b) the entity operating the scheme is treated as the insurer; and

(c) an entity is treated as the entity insured if:

(i) the entity’s payment of premiums, contributions or similar payments under the scheme, or payment of levy in connection with the scheme; or

(ii) the entity’s liability to pay premiums, contributions or similar payments under the scheme, or liability to pay levy in connection with the scheme;

enabled the claim for compensation to arise; and

(ca) those payments that that entity makes or is liable to make are treated as a premium it has paid; and

(d) the supply of membership of, or participation in, the scheme is treated as the supply of an \*insurance policy.

(3) However, if the entity treated as the entity insured:

(a) is liable to make payments referred to in paragraph (2)(c); and

(b) has not made all those payments;

for the purposes of sections 78‑10 and 78‑15, the entity’s entitlement to an input tax credit for the premium paid is taken to be what its entitlement would have been if it had made all those payments.

78‑105 Meaning of *statutory compensation scheme*

A ***statutory compensation scheme*** is a scheme or arrangement:

(a) that is established by an \*Australian law; and

(b) under which compensation is payable for particular kinds of injury, loss or damage; and

(c) that is specified in the regulations, or that is of a kind specified in the regulations;

but does not include a \*compulsory third party scheme.

Note: Divisions 79 and 80 deal with compulsory third party schemes.

Subdivision 78‑F—Miscellaneous

78‑110 Effect of judgments and court orders

If:

(a) in compliance with a judgment or order of a court relating to:

(i) a claim under an \*insurance policy; or

(ii) a claim by an insurer in exercising rights of subrogation in respect of an insurance policy; or

(iii) a claim for compensation under a \*statutory compensation scheme;

an entity makes a payment of \*money, makes a supply, or makes both a payment of money and a supply; and

(b) had the payment or supply been made in the absence of such a judgment or order, it would have been a payment or supply made in settlement of the claim;

the payment or supply is treated as having been made in settlement of the claim.

78‑115 Exclusion of certain Commonwealth, State or Territory insurance schemes

This Division (other than sections 78‑5 and 78‑95) does not apply to an \*insurance policy, or to a payment or supply made in settlement of a claim made under an insurance policy, if:

(a) the policy was supplied under a scheme for insurance, or a \*statutory compensation scheme, established by an \*Australian law; and

(b) that scheme is of a kind specified in the regulations.

78‑118 Portfolio transfers

(1) If an insurer (the ***first insurer***) enters into an arrangement, in the nature of a portfolio transfer, with another insurer for the other insurer:

(a) to act as the insurer in relation to an \*insurance policy; or

(b) to meet the first insurer’s liabilities arising under an insurance policy;

this Division applies, from the time the arrangement takes effect, as if the other insurer were an insurer in relation to the policy.

(2) Without limiting subsection (1):

(a) anything done after that time by the other insurer that, if it had been done by the first insurer, would have been done under the policy is taken, for the purposes of this Division, to have been done by the other insurer under the policy; and

(b) sections 78‑10 and 78‑30 apply as if the other insurer were the insurer that supplied the policy; and

(c) section 78‑18 applies as if the insurer that settles the claim referred to in paragraph 78‑18(1)(b) or (3)(b) (as the case requires) has the \*increasing adjustment under that section, regardless of which insurer was paid the excess to which the adjustment relates.

78‑120 HIH rescue package

(1) If a payment of \*money, a supply or both a payment of money and a supply are received by an entity from an \*HIH rescue entity as \*consideration for:

(a) the entity transferring or surrendering rights under an \*insurance policy held with an \*HIH company; or

(b) the entity transferring or surrendering rights against another entity that is insured under an insurance policy held with an HIH company; or

(c) the entity transferring or surrendering rights against another entity in relation to a matter in relation to which the entity also has or had rights under an insurance policy held with an HIH company;

this Division (other than sections 78‑10, 78‑15 and 78‑40) applies to the payment or supply as if the HIH rescue entity made the payment or supply as the insurer in settlement of a claim under the insurance policy.

(2) In particular:

(a) this Division (other than sections 78‑10, 78‑15 and 78‑40, subsection 78‑50(1) and this section) applies as if:

(i) references to an insurer were references to the \*HIH rescue entity; and

(ii) references to a claim under an \*insurance policy were references to a request or claim to the HIH rescue entity for such a payment or supply; and

(iii) references to a settlement of such a claim were references to the agreement to make such a payment or supply as consideration for the transfer or surrender; and

(b) sections 78‑18, 78‑42 and 78‑55 apply as if references in those sections to payments of excess to the insurer under the policy were references to payments to the HIH rescue entity corresponding to such payments of excess; and

(c) section 78‑30 applies as if references in that section to settling a claim were references to providing the consideration for the transfer or surrender; and

(d) section 78‑100 applies as if references in that section to a claim for compensation under a \*statutory compensation scheme were references to a claim made to the HIH rescue entity corresponding to a claim for compensation under the scheme.

(3) This section does not affect the operation of sections 78‑10, 78‑15 and 78‑40.

Division 79—Compulsory third party schemes

79‑1 What this Division is about

Operators of compulsory third party schemes have adjustments which enable the net GST on the schemes to reflect correctly their margins after settlements of claims and other payments and supplies under the schemes are taken into account.

The normal application of Division 78 to some insurance policy payments and supplies under the schemes is modified (see Subdivision 79‑A). That Division is also extended so that it applies in a modified form to payments and supplies connected with, but not under, insurance policies (see Subdivision 79‑B). For other settlements, and payments, provisions similar to Division 78 apply (see Subdivision 79‑C). Certain adjustments are worked out using an “applicable average input tax credit fraction” (see Subdivision 79‑D).

Note: Division 80 deals with use of settlement sharing arrangements by the operators of compulsory third party schemes.

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79‑A Modified application of Division 78 to certain compulsory third party scheme payments and supplies under insurance policies

79‑B Extension of Division 78 to cover certain compulsory third party scheme payments and supplies connected with, but not under, insurance policies

79‑C Other payments and supplies under compulsory third party schemes

79‑D Compulsory third party scheme decreasing adjustments worked out using applicable average input tax credit fraction

Subdivision 79‑A—Modified application of Division 78 to certain compulsory third party scheme payments and supplies under insurance policies

79‑5 Application of sections 78‑10 and 78‑15 (about decreasing adjustments) where premium selection test is satisfied

(1) This section applies to a payment or supply if:

(a) it is a payment or supply made under a \*compulsory third party scheme; and

(b) the payment or supply is made in settlement of a claim under an \*insurance policy; and

(c) the \*premium selection test is satisfied; and

(d) the payment or supply is not a payment or supply to which section 79‑15(about sole operator elections) applies.

Premium selection test

(2) The ***premium selection test is satisfied*** if the amount of the premium or premiums for the policy resulted from:

(a) an \*operator of the \*compulsory third party scheme offering a number of different premium amounts to the entity liable to pay the premium or premiums; and

(b) that entity selecting a premium amount:

(i) that was offered on the basis that there would be an entitlement to an input tax credit for some or all of the amount; or

(ii) that was offered on the basis that there would be no entitlement to an input tax credit for any of the amount.

Input tax credit entitlement

(3) If subparagraph (2)(b)(i) applies, then, for the purposes of sections 78‑10 and 78‑15:

(a) there is taken to be an entitlement to an input tax credit for the premium paid in relation to the period during which the event giving rise to the claim happened; and

(b) if the supply of the insurance policy was solely or partly a \*taxable supply—the amount of the input tax credit is taken to equal the GST payable by the \*operator for the taxable supply.

No input tax credit entitlement

(4) If subparagraph (2)(b)(ii) applies, then, for the purposes of sections 78‑10 and 78‑15, there is taken to be no entitlement to an input tax credit for the premium paid in relation to the period during which the event giving rise to the claim happened.

79‑10 Adjustment where operator becomes aware that correct input tax credit situation differs from basis on which premium selection test was satisfied

Decreasing adjustment

(1) If:

(a) subsection 79‑5(3) applies to a payment or supply; and

(b) after the \*premium selection test was satisfied, the \*operator became or becomes aware that there was actually no entitlement to an input tax credit for any of the amount of the premium or premiums paid in relation to the period during which the event giving rise to the claim happened; and

(c) if subsection 79‑5(4) had applied, the operator would have been entitled to a \*decreasing adjustment (the ***notional decreasing adjustment***);

then:

(d) the operator has a ***decreasing adjustment*** whose amount is, subject to paragraph (e), equal to the notional decreasing adjustment; and

(e) if one or more \*increasing adjustments (each being a ***notional section 78‑40 increasing adjustment***) would have arisen, before the decreasing adjustment under paragraph (d) arose, under Division 19 because of section 78‑40 applying in relation to the notional decreasing adjustment, the amount of the decreasing adjustment under paragraph (d) is reduced by the sum of the notional section 78‑40 increasing adjustments; and

(f) for the purposes of applying section 78‑40 after the decreasing adjustment arises under this subsection, that decreasing adjustment is taken to arise under Division 78.

Increasing adjustment

(2) If:

(a) subsection 79‑5(4) applies to a payment or supply; and

(b) as a result, the \*operator has a \*decreasing adjustment (the original decreasing adjustment); and

(c) after the \*premium selection test was satisfied, the operator became or becomes aware that there actually was an entitlement to an input tax credit for some or all of the amount of the premium or premiums paid in relation to the period during which the event giving rise to the claim happened;

then:

(d) the operator has an ***increasing adjustment*** whose amount is, subject to paragraph (e), equal to the original decreasing adjustment; and

(e) if one or more \*increasing adjustments (each being a ***section 78‑40 increasing adjustment***) arose, before the increasing adjustment under paragraph (d) arose, under Division 19 because of section 78‑40 applying in relation to the original decreasing adjustment, the amount of the increasing adjustment under paragraph (d) is reduced by the sum of the section 78‑40 increasing adjustments; and

(f) after the increasing adjustment arises under paragraph (d), no adjustment arises under Division 19 because of section 78‑40 applying in relation to the original decreasing adjustment.

79‑15 Application of sections 78‑10 and 78‑15 (about decreasing adjustments) where sole operator election to use average input tax credit entitlement

(1) This section applies to a payment or supply if:

(a) it is a payment or supply made under a \*compulsory third party scheme; and

(b) the payment or supply is made in settlement of a claim under an \*insurance policy; and

(c) there is only one \*operator who issues insurance policies under the scheme; and

(d) assuming the requirements of paragraph 78‑10(2)(b) were satisfied, the operator would have a \*decreasing adjustment under section 78‑10 in respect of the payment or supply; and

(e) an election under subsection (4) is in force during the \*financial year in which the payment or supply is made.

(2) For the purposes of section 78‑10, the \*operator has a \*decreasing adjustment under that section in relation to the payment or supply.

(3) Section 78‑15 does not apply to the \*decreasing adjustment, but its amount is instead worked out using the applicable \*average input tax credit fraction (see section 79‑95).

(4) The \*operator may, in writing, elect that, from the start of a specified \*financial year, any \*decreasing adjustment in relation to all payments or supplies:

(a) that are made during the financial year; and

(b) to which paragraphs (1)(a), (b), (c) and (d) apply;

are to be worked out using the applicable \*average input tax credit fraction.

(5) Subject to subsection (6), the election must be made before the start of the specified \*financial year.

(6) Subsection (5) does not apply if the election specifies the \*financial year beginning on 1 July 2003 and is made before the end of 30 days after the day on which this section commences.

(7) The election is in force during the specified \*financial year and every later financial year, other than one that begins after a financial year in which the election is revoked.

79‑20 Extension of various references in Division 78 to rights of subrogation to cover other rights of recovery

Payments or supplies in settlement of claims

(1) For the purposes of sections 78‑35, 78‑40 and 78‑75, a reference in those sections to a payment or supply made by an entity in settlement of a claim by an insurer in exercising the insurer’s rights of subrogation in respect of an \*insurance policy includes a reference to a payment or supply that satisfies the following requirements:

(a) the payment or supply is made by an entity in settlement of a claim by an \*operator of a \*compulsory third party scheme;

(b) the claim was made by the operator in exercise of the operator’s rights to recover in respect of a payment or supply made under the compulsory third party scheme;

(c) the claim was not made under an \*insurance policy that is a policy of reinsurance.

Payments or supplies in compliance with court judgments etc. relating to claims

(2) For the purposes of section 78‑110, a reference in that section to a payment or supply made by an entity in compliance with a judgment or order of a court relating to a claim made by an insurer in exercising the insurer’s rights of subrogation in respect of an \*insurance policy includes a reference to a payment or supply that satisfies the following requirements:

(a) the payment or supply is made by an entity in compliance with a judgment or order of a court relating to a claim made by an \*operator of a \*compulsory third party scheme;

(b) the claim was made by the \*operator in exercise of the operator’s rights to recover a payment or supply made under the \*compulsory third party scheme;

(c) the claim was not made under an insurance policy that is a policy of reinsurance.

Subdivision 79‑B—Extension of Division 78 to cover certain compulsory third party scheme payments and supplies connected with, but not under, insurance policies

79‑25 Meaning of *CTP hybrid payment or supply*

(1) Subject to this section, a payment or supply is a ***CTP hybrid payment or supply*** if:

(a) it is made in settlement of a claim for compensation under a \*compulsory third party scheme; and

(b) the claim would not have been made but for an \*insurance policy issued under the scheme; and

(c) the claim was not made under the insurance policy.

(2) A payment or supply is not a ***CTP hybrid payment or supply*** if:

(a) when the payment or supply is made, the entity that paid the premium for the \*insurance policy cannot be located; and

(b) that entity did not, at or before the time the \*operator making the payment or supply was first made aware of the circumstances to which the payment or supply relates, inform the operator of the entitlement to an input tax credit for the CTP premium it paid; and

(c) the \*premium selection test was not satisfied in relation to the insurance policy.

(2A) Subsection (2) does not apply if the cover under the \*insurance policy commenced before 1 July 2003 (whether or not all or part of the premium on the policy was paid before that day).

(3) A payment or supply is not a ***CTP hybrid payment or supply*** if the \*operator making the payment or supply was required to do so by law because of the bankruptcy or insolvency of another operator who is an insurer.

79‑30 Application of Division 78

(1) Division 78 (other than section 78‑100), as modified by Subdivision 79‑A, applies in relation to a \*CTP hybrid payment or supplyas if it were a payment or supply made in settlement of a claim under the \*insurance policy mentioned in paragraph 79‑25(1)(b).

(2) This section does not prevent Division 78 applying to a payment or supply under a \*compulsory third party scheme if the payment or supply is made in settlement of a claim under an \*insurance policy.

Subdivision 79‑C—Other payments and supplies under compulsory third party schemes

79‑35 Meaning of *CTP compensation or ancillary payment or supply* etc.

Meaning of **CTP compensation or ancillary payment or supply**

(1) A payment or supply is a ***CTP compensation or ancillary payment or supply*** if it is a \*CTP compensation payment or supply or a \*CTP ancillary payment or supply.

Meaning of **CTP compensation payment or supply**

(2) A payment or supply is a ***CTP compensation payment or supply*** if

(a) it is a payment or supply made under a \*compulsory third party scheme; and

(b) it is a payment or supply made in settlement of a claim for compensation under the scheme; and

(c) it is not the case that the \*operator making the payment or supply was required to do so by law because of the bankruptcy or insolvency of another operator who is an insurer; and

(d) Division 78 does not apply in relation to the payment or supply; and

(e) the payment or supply is not a \*CTP dual premium or election payment or supply or a \*CTP hybrid payment or supply.

Meaning of **CTP ancillary payment or supply**

(3) A payment or supply is a ***CTP ancillary payment or supply*** if:

(a) the payment or supply is made under a \*compulsory third party scheme; and

(b) the payment or supply is of a kind specified in the regulations; and

(c) it is not the case that the \*operator making the payment or supply was required to do so by law because of the bankruptcy or insolvency of another operator who is an insurer; and

(d) Division 78 does not apply in relation to the payment or supply; and

(e) the payment or supply is not a\*CTP dual premium or election payment or supply or a \*CTP hybrid payment or supply; and

(f) the payment or supply is not made in settlement of a claim for compensation under the scheme; and

(g) the payment or supply is not \*consideration for a \*creditable acquisition.

79‑40 GST on CTP premiums is exclusive of stamp duty

(1) The \*value of a \*taxable supply for which the \*consideration includes an amount of \*CTP premium is worked out as if the \*price of the supply were reduced by the amount of any stamp duty payable under a \*State law or \*Territory law in respect of the supply.

(2) This section has effect despite section 9‑75 (which is about the value of taxable supplies).

79‑45 Exclusion of certain compulsory third party schemes

This Subdivision (other than section 79‑40) does not apply to a \*compulsory third party scheme under which \*CTP compensation or ancillary payments or supplies are made, or to a \*CTP compensation or ancillary payment or supply, if the compulsory third party scheme is of a kind specified in the regulations.

79‑50 Decreasing adjustments for CTP compensation or ancillary payments or supplies

(1) An \*operator of a \*compulsory third party scheme has a ***decreasing adjustment*** if the operator makes a \*CTP compensation or ancillary payment or supply under the scheme.

(2) However, this section only applies if:

(a) the payments of \*CTP premium to the \*operator that have been or are required to be made under the scheme are, or would be, \*consideration for a \*taxable supply; and

(b) the \*operator is \*registered or \*required to be registered.

(3) The \*decreasing adjustment in relation to the payment or supply is worked out using the applicable \*average input tax credit fraction (see section 79‑95).

79‑55 Increasing adjustments for payments of excess etc. under compulsory third party schemes

(1) An \*operator of a \*compulsory third party scheme has an ***increasing adjustment*** if:

(a) there is a payment of an excess to the operator under the scheme; and

(b) the payment relates to a \*CTP compensation payment or supply that the operator makes or has made; and

(c) the operator makes, or has made, \*creditable acquisitions or \*creditable importations directly for the purpose of making the CTP compensation payment or supply.

(2) The amount of the increasing adjustment is 1/11 of the amount that represents the extent to which the payment of excess relates to \*creditable acquisitions or \*creditable importations made by the \*operator directly for the purpose of making the \*CTP compensation payment or supply.

(3) An \*operator of a \*compulsory third party scheme has an ***increasing adjustment*** if:

(a) there is a payment of an excess to the operator under the scheme; and

(b) the operator makes, or has made, \*creditable acquisitions or \*creditable importations directly for the purpose of making a \*CTP compensation payment or supply to which the payment of excess would relate; and

(c) the operator has not made any CTP compensation payment or supply to which the payment of excess relates.

The amount of the increasing adjustment is 1/11 of the amount of the payment of excess.

79‑60 Effect of settlements and payments under compulsory third party schemes

(1) If an \*operator of a \*compulsory third party scheme makes a payment under the scheme, it is *not* treated as \*consideration:

(a) for an acquisition made by the operator; or

(b) for a supply made to the operator by the entity to whom the payment was made;

to the extent that the payment is a \*CTP compensation or ancillary payment or supply.

(2) If an \*operator of a \*compulsory third party scheme makes a supply under the scheme:

(a) it is not a \*taxable supply; and

(b) it is *not* treated as \*consideration for an acquisition made by the operator; and

(c) it is *not* treated as \*consideration for a supply made to the operator by the entity to whom the supply was made;

to the extent that the supply is a \*CTP compensation or ancillary payment or supply.

(3) This section has effect despite section 9‑5 (which is about what are taxable supplies), section 9‑15 (which is about consideration) and section 11‑5 (which is about what is a creditable acquisition).

79‑65 Taxable supplies relating to recovery by operators of compulsory third party schemes

(1) If:

(a) an \*operator of a \*compulsory third party scheme has made a claim in relation to a \*CTP compensation or ancillary payment or supply; and

(b) the operator’s claim is made in exercising rights to recover in respect of that payment or supply; and

(c) an entity:

(i) makes a payment of \*money; or

(ii) makes a supply; or

(iii) makes both a payment of money and a supply;

in settlement of the operator’s claim;

the payment or supply mentioned in paragraph (c) is *not* treated as \*consideration for a supply made by the operator (whether or not the payment or supply is made to the operator), or for an acquisition made by the entity making the payment or supply (or payment and supply).

(2) This section has effect despite section 9‑15 (which is about consideration) and section 11‑5 (which is about what is a creditable acquisition).

79‑70 Adjustment events relating to decreasing adjustments for operators of compulsory third party schemes

(1) Division 19 applies in relation to a \*decreasing adjustment that an \*operator of a \*compulsory third party scheme has under section 79‑50 as if:

(a) the adjustment were an input tax credit; and

(b) either:

(i) if the adjustment relates to a \*CTP compensation payment or supply—the settlement of the claim to which the adjustment relates were a \*creditable acquisition that the operator made; or

(ii) if the adjustment relates to a \*CTP ancillary payment or supply—the operator had made a creditable acquisition for which the payment or supply was the \*consideration; and

(c) any payment or supply made by another entity, in settlement of a claim made by the operator in exercising rights to recover from the other entity in respect of the settlement mentioned in subparagraph (b)(i) or the payment or supply mentioned in subparagraph (b)(ii), were a reduction in the consideration for the acquisition.

(2) Paragraph (1)(c) does not apply to a payment by another entity in relation to which an \*increasing adjustment arises under section 80‑30 or 80‑70 (which are about settlement sharing arrangements).

(3) This section does not apply in relation to a payment or supply that the operator receives in settlement of a claim under an \*insurance policy that the operator entered into, as the entity insured, in relation to any liability to make a \*CTP compensation or ancillary payment or supply.

79‑75 Adjustment events relating to increasing adjustments under section 79‑55

Division 19 applies in relation to an \*increasing adjustment that an \*operator of a \*compulsory third party scheme has under section 79‑55 as if:

(a) payments of excess to which the adjustment relates were \*consideration for a \*taxable supply that the operator made; and

(b) the adjustment were the GST payable on the taxable supply; and

(c) any refunds made by the operator of any of those payments of excess were reductions in the consideration for the supply.

79‑80 Payments of excess under compulsory third party schemes are not consideration for supplies

(1) The making of any payment by an entity is *not* treated as \*consideration for a supply, to the entity or any other entity, to the extent that the payment is the payment of an excess to an \*operator of a \*compulsory third party scheme.

(2) This section has effect despite section 9‑15 (which is about consideration).

79‑85 Supplies of goods to operators in the course of settling claims

(1) A supply of goods is not a \*taxable supplyif it is *solely* a supply made under a \*compulsory third party scheme to an \*operator of the scheme in the course of settling a claim for compensation made under the scheme.

(2) In working out the ***value*** of a \*taxable supply that is *partly* a supply of goods made under a \*compulsory third party scheme to an \*operator of the scheme in the course of settling a claim for compensation made under the scheme, disregard the \*consideration to the extent that it relates to the supply of those goods.

(3) This section has effect despite section 9‑5 (which is about what are taxable supplies) and section 9‑75 (which is about the value of taxable supplies).

79‑90 Effect of judgments and court orders

(1) If:

(a) in compliance with a judgment or order of a court relating to a claim for compensation under a \*compulsory third party scheme, an entity makes a payment of \*money, makes a supply, or makes both a payment of money and a supply; and

(b) had the payment or supply been made in the absence of such a judgment or order, it would have been a \*CTP compensation payment or supply or a CTP ancillary payment or supply;

the payment or supply is treated as having been a CTP compensation payment or supply or a CTP ancillary payment or supply.

(2) If:

(a) in compliance with a judgment or order of a court relating to a claim by an \*operator of a compulsory third party scheme exercising rights to recover from another entity in respect of a settlement made under the scheme, an entity makes a payment of \*money, makes a supply, or makes both a payment of money and a supply; and

(b) had the payment or supply been made in the absence of such a judgment or order, it would have been a settlement of a claim made in exercising rights to recover from another entity in respect of a settlement made under the scheme;

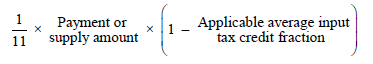
the payment or supply is treated as having been made in settlement of the operator’s claim made in exercising those rights.

Subdivision 79‑D—Compulsory third party scheme decreasing adjustments worked out using applicable average input tax credit fraction

79‑95 How to work out decreasing adjustments using the applicable average input tax credit fraction

(1) If an \*operator of a \*compulsory third party scheme has a \*decreasing adjustment in relation to a payment or supply that is to be worked out using the applicable \*average input tax credit fraction, the amount of the \*decreasing adjustment is as follows.

(2) The amount is worked out using the formula:



where:

***applicable average input tax credit fraction*** is the \*average input tax credit fraction for the \*compulsory third party scheme concerned for the \*financial year in which:

(a) if the payment or supply is a \*CTP compensation payment or supply—the accident or other incident to which the claim relates happened; or

(b) if the payment or supply is a \*CTP ancillary payment or supply—the payment or supply was made; or

(c) if the payment or supply is a payment or supply to which section 79‑15 applies—the accident or other incident to which the claim relates happened.

***payment or supply amount*** is the amount worked out in accordance with subsection (3).

Payment or supply amount

(3) The payment or supply amount mentioned in subsection (2) is worked out using this method statement.

Method statement

*Step 1*. Add together:

(a) the sum of the payments of \*money (if any) that are included in the payment or supply; and

(b) the \*GST inclusive market value of the supplies (if any) made by the \*operator that are included in the payment or supply (other than supplies that would have been \*taxable supplies but for section 78‑25 or 79‑60).

*Step 2*. If, in relation to the payment or supply, any payments of an excess were made to the \*operator, subtract from the step 1 amount the sum of all those payments (except to the extent that they are payments of excess to which section 78‑18 or 79‑55 applies).

*Step 3*. Except where the payment or supply is a \*CTP ancillary payment or supply, multiply the step 1 amount, or (if step 2 applies) the step 2 amount, by the following:

Start formula start fraction 11 over 11 minus Applicable average input tax credit fraction end fraction end formulaStart formula start fraction 11 over 11 minus Applicable average input tax credit percentage end fraction end formula

where:

***applicable average input tax credit fraction*** has the meaning given by subsection (2).

Reduction for non‑creditable insurance events

(4) The amount of the \*decreasing adjustment under subsection (1) is reduced to the extent (if any) that the payment or supply relates to one or more \*non‑creditable insurance events.

79‑100 Meaning of *average input tax credit fraction*

(1) Except where subsection (7) applies, the ***average input tax credit fraction*** for a \*compulsory third party scheme for a \*financial year is:

(a) for the financial year beginning on 1 July 2000, 1 July 2001 or 1 July 2002—nil; and

(b) for the financial year beginning on 1 July 2003, 1 July 2004, 1 July 2005 or 1 July 2006—the business vehicle use fraction for the scheme determined by the Treasurer under subsection (2); and

(c) for any later financial year:

(i) if subparagraph (ii) does not apply—the same fraction as the average input tax credit fraction for the scheme for the preceding financial year; or

(ii) if, under subsection (3), the Treasurer determines the average input tax credit fraction for the scheme for the financial year—that fraction.

Treasurer to determine business vehicle use fraction for 2003‑4 to 2006‑7 financial years using statistical information

(2) As soon as practicable after the commencement of this section, the Treasurer must, in writing, determine the business vehicle use fraction (see subsection (4)) for each \*compulsory third party scheme, using statistical information that:

(a) relates to business and total use of vehicles in the State or Territory in which the scheme operates; and

(b) was published on 27 June 2001 by the Australian Bureau of Statistics in respect of the period 1 November 1999 to 31 October 2000.

Treasurer to use later statistical information to determine whether average input tax credit fraction to be varied for later financial years

(3) As soon as practicable after the beginning of each of the following \*financial years (a ***determination year***):

(a) the financial year that begins on 1 July 2006;

(b) the financial years that begin on each 1 July that occurs 3 years, or a multiple of 3 years, after 1 July 2006;

the Treasurer must, for each \*compulsory third party scheme:

(c) work out business vehicle use fractions (see subsection (4)) using each set of statistical information, relating to business and total use of vehicles in the State or Territory in which the scheme operates, published by the Australian Bureau of Statistics during the 3 financial years before the determination year; and

(d) work out the average of those fractions (the ***new fraction***); and

(e) if the Treasurer considers the new fraction is significantly different from the average input tax credit fraction that would, disregarding this subsection, apply under subparagraph (1)(c)(i) for the scheme for the financial year (the ***operative year***) following the determination year—in writing, determine that the new fraction is to be the average input tax credit fraction for the scheme for the operative year.

Business vehicle use fraction

(4) The business vehicle use fraction is the fraction of total vehicle use, in the State or Territory in which the \*compulsory third party scheme operates, represented by business vehicle use.

Publication of revised statistical information

(5) To avoid doubt, if, after publishing statistical information relating to business and total use of vehicles in a State or Territory, the Australian Bureau of Statistics publishes a revised or replacement version of that statistical information, that revision or replacement is to be disregarded for the purposes of this section.

Gazettal of determinations

(6) The Treasurer must arrange for a copy of any determination that he or she makes under subsection (2) or (3) to be published in the *Gazette*.

Exception

(7) If:

(a) this section is being applied in working out the amount of a \*decreasing adjustment that arises under section 79‑15 (about sole operator elections); and

(b) the cover under the \*insurance policy concerned commenced before 1 July 2003;

the ***average input tax credit fraction*** for the \*compulsory third party scheme concerned is nil for all \*financial years beginning on or after 1 July 2000.

Division 80—Settlement sharing arrangements

80‑1 What this Division is about

A series of adjustments arise if, under an arrangement, an operator of a compulsory third party scheme settles a claim, arising from one or more accidents or other incidents, covered by the arrangement and other operators are obliged to contribute payments to that operator in respect of the settlement.

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80‑A Insurance policy settlement sharing arrangements

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Subdivision 80‑A—Insurance policy settlement sharing arrangements

80‑5 Meaning of *insurance policy settlement sharing arrangement* etc.

Meaning of **insurance policy settlement sharing arrangement**

(1) An ***insurance policy*** ***settlement sharing arrangement*** is an arrangement:

(a) that relates to an accident or other incident or 2 or more related accidents or other incidents; and

(b) to which the parties are the \*operators of a \*compulsory third party scheme or schemes who have issued \*insurance policies to persons involved in the accidents or incidents; and

(c) under which:

(i) one party (the ***managing operator***) is to make one or more payments or supplies in settlement of a claim, under the compulsory third party scheme or one of the compulsory third party schemes, relating to the accidents or incidents; and

(ii) each other party (a ***contributing operator***) is to make a payment to the \*managing operator in respect of that operator settling the claim.

Meaning of **managing operator’s payment or supply**

(2) If a payment or supply mentioned in subparagraph (1)(c)(i) is not a \*CTP ancillary payment or supply, it is a ***managing operator’s payment or supply***.

Meaning of **contributing operator’s payment**

(3) A payment mentioned in subparagraph (1)(c)(ii), to the extent that it is not a fee to the \*managing operator for managing the process of making settlements under the arrangement, is a ***contributing operator’s payment***.

80‑10 Effect of becoming parties to industry deeds or entering into settlement sharing arrangements

(1) An \*operator of a \*compulsory third party scheme does not make a \*taxable supply by:

(a) entering into, or becoming a party to, an \*insurance policy settlement sharing arrangement; or

(b) becoming a party to a deed created by or under a \*State law or a \*Territory law establishing a \*compulsory third party scheme, that provides for an insurance policy settlement sharing arrangement.

(2) This section has effect despite section 9‑5 (which is about what are taxable supplies).

80‑15 Effect of contributing operator’s payment

(1) A \*contributing operator’s payment is *not* treated as \*consideration for a supply by the \*managing operator, or for an acquisition by the \*contributing operator.

(2) This section has effect despite section 9‑15 (which is about consideration) and section 11‑5 (which is about what is a creditable acquisition).

80‑20 Managing operator’s payments or supplies

(1) For the purposes of Divisions 78 and 79, a \*managing operator’s payment or supply is treated as follows.

(2) If the \*managing operator is a party to the \*insurance policy settlement sharing arrangement because it issued only one \*insurance policy, the \*managing operator’s payment or supply is treated as a payment or supply, made by the managing operator, in settlement of a claim relating to the accidents or incidents, under that insurance policy.

(3) If the \*managing operator is a party to the \*insurance policy settlement sharing arrangement because it issued 2 or more \*insurance policies, the \*managing operator’s payment or supply is treated as a payment or supply made by the managing operator, in settlement of a claim relating to the accidents or incidents, under the insurance policies, and for that purpose is divided among the policies in equal proportions.

Example: 3 vehicles are involved in an accident, 2 of which are covered by insurance policies issued by the managing operator and the other by a policy issued by a contributing operator. The managing operator makes a payment in settlement of a claim by an insured person in respect of the accident.

For the purposes of Division 78 or 79, half of the payment will be treated as being made under each of the policies issued by the managing operator.

80‑25 Contributing operator’s payment

(1) For the purposes of Divisions 78 and 79, a \*contributing operator’s payment is treated as follows.

(2) If the \*contributing operator is a party to the \*insurance policy settlement sharing arrangement because it issued only one \*insurance policy, the \*contributing operator’s payment is treated as a payment or supply, made by the contributing operator, in settlement of a claim relating to the accidents or incidents, under that insurance policy.

Example: Assume the same facts as in the example in section 80‑20. The contributing operator who issued 1 of the 3 policies covering the vehicles in the accident makes a payment to the managing operator.

For the purposes of Division 78 or 79, the payment (except to the extent that it represents a managing operator’s fee) will be treated as being made by the contributing operator under the insurance policy that it issued.

(3) If the \*contributing operator is a party to the \*insurance policy settlement sharing arrangement because it issued 2 or more \*insurance policies, the \*contributing operator’s payment is treated as a payment or supply, made by the contributing operator, in settlement of a claim relating to the accidents or incidents, under the insurance policies, and for that purpose is divided among the policies in equal proportions.

80‑30 Managing operator’s increasing adjustment where contributing operator’s payment

(1) If:

(a) a \*contributing operator’s payment is made; and

(b) as a result of section 80‑20, there was a \*decreasing adjustment for the \*managing operator under Division 78 or 79 in relation to the \*managing operator’s payment or supply;

there is an ***increasing adjustment*** for the managing operator of the following amount:

Start formula start fraction *Contributing operator's payment over Managing operator's settlement amount open bracket see subsection open bracket 2 close bracket close bracket end fraction times *Decreasing adjustment end formula

Managing operator’s settlement amount

(2) The ***managing operator’s settlement amount*** mentioned in subsection (1) is worked out using this method statement.

Method statement

*Step 1*. Add together:

(a) the sum of the payments of \*money (if any) that are included in the \*managing operator’s payment or supply; and

(b) the \*GST inclusive market value of the supplies (if any) that are included in the \*managing operator’s payment or supply (other than supplies that would have been \*taxable supplies but for section 78‑25 or 79‑60).

*Step 2*. If, in relation to the \*managing operator’s payment or supply, any payments of an excess were made to the \*managing operator, subtract from the step 1 amount the sum of all those payments (except to the extent that they are payments of excess to which section 78‑18 or 79‑55 applies).

Example: Assume the same facts as in the examples in sections 80‑20 and 80‑25. Assume also that, as a result of section 80‑20, there was a decreasing adjustment under Division 78 or 79 for the managing operator’s payment or supply.

The managing operator has an increasing adjustment. It equals the part of the decreasing adjustment that is attributable to the managing operator’s payment or supply that was repaid by the contributing operator’s contribution.

80‑35 Adjustment events relating to managing operator’s payment or supply

Division 19 applies in relation to an \*increasing adjustment that the \*managing operator has under section 80‑30 as a result of the making of a \*managing operator’s payment or supply as if:

(a) the \*contributing operator’s payment were \*consideration for a \*taxable supply made by the managing operator; and

(b) the adjustment were the GST payable on the taxable supply; and

(c) any changes made to those payments were a change in the consideration for the supply.

Subdivision 80‑B—Nominal defendant settlement sharing arrangements

80‑40 Meaning of *nominal defendant settlement sharing arrangement* etc.

Meaning of **nominal defendant** **settlement sharing arrangement**

(1) A ***nominal defendant*** ***settlement sharing arrangement*** is an arrangement:

(a) that relates to an accident or other incident or 2 or more related accidents or other incidents; and

(b) to which the parties are \*operators of a \*compulsory third party scheme, where they are parties because the person involved in the accidents or incidents was not covered under an \*insurance policy; and

(c) under which:

(i) one party (the ***managing operator***) is to make one or more payments or supplies in settlement of a claim, under the compulsory third party scheme, relating to the accidents or incidents; and

(ii) the other party, or one or more of the other parties, (each being a ***contributing operator***) is to make a payment to the \*managing operator in respect of that operator settling the claim.

Meaning of **managing operator’s payment or supply**

(2) If a payment or supply mentioned in subparagraph (1)(c)(i) is not a \*CTP ancillary payment or supply, it is a ***managing operator’s payment or supply***.

Meaning of **contributing operator’s payment**

(3) A payment mentioned in subparagraph (1)(c)(ii), to the extent that it is not a fee to the \*managing operator for managing the process of making settlements under the arrangement, is a ***contributing operator’s payment***.

80‑45 Nominal defendant settlement sharing arrangements to which this Subdivision applies

This Subdivision applies to a \*nominal defendant settlement sharing arrangement if its \*managing operator is not a party to a \*hybrid settlement sharing arrangement relating to the same accidents or incidents.

80‑50 Effect of becoming parties to industry deeds or entering into nominal defendant settlement sharing arrangements

(1) An \*operator of a \*compulsory third party scheme does not make a \*taxable supply by:

(a) entering into, or becoming a party to, a \*nominal defendant settlement sharing arrangement to which this Subdivision applies; or

(b) becoming a party to a deed created by or under a \*State law or a \*Territory law establishing a compulsory third party scheme, that provides for a nominal defendant settlement sharing arrangement to which this Subdivision applies.

(2) This section has effect despite section 9‑5 (which is about what are taxable supplies).

80‑55 Effect of contributing operator’s payment

(1) A \*contributing operator’s payment is *not* treated as \*consideration for a supply by the \*managing operator, or for an acquisition by the \*contributing operator.

(2) This section has effect despite section 9‑15 (which is about consideration) and section 11‑5 (which is about what is a creditable acquisition).

80‑60 Managing operator’s payment or supply

For the purposes of Division 79, a \*managing operator’s payment or supply is treated as a \*CTP compensation payment or supply.

80‑65 Contributing operator’s payment

For the purposes of Division 79, a \*contributing operator’s payment is treated as a \*CTP compensation payment or supply.

80‑70 Managing operator’s increasing adjustment where contributing operator’s payment

(1) If:

(a) a \*contributing operator’s payment is made; and

(b) as a result of section 80‑60, there was a \*decreasing adjustment for the \*managing operator under Division 79 in relation to the \*managing operator’s payment or supply;

there is an ***increasing adjustment*** for the managing operator of the following amount:

Start formula start fraction *Contributing operator's payment over Managing operator's settlement amount open bracket see subsection open bracket 2 close bracket close bracket end fraction times *Decreasing adjustment end formula

Managing operator’s settlement amount

(2) The ***managing operator’s settlement amount*** mentioned in subsection (1) is worked out using this method statement.

Method statement

*Step 1*. Add together:

(a) the sum of the payments of \*money (if any) that are included in the \*managing operator’s payment or supply; and

(b) the \*GST inclusive market value of the supplies (if any) that are included in the \*managing operator’s payment or supply (other than supplies that would have been \*taxable supplies but for section 78‑25 or 79‑60).

*Step 2*. If, in relation to the \*managing operator’s payment or supply, any payments of an excess were made to the \*managing operator, subtract from the step 1 amount the sum of all those payments (except to the extent that they are payments of excess to which section 78‑18 or 79‑55 applies).

80‑75 Adjustment events relating to managing operator’s payment or supply

Division 19 applies in relation to an \*increasing adjustment that the \*managing operator has under section 80‑70 as a result of the making of a \*managing operator’s payment or supply as if:

(a) the \*contributing operator’s payment were \*consideration for a \*taxable supply made by the managing operator; and

(b) the adjustment were the GST payable on the taxable supply; and

(c) any changes made to those payments were a change in the consideration for the supply.

Subdivision 80‑C—Hybrid settlement sharing arrangements

80‑80 Meaning of *hybrid settlement sharing arrangement* etc.

Meaning of **hybrid** **settlement sharing arrangement**

(1) A ***hybrid settlement sharing arrangement*** is an arrangement:

(a) that relates to an accident or other incident or 2 or more related accidents or other incidents; and

(b) to which the parties are:

(i) an entity that is the \*managing operator of a \*nominal defendant settlement sharing arrangement, or entities that are managing operators of nominal defendant settlement sharing arrangements, that relate to the accidents or incidents; and

(ii) an \*operator or operators of a \*compulsory third party scheme or schemes who have issued \*insurance policies to persons involved in the accidents or incidents; and

(c) under which:

(i) one party (the ***managing operator***) is to make one or more payments or supplies in settlement of a claim, under the compulsory third party scheme or one of the compulsory third party schemes involved, relating to the accidents or incidents; and

(ii) each other party (a ***contributing operator***) is to make a payment to the \*managing operator in respect of that operator settling the claim.

Meaning of **managing operator’s payment or supply**

(2) If a payment or supply mentioned in subparagraph (1)(c)(i) is not a \*CTP ancillary payment or supply, it is a ***managing operator’s payment or supply***.

Meaning of **contributing operator’s payment**

(3) A payment mentioned in subparagraph (1)(c)(ii), to the extent that it is not a fee to the \*managing operator for managing the process of making settlements under the arrangement, is a ***contributing operator’s payment***.

80‑85 Subdivision 80‑A to apply to hybrid settlement sharing arrangement, subject to exceptions

In addition to its operation apart from this Subdivision, Subdivision 80‑A has effect, subject to sections 80‑90 and 80‑95, as if a \*hybrid settlement sharing arrangement were an \*insurance policy settlement sharing arrangement.

80‑90 Subdivision 80‑B to apply to payments or supplies by managing operator of hybrid settlement sharing arrangement who is also managing operator of nominal defendant settlement sharing arrangement

If:

(a) the entity that is the \*managing operator of the \*hybrid settlement sharing arrangement is a party to that arrangement because it is also the managing operator of a \*nominal defendant settlement arrangement; and

(b) the entity makes a payment or supply that, as a result of section 80‑85, is a \*managing operator’s payment or supply under the hybrid settlement sharing arrangement;

then:

(c) Subdivision 80‑A does not have any other effect in relation to the payment or supply in accordance with section 80‑85; but

(d) Subdivision 80‑B (other than section 80‑45) applies in relation to the payment or supply as if it were a managing operator’s payment or supply under the nominal defendant settlement sharing arrangement and the entity were not party to the hybrid settlement sharing arrangement.

80‑95 Subdivision 80‑B to apply to payments or supplies by contributing operator of hybrid settlement sharing arrangement who is also managing operator of nominal defendant settlement sharing arrangement

If:

(a) an entity that is a \*contributing operator of the \*hybrid settlement sharing arrangement is a party to that arrangement because it is also the \*managing operator of a \*nominal defendant settlement arrangement; and

(b) the entity makes a payment that, as a result of section 80‑85, is a \*contributing operator’s payment under the hybrid settlement sharing arrangement;

then:

(c) Subdivision 80‑A does not have any other effect in relation to the payment or supply in accordance with section 80‑85; but

(d) Subdivision 80‑B (other than section 80‑45) applies in relation to the payment as if it were a \*managing operator’s payment or supply under the nominal defendant settlement sharing arrangement and the entity were not party to the hybrid settlement sharing arrangement.

Division 81—Payments of taxes, fees and charges

81‑1 What this Division is about

GST applies to payments of taxes, fees and charges, except those taxes, fees and charges that are excluded from the GST by a determination of the Treasurer.

81‑5 Payments of taxes etc. can constitute consideration

(1) The payment of any \*Australian tax, fee or charge (other than the GST) that you make, or the discharging of your liability to make such a payment, is to be treated as the provision of \*consideration, to the entity to which the tax, fee or charge is payable, for a supply that the entity makes to you.

Note: Under Division 82, the payment might not be treated as consideration for a supply if it is in return for an Australian government agency supplying a right to develop land.

(2) However, the payment of any \*Australian tax, fee or charge that is specified in a written determination of the Treasurer, or the discharging of a liability to make such a payment, is not the provision of \*consideration.

(3) A determination by the Treasurer under this section is a disallowable instrument for the purposes of section 46A of the *Acts Interpretation Act 1901*.

(4) This section has effect despite section 9‑15 (which is about consideration).

81‑10 Supplies need not be connected with Australia if the consideration is the payment of tax etc.

(1) The fact that a supply is not \*connected with Australia does not stop the supply being a \*taxable supply if the \*consideration for the supply is the payment of any \*Australian tax, fee or charge, or the discharging of a liability to make such a payment.

(2) This section has effect despite section 9‑5 (which is about taxable supplies).

Division 82—Supplies in return for rights to develop land

82‑1 What this Division is about

GST does not apply to transactions for making supplies (commonly referred to as in kind developer contributions) in return for the supply by an Australian government agency of a right to develop land.

82‑5 Supplies of rights to develop land do not constitute consideration in certain cases

(1) The supply, by an \*Australian government agency, of a right to develop land is not treated as \*consideration for another supply if the other supply complies with requirements imposed by or under an \*Australian law.

(2) It does not matter whether the other supply is made to the \*Australian government agency.

(3) This section has effect despite section 9‑15 (which is about consideration).

82‑10 Supplies by Australian government agencies of rights to develop land are not for consideration

(1) The supply, by an \*Australian government agency, of a right to develop land is treated as a supply that is not made for \*consideration to the extent that it is made in return for another supply that complies with requirements imposed by or under an \*Australian law.

(2) It does not matter whether the other supply is made to the \*Australian government agency.

(3) If the other supply constitutes the payment of an \*Australian tax, fee or charge to which subsection 81‑5(1) applies, this section overrides subsection 81‑5(1) in relation to the payment.

(4) This section has effect despite section 9‑15 (which is about consideration).

Division 83—Non‑residents making supplies connected with Australia

83‑1 What this Division is about

The GST on taxable supplies made by non‑residents can, with the agreement of the recipients, be “reverse charged” to the recipients.

83‑5 “Reverse charge” on supplies made by non‑residents

(1) The GST on a \*taxable supply is payable by the \*recipient of the supply, and is not payable by the supplier, if:

(a) the supplier is a \*non‑resident; and

(b) the supplier does not make the supply through an \*enterprise that the supplier \*carries on in Australia; and

(c) the recipient is \*registered or \*required to be registered; and

(d) the supplier and the recipient agree that the GST on the supply be payable by the recipient.

(2) However, this section does not apply to:

(a) a supply that is not \*connected with Australia but that is a \*taxable supply because of Division 84 (which is about offshore supplies other than goods or real property); or

(b) a taxable supply made by a \*non‑resident through a \*resident agent.

Note: GST on these taxable supplies is payable by the resident agent: see section 57‑5.

(3) This section has effect despite section 9‑40 (which is about liability for the GST).

83‑10 Recipients who are members of GST groups

(1) If section 83‑5 applies to a \*taxable supply but the \*recipient of the supply is a \*member of a \*GST group, the GST on the supply:

(a) is payable by the \*representative member; and

(b) is not payable by the member (unless the member is the representative member).

(2) This section has effect despite section 83‑5.

83‑15 Recipients who are participants in GST joint ventures

(1) If section 83‑5 applies to a \*taxable supply but the \*recipient of the supply is a \*participant in a \*GST joint venture and the supply is made, on the recipient’s behalf, by the \*joint venture operator of the GST joint venture in the course of activities for which the joint venture was entered into, the GST on the supply:

(a) is payable by the joint venture operator; and

(b) is not payable by the participant.

(2) This section has effect despite section 83‑5.

83‑20 The amount of GST on “reverse charged” supplies made by non‑residents

(1) The amount of GST on a supply to which section 83‑5, 83‑10 or 83‑15 applies is 10% of the \*price of the supply.

(2) This section has effect despite section 9‑70 (which is about the amount of GST on taxable supplies).

83‑25 When non‑residents must apply for registration

(1) A \*non‑resident need not apply to be \*registered under this Act if the non‑resident’s \*annual turnover would not meet the \*registration turnover threshold but for the \*taxable supplies of the non‑resident that are taxable supplies to which section 83‑5 applies.

(2) It does not matter whether the \*non‑resident is \*required to be registered.

(3) This section has effect despite section 25‑1 (which is about when entities must apply for registration).

83‑30 When the Commissioner must register non‑residents

(1) The Commissioner need not \*register a \*non‑resident if the Commissioner is satisfied that the non‑resident’s \*annual turnover would not meet the \*registration turnover threshold but for the \*taxable supplies of the non‑resident that are taxable supplies to which section 83‑5 applies.

(2) It does not matter whether the \*non‑resident is \*required to be registered.

(3) This section has effect despite section 25‑5 (which is about when the Commissioner must register an entity).

83‑35 Tax invoices not required for “reverse charged” supplies made by non‑residents

(1) A \*non‑resident is not required to issue a \*tax invoice for a \*taxable supply of the non‑resident that is a taxable supply to which section 83‑5 applies.

(2) Subsection (1) has effect despite section 29‑70 (which is about the requirement to issue tax invoices).

(3) Subsection 29‑10(3) does not apply in relation to a \*creditable acquisition made by an entity as a result of being the \*recipient of a \*taxable supply to which section 83‑5 applies.

Division 84—Offshore supplies other than goods or real property

84‑1 What this Division is about

In some limited cases, supplies (of things other than goods or real property) taking place outside Australia are brought within the GST system.

84‑5 Intangible supplies from offshore may be taxable supplies

(1) A supply of anything other than goods or \*real property that is a supply not \*connected with Australia is a ***taxable supply*** if:

(a) the \*recipient of the supply acquires the thing supplied solely or partly for the purpose of an \*enterprise that the recipient \*carries on in Australia, but not solely for a \*creditable purpose; and

(b) the supply is for \*consideration; and

(c) the recipient is \*registered, or \*required to be registered.

However, the supply is not a \*taxable supply to the extent that it is \*GST‑free or \*input taxed.

(2) For the purposes of paragraph (1)(c), in determining whether the \*recipient is \*required to be registered, what would be the \*value of such supplies (if they were \*taxable supplies) is to be counted towards the recipient’s \*annual turnover.

(3) This section has effect despite section 9‑5 (which is about what is a taxable supply).

84‑10 “Reverse charge” on offshore intangible supplies

(1) The GST on a supply that is a \*taxable supply because of section 84‑5:

(a) is payable by the \*recipient of the supply; and

(b) is not payable by the supplier.

(2) This section has effect despite section 9‑40 (which is about liability for the GST).

84‑12 The amount of GST on offshore intangible supplies

(1) The amount of GST on a supply that is a \*taxable supply because of section 84‑5 is 10% of the \*price of the supply.

(2) This section has effect despite section 9‑70 (which is about the amount of GST on taxable supplies).

Note: Section 9‑90 (rounding of amounts of GST) can apply to amounts of GST worked out using this section.

84‑13 The amount of input tax credits relating to offshore intangible supplies

(1) The amount of the input tax credit for a \*creditable acquisition that relates to a supply that is a \*taxable supply because of section 84‑5 is as follows:

Start formula Full input tax credit times Extend of creditable purpose times Extent of consideration end formula

where:

***extent of consideration*** is the extent to which you provide, or are liable to provide, the \*consideration for the acquisition, expressed as a percentage of the total consideration for the acquisition.

***extent of creditable purpose*** is the extent to which the \*creditable acquisition is for a \*creditable purpose, expressed as a percentage of the total purpose of the acquisition.

***full input tax credit*** is 11/10 of what would have been the amount of the input tax credit for the acquisition if:

(a) the supply had been a \*taxable supply otherwise than because of section 84‑5; and

(b) the acquisition had been made solely for a creditable purpose; and

(c) you had provided, or had been liable to provide, all of the consideration for the acquisition.

(2) This section has effect despite sections 11‑25 and 11‑30 (which are about the amount of input tax credits for creditable acquisitions).

84‑14 Supplies relating to employee share ownership schemes

This Division does not apply to a supply, to the extent that it is a supply relating to an \*employee share scheme, if:

(a) the \*recipient of the supply is not an entity that has acquired, or may in the future acquire, a share or right under the scheme; and

(b) Division 13A of Part III of the \*ITAA 1936 applies to discounts (within the meaning of that Division) given in relation to any acquisitions of shares or rights under the scheme; and

(c) either:

(i) the \*recipient of the supply is a \*100% subsidiary of the supplier; or

(ii) the supply is a transfer that is taken to be a supply because of section 84‑15.

84‑15 Transfers etc. between branches of the same entity

(1) For the purposes of section 84‑5, if an entity:

(a) \*carries on an \*enterprise in Australia; and

(b) also carries on that or another enterprise outside Australia;

then:

(c) the transfer of anything to the enterprise in Australia from the enterprise outside Australia; or

(d) the doing of anything for the enterprise in Australia by the enterprise outside Australia;

is taken to be a supply that is not \*connected with Australia.

Example: An entity acquires, through a place of business it has overseas, the right to exploit a particular copyright in Australia. That right is then transferred to a place of business that the entity has in Australia.

Under this section, the transfer is taken to be a supply that is not connected with Australia and, if the other requirements of section 84‑5 are satisfied, the transfer is a taxable supply.

(2) If the transfer is a transfer of the services of an employee, this section does not apply to the transfer to the extent that any payments that:

(a) are made from the \*enterprise in Australia to the enterprise outside Australia; and

(b) relate to the transfer;

would be \*withholding payments if they were payments from the enterprise in Australia to the employee.

Division 85—Telecommunication supplies

85‑1 What this Division is about

Telecommunication supplies that are effectively used or enjoyed in Australia are included in the GST system (regardless of where the supplier has a physical presence).

85‑5 When telecommunication supplies are connected with Australia

(1) A \*telecommunication supply is ***connected with Australia*** if the \*recipient of the supply will effectively use or enjoy the supply in Australia.

(2) However, subsection (1) does not apply to a \*telecommunication supply, or a telecommunication supply included in a class of telecommunication supplies, if:

(a) the supplier makes the supply through an \*enterprise that is not \*carried on in Australia; and

(b) the Commissioner determines that collection of GST on that supply or class of supplies would not be administratively feasible.

(3) This section has effect in addition to section 9‑25 (which is about when supplies are connected with Australia).

85‑10 Meaning of *telecommunication supply*

A ***telecommunication supply*** is a supply relating to the transmission, emission or reception of signals, writing, images, sounds or information of any kind by wire, radio, optical or other electromagnetic systems. It includes:

(a) the related transfer or assignment of the right to use capacity for such transmission, emission or reception; and

(b) provision of access to global information networks.

Division 87—Long‑term accommodation in commercial residential premises

87‑1 What this Division is about

Long‑term stays in commercial residential premises are given a lower value than would otherwise apply, reducing the amount of GST payable.

87‑5 Commercial residential premises that are predominantly for long‑term accommodation

(1) The ***value*** of a \*taxable supply of \*commercial accommodation that:

(a) is provided in \*commercial residential premises that are \*predominantly for long‑term accommodation; and

(b) is provided to an individual as \*long‑term accommodation;

is 50%, or such other percentage as is specified in the regulations, of what would be the \*price of the supply if this Division did not apply.

(2) This section has effect despite section 9‑75 (which is about the value of taxable supplies).

87‑10 Commercial residential premises that are not predominantly for long‑term accommodation

(1) The ***value*** of a \*taxable supply of \*commercial accommodation that:

(a) is provided in \*commercial residential premises that are not \*predominantly for long‑term accommodation; and

(b) is provided to an individual as \*long‑term accommodation;

is the sum of:

(c) the value, worked out in the way set out in section 9‑75, of that part of the supply that relates to provision of the commercial accommodation *during* the first 27 days; and

(d) 50%, or such other percentage as is specified in the regulations, of what would be the \*price (if this Division did not apply) of that part of the supply that relates to provision of the commercial accommodation *after* the first 27 days.

(2) This section has effect despite section 9‑75 (which is about the value of taxable supplies).

87‑15 Meaning of *commercial accommodation*

***Commercial accommodation*** means the right to occupy the whole or any part of \*commercial residential premises, including, if it is provided as part of the right so to occupy, the supply of:

(a) cleaning and maintenance; or

(b) electricity, gas, air‑conditioning or heating; or

(c) telephone, television, radio or any other similar thing.

87‑20 Meaning of *long‑term accommodation* etc.

(1) ***Long‑term accommodation*** is provided to an individual if \*commercial accommodation is provided, for a continuous period of 28 days or more, in the same premises:

(a) to that individual alone; or

(b) to that individual, together with one or more other individuals who:

(i) are also provided with that commercial accommodation; and

(ii) are not provided with it at their own expense (whether incurred directly or indirectly).

(2) For the purpose of working out the number of days in the period for which an individual is provided with \*commercial accommodation:

(a) count the day on which he or she is first provided with the commercial accommodation; and

(b) disregard the day on which he or she ceases to be provided with commercial accommodation.

(3) \*Commercial residential premises are ***predominantly for long‑term accommodation*** if at least 70% of the individuals who are provided with \*commercial accommodation in the premises are provided with commercial accommodation as \*long‑term accommodation.

87‑25 Suppliers may choose not to apply this Division

(1) This Division does not apply to a supply of \*commercial accommodation if the supplier chooses not to apply this Division to any supplies of commercial accommodation that the supplier makes.

(2) The choice applies to all supplies of \*commercial accommodation that the supplier makes after the choice is made and before the choice is revoked.

(3) However, the supplier:

(a) cannot revoke the choice within 12 months after the day on which the supplier made the choice; and

(b) cannot make a further choice within 12 months after the day on which the supplier revoked a previous choice.

Division 90—Company amalgamations

90‑1 What this Division is about

This Division ensures proper account is taken of liabilities and entitlements under the GST system when companies amalgamate.

90‑5 Supplies not taxable—amalgamated company registered or required to be registered

(1) A supply made by an \*amalgamating company to an \*amalgamated company in the course of \*amalgamation is not a \*taxable supply if, immediately after the amalgamation, the amalgamated company is \*registered or \*required to be registered.

(2) This section has effect despite section 9‑5 (which is about what is a taxable supply).

90‑10 Value of taxable supplies—amalgamated company not registered or required to be registered

(1) If:

(a) an \*amalgamating company makes a \*taxable supply to an \*amalgamated company in the course of \*amalgamation; and

(b) immediately after the amalgamation, the amalgamated company is neither \*registered nor \*required to be registered;

the ***value*** of the taxable supply is the\*GST exclusive market value of the supply.

(2) This section has effect despite section 9‑75 (which is about the value of taxable supplies).

90‑15 Acquisitions not creditable—amalgamated company registered or required to be registered

(1) An acquisition made by an \*amalgamated company from an \*amalgamating company in the course of \*amalgamation is not a \*creditable acquisition if, immediately after the amalgamation, the amalgamated company is \*registered or \*required to be registered.

(2) This section has effect despite section 11‑5 (which is about what is a creditable acquisition).

90‑20 Liability after amalgamation for GST on amalgamating company’s supplies

(1) An \*amalgamated company must pay the GST payable on a \*taxable supply if:

(a) apart from the\*amalgamation, the GST would have been payable by any of the \*amalgamating companies; and

(b) the GST was not attributable, before the amalgamation, to a tax period applying to the amalgamating company.

(2) This section has effect despite section 9‑40 (which is about liability for GST).

90‑25 Entitlement after amalgamation to input tax credits for amalgamating company’s acquisitions

(1) An \*amalgamated company is entitled to the input tax credit for a \*creditable acquisition if:

(a) apart from the\*amalgamation, any of the \*amalgamating companies would have been entitled to the input tax credit; and

(b) the input tax credit was not attributable, before the amalgamation, to a tax period applying to the amalgamating company.

(2) This section has effect despite section 11‑20 (which is about who is entitled to input tax credits).

90‑30 Adjustments

(1) An \*amalgamated company has an \*adjustment if:

(a) apart from the\*amalgamation, any of the \*amalgamating companies would have had the adjustment; and

(b) the adjustment was not attributable, before the amalgamation, to a tax period applying to the amalgamating company.

(2) This section has effect despite section 17‑10 (which is about the effect of adjustments on net amounts).

90‑35 Amalgamating companies accounting on a cash basis

(1) If:

(a) immediately before \*amalgamation, an \*amalgamating company \*accounted on a cash basis; and

(b) GST payable by the company on a \*taxable supply, an input tax credit to which the company was entitled for a \*creditable acquisition, or an \*adjustment that the company had, was not attributable, before the amalgamation, to any of the tax periods applying to the company; and

(c) the GST, input tax credit or adjustment would have been attributable to such a tax period if the company had not accounted on a cash basis during that period; and

(d) immediately after the amalgamation, the \*amalgamated company does not account on a cash basis;

the GST, input tax credit or adjustment (as the case requires) is attributable to the first tax period applying to the amalgamated company that ends after the amalgamation.

(2) If:

(a) immediately before \*amalgamation, an \*amalgamating company \*accounted on a cash basis; and

(b) GST payable by the company on a \*taxable supply, an input tax credit to which the company was entitled for a \*creditable acquisition, or an \*adjustment that the company had, was only to some extent attributable, before the amalgamation, to any of the tax periods applying to the company; and

(c) the GST, input tax credit or adjustment would have been solely attributable to such a tax period if the company had not accounted on a cash basis during that period; and

(d) immediately after the amalgamation, the \*amalgamated company does not account on a cash basis;

the GST, input tax credit or adjustment (as the case requires) is attributable to the first tax period applying to the amalgamated company that ends after the amalgamation, but only to the extent that it was not attributable to any of the tax periods applying to the amalgamating company.

(3) This section has effect despite sections 29‑5, 29‑10 and 29‑20 (which are about attributing GST on supplies, input tax credits for acquisitions, and adjustments).

Division 96—Supplies partly connected with Australia

96‑1 What this Division is about

This Division treats a supply that is partly connected with Australia as separate supplies, so that only the part of a supply that is connected with Australia is included in the GST system.

96‑5 Supplies that are only partly connected with Australia

(1) If, because a supply (the ***actual supply***) is a supply of more than one of these kinds:

(a) a supply of goods;

(b) a supply of \*real property;

(c) a \*telecommunication supply;

(d) a supply of anything, other than goods or real property, that is not a telecommunication supply;

only part of the actual supply is \*connected with Australia, then the actual supply is to be treated as if it were separate supplies in the following way.

(2) The part of the actual supply that is \*connected with Australia is to be treated as if it were a separate supply that is connected with Australia.

(3) The part of the actual supply that is not \*connected with Australia is to be treated as if it were a separate supply that is not connected with Australia.

(4) However, if one of the kinds of supply that forms part of the actual supply may reasonably be regarded as incidental to:

(a) the other kind of supply that forms part of the actual supply; or

(b) one (but not both) of the other kinds of supply that form part of the actual supply;

and its value (if it were a separate \*taxable supply) would not exceed $50,000, it is treated as part of that other kind of supply.

(5) This section has effect despite section 9‑25 (which is about when supplies are connected with Australia).

96‑10 The value of the taxable components of supplies that are only partly connected with Australia

(1) If a supply (the ***actual supply***):

(a) is, because of section 96‑5, to be treated as separate supplies; and

(b) the part of the actual supply that is \*connected with Australia is a \*taxable supply, or is partly a \*taxable supply and partly a supply that is \*GST‑free or \*input taxed;

the ***value*** of that part of the actual supply is worked out as follows:

(c) work out the value of the actual supply, under section 9‑75, as if it were solely a taxable supply; and

(d) work out the proportion of that value of the actual supply that the taxable supply represents; and

(e) multiply that value by the proportion in paragraph (d).

(2) If that part of the actual supply is partly a \*taxable supply and partly a supply that is \*GST‑free or \*input taxed, this section does not affect the operation of section 9‑80 in working out the value of so much of that part of the actual supply as is a taxable supply.

(3) This section has effect despite section 9‑75 (which is about the value of taxable supplies).

Division 99—Deposits as security

99‑1 What this Division is about

GST does not apply to the taking of a deposit as security for the performance of an obligation (unless the deposit is forfeited or is applied as consideration). GST is not attributable prior to forfeiture.

99‑5 Giving a deposit as security does not constitute consideration

(1) A deposit held as security for the performance of an obligation is not treated as \*consideration for a supply, unless the deposit:

(a) is forfeited because of a failure to perform the obligation; or

(b) is applied as all or part of the consideration for a supply.

(2) This section has effect despite section 9‑15 (which is about consideration).

99‑10 Attributing the GST relating to deposits that are forfeited etc.

(1) The GST payable by you on a \*taxable supply for which the \*consideration is a deposit that was held as security for the performance of an obligation is attributable to the tax period during which the deposit:

(a) is forfeited because of a failure to perform the obligation; or

(b) is applied as all or part of the consideration for a supply.

(2) This section has effect despite section 29‑5 (which is about attributing GST for taxable supplies).

Division 100—Vouchers

100‑1 What this Division is about

A supply of a voucher for supplies up to a stated monetary value is not subject to GST. GST may still be payable on the supply for which the voucher is redeemed, and there is an increasing adjustment for unredeemed vouchers.

Note: Vouchers that do not state a monetary value can be subject to GST when supplied, but the price of the voucher is excluded when working out the GST on the supply for which the voucher is redeemed (see paragraph 9‑15(3)(a)).

100‑5 Supplies of vouchers stating monetary value

(1) A supply of a \*voucher is not a \*taxable supply if:

(a) on redemption of the voucher, the holder of the voucher is entitled to supplies up to a monetary value stated on the voucher; and

(b) the \*consideration for supply of the voucher does not exceed that monetary value.

(2) If the \*consideration for supply of the voucher exceeds that monetary value, the consideration is treated (except for the purposes of this section) as if it were reduced by that monetary value.

(3) This section has effect despite section 9‑5 (which is about what are taxable supplies) and section 9‑15 (which is about consideration).

100‑10 Redemption of vouchers

(1) The act of redeeming a \*voucher is not a supply.

Note: A supply for which the voucher is redeemed is still a supply.

(2) Subsection (1) has effect despite section 9‑10 (which is about what is a supply).

(3) Paragraph 9‑15(3)(a) (which is about the consideration for exercising rights or options) does not apply to a right or option that is granted by way of a \*voucher if, on redemption of the voucher, the holder of the voucher is entitled to supplies up to a monetary value stated on the voucher.

100‑15 Increasing adjustments for unredeemed vouchers

(1) You have an ***increasing adjustment*** if:

(a) you supplied a \*voucher for \*consideration; and

(b) on redemption of the voucher, the holder of the voucher was entitled to supplies up to a monetary value stated on the voucher; and

(c) the voucher has not been redeemed; and

(d) you have, for accounting purposes, written back to current income any reserves for the redemption of the voucher.

(2) The amount of the increasing adjustment is 1/11 of the amount written back to current income.

100‑20 Vouchers supplied to non‑residents and redeemed by others in Australia

This Division does not apply to a \*voucher supplied to a \*non‑resident if, because of the application of subsection 38‑190(3), the supply is not \*GST‑free.

100‑25 Meaning of *voucher*

A ***voucher*** is any voucher, token, stamp, coupon or similar article the redemption of which in accordance with its terms entitles the holder to receive supplies in accordance with its terms. However, a postage stamp is not a voucher.

Division 102—Cancelled lay‑by sales

102‑1 What this Division is about

If a lay‑by sale is cancelled, any amount retained or recovered by the supplier is within the GST system.

102‑5 Cancelled lay‑by sales

(1) If a supply by way of lay‑by sale is cancelled:

(a) any amount already paid by the \*recipient that the supplier retains because of the cancellation; and

(b) any amount the supplier recovers from the recipient because of the cancellation;

is treated as \*consideration for a supply made by the supplier and as consideration for an acquisition made by the recipient.

(2) This section has effect despite section 9‑15 (which is about what is consideration).

102‑10 Attributing GST and input tax credits

(1) If an amount is retained or recovered in circumstances referred to in section 102‑5:

(a) the GST payable by you on a \*taxable supply for which the amount is \*consideration; or

(b) the input tax credit to which you are entitled for a \*creditable acquisition for which the amount is consideration;

is attributable to the tax period during which the amount was retained or recovered, as the case requires.

(2) This section has effect despite sections 29‑5 and 29‑10 (which are about attributing GST for taxable supplies and input tax credits for creditable acquisitions).

Division 105—Supplies in satisfaction of debts

105‑1 What this Division is about

This Division makes a creditor liable for GST on supplies of a debtor’s property where the supply is in satisfaction of a debt owed to the creditor.

105‑5 Supplies by creditors in satisfaction of debts may be taxable supplies

(1) You make a ***taxable supply*** if:

(a) you supply the property of another entity (the ***debtor***) to a third entity in or towards the satisfaction of a debt that the debtor owes to you; and

(b) had the debtor made the supply, the supply would have been a \*taxable supply.

(2) It does not matter whether:

(a) you made the supply in the course or furtherance of an \*enterprise that you \*carry on; or

(b) you are \*registered, or \*required to be registered.

(3) However, the supply is not a \*taxable supply if:

(a) the debtor has given you a written notice stating that the supply would not be a taxable supply if the debtor were to make it, and stating fully the reasons why the supply would not be a taxable supply; or

(b) if you cannot obtain such a notice—you believe on the basis of reasonable information that the supply would not be a taxable supply if the debtor were to make it.

(4) This section has effect despite section 9‑5 (which is about what is a taxable supply).

105‑10 Net amounts

(1) If you are not \*registered or \*required to be registered, you do not have a \*net amount under Part 2‑4 merely because you make a \*taxable supply under section 105‑5.

(2) This section does not prevent an \*adjustment arising that relates to such a supply, but you cannot have a \*decreasing adjustment unless you are \*registered or \*required to be registered.

(3) This section has effect despite Division 17 (which is about net amounts and adjustments).

105‑15 GST returns

(1) If, during a month:

(a) you make any \*taxable supplies under section 105‑5; or

(b) you have any \*increasing adjustments that arise in relation to any such supplies (whether made in that month or a previous month);

and you are not \*registered or \*required to be registered during that month, you must give to the Commissioner a \*GST return, within 21 days after the end of the month, relating to those supplies you made in that month and those adjustments.

(3) This section has effect despite sections 31‑5 and 31‑10 (which are about giving GST returns).

105‑20 Payments of GST

(1) If you are not \*registered or \*required to be registered during a particular month, you must pay:

(a) amounts of GST on \*taxable supplies under section 105‑5 that you make during that month; and

(b) amounts of \*increasing adjustments that you have that arise, during that month, in relation to supplies that are \*taxable supplies under section 105‑5;

within 21 days after the end of the month, and at the place and in the manner specified by the Commissioner.

(2) This section has effect despite Division 33 (which is about payments of GST).

Division 108—Valuation of taxable supplies of goods in bond

108‑1 What this Division is about

Taxable supplies of goods in bond are given a higher value than would otherwise apply, because the price of a supply in bond does not include any excise duty that would be included after entry of the goods for home consumption.

108‑5 Taxable supplies of goods in bond etc.

(1) The ***value*** of a \*taxable supply of \*excisable goods that are in bond is the sum of:

(a) the value of the supply worked out in the way set out in section 9‑75; and

(b) the amount of \*excise duty to which the goods would have been subject if they had been entered for home consumption under the *Excise Act 1901* at the time the supply first became a supply \*connected with Australia.

(2) However, this section does not apply to a supply of goods to a \*recipient who:

(a) is \*registered or \*required to be registered; and

(b) acquires the goods solely for a \*creditable purpose.

(3) This section has effect despite section 9‑75 (which is about the value of taxable supplies).

Division 110—Income tax‑related transactions

110‑1 What this Division is about

Some transactions that relate to aspects of income tax are outside the GST system.

110‑5 Transfers of tax losses and net capital losses

(1) A supply is not a \*taxable supply if the supply is:

(a) the transfer of a \*tax loss in accordance with Subdivision 170‑A of the \*ITAA 1997; or

(b) the transfer of a \*net capital loss in accordance with Subdivision 170‑B of the ITAA 1997.

(2) This section has effect despite section 9‑5 (which is about what are taxable supplies).

110‑10 Transfers of excess foreign tax credits

(1) A supply is not a \*taxable supply if:

(a) the supply is the transfer of an initial excess credit, or an opening excess credit balance, referred to in paragraph 160AFE(1D)(c) of the \*ITAA 1936; and

(b) the transfer is in accordance with section 160AFE of the ITAA 1936.

(2) This section has effect despite section 9‑5 (which is about what are taxable supplies).

Division 111—Reimbursement of employees etc.

111‑1 What this Division is about

You may be entitled to input tax credits for some reimbursements you make to employees (or associates of employees), agents, officers or partners for expenses they incur. The entitlement extends to charitable bodies and government schools reimbursing their volunteers.

111‑5 Creditable acquisitions relating to reimbursements

(1) If one or more of the following applies:

(a) you reimburse an employee or agent for an expense he or she incurs that is related directly to his or her activities as your employee or agent;

(ab) you reimburse an employee (whether or not you are the employee’s employer) for an expense that the employee or the employee’s \*associate incurs, and the reimbursement constitutes an \*expense payment benefit;

(ac) you reimburse an associate of an employee (whether or not you are the employee’s employer) for an expense that the associate or employee incurs, and the reimbursement constitutes an expense payment benefit;

(b) you are a \*company and you reimburse an \*officer for an expense he or she incurs that is related directly to his or her activities as your officer;

(c) you are a \*partnership and you reimburse a partner for an expense he or she incurs that is related directly to his or her activities as a partner in the partnership;

the reimbursement is treated as \*consideration for an acquisition that you make from the employee, associate, agent, officer or partner.

Note: This section also applies if you reimburse the recipient of certain withholding payments: see section 111‑20.

(2) The fact that the supply to you is not a \*taxable supply does not stop the acquisition being a \*creditable acquisition.

(3) However, the acquisition:

(a) is not a \*creditable acquisition to the extent (if any) that:

(i) the employee, \*associate, agent, \*officer or partner is entitled to an input tax credit for acquiring the thing acquired in incurring the expense; or

(ii) the acquisition would not, because of Division 69, be a creditable acquisition if you made it; and

(b) is not a creditable acquisition unless the supply of the thing acquired, by the employee, associate, agent, officer or partner in incurring the expense, was a taxable supply; and

(c) is not a creditable acquisition if you would, because of Division 71, not have been entitled to an input tax credit if you had made the acquisition that the employee, associate, agent, officer or partner made.

(3A) If you are a \*partnership, this section does not apply to your reimbursement of a partner for an expense he or she incurs if, even without this Division applying, you are entitled to an input tax credit arising from the incurring of the expense.

(4) This section has effect despite section 11‑5 (which is about what is a creditable acquisition).

111‑10 Amounts of input tax credits relating to reimbursements

(1) The amount of the input tax credit for a \*creditable acquisition the \*consideration for which is a reimbursement to which section 111‑5 applies is an amount equal to 1/11 of the amount of the reimbursement.

(2) However, if:

(a) the person incurring the expense incurs it in the capacity of an agent, \*officer or partner; and

(b) the incurring of the expense is only in part related directly to his or her activities as your agent or officer, or as a partner, as the case requires;

the amount of the input tax credit under subsection (1) is reduced by an extent equivalent to the extent to which the incurring of the expense is not related directly to those activities.

(3) This section has effect despite section 11‑25 (which is about the amount of input tax credits for creditable acquisitions).

111‑15 Tax invoices relating to reimbursements

For the purposes of subsection 29‑10(3), you are taken to hold a \*tax invoice for a \*creditable acquisition the \*consideration for which is a reimbursement to which section 111‑5 applies if you hold a tax invoice for the \*taxable supply referred to in subsection 111‑5(3).

111‑18 Application of Division to volunteers working for charitable institutions etc.

If:

(a) a charitable institution, a trustee of a charitable fund, a \*gift‑deductible entity or a \*government school reimburses an individual for an expense he or she incurs; and

(b) the expense is directly related to his or her activities as a volunteer of the institution, fund, gift‑deductible entity or government school;

this Division applies to the institution, fund, gift‑deductible entity or government school as if:

(c) the individual were an employee of the institution, fund, gift‑deductible entity or government school; and

(d) his or her activities in connection with incurring the expense were activities as such an employee.

111‑20 Application of Division to recipients of certain withholding payments

(1) If you make, or are liable to make, \*withholding payments covered by subsection (2), this Division applies to you as if:

(a) an individual to whom you make (or are liable to make) such payments were your employee; and

(b) his or her activities in connection with earning such payments were activities as your employee.

(2) This subsection covers a \*withholding payment covered by any of the provisions in Schedule 1 to the *Taxation Administration Act 1953* listed in the table.

| Withholding payments covered | | |
| --- | --- | --- |
| Item | Provision | Subject matter |
| 1 | Section 12‑35 | Payment to employee |
| 2 | Section 12‑40 | Payment to company director |
| 3 | Section 12‑45 | Payment to office holder |
| 4 | Section 12‑55 | Voluntary agreement to withhold |
| 5 | Section 12‑60 | Payment under labour hire arrangement, or specified by regulations |

111‑25 Employers paying expenses of employees etc.

If you make, or are liable to make:

(a) a payment on behalf of your employee for an expense that he or she incurs that is related directly to his or her activities as your employee; or

(b) a payment:

(i) on behalf of an employee (whether or not you are the employee’s employer) for an expense that the employee or the employee’s \*associate incurs; or

(ii) on behalf of an associate of an employee (whether or not you are the employee’s employer) for an expense that the associate or employee incurs;

that constitutes an \*expense payment benefit;

this Division applies to you as if you reimbursed your employee, or you reimbursed the employee or associate, for the expense.

111‑30 Reimbursements etc. of former or future employees etc.

This Division applies in relation to:

(a) reimbursements, of a kind referred to in paragraph 111‑5(1)(ab) or (ac), of former employees and future employees, and of the \*associates of former employees and future employees; and

(b) payments, of a kind referred to in paragraph 111‑25(b), that you make or are liable to make on behalf of former employees and future employees, and of the \*associates of former employees and future employees;

in the same way that this Division applies to such reimbursements of, and such payments that you make or are liable to make to, employees and their associates.

Division 113—PAYG voluntary agreements

113‑1 What this Division is about

A supply is *not* a taxable supply if:

(a) an amount must be withheld from payment for the supply because of section 12‑55 in Schedule 1 to the *Taxation Administration Act 1953* (about voluntary agreements to withhold); and

(b) the acquisition of the thing supplied would be a creditable acquisition if the supply *were* a taxable supply.

113‑5 Supply of work or services not a taxable supply

(1) A supply that you make is not a \*taxable supply to the extent that you make it under an arrangement (within the meaning of the *Income Tax Assessment Act 1997*) if:

(a) the arrangement the performance of which, in whole or in part, involves the performance of work or services (whether or not by you); and

(b) an agreement is in force that:

(i) complies with section 12‑55 in Schedule 1 to the *Taxation Administration Act 1953* (about voluntary agreements to withhold); and

(ii) states that the section covers payments under the arrangement, or payments under a series of arrangements that includes the arrangement; and

(c) you, and the entity acquiring what you supply under the arrangement, are parties to that agreement; and

(d) you have an \*ABN that is in force and is quoted in the agreement; and

(e) the acquisition, by that entity, of what you supply under the arrangement would be a \*creditable acquisition (and not \*partly creditable) if the supply were a \*taxable supply.

(2) This section has effect despite section 9‑5 (about what is a taxable supply.)

Part 4‑3—Special rules mainly about importations

Note: The special rules in this Part mainly modify the operation of Part 2‑3, but they may affect other Parts of Chapter 2 in minor ways.

Division 114—Importations without entry for home consumption

114‑1 What this Division is about

This Division treats as taxable importations several kinds of importations of goods covered by the *Customs Act 1901*, even though the goods are not entered for home consumption. An entity that enters for home consumption warehoused goods imported by someone else is entitled to any input tax credit for the importation.

114‑5 Importations without entry for home consumption

(1) You make a ***taxable importation*** if:

(a) the circumstances referred to in the third column of the following table occur; and

(b) you are referred to in the fourth column of the table as the importer in relation to those circumstances.

However, there is not a taxable importation to the extent that the importation to which the circumstances relate is a \*non‑taxable importation.

| Importations without entry for home consumption | | | |
| --- | --- | --- | --- |
| Item | Topic | Circumstance | Importer |
| 1 | Personal or household effects of passengers or crew | Goods of a kind referred to in paragraph 68(1)(d) of the *Customs Act 1901* are delivered into home consumption in accordance with an authorisation under section 71 of that Act. | The person to whom the authorisation was granted. |
| 2 | Low value consignments by post | Goods of a kind referred to in paragraph 68(1)(e) of the *Customs Act 1901* are delivered into home consumption in accordance with an authorisation under section 71 of that Act. | The person to whom the authorisation was granted. |
| 3 | Other low value consignments | Goods of a kind referred to in paragraph 68(1)(f) of the *Customs Act 1901* are delivered into home consumption in accordance with an authorisation under section 71 of that Act. | The person to whom the authorisation was granted. |
| 4 | Other goods exempt from entry | Goods of a kind referred to in paragraph 68(1)(i) of the *Customs Act 1901* are delivered into home consumption in accordance with an authorisation under section 71 of that Act. | The person to whom the authorisation was granted. |
| 5 | Like customable goods | Goods are delivered into home consumption in accordance with a permission granted under section 69 of the *Customs Act 1901*. | The person to whom the permission was granted. |
| 6 | Special clearance goods | Goods are delivered into home consumption in accordance with a permission granted under section 70 of the *Customs Act 1901*. | The person to whom the permission was granted. |
| 10 | Return of seized goods | Goods that have been seized under a warrant issued under section 203 of the *Customs Act 1901*, or under section 203B or 203C of that Act, are delivered to a person on the basis that they are not forfeited goods. | The person to whom the goods are delivered. |
| 13 | Inwards duty free shops | Goods that are \*airport shop goods purchased from an \*inwards duty free shop by a \*relevant traveller are removed from a \*customs clearance area. | The relevant traveller. |
| 14 | COMPILE contingency arrangements | Goods are taken into home consumption in accordance with a permission granted under section 77D of the *Customs Act 1901*. | The person to whom the permission is granted. |
| 15 | Installations and goods on installations | Goods are deemed by section 49B of the *Customs Act 1901* to be imported into Australia. | The person who is the owner (within the meaning of the *Customs Act 1901*) of the goods when they are deemed to be so imported. |
| 16 | Goods not entered for home consumption when required | Goods not covered by any other item of this table are imported into Australia, and:  (a) if they are required to be entered under section 68 of the *Customs Act 1901*—they are not entered in accordance with that requirement; or  (b) in any other case—a requirement under that Act relating to their importation has not been complied with | The person who fails to comply with that requirement. |

(2) This section has effect despite section 13‑5.

114‑10 Goods that have already been entered for home consumption etc.

Once goods have been:

(a) entered for home consumption within the meaning of the *Customs Act 1901*; or

(b) taken to be imported because of the application of an item in the table in section 114‑5;

they cannot subsequently be taken to be imported because of the application of an item in the table, unless they have been exported from Australia since they were so entered or taken to be imported.

114‑15 Payments of amounts of GST where security for payment of customs duty is forfeited

(1) If:

(a) a circumstance relating to goods is an importation of the goods into Australia because of an item of the table in section 114‑5; and

(b) security has been given under the *Customs Act 1901* for payment of \*customs duty in respect of the goods; and

(c) the security is forfeited;

any GST payable on the importation is to be paid when the security is forfeited.

(2) This section has effect despite section 33‑15 (which is about payments of amounts of GST on importations).

114‑20 Payments of amounts of GST where delivery into home consumption is authorised under section 71 of the Customs Act

(1) If:

(a) the delivery of goods into home consumption in accordance with an authorisation under section 71 of the *Customs Act 1901* is an importation into Australia because of item 1, 2, 3 or 4 of the table in section 114‑5; and

(b) information was provided under section 71 of that Act in connection with the granting of the authorisation;

any GST payable on the importation is to be paid when the information was provided/on or before the granting of the authorisation.

(2) This section has effect despite sections 33‑15 (which is about payments of amounts of GST on importations) and 114‑15.

114‑25 Warehoused goods entered for home consumption by an entity other than the importer

(1) If you enter for home consumption (within the meaning of the *Customs Act 1901*) goods that are warehoused goods (within the meaning of that Act) and that were imported by another person:

(a) you are treated, for the purposes of Division 15, as having imported the goods; and

(b) the extent (if any) to which you entered the goods for home consumption for a \*creditable purpose is treated as the extent (if any) to which you imported the goods for a creditable purpose.

(2) This section has effect despite Division 15 (which is about creditable importations).

Division 117—Valuation of re‑imported goods

117‑1 What this Division is about

Taxable importations of goods that were exported, and then re‑imported, are in some cases given a lower value than would otherwise apply. The GST then applies only to the lower value, and not to the entire value, of the goods.

117‑5 Valuation of taxable importations of goods that were exported for repair or renovation

(1) The ***value*** of a \*taxable importation of goods that were exported from Australia for repair or renovation, or that are part of a \*batch repair process, is the sum of:

(a) the cost, as determined by the Chief Executive Officer of the Australian Customs Service, of materials, labour and other charges involved in the repair or renovation; and

(b) the amount paid or payable:

(i) for the \*international transport of the goods to their \*place of consignment in Australia; and

(ii) to insure the goods for that transport;

to the extent that the amount is not already included under paragraph (a); and

(c) any \*customs duty payable in respect of the importation of the goods.

(1A) If an amount to be taken into account under paragraph (1)(b) is not an amount in Australian currency, the amount so taken into account is the equivalent in Australian currency of that amount, ascertained in the way provided in section 161J of the *Customs Act 1901*.

(2) Goods are part of a ***batch repair process*** if:

(a) they are part of a process to replace goods that were exported from Australia for repair or renovation; and

(b) they are not new or upgraded versions of the exported goods; and

(c) they are not replacing goods that have reached the end of their effective operational life.

(3) This section has effect despite subsection 13‑20(2) (which is about the value of taxable importations).

117‑10 Valuation of taxable importations of live animals that were exported

(1) If there is a \*taxable importation of a live animal that was exported, and the difference between:

(a) what would have been the value of the importation if this section did not apply; and

(b) what would have been the value of a taxable importation of the animal if it had been imported immediately before the time of the exportation;

is greater than zero, the ***value*** of the \*taxable importation is an amount equal to that difference.

(2) In any other case, the ***value*** of a \*taxable importation of a live animal that was exported is nil.

(3) However, this section does not apply if the ownership of the animal when it is imported is different from its ownership when it was last exported.

(4) This section has effect despite subsection 13‑20(2) (which is about the value of taxable importations).

117‑15 Refunds of GST on certain re‑importations of live animals

(1) If:

(a) you were liable to pay the GST on a \*taxable importation to which section 117‑10 applied; and

(b) the importation was not a \*creditable importation; and

(c) the circumstances specified in the regulations occur;

the Commissioner must, on behalf of the Commonwealth, pay to you an amount equal to the amount of the GST payable on the taxable importation.

(2) The amount is payable within the period and in the manner specified in the regulations.

Part 4‑4—Special rules mainly about net amounts and adjustments

Note: The special rules in this Part mainly modify the operation of Part 2‑4, but they may affect other Parts of Chapter 2 in minor ways.

Division 123—Simplified accounting methods for retailers

123‑1 What this Division is about

The Commissioner can create simplified accounting methods that some retailers can choose to apply with a view to reducing their costs of complying with the requirements of the GST.

123‑5 Commissioner may determine simplified accounting methods

(1) The Commissioner may determine in writing an arrangement (to be known as a simplified accounting method) that:

(a) specifies the kinds of \*retailers to whom it is available; and

(b) provides a method for working out \*net amounts of retailers to whom the method applies.

(2) The kinds of \*retailer specified under paragraph (1)(a) must all be kinds of retailers that:

(a) sell \*food; or

(b) make supplies that are \*GST‑free under Subdivision 38‑G (Non‑commercial activities of charitable institutions etc.);

in the course or furtherance of \*carrying on their \*enterprise.

123‑10 Choosing to apply a simplified accounting method

(1) You may, by notifying the Commissioner in the \*approved form:

(a) choose to apply a \*simplified accounting method if you are a \*retailer of the kind to whom the method is available; or

(b) revoke your choice to apply the method.

(2) However, you:

(a) cannot revoke the choice within 12 months after the day on which you made the choice; and

(b) cannot make a further choice within 12 months after the day on which you revoked a previous choice; and

(c) cannot choose to apply a \*simplified accounting method in addition to another simplified accounting method.

(3) Your choice to apply a \*simplified accounting method has effect from the start of the tax period specified in your notice.

(4) Your choice to apply a \*simplified accounting method ceases to have effect:

(a) if you cease to be a \*retailer of the kind to whom the method is available—from the start of the tax period occurring after the day on which you cease to be such a retailer; or

(b) if you revoke your choice to apply the method—from the start of the tax period specified in your notice of revocation.

123‑15 Net amounts

(1) If you are a \*retailer who has chosen to apply a \*simplified accounting method, the net amount for a tax period during which the choice has effect is worked out using the method provided for by the method.

(2) This section has effect despite section 17‑5 (which is about net amounts).

Division 126—Gambling

126‑1 What this Division is about

Gambling is dealt with under the GST by using a global accounting system that provides for an alternative way of working out your net amounts by incorporating your net profits from taxable supplies involving gambling.

126‑5 Global accounting system for gambling supplies

(1) If you are liable for the GST on a \*gambling supply, your ***net amount*** for the tax period to which the GST on the supply is attributable is as follows:

Start formula Global GST amount plus Other GST minus Input tax credits end formula

where:

***global GST amount*** is your \*global GST amount for the tax period.

***input tax credits*** is the sum of all of the input tax credits to which you are entitled on the \*creditable acquisitions and \*creditable importations that are attributable to the tax period.

Note: Any supplies under the global accounting system will not have attracted input tax credits.

***other GST*** is the sum of all of the GST for which you are liable on the \*taxable supplies that are attributable to the tax period, other than \*gambling supplies.

For the basic rules on what is attributable to a particular period, see Division 29.

(2) However, the \*net amount for the tax period may be increased or decreased if you have any \*adjustments for the tax period.

For the basic rules on adjustments, see Part 2‑4.

(3) This section has effect despite section 17‑5 (which is about net amounts).

Note: If you are a \*GST instalment payer your net amount is reduced by GST instalments you have paid: see section 162‑105.

126‑10 Global GST amounts

(1) Your ***global GST amount*** for a tax period is as follows:

Start formula open bracket Total amount wagered minus Total monetary prizes close bracket times start fraction 1 over 11 end fraction end formula

where:

***total amounts wagered*** is the sum of the \*consideration for all of your \*gambling supplies that are attributable to that tax period.

***total monetary prizes*** is the sum of:

(a) the \*monetary prizes you are liable to pay, during the tax period, on the outcome of gambling events (whether or not any of those gambling events, or the \*gambling supplies to which the monetary prizes relate, take place during the tax period); and

(b) any amounts of \*money you are liable to pay, during the tax period, under agreements between you and \*recipients of your gambling supplies, to repay to them a proportion of their losses relating to those supplies (whether or not the supplies take place during the tax period).

For the basic rules on what is attributable to a particular period, see Division 29.

(2) However, your ***global GST amount*** is zero for any tax period in which total monetary prizes exceeds totalamounts wagered.

(3) In working out the total monetary prizes for a tax period, disregard any \*monetary prizes you are liable to pay, during the tax period, that relate to supplies that are \*GST‑free under Subdivision 38‑H.

(4) Your ***global GST amount*** for a tax period may be affected by sections 126‑15 and 126‑20.

126‑15 Losses carried forward

If, for any tax period, your total monetary prizes referred to in subsection 126‑10(1) exceed your total amounts wagered referred to in that subsection, the amount of that excess is to be added to your total monetary prizes, referred to in that subsection, for the next tax period.

126‑20 Bad debts

(1) You cannot have an \*adjustment under Division 21 in relation to a \*gambling supply.

(2) If, in a tax period, you write off as bad the whole or part of the \*consideration for a \*gambling supply that is due as a debt, but has not been received, the amount written off is to be added to your total monetary prizes, referred to in subsection 126‑10(1), for that tax period.

(3) However, if, in a tax period, you recover the whole or part of the amount written off, the amount recovered is to be added to your total amounts wagered, referred to in subsection 126‑10(1), for that tax period.

(4) This section has effect despite sections 21‑5 and 21‑10 (which are about adjustments for writing off and recovering suppliers’ bad debts).

126‑25 Application of Subdivision 9‑C

Subdivision 9‑C does not apply to a \*gambling supply.

126‑30 Gambling supplies do not give rise to creditable acquisitions

(1) An acquisition of a thing is not a \*creditable acquisition if the supply of the thing acquired was a \*gambling supply.

(2) This section has effect despite section 11‑5 (which is about what is a creditable acquisition).

126‑32 Repayments of gambling losses are not consideration

(1) A payment of money is not the provision of \*consideration to the extent that the payment:

(a) is made by a supplier of \*gambling supplies to a \*recipient of gambling supplies that the supplier makes; and

(b) is made, under an agreement between them, to repay to the recipient a proportion of his or her losses relating to those supplies.

(2) This section has effect despite section 9‑15 (which is about what is consideration).

126‑33 Tax invoices not required for gambling supplies

(1) You are not required to issue a \*tax invoice for a \*taxable supply that you make that is solely a \*gambling supply.

(2) This section has effect despite section 29‑70 (which is about the requirement to issue tax invoices).

126‑35 Meaning of *gambling supply* and *gambling event*

(1) A ***gambling supply*** is a \*taxable supply involving:

(a) the supply of a ticket (however described) in a lottery, raffle or similar undertaking; or

(b) the acceptance of a bet (however described) relating to the outcome of a \*gambling event.

(2) A ***gambling event*** is:

(a) the conducting of a lottery or raffle, or similar undertaking; or

(b) a race, game, or sporting event, or any other event, for which there is an outcome.

Division 129—Changes in the extent of creditable purpose

Table of Subdivisions

129‑A General

129‑B Adjustment periods

129‑C When adjustments for acquisitions and importations arise

129‑D Amounts of adjustments for acquisitions and importations

129‑E Attributing adjustments under this Division

129‑1 What this Division is about

The extent to which an acquisition or importation is for a creditable purpose affects the amount of the resulting input tax credit. When the extent of creditable purpose is changed by later events, adjustments (for the purpose of working out net amounts under Part 2‑4) may need to be made.

Subdivision 129‑A—General

129‑5 Adjustments arising under this Division

(1) An \*adjustment can arise under this Division for:

(a) an acquisition, even if it is not a \*creditable acquisition; or

(b) an importation, even if it is not a \*creditable importation;

in respect of any \*adjustment period for the acquisition or importation.

(2) However, in determining:

(a) whether an adjustment under this Division arises; or

(b) the amount of such an \*adjustment;

disregard any change in the extent to which the thing acquired or imported is \*applied in making \*financial supplies, unless you \*exceed the financial acquisitions threshold:

(c) $50,000 or such other amount specified in the regulations; or

(d) 5% of your \*annual turnover (treating supplies that are input taxed as part of your annual turnover).

129‑10 Adjustments do not arise under this Division for acquisitions and importations below a certain value

(1) Despite section 129‑5, an adjustment cannot arise under this Division for an acquisition or importation that \*relates to business finance, unless the acquisition or importation had a \*GST exclusive value of more than $10,000.

(2) Despite section 129‑5, an adjustment cannot arise under this Division for an acquisition or importation that does not \*relate to business finance, unless the acquisition or importation had a \*GST exclusive value of more than $1,000.

(3) An acquisition or importation ***relates to business finance*** if, at the time of the acquisition or importation, it:

(a) related solely or partly to making \*financial supplies; and

(b) was not solely or partly of a private or domestic nature.

129‑15 Adjustments do not arise under this Division where there are adjustments under Division 130

Despite section 129‑5, you cannot have an adjustment under this Division for an acquisition if you have already had an \*adjustment under Division 130 (goods applied solely to private or domestic use) for the acquisition.

Subdivision 129‑B—Adjustment periods

129‑20 Adjustment periods

(1) An ***adjustment period*** for an acquisition or importation is a tax period applying to you that:

(a) starts at least 12 months after the end of the tax period to which the acquisition or importation is attributable (or would be attributable if it were a \*creditable acquisition or \*creditable importation); and

(b) ends:

(i) on 30 June in any year; or

(ii) if none of the tax periods applying to you in a particular year ends on 30 June—closer to 30 June than any of the other tax periods applying to you in that year.

In addition, a tax period provided for under section 27‑40 is an ***adjustment period*** for the acquisition or importation.

Note: Section 27‑40 deals with an entity’s concluding tax period.

(2) Despite subsection (1), for an acquisition or importation that \*relates to business finance:

(a) if the \*GST exclusive value of the acquisition or importation is $50,000 or less—only the first such tax period is an ***adjustment period***; or

(b) if the GST exclusive value of the acquisition or importation is more than $50,000 but less than $500,000—only the first 5 such tax periods are ***adjustment periods***; or

(c) if the GST exclusive value of the acquisition or importation is $500,000 or more—only the first 10 such tax periods are ***adjustment periods***.

(3) Despite subsection (1), for an acquisition or importation that does not \*relate to business finance:

(a) if the \*GST exclusive value of the acquisition or importation is $5,000 or less—only the first 2 such tax periods are ***adjustment periods***; or

(b) if the GST exclusive value of the acquisition or importation is more than $5,000 but less than $500,000—only the first 5 such tax periods are ***adjustment periods***; or

(c) if the GST exclusive value of the acquisition or importation is $500,000 or more—only the first 10 such tax periods are ***adjustment periods***.

However, the Commissioner may, having regard to record keeping requirements for the purposes of income tax, determine in writing that a fewer number of tax periods are ***adjustment periods*** for a particular class of acquisitions or importations that do not \*relate to business finance.

129‑25 Effect on adjustment periods of things being disposed of etc.

(1) Despite section 129‑20, if:

(a) you dispose of a thing acquired or imported (other than in circumstances giving rise to a \*decreasing adjustment under Division 132); or

(b) a thing acquired or imported is lost, stolen or destroyed; or

(c) a thing is acquired only for a particular period and that period expires;

the next tax period applying to you that ends:

(d) on 30 June in any year; or

(e) if none of the tax periods applying to you in a particular year ends on 30 June—closer to 30 June than any of the other tax periods applying to you in that year;

is the last \*adjustment period for the acquisition or importation in question.

(2) Despite section 129‑20, if:

(a) you dispose of a thing acquired or imported; and

(b) the disposal takes place in circumstances giving rise to a \*decreasing adjustment under Division 132;

then:

(c) the last \*adjustment period to end before the disposal is the last adjustment period for the acquisition or importation in question; and

(d) if no such adjustment period ended before the disposal, there is no adjustment period for the acquisition or importation.

(3) This section does not apply to a disposal if this Division continues to apply to the acquisition or importation of the thing because of subsection 138‑17(2).

Subdivision 129‑C—When adjustments for acquisitions and importations arise

129‑40 Working out whether you have an adjustment

(1) This is how to work out whether you have an \*increasing adjustment or a \*decreasing adjustment under this Division, for an \*adjustment period, for an acquisition or importation:

Method statement

*Step 1.* Work out the extent (if any) to which you have \*applied the thing acquired or imported for a \*creditable purpose during the period of time:

(a) starting when you acquired or imported the thing; and

(b) ending at the end of the \*adjustment period.

This is the ***actual application of the thing***.

*Step 2.* Work out:

(a) if you have not previously had an \*adjustment under this Division for the acquisition or importation—the extent (if any) to which you acquired or imported the thing for a \*creditable purpose; or

(b) if you have previously had an \*adjustment under this Division for the acquisition or importation—the \*actual application of the thing in respect of the last adjustment.

This is the ***intended or former application of the thing***.

*Step 3.* If the \*actual application of the thing is less than its \*intended or former application, you have an ***increasing adjustment***, for the \*adjustment period, for the acquisition or importation.

*Step 4.* If the \*actual application of the thing is greater than its \*intended or former application, you have a ***decreasing adjustment***, for the \*adjustment period, for the acquisition or importation.

*Step 5.* If the \*actual application of the thing is the same as its \*intended or former application, you have neither an increasing adjustment nor a decreasing adjustment, for the \*adjustment period, for the acquisition or importation.

(2) \*Actual applications and \*intended or former applications are to be expressed as percentages.

(3) If the thing is acquired through a \*reduced credit acquisition and, at the time of the acquisition, it was wholly for a \*creditable purpose because of Division 70, the extent to which it was acquired for a creditable purpose is the reduced input tax credit percentage prescribed for the purposes of subsection 70‑5(2) for an acquisition of that kind.

129‑45 Gifts to gift‑deductible entities

If you are or were entitled to an input tax credit for the \*creditable acquisition of a thing, an \*adjustment does not arise under this Subdivision merely because you supply the thing as a gift to a charitable institution, a trustee of a charitable fund or \*gift‑deductible entity.

129‑50 Creditable purpose

(1) You \*apply a thing for a ***creditable purpose*** to the extent that you apply it in \*carrying on your \*enterprise.

(2) However, you do not \*apply a thing for a creditable purpose to the extent that:

(a) the application relates to making supplies that are \*input taxed; or

(b) the application is of a private or domestic nature.

(3) To the extent that an \*application relates to making \*financial supplies through an \*enterprise, or a part of an enterprise, that you \*carry on outside Australia, the application is not, for the purposes of paragraph (2)(a), treated as one that relates to making supplies that would be \*input taxed.

129‑55 Meaning of *apply*

***Apply***, in relation to a thing acquired or imported, includes:

(a) supply the thing; and

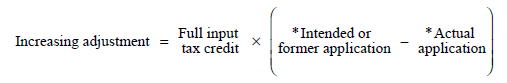
(b) consume, dispose of or destroy the thing; and

(c) allow another entity to consume, dispose of or destroy the thing.

Subdivision 129‑D—Amounts of adjustments for acquisitions and importations

129‑70 The amount of an increasing adjustment

The amount of an \*increasing adjustment that you have under Step 3 of the Method statement in section 129‑40 for the thing acquired or imported is worked out as follows:



where:

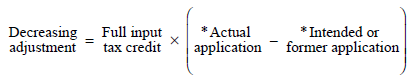
***full input tax credit*** is the amount of the input tax credit to which you would have been entitled for acquiring or importing the thing for the purpose of your \*enterprise if:

(a) the acquisition or importation had been solely for a \*creditable purpose; and

(b) in the case where the supply to you was a \*taxable supply only because of section 72‑5 or 84‑5—the supply had been a \*taxable supply under section 9‑5.

129‑75 The amount of a decreasing adjustment

The amount of a \*decreasing adjustment that you have under Step 4 of the Method statement in section 129‑40 for the thing acquired or imported is worked out as follows:



where:

***full input tax credit*** is the amount of the input tax credit to which you would have been entitled for acquiring or importing the thing for the purpose of your \*enterprise if:

(a) the acquisition or importation had been solely for a \*creditable purpose; and

(b) in the case where the supply to you was a \*taxable supply only because of section 72‑5 or 84‑5—the supply had been a \*taxable supply under section 9‑5.

129‑80 Effect of adjustment under Division 19 or 21

For the purpose of working out under this Subdivision the amount of an \*adjustment for an acquisition, any adjustments under Division 19 or 21 that you have had for the acquisition are to be taken into account in working out the full input tax credit for the purpose of section 129‑70 or 129‑75.

Subdivision 129‑E—Attributing adjustments under this Division

129‑90 Attributing your adjustments for changes in extent of creditable purpose

(1) An \*adjustment that you have arising in respect of an \*adjustment period under this Division is attributable to the tax period that is that adjustment period.

(2) This section has effect despite section 29‑20 (which is about attributing adjustments).

Division 130—Goods applied solely to private or domestic use

130‑1 What this Division is about

You may have an increasing adjustment if you apply solely to private or domestic use goods for which you had a full input tax credit.

130‑5 Goods applied solely to private or domestic use

(1) You have an ***increasing adjustment*** if:

(a) you made a \*creditable acquisition or \*creditable importation of goods; and

(b) the acquisition or importation was solely for a \*creditable purpose; and

(c) you \*apply the goods solely to private or domestic use.

(2) The amount of the increasing adjustment is an amount equal to the amount of the input tax credit to which you were entitled for the acquisition or importation, taking account of any \*adjustments for the acquisition or importation.

(3) However, this section does not apply if you have previously had an adjustment under Division 129 for the acquisition or importation.

Division 132—Supplies of things acquired etc. without full input tax credits

132‑1 What this Division is about

You may have a decreasing adjustment if you make a supply of something that you earlier acquired or imported, or subsequently applied, to make financial supplies or for a private or domestic purpose.

132‑5 Decreasing adjustments for supplies of things acquired, imported or applied for a purpose that is not fully creditable

(1) You have a \*decreasing adjustment under this Division if:

(a) you make a \*taxable supply of a thing (or a supply of a thing that would have been a taxable supply had it not been \*GST‑free under Subdivision 38‑J); and

(b) the supply is a supply by way of sale; and

(c) your acquisition, importation or subsequent \*application of the thing, related solely or partly to making \*financial supplies, or was solely or partly of a private or domestic nature.

(2) The amount of the \*decreasing adjustment is as follows:

Start formula start fraction 1 over 11 end fraction times Price times open bracket 1 minus start fraction Adjusted input tax credit over Full input tax credit end fraction close bracket end formula

where:

***adjusted input tax credit*** is:

(a) the amount of any input tax credit that was attributable to a tax period in respect of the acquisition or importation; minus

(b) the sum of any \*increasing adjustments, under Subdivision 19‑C or Division 129, that were previously attributable to a tax period in respect of the acquisition or importation; plus

(c) the sum of any \*decreasing adjustments, under Subdivision 19‑C or Division 129, that were previously attributable to a tax period in respect of the acquisition or importation.

***full input tax credit*** is the amount of the input tax credit to which you would have been entitled for acquiring or importing the thing for the purpose of your \*enterprise if:

(a) the acquisition or importation had been solely for a \*creditable purpose; and

(b) in the case where the supply to you was a \*taxable supply only because of section 72‑5 or 84‑5—the supply had been a \*taxable supply under section 9‑5.

***price*** is the \*price of the \*taxable supply.

(3) However, if the amount worked out under subsection (2) is greater than the difference between the full input tax credit and the adjusted input tax credit, the amount of the \*decreasing adjustment is an amount equal to that difference.

(4) In working out the adjusted input tax credit, the acquisition, importation or \*application in question is treated as having been for a \*creditable purpose except to the extent that the acquisition, importation or application:

(a) relates to the making of \*financial supplies; or

(b) is of a private or domestic nature.

132‑10 Attribution of adjustments under this Division

(1) A \*decreasing adjustment under this Division is attributable to:

(a) the same tax period as the \*taxable supply to which it relates; or

(b) if it relates to a supply that is not a taxable supply—the tax period to which the supply would be attributable if it were a taxable supply.

(2) This section has effect despite section 29‑20 (which is about attributing your adjustments).

Division 135—Supplies of going concerns

135‑1 What this Division is about

The recipient of a supply of a going concern has an increasing adjustment to take into account the proportion (if any) of supplies that will be made in running the concern and that will not be taxable supplies or GST‑free supplies. Later adjustments are needed if this proportion changes over time.

135‑5 Initial adjustments for supplies of going concerns

(1) You have an ***increasing adjustment*** if:

(a) you are the \*recipient of a \*supply of a going concern, or a supply that is \*GST‑free under section 38‑480; and

(b) you intend that some or all of the supplies made through the \*enterprise to which the supply relates will be supplies that are neither \*taxable supplies nor \*GST‑free supplies.

(2) The amount of the increasing adjustment is as follows:

Start formula start fraction 1 over 10 end fraction times Supply price times Proportion of non-creditable use end formula

where:

***proportion of non‑creditable use*** is the proportion of all the supplies made through the \*enterprise that you intend will be supplies that are neither \*taxable supplies nor \*GST‑free supplies, expressed as a percentage worked out on the basis of the \*prices of those supplies.

***supply price*** means the \*price of the supply in relation to which the increasing adjustment arises.

135‑10 Later adjustments for supplies of going concerns

(1) If you are the \*recipient of a \*supply of a going concern, or a supply that is \*GST‑free under section 38‑480, Division 129 (which is about changes in the extent of creditable purpose) applies to that acquisition, in relation to:

(a) the proportion of all the supplies made through the \*enterprise that you intend will be supplies that are neither \*taxable supplies nor \*GST‑free supplies; and

(b) the proportion of all the supplies made through the \*enterprise that are supplies that are neither taxable supplies nor GST‑free supplies;

in the same way as that Division applies:

(c) in relation to the extent to which you made an acquisition for a \*creditable purpose; and

(d) in relation to the extent to which a thing acquired is \*applied for a creditable purpose.

(2) For the purpose of applying Division 129, the proportions referred to in paragraphs (1)(a) and (b) are to be expressed as percentages worked out on the basis of the \*prices of the supplies in question.

(3) This section applies in relation to any \*supply of a going concern, or a supply that is \*GST‑free under section 38‑480, whether or not it is a supply in respect of which you have had an \*increasing adjustment under section 135‑5.

Division 136—Bad debts relating to transactions that are not taxable or creditable to the fullest extent

Table of Subdivisions

136‑A Bad debts relating to partly taxable or creditable transactions

136‑B Bad debts relating to transactions that are taxable or creditable at less than 1/11 of the price

136‑1 What this Division is about

The amount of an adjustment that you have under Division 21 for a bad debt is reduced under this Division if the transaction to which the adjustment relates:

• was a supply that was partly taxable or an acquisition that was partly creditable; or

• was fully taxable or creditable, but not to the extent of 1/11 of the price or consideration for the transaction.

Subdivision 136‑A—Bad debts relating to partly taxable or creditable transactions

136‑5 Adjustments relating to partly taxable supplies

If you have an \*adjustment under section 21‑5, 21‑10, 136‑30 or 136‑35 in relation to a supply that was partly a \*taxable supply, the amount of that adjustment is reduced to the following amount:

Start formula Full adjustment times Taxable proportion end formula

where:

***full adjustment*** is what would be the amount of the adjustment worked out under section 21‑5, 21‑10, 136‑30 or 136‑35 if this section did not apply.

***taxable proportion*** is the proportion of the \*value of the supply (worked out as if it were solely a taxable supply) that the taxable supply represents.

Example: If the amount of an adjustment under section 21‑5 would be $100 but the supply was only 80% taxable, the amount of the adjustment is $80.

136‑10 Adjustments in relation to partly creditable acquisitions

(1) If you have an \*adjustment under section 21‑15, 21‑20, 136‑40 or 136‑45 in relation to a \*creditable acquisition that was \*partly creditable, the amount of that adjustment is reduced to the following amount:

Start formula Full adjustment times Extent of creditable purpose times Extent of consideration end formula

where:

***extent of consideration*** is the extent to which you provide, or are liable to provide, the \*consideration for the acquisition, expressed as a percentage of the total consideration for the acquisition.

***extent of creditable purpose*** is the extent of \*creditable purpose last used to work out:

(a) the amount of the input tax credit for the acquisition; or

(b) the amount of any \*adjustment under Division 129 in relation to the acquisition;

expressed as a percentage of the total purpose of the acquisition.

***full adjustment*** is what would be the amount of the adjustment worked out under section 21‑15, 21‑20, 136‑40 or 136‑45 if this section did not apply.

(2) If you have an \*adjustment under section 21‑15, 21‑20, 136‑40 or 136‑45 in relation to a \*creditable acquisition that was a \*reduced credit acquisition and that was not \*partly creditable (that is, it is wholly for a \*creditable purpose because of Division 70), the amount of that adjustment is reduced to the following amount:

Start formula Full adjustment times Percentage credit reduction times Extent of consideration end formula

where:

***extent of consideration*** is the extent to which you provide, or are liable to provide, the \*consideration for the acquisition, expressed as a percentage of the total consideration for the acquisition.

***percentage credit reduction*** is the reduced input tax credit percentage prescribed for the purposes of subsection 70‑5(2) for an acquisition of that kind.

***full adjustment*** is what would be the amount of the adjustment worked out under section 21‑15, 21‑20, 136‑40 or 136‑45 if this section did not apply.

Subdivision 136‑B—Bad debts relating to transactions that are taxable or creditable at less than 1/11 of the price

136‑30 Writing off bad debts (taxable supplies)

(1) The amount of a \*decreasing adjustment that you have under section 21‑5, relating to a \*taxable supply that is \*taxable at less than 1/11 of the price, is worked out under this section and not under section 21‑5.

(2) This is how to work out the amount:

Method statement

*Step 1.* Work out the amount of GST (if any) that was payable on the supply, taking into account any previous \*adjustments for the supply. This amount is the ***previous GST amount***.

*Step 2.* Add together:

(a) the amount or amounts written off as bad from the debt to which the decreasing adjustment relates; and

(b) the amount of the debt that has been \*overdue for 12 months or more (other than amounts already written off).

*Step 3.* Subtract the step 2 amount from the \*price of the supply.

*Step 4.* Work out the amount of GST (if any), taking into account any previous \*adjustments for the supply (but not adjustments relating to bad debts or debts overdue), that would be payable on the supply if the \*price of the supply were the step 3 amount. This amount of GST is the ***adjusted GST amount***.

*Step 5.* Subtract the adjusted GST amount from the previous GST amount.

136‑35 Recovering amounts previously written off (taxable supplies)

(1) The amount of an \*increasing adjustment that you have under section 21‑10, relating to a \*taxable supply that is \*taxable at less than 1/11 of the price, is worked out under this section and not under section 21‑10.

(2) This is how to work out the amount:

Method statement

*Step 1.* Work out the amount of GST (if any) that was payable on the supply, taking into account any previous \*adjustments for the supply. This amount is the ***previous GST amount***.

*Step 2.* Add together:

(a) the amount or amounts previously written off as bad from the debt to which the increasing adjustment relates; and

(b) the amount of the debt that has been \*overdue for 12 months or more (other than amounts already written off).

*Step 3.* Subtract the step 2 amount from the \*price of the supply.

*Step 4.* Add to the step 3 amount an amount equal to the amount or amounts, written off or overdue for 12 months or more, that have been recovered.

*Step 5.* Work out the amount of GST (if any), taking into account any previous \*adjustments for the supply (but not adjustments relating to bad debts or debts overdue), that would be payable on the supply if the \*price of the supply were the step 4 amount. This amount of GST is the ***adjusted GST amount***.

*Step 6.* Subtract the previous GST amount from the adjusted GST amount.

136‑40 Bad debts written off (creditable acquisitions)

(1) The amount of an \*increasing adjustment that you have under section 21‑15, relating to a \*creditable acquisition that is \*creditable at less than 1/11 of the consideration, is worked out under this section and not under section 21‑15.

(2) This is how to work out the amount:

Method statement

*Step 1.* Work out the amount of the input tax credit (if any) to which you were entitled for the acquisition, taking into account any previous \*adjustments for the acquisition. This amount is the ***previous credit amount***.

*Step 2.* Add together:

(a) the amount or amounts previously written off as bad from the debt to which the increasing adjustment relates; and

(b) the amount of the debt that has been \*overdue for 12 months or more (other than amounts already written off).

*Step 3.* Subtract the step 2 amount from the total amount of the \*consideration that you have either provided, or are liable to provide, for the acquisition.

*Step 4.* Work out the amount of the input tax credit (if any), taking into account any previous \*adjustments for the acquisition (but not adjustments relating to bad debts or debts overdue), to which you would be entitled for the acquisition if the \*consideration for the acquisition were the step 3 amount. This amount of GST is the ***adjusted credit amount***.

*Step 5.* Subtract the adjusted credit amount from the previous credit amount.

136‑45 Recovering amounts previously written off (creditable acquisitions)

(1) The amount of a \*decreasing adjustment that you have under section 21‑20, relating to a \*creditable acquisition that is \*creditable at less than 1/11 of the consideration, is worked out under this section and not under section 21‑20.

(2) This is how to work out the amount:

Method statement

*Step 1.* Work out the amount of the input tax credit (if any) to which you were entitled for the acquisition, taking into account any previous \*adjustments for the acquisition. This amount is the ***previous credit amount***.

*Step 2.* Add together:

(a) the amount or amounts previously written off as bad from the debt to which the decreasing adjustment relates; and

(b) the amount of the debt that has been \*overdue for 12 months or more (other than amounts already written off).

*Step 3.* Subtract the step 2 amount from the total amount of the \*consideration that you have either provided, or are liable to provide, for the acquisition.

*Step 4.* Add to the step 3 amount an amount equal to the amount or amounts, written off or overdue for 12 months or more, that you have paid.

*Step 5.* Work out the amount of the input tax credit (if any), taking into account any previous \*adjustments for the acquisition (but not adjustments relating to bad debts or debts overdue), to which you would be entitled for the acquisition if the \*consideration for the acquisition were the step 4 amount. This amount of GST is the ***adjusted credit amount***.

*Step 6.* Subtract the previous credit amount from the adjusted credit amount.

136‑50 Meanings of taxable at less than 1/11 of the price and creditable at less than 1/11 of the consideration

(1) A \*taxable supply is ***taxable at less than 1/11 of the price*** if the amount of GST payable on the supply is an amount that is less than 1/11 of the \*price of the supply.

(2) A \*creditable acquisition is ***creditable at less than 1/11 of the consideration*** if the \*taxable supply to which it relates is \*taxable at less than 1/11 of the price.

Division 137—Stock on hand on becoming registered etc.

137‑1 What this Division is about

If you become registered or required to be registered, you may have a decreasing adjustment for stock you have already acquired.

137‑5 Adjustments for stock on hand on becoming registered etc.

(1) You have a ***decreasing adjustment*** if:

(a) you become \*registered or \*required to be registered; and

(b) at that time, you hold stock for the purpose of sale or exchange, or for use as raw materials, in \*carrying on your \*enterprise; and

(c) you had acquired the stock solely or partly for a \*creditable purpose.

(2) However, this section does not apply if:

(a) you were entitled to an input tax credit for the acquisition; and

(b) you have not had a \*increasing adjustment under Division 138 (cessation of registration) relating solely or partly to the stock.

(3) The amount of the decreasing adjustment is an amount equal to what would have been the \*previously attributed input tax credit amount for the acquisition if you had been \*registered at the time of the acquisition.

Division 138—Cessation of registration

138‑1 What this Division is about

An entity whose registration has been cancelled may still have acquisitions and importations for which entitlements to input tax credits have arisen. This Division provides for an increasing adjustment to cancel those input tax credits.

138‑5 Adjustments for cessation of registration

(1) You have an ***increasing adjustment*** if:

(a) your \*registration is cancelled; and

(b) immediately before the cancellation takes effect, your assets include anything in respect of which you were, or are, entitled to an input tax credit.

Note: Increasing adjustments increase your net amounts.

(2) The amount of the adjustment, for each thing referred to in paragraph (1)(b), is as follows:

Start formula start fraction 1 over 11 end fraction times *Actual application of the thing times Applicable value end formula

where:

***applicable value*** is:

(a) the \*GST inclusive market value of the thing immediately before the cancellation takes effect; or

(b) if you were, or are, entitled to an input tax credit for acquiring the thing—the amount of the \*consideration that you provided, or were liable to provide, for your acquisition of the thing, but only if the amount is less than that value; or

(c) if you were, or are, entitled to an input tax credit for importing the thing—the cost to you of acquiring or producing the thing (plus the GST paid on its importation), but only if the amount is less than that value.

(3) However, an \*adjustment does not arise under this section in respect of an asset if:

(a) there were one or more \*adjustment periods for your acquisition or importation of the asset; and

(b) the last of those adjustment periods has ended before the cancellation of your \*registration takes effect.

138‑10 Attributing adjustments for cessation of registration

(1) An \*adjustment that you have under this Division is attributable to your concluding tax period under section 27‑40.

(2) This section has effect despite section 29‑20 (which is about attributing your adjustments).

138‑15 Ceasing to be registered—amounts not previously attributed

(1) The GST payable by you on a \*taxable supply, the input tax credit to which you are entitled for a \*creditable acquisition, or an \*adjustment that you have, is attributable to a particular tax period, and no other, if:

(a) during the tax period, your \*registration is cancelled; and

(b) immediately before the cancellation, you were \*accounting on a cash basis; and

(c) the GST on the supply, the input tax credit on the acquisition, or the adjustment, was not attributable, to any extent, to a previous tax period during which you accounted on a cash basis; and

(d) it would have been attributable to that previous tax period had you not accounted on a cash basis during that period.

For accounting on a cash basis, see Subdivision 29‑B.

(2) This section has effect despite sections 29‑5, 29‑10 and 29‑20 (which are about attributing GST on supplies, input tax credits on acquisitions, and adjustments) and any other provisions of this Chapter.

138‑17 Situations to which this Division does not apply

(1) This Division does not apply to anything included in the assets of an entity whose \*registration is cancelled, to the extent that the thing relates to an \*enterprise that the entity \*carried on before the cancellation, if:

(a) the cancellation arises as a result of the death of the entity, and the executor or trustee of the deceased estate:

(i) is registered or is \*required to be registered; and

(ii) continues, immediately after the cancellation, to carry on that enterprise; or

(b) the cancellation arises as a result of the executor or trustee of a deceased estate ceasing to carry on any enterprise, and one or more beneficiaries of the deceased estate:

(i) are registered or is \*required to be registered; and

(ii) continue, immediately after the cancellation, to carry on the enterprise that the deceased had carried on.

(2) Division 129 (which is about changes in the extent of creditable purpose) continues to apply to the acquisition or importation of the thing immediately after the cancellation if:

(a) Subdivision 129‑A does not prevent an adjustment arising under that Division for the acquisition or importation; and

(b) the cancellation occurs during an \*adjustment period for the acquisition or importation.

(3) For the purposes of applying Division 129 to the acquisition or importation after the cancellation:

(a) the entity \*carrying on the \*enterprise in question immediately after the cancellation is taken to have made the acquisition or importation at the time it was originally made; and

(b) the extent (if any) to which the thing was originally acquired or imported for a \*creditable purpose is taken to be the extent (if any) to which the entity acquired or imported the thing for a creditable purpose; and

(c) any \*application of the thing since the original acquisition or importation is taken to be an application of the thing by the entity.

138‑20 Application of Division 129

This Division (except subsections 138‑17(2)and (3)) does not affect the operation of Division 129 (which is about changes in the extent of creditable purpose).

Division 139—Distributions from deceased estates

139‑1 What this Division is about

Distributions from deceased estates, for private consumption, that are not taxable supplies may involve disposing of assets that were acquired or imported in circumstances giving rise to entitlements to input tax credits. This Division provides for an increasing adjustment to cancel those input tax credits.

139‑5 Adjustments for distributions from deceased estates

(1) You have an ***increasing adjustment*** if:

(a) you are the executor or trustee of a deceased estate; and

(b) you are \*registered or \*required to be registered; and

(c) you supply an asset of the deceased estate to a beneficiary of the deceased estate; and

(d) the supply is not a \*taxable supply and is not a supply that is \*GST‑free or \*input taxed; and

(e) you were, or are, or the deceased person was, entitled to an input tax credit for the deceased person’s acquisition or importation of the asset.

Note: Increasing adjustments increase your net amounts.

(2) The amount of the adjustment, for the asset, is as follows:

Start formula start fraction 1 over 11 end fraction times *Actual application of the thing times Applicable value end formula

where:

***applicable value*** is:

(a) the \*GST inclusive market value of the asset immediately before it is supplied; or

(b) if you were, or are, or the deceased person was, entitled to an input tax credit for the deceased person acquiring the thing—the amount of the \*consideration that you or the deceased person provided, or was liable to provide, for the acquisition of the thing, but only if the amount is less than that value; or

(c) if you were, or are, or the deceased person was, entitled to an input tax credit for the deceased person importing the thing—the cost to you or the deceased person of acquiring or producing the thing (plus the GST paid on its importation), but only if the amount is less than that value.

(3) However, an \*adjustment does not arise under this section in respect of the asset if:

(a) the asset related to an \*enterprise that the deceased person \*carried on, and the beneficiary intends to continue to carry on that enterprise; or

(b) there were one or more \*adjustment periods for the deceased person’s acquisition or importation of the asset, and the last of those adjustment periods has ended before the cancellation of your \*registration takes effect.

139‑10 Attributing adjustments for distributions from deceased estates

(1) An \*adjustment that you have under this Division is attributable to the tax period in which it arises.

(2) This section has effect despite section 29‑20 (which is about attributing your adjustments).

139‑15 Application of Division 129

This Division does not affect the operation of Division 129 (which is about changes in the extent of creditable purpose).

Division 141—Tradex scheme goods

141‑1 What this Division is about

The holder of a tradex order has an increasing adjustment if goods relating to that order are dealt with contrary to the Tradex Scheme.

Note: GST would not have been payable on importation of the goods under the Tradex Scheme: see section 42‑5.

141‑5 Adjustments for applying goods contrary to the Tradex Scheme

(1) You have an ***increasing adjustment*** if:

(a) you import \*tradex scheme goods; and

(b) you are the holder (within the meaning of the *Tradex Scheme Act 1999*) of the \*tradex order relating to the goods; and

(c) the importation would have been a \*taxable importation if the goods had not been covered by item 21A of Schedule 4 to the *Customs Tariff Act 1995* at the time of their entry for home consumption under the *Customs Act 1901*; and

(d) any of the circumstances referred to in subsection 21(1) of that Act occur in respect of any of the goods.

However, the increasing adjustment only arises in relation to the first occurrence of such a circumstance following an importation of the goods.

(2) The amount of the \*increasing adjustment is the difference between:

(a) the amount of GST that would have been payable on the importation if the importation had been a \*taxable importation; and

(b) the amount (if any) of the input tax credit to which you would have been entitled for the importation if the importation had been a taxable importation.

141‑10 Meaning of *tradex scheme goods* etc.

(1) ***Tradex scheme goods*** are imported goods that:

(a) are nominated goods (within the meaning of the *Tradex Scheme Act 1999*) in relation to a \*tradex order; and

(b) were covered by item 21A in Schedule 4 to the *Customs Tariff Act 1995* at the time of their entry for home consumption under the *Customs Act 1901*.

(2) ***Tradex order*** has the meaning given by section 4 of the *Tradex Scheme Act 1999*.

141‑15 Attribution of adjustments under this Division

(1) An adjustment under this Division is attributable to the tax period in which the adjustment arises.

(2) This section has effect despite section 29‑20 (which is about attributing your adjustments).

141‑20 Application of Division 129

This Division does not affect the operation of Division 129 (which is about changes in the extent of creditable purpose).

Part 4‑5—Special rules mainly about registration

Note: The special rules in this Part mainly modify the operation of Part 2‑5, but they may affect other Parts of Chapter 2 in minor ways.

Division 144—Taxis

144‑1 What this Division is about

Taxi operators are required to be registered, regardless of turnover.

144‑5 Requirement to register

(1) You are ***required to be registered*** if, in \*carrying on your enterprise, you supply \*taxi travel.

(2) It does not matter whether:

(a) your \*annual turnover meets the \*registration turnover threshold; or

(b) in \*carrying on your enterprise, you make other supplies besides supplies of \*taxi travel.

(3) This section has effect despite section 23‑5 (which is about who is required to be registered).

Division 147—Representatives of incapacitated entities

147‑1 What this Division is about

Representatives of incapacitated entities may be required to register for GST purposes.

147‑5 Representatives are required to be registered

(1) A \*representative of an \*incapacitated entity is ***required to be registered*** in that capacity if the incapacitated entity is \*registered or \*required to be registered.

(2) This section has effect despite section 23‑5 (which is about who is required to be registered).

147‑10 Cancellation of registration of a representative

(1) The Commissioner must cancel the \*registration of a \*representative of an \*incapacitated entity if the Commissioner is satisfied that the representative is not \*required to be registered in that capacity.

Note: Cancelling the registration of a representative under this subsection is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(2) The Commissioner must notify the \*representative of the cancellation.

(3) Sections 25‑50 and 25‑55 do not apply to the cancellation of the \*registration of a \*representative of an \*incapacitated entity.

147‑15 Notice of cessation of representation

A \*representative who ceases to be a representative of an \*incapacitated entity must notify the Commissioner of that cessation, in the \*approved form, within 21 days after so ceasing.

147‑20 Effect of representative failing to notify the Commissioner of certain adjustments

(1) If:

(a) an \*increasing adjustment relates to a supply, acquisition or importation that an \*incapacitated entity made before a \*representative of the incapacitated entity was appointed; and

(b) the adjustment arises after that appointment; and

(c) the representative fails to give the Commissioner written notice that:

(i) states that the adjustment has arisen in these circumstances; and

(ii) specifies the amount of the adjustment;

the adjustment is to be treated as if:

(d) the representative had the adjustment; and

(e) the incapacitated entity did not have the adjustment.

(2) This section has effect despite section 17‑10 (which is about the effect of adjustments on net amounts).

147‑25 Tax periods of representatives

(1) If a \*representative of an \*incapacitated entity is required to be registered in that capacity, the tax periods applying to the representative in that capacity are the same tax periods that apply to the incapacitated entity.

(2) This section has effect despite Division 27 (which is about how to work out the tax periods that apply).

Division 149—Government entities

149‑1 What this Division is about

Parts of the Commonwealth, a State or a Territory may register even if they are not separate legal entities. Once registered, they may become liable for GST and entitled to input tax credits. Government entities may also form GST groups.

149‑5 Government entities may register

(1) A \*government entity may apply to be \*registered under section 23‑10 even if:

(a) it is not an entity; and

(b) it is not \*carrying on an \*enterprise or is not intending to carry on an enterprise.

(2) For the purposes of subsections 25‑5(1) and (3), the Commissioner is to treat the government entity as an entity.

(3) The Commissioner must \*register the government entity whether or not the Commissioner is satisfied that it is \*carrying on an \*enterprise or intending to carry on an enterprise.

(4) This section has effect despite section 23‑10 (which is about who may be registered) and modifies the effect of section 25‑5 (which is about when the Commissioner must register an entity).

149‑10 Government entities are not required to be registered

(1) A \*government entity is not \*required to be registered even if:

(a) it is \*carrying on an \*enterprise; and

(b) its \*annual turnover meets the \*registration turnover threshold.

(2) This subsection has effect despite section 23‑5.

149‑15 This Act applies to registered government entities

For the purposes of this Act, a \*government entity that is \*registered is treated, while its registration has effect, as if it were an entity carrying on an \*enterprise.

149‑20 Government entities not required to cancel their registration

Section 25‑50 and subsection 25‑55(2) (which are about cancelling registration) do not apply to \*government entities.

149‑25 Membership requirements of a government GST group

A \*government related entity ***satisfies the membership requirements*** for a \*GST group, or a proposed GST group, of government related entities if:

(a) it is \*registered; and

(b) it is not a \*member of any other GST group; and

(c) it has the same tax periods applying to it as the tax periods applying to all the other members of the GST group or proposed GST group; and

(d) it accounts on the same basis as all those other members; and

(e) all those other members are government related entities.

Note: Some government related entities can still use section 48‑10 to satisfy the membership requirements of GST groups.

Part 4‑6—Special rules mainly about tax periods

Note: The special rules in this Part mainly modify the operation of Part 2‑6, but they may affect other Parts of Chapter 2 in minor ways.

Division 153—Agents and insurance brokers

Table of Subdivisions

153‑A General

153‑B Principals and agents as separate suppliers or acquirers

153‑1 What this Division is about

This Division sets out the rules for holding and issuing tax invoices and adjustment notes when your supplies or acquisitions are made through an agent, or when insurance is supplied through an insurance broker. It also allows in some cases a supply or acquisition made through an agent to be treated as 2 separate supplies or acquisitions.

Subdivision 153‑A—General

153‑5 Attributing the input tax credits for your creditable acquisitions

(1) If:

(a) you are entitled to the input tax credit for a \*creditable acquisition made through an agent; and

(b) neither you nor your agent holds a \*tax invoice for the acquisition when you give to the Commissioner a \*GST return for the tax period to which the input tax credit on the acquisition would otherwise be attributable;

then:

(c) the input tax credit (including any part of the input tax credit) is not attributable to that tax period; and

(d) the input tax credit (or the part of the input tax credit) is attributable to the first tax period for which you give to the Commissioner a GST return at a time when you or your agent holds that tax invoice.

(2) This section has effect despite subsection 29‑10(3) (which is about the requirement to hold a tax invoice).

153‑10 Attributing your adjustments

(1) If:

(a) you have a \*decreasing adjustment relating to a supply made by you through an agent or made to you through an agent; and

(b) neither you nor your agent holds an \*adjustment note for the adjustment when you give to the Commissioner a \*GST return for the tax period to which the adjustment would otherwise be attributable;

then:

(c) the adjustment (including any part of the adjustment) is not attributable to that tax period; and

(d) the adjustment (or the part of the adjustment) is attributable to the first tax period for which you give to the Commissioner a GST return at a time when you or your agent holds that adjustment note.

(2) This section has effect despite subsection 29‑20(3) (which is about the requirement to hold an adjustment note).

153‑15 Tax invoices

(1) If you make a \*taxable supply through an agent, an obligation to issue a \*tax invoice relating to the supply:

(a) arises whether the \*recipient makes a request for a tax invoice to you *or* the agent; and

(b) is complied with if either you *or* the agent gives the recipient a tax invoice within 28 days after the request.

(2) However, you and the agent must not *both* issue separate \*tax invoices relating to the supply.

Note: If Subdivision 153‑B is to apply to the supply, only your agent can issue the tax invoice: see subsection 153‑55(3).

(3) This section has effect despite section 29‑70 (which is about tax invoices).

153‑20 Adjustment notes

(1) If you have a \*decreasing adjustment relating to a supply made by you through an agent or made to you through an agent, an obligation under subsection 29‑75(2) to issue an \*adjustment note for the adjustment:

(a) arises whether the \*recipient makes a request for an adjustment note to you *or* the agent; and

(b) is complied with if either you *or* your agent gives the recipient an adjustment note within 28 days after the request.

(2) However, you and the agent must not *both* issue separate \*adjustment notes for the adjustment.

(3) This section has effect despite section 29‑75 (which is about adjustment notes).

153‑25 Insurance supplied through insurance brokers

(1) If an insurer supplies an \*insurance policy through an \*insurance broker acting on behalf of the \*recipient of the supply, this Subdivision has effect as if the supply were made through the insurance broker as an agent of the insurer.

(2) This section does not affect the application of this Subdivision in relation to the acquisition of the \*insurance policy through the insurance broker as an agent of the \*recipient.

Subdivision 153‑B—Principals and agents as separate suppliers or acquirers

153‑50 Arrangements under which agents are treated as suppliers or acquirers

An entity (the ***principal***) may, in writing, enter into an arrangement with another entity (the ***agent***) under which:

(a) the agent will, on the principal’s behalf:

(i) make supplies to third parties; or

(ii) make acquisitions from third parties; or

(iii) make both supplies to third parties and acquisitions from third parties; and

(b) the kinds of supplies or acquisitions, or the kinds of supplies and acquisitions, to which the arrangement applies are specified; and

(c) for the purposes of the GST law:

(i) the agent will be treated as making the supplies to the third parties, or acquisitions from the third parties, or both; and

(ii) the principal will be treated as making corresponding supplies to the agent, or corresponding acquisitions from the agent, or both; and

(d) in the case of supplies to third parties:

(i) the agent will issue to the third parties, in the agent’s own name, all the \*tax invoices and \*adjustment notes relating to those supplies; and

(ii) the principal will not issue to the third parties any tax invoices and adjustment notes relating to those supplies; and

(e) the arrangement ceases to have effect if the principal or the agent, or both of them, cease to be \*registered.

153‑55 The effect of these arrangements on supplies

(1) A \*taxable supply that the principal makes to a third party through the agent is taken to be a supply that is a taxable supply made by the agent to the third party, and not by the principal, if:

(a) the supply is of a kind to which the arrangement applies; and

(b) the supply is made in accordance with the arrangement; and

(c) both the principal and the agent are \*registered.

(2) In addition, the principal is taken to make a supply that is a \*taxable supply to the agent. This supply is taken:

(a) to be a supply of the same thing as is supplied in the taxable supply (the ***agent’s supply***) that the agent is taken to make; and

(b) to have a \*value equal to 10/11 of the amount that is payable to the principal by the agent in respect of the agent’s supply.

The agent is taken to make a corresponding \*creditable acquisition from the principal.

(3) If the principal pays, or is liable to pay, an amount, as a commission or similar payment, to the agent for the agent’s supply to the third party:

(a) for the purpose of paragraph (2)(b), the amount payable by the agent to the principal is taken to be reduced by the amount the principal pays, or is liable to pay, to the agent; and

(b) the supply by the agent to the principal, to which the principal’s payment or liability relates, is not a \*taxable supply.

(4) However, this section no longer applies, and is taken never to have applied, if the principal issues to the third party, in the principal’s own name, any \*tax invoice or \*adjustment note relating to the supply.

(5) This section has effect despite section 9‑5 (which is about what are taxable supplies), section 9‑75 (which is about the value of taxable supplies) and section 11‑5 (which is about what are creditable acquisitions).

153‑60 The effect of these arrangements on acquisitions

(1) An acquisition that the principal makes from a third party through the agent is taken to be a \*creditable acquisition made by the agent from the third party, and not by the principal, if:

(a) the acquisition is of a kind to which the arrangement applies; and

(b) the acquisition is made in accordance with the arrangement; and

(c) both the principal and the agent are \*registered.

(2) In addition, the agent is taken to make a supply that is a \*taxable supply to the principal. This supply is taken:

(a) to be a supply of the same thing as is acquired in the \*creditable acquisition (the ***agent’s acquisition***) that the agent is taken to make; and

(b) to have a \*value equal to 10/11 of the amount that is payable to the agent by the principal in respect of the agent’s acquisition.

The principal is taken to make a corresponding acquisition from the agent, and the acquisition is taken to be a creditable acquisition if, apart from this section, the principal’s acquisition from the third party would have been a creditable acquisition.

(3) If the principal pays, or is liable to pay, an amount, as a commission or similar payment, to the agent for the agent’s acquisition from the third party:

(a) for the purpose of paragraph (2)(b), the amount payable by the principal to the agent is taken to be increased by the amount the principal pays, or is liable to pay, to the agent; and

(b) the supply by the agent to the principal, to which the principal’s payment or liability relates, is not a \*taxable supply.

(4) This section has effect despite section 11‑5 (which is about what are creditable acquisitions), section 11‑10 (which is about what are acquisitions), section 9‑5 (which is about what are taxable supplies) and section 9‑75 (which is about the value of taxable supplies).

153‑65 Determinations that supplies or acquisitions are taken to be under these arrangements

(1) The Commissioner may determine in writing that supplies or acquisitions of a specified kind that any entity (the ***agent***) makes on behalf of any other entity (the ***principal***) to or from third parties are taken to be supplies or acquisitions:

(a) that are of a kind to which an arrangement of a kind referred to in section 153‑50 applies; and

(b) that are made in accordance with that arrangement.

(2) The determination has effect accordingly, unless either the agent or the principal notifies the other in writing, or both notify each other in writing, that:

(a) any supplies that the agent makes to third parties on the principal’s behalf are not supplies to which such an arrangement applies; and

(b) any acquisitions that the agent makes from third parties on the principal’s behalf are not acquisitions to which such an arrangement applies.

Division 156—Supplies and acquisitions made on a progressive or periodic basis

156‑1 What this Division is about

Supplies and acquisitions made for a period or on a progressive basis are treated as separate supplies or acquisitions for some purposes, in particular the attribution rules.

156‑5 Attributing the GST on progressive or periodic supplies

(1) The GST payable by you on a \*taxable supply that is made:

(a) for a period or on a progressive basis; and

(b) for \*consideration that is to be provided on a progressive or periodic basis;

is attributable, in accordance with section 29‑5, as if each progressive or periodic component of the supply were a separate supply.

(2) If the progressive or periodic components of such a supply are not readily identifiable, the components correspond to the proportion of the total \*consideration for the supply that the separate amounts of consideration represent.

156‑10 Attributing the input tax credits on progressive or periodic acquisitions

(1) The input tax credit to which you are entitled for a \*creditable acquisition that is made:

(a) for a period or on a progressive basis; and

(b) for \*consideration that is to be provided on a progressive or periodic basis;

is attributable, in accordance with section 29‑10, as if each progressive or periodic component of the acquisition were a separate acquisition.

(2) If the progressive or periodic components of such an acquisition are not readily identifiable, the components correspond to the proportion of the total \*consideration for the acquisition that the separate amounts of consideration represent.

156‑15 Progressive or periodic supplies partly connected with Australia

(1) If:

(a) a \*taxable supply is made for a period or on a progressive basis; and

(b) the supply is made for \*consideration that is to be provided on a progressive or periodic basis; and

(c) the whole of a progressive or periodic component of the supply would not be \*connected with Australia if it were a separate supply;

that component is treated as if it were a separate supply that is not connected with Australia.

(2) This section has effect despite section 9‑25 (which is about when supplies are connected with Australia) and Division 96.

156‑20 Application of Division 129 to progressive or periodic acquisitions

An acquisition that is made:

(a) for a period or on a progressive basis; and

(b) for \*consideration that is to be provided on a progressive or periodic basis;

is treated, for the purposes of Division 129 (which is about changes in the extent of creditable purpose), as if each progressive or periodic component of the acquisition were a separate acquisition.

156‑22 Leases etc. treated as being on a progressive or periodic basis

For the purposes of this Division, a supply or acquisition by way of lease, hire or similar arrangement is to be treated as a supply or acquisition that is made on a progressive or periodic basis, for the period of the lease, hire or arrangement.

156‑25 Accounting on a cash basis

This Division (other than section 156‑15) does not apply if you \*account on a cash basis.

Division 159—Changing your accounting basis

159‑1 What this Division is about

This Division tells you to which tax periods to attribute any supplies and acquisitions that are affected by a change in your accounting basis, and how to treat bad debts if your accounting basis changes.

159‑5 Ceasing to account on a cash basis—amounts not previously attributed

(1) The GST payable by you on a \*taxable supply, the input tax credit to which you are entitled for a \*creditable acquisition, or an \*adjustment that you have, is attributable to a particular tax period (the ***transition tax period***), and not to any other tax period, if:

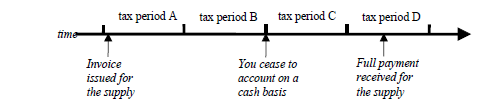
(a) at the start of the transition tax period, you cease to \*account on a cash basis; and

(b) the GST on the supply, the input tax credit on the acquisition, or the adjustment, was not attributable, to any extent, to a previous tax period during which you accounted on a cash basis; and

(c) it would have been attributable to that previous tax period had you not accounted on a cash basis during that period.

For accounting on a cash basis, see Subdivision 29‑B.

Example: In tax period A in the following diagram, you issue an invoice for a supply that you made, but you receive no payment for the supply until tax period D. However, you cease to account on a cash basis at the start of tax period C (which is therefore the transition tax period).



Under section 29‑5, the supply was not attributable to tax period A (because at the time you were accounting on a cash basis), but it would have been attributable to that period if you had not been accounting on a cash basis (because you issued the invoice in that period). Therefore the supply is attributable to tax period C (the transition tax period).

(2) This section has effect despite sections 29‑5, 29‑10 and 29‑20 (which are about attributing GST on supplies, input tax credits on acquisitions, and adjustments) and any other provisions of this Chapter.

159‑10 Ceasing to account on a cash basis—amounts partly attributed

(1) The GST payable by you on a \*taxable supply, the input tax credit to which you are entitled for a \*creditable acquisition, or an \*adjustment that you have, is attributable to a particular tax period (the ***transition tax period***), and not to any other tax period, if:

(a) at the start of the transition tax period, you cease to \*account on a cash basis; and

(b) the GST on the supply, the input tax credit on the acquisition, or the adjustment, was only to some extent attributable to a previous tax period during which you accounted on a cash basis; and

(c) it would have been attributable solely to that previous tax period had you not accounted on a cash basis during that period.

(2) However, the GST on the supply, the input tax credit on the acquisition, or the adjustment, is attributable to the transition tax period only to the extent that it has not been previously attributed to one or more of those previous tax periods.

For accounting on a cash basis, see Subdivision 29‑B.

Example: Take the example in section 159‑5 as changed in the following diagram so that you receive part of the payment for the supply in tax period A. The transition tax period is still tax period C.

A timeline showing Invoice issued for the supply at the start of tax period A, Part of payment received for the supply at the end of tax period A, You cease to account on a cash basis between tax period B and tax period C, and remainder of payment received for the supply in the middle of tax period D

Under section 29‑5, the supply was to some extent attributable to tax period A, but it would have been attributable only to that tax period if you had not been accounting on a cash basis. Therefore the supply is attributable to tax period C (the transition tax period), but only to the extent that it is not attributable to tax period A.

(3) This section has effect despite sections 29‑5, 29‑10 and 29‑20 (which are about attributing GST on supplies, input tax credits on acquisitions, and adjustments) and any other provisions of this Chapter.

159‑15 Ceasing to account on a cash basis—bad debts

(1) If:

(a) the GST payable by you on a \*taxable supply or the input tax credit to which you are entitled for a \*creditable acquisition is attributable to a particular tax period (the transition tax period) under section 159‑5 or 159‑10; and

(b) before the start of the transition tax period, the whole or part of a debt relating to the \*consideration for the supply or acquisition is written off as bad;

then:

(c) the amount written off, and any part of that amount recovered before the start of the transition tax period, is to be treated, for the purposes of Division 21, as if at all relevant times you were not \*accounting on a cash basis; and

(d) any adjustment arising under Division 21 as a result is attributable to the transition tax period.

(2) This section has effect despite subsections 21‑5(2) and 21‑15(2) (which preclude adjustments for bad debts when accounting on a cash basis) and section 29‑20 (which is about attributing adjustments).

159‑20 Starting to account on a cash basis

(1) If, at the start of a tax period, you start to \*account on a cash basis, then:

(a) the GST payable by you on a \*taxable supply that you made; or

(b) the input tax credit to which you are entitled for a \*creditable acquisition; or

(c) an \*adjustment that you have;

that was attributable to one or more previous tax periods remains attributable to those periods, and not to any other tax period.

(2) This section has effect despite sections 29‑5, 29‑10 and 29‑20 (which are about attributing GST on supplies, input tax credits on acquisitions, and adjustments) and any other provisions of this Chapter.

159‑25 Starting to account on a cash basis—bad debts

(1) If:

(a) the GST payable by you on a \*taxable supply, or the input tax credit to which you are entitled for a \*creditable acquisition, was attributable to a tax period during which you were not \*accounting on a cash basis; and

(b) at a time when you are accounting on a cash basis, the whole or part of a debt relating to the \*consideration for the supply or acquisition is written off as bad;

the amount written off, and any part of that amount that is recovered, is to be treated, for the purposes of Division 21, as if at all relevant times you were not accounting on a cash basis.

(2) This section has effect despite subsections 21‑5(2) and 21‑15(2) (which preclude adjustments for bad debts when accounting on a cash basis).

159‑30 Entities ceasing to exist or coming into existence

This Division does not apply in relation to an entity ceasing to \*account on a cash basis as it ceases to exist, or in relation to an entity starting to account on a cash basis as it comes into existence.

Part 4‑7—Special rules mainly about returns, payments and refunds

Note: The special rules in this Part mainly modify the operation of Part 2‑7, but they may affect other Parts of Chapter 2 in minor ways.

Division 162—Payment of GST by instalments

Table of Subdivisions

162‑A Electing to pay GST by instalments

162‑B Consequences of electing to pay GST by instalments

162‑C GST instalments

162‑D Penalty payable in certain cases if varied instalment amounts are too low

162‑1 What this Division is about

You may be able to elect to pay GST by instalments. If you do, GST returns are given to the Commissioner annually, and quarterly instalments of GST are paid on the basis of the Commissioner’s or your estimates of what your annual GST liability will be (followed by a reconciliation based on the annual GST return).

If you can average your income for income tax purposes, you only pay the last 2 quarterly instalments.

Note: In some cases, you will only pay the last 2 quarterly instalments: see section 162‑105.

Subdivision 162‑A—Electing to pay GST by instalments

162‑5 Eligibility to elect to pay GST by instalments

(1) You are eligible to elect to pay GST by instalments if:

(a) you do not exceed the \*instalment turnover threshold; and

(b) the current tax period applying to you is not affected by:

(i) an election under section 27‑10 (election of one month tax periods); or

(ii) a determination under section 27‑15 (determination of one month tax periods); or

(iii) a determination under section 27‑37 (special determination of tax periods on request); and

(c) your \*current GST lodgment record is at least 4 months; and

(d) you have complied with all your obligations to give \*GST returns to the Commissioner; and

(e) you are not in a \*net refund position.

(2) The ***instalment turnover threshold*** is:

(a) $2 million; or

(b) such higher amount as the regulations specify.

(3) You are in a ***net refund position*** if the sum of all your \*net amounts is less than zero, for the tax periods for which \*GST returns fell due during the period referred to in the relevant item in the third column of this table.

| When you are in a net refund position | | |
| --- | --- | --- |
| Item | If your \*current GST lodgment record is… | Take into account this period to work out whether you are in a net refund position: |
| 1 | at least 13 months | the 12 months preceding the current tax period applying to you |
| 2 | at least 10 months, but less than 13 months | the 9 months preceding that current tax period |
| 3 | at least 7 months, but less than 10 months | the 6 months preceding that current tax period |
| 4 | less than 7 months | the 3 months preceding that current tax period |

(4) In working out \*net amounts for the purposes of subsection (3), disregard any entitlements you had to special credits, under section 16 of the *A New Tax System (Goods and Services Tax Transition) Act 1999*, that were attributable to any of the tax periods referred to in that subsection.

162‑10 Your current GST lodgment record

(1) If you are not a \*member of a \*GST group, your ***current GST lodgment record*** is the period, immediately preceding the current tax period applying to you, that is covered by tax periods applying to you for which you have given \*GST returns to the Commissioner.

(2) If you are a \*member of a \*GST group, your ***current GST lodgment record*** is the period, immediately preceding the current tax period applying to you, that is covered by tax periods applying to you:

(a) for which you have given \*GST returns to the Commissioner; and

(b) during which the membership of the GST group has not changed.

(3) However, if you have been (but are not currently) the \*representative member of a \*GST group, any tax periods applying to you during which you were such a representative member are not to be counted towards your current GST lodgment record.

162‑15 Electing to pay GST by instalments

(1) You may, by notifying the Commissioner in the \*approved form, elect to pay GST by instalments if you are eligible under section 162‑5.

(2) However, the Commissioner may disallow your election, even though you are eligible under section 162‑5, if the Commissioner is satisfied that you have a history of failing to comply with your obligations under a \*taxation law.

Note: Disallowing your election is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(3) If your election is disallowed, it is taken never to have had effect.

(4) Your election cannot relate to more than one \*financial year.

162‑20 Elections by representative members of GST groups

(1) A \*representative member of a \*GST group cannot elect to pay GST by instalments unless each \*member of the GST group is eligible under section 162‑5.

(2) If the \*representative member makes such an election, the \*instalment tax period applying to the representative member also applies to each member. However, the members other than the representative member are not \*GST instalment payers.

162‑25 When you must make your election

(1) You must make your election on or before 28 October in the \*financial year to which it relates.

(2) However, if:

(a) during the \*financial year but after 28 October in that financial year, you became eligible under section 162‑5 to elect to pay GST by instalments; and

(b) this subsection had not applied to you before; and

(c) your \*current GST lodgment record is not more than 6 months;

you must make your election on or before the first day, after becoming eligible under section 162‑5, on which you would, but for this Division, be required under section 31‑8 to give a \*GST return to the Commissioner.

(3) The Commissioner may, in accordance with a request you make in the \*approved form, allow you to make your election on a specified day occurring after the day provided for under subsection (1) or (2).

Note: Refusing a request to be allowed to make an election on a specified day under this subsection is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

162‑30 Duration of your election

(1) Your election has effect, and is taken to have had effect, for the whole of the \*financial year in question.

(2) However, if:

(a) you make your election after 28 October in that \*financial year; and

(b) part of that financial year is already covered by one or more tax periods for which you have given the Commissioner a \*GST return;

your election has effect, and is taken to have had effect, only for the part of that financial year that is not covered by those tax periods.

(3) Your election does not cease to have effect because, after making the election, you exceed the \*instalment turnover threshold at any time.

Subdivision 162‑B—Consequences of electing to pay GST by instalments

162‑50 GST instalment payers

(1) You are a ***GST instalment payer*** while an election that you have made under section 162‑15 has effect.

(2) You are a ***GST instalment payer*** for the \*financial year for which your election has effect.

(3) However, if your election has effect only for part of a \*financial year, you are a ***GST instalment payer*** only for that part of that financial year.

162‑55 Tax periods for GST instalment payers

(1) The tax period that applies to you, if you are a \*GST instalment payer for a \*financial year, is that financial year.

(2) The tax period that applies to you, if you are a \*GST instalment payer only for part of a \*financial year, is that part of that financial year.

(3) A tax period under this section is an ***instalment tax period***.

(4) This section has effect despite sections 27‑5, 27‑10, 27‑15 and 27‑30 (which are about tax periods).

162‑60 When GST returns for GST instalment payers must be given

(1) You must give your \*GST return for the \*instalment tax period to the Commissioner:

(a) if you are required under section 161 of the \*ITAA 1936 to lodge a return in relation to a year of income corresponding to, or ending during, an instalment tax period applying to you—within the period, specified in the notice published in the *Gazette* under that section, for you to lodge as required under that section; or

(b) if paragraph (a) does not apply—on or before the 28 February following the end of the instalment tax period.

Note: Section 388‑55 in Schedule 1 to the *Taxation Administration Act 1953* allows the Commissioner to defer the time for giving the GST return.

(2) However, in relation to an \*instalment tax period that:

(a) ends on 30 June 2001; or

(b) would have ended on 30 June 2001 but for the application of section 27‑35;

the period referred to in paragraph (1)(a) that would otherwise end after 28 February 2002 is taken to end on that day.

Note: Under section 27‑35, the start or finish of a 3 month tax period could vary by up to 7 days from the start or finish of a normal quarter.

(3) This section has effect despite sections 31‑8 and 31‑10 (which are about when GST returns must be given).

162‑65 The form and contents of GST returns for GST instalment payers

(1) If you are a \*GST instalment payer only for part of a \*financial year, the \*approved form for your \*GST return for the \*instalment tax period consisting of that part of the financial year may require that the return relate to:

(a) the instalment tax period; and

(b) the one or more preceding tax periods applying to you that fall within the financial year;

as if they are a single tax period consisting of the whole of the financial year.

(2) This section has effect in addition to, and does not limit the scope of, section 31‑15 (which is about the form and contents of GST returns).

162‑70 Payment of GST instalments

(1) If you are a \*GST instalment payer, you must, for each \*instalment tax period applying to you, pay to the Commissioner an amount (your ***GST instalment***) for each \*GST instalment quarter of the instalment tax period.

Note 1: GST instalments are worked out under Subdivision 162‑C.

Note 2: Entities covered by section 162‑80 only pay GST instalments on the last 2 GST instalment quarters.

(2) These are the ***GST instalment quarters*** for an \*instalment tax period:

(a) the 3 months ending on 30 September during the period;

(b) the 3 months ending on 31 December during the period;

(c) the 3 months ending on 31 March during the period;

(d) the 3 months ending on 30 June during the period.

(3) However, if the \*instalment tax period is only part of a \*financial year, any 3 month periods referred to in subsection (2) that do not form part of the instalment tax period are not GST instalment quarters of the instalment tax period.

(4) You must pay your \*GST instalment to the Commissioner as follows:

| When GST instalments must be paid | | |
| --- | --- | --- |
| Item | If the GST instalment quarter ends on this day … | Pay the GST instalment to the Commissioner on or before this day: |
| 1 | 30 September | the following 28 October |
| 2 | 31 December | the following 28 February |
| 3 | 31 March | the following 28 April |
| 4 | 30 June | the following 28 July |

Note: Section 255‑10 in Schedule 1 to the *Taxation Administration Act 1953* allows the Commissioner to defer the time for payment of the GST instalment.

(5) You may pay by \*electronic payment any \*GST instalments payable by you. Any amounts of a GST instalment that you do not pay by electronic payment must be paid in the manner determined in writing by the Commissioner.

162‑75 Giving notices relating to GST instalments

If:

(a) you are required to pay a \*GST instalment; and

(b) the Commissioner requires you to give a notice relating to the GST instalment;

you must give the notice to the Commissioner, in the \*approved form, on or before the day on which you are required to pay the GST instalment.

162‑80 Certain entities pay only 2 GST instalments for each year

(1) If:

(a) you are a \*GST instalment payer for an \*instalment tax period; and

(b) subsection (2) applies to you;

section 162‑70 has effect as if you are only required to pay \*GST instalments for the last 2 \*GST instalment quarters for the instalment tax period.

(2) This subsection applies to you if:

(a) both of the following conditions are satisfied:

(i) you are carrying on a \*primary production business in an \*income year corresponding to, or ending during, the \*instalment tax period;

(ii) the \*assessable income that was \*derived from, or resulted from, a primary production business that you carried on in the \*base year exceeded the amount of so much of your deductions in that year that are reasonably related to that income; or

(b) both of the following conditions are satisfied:

(i) you are a \*special professional in an income year corresponding to, or ending during, the instalment tax period;

(ii) your \*assessable professional income in the base year exceeded the amount of so much of your deductions in that year that are reasonably related to that income.

162‑85 A GST instalment payer’s concluding tax period

(1) If any of the following occurs:

(a) a \*GST instalment payer who is an individual dies;

(b) a GST instalment payer ceases to \*carry on any \*enterprise;

(c) a GST instalment payer’s \*registration is cancelled;

during an \*instalment tax period applying to the GST instalment payer, the instalment tax period is not affected by the death, cessation or cancellation.

(2) However, any requirement to pay \*GST instalments for a \*GST instalment quarter of the \*instalment tax period does not apply if the GST instalment quarter commences after:

(a) the death or cessation occurred; or

(b) the cancellation took effect.

(3) This section has effect despite sections 27‑40 (which is about an entity’s concluding tax period) and 162‑70.

(4) However, this section does not affect the application of those sections if:

(a) a \*GST instalment payer who is an individual becomes bankrupt; or

(b) a GST instalment payer that is not an individual goes into liquidation or receivership or for any reason ceases to exist.

162‑90 The effect of bankruptcy, liquidation or receivership etc.

(1) If:

(a) a \*GST instalment payer who is an individual becomes bankrupt; or

(b) a GST instalment payer that is not an individual goes into liquidation or receivership or for any reason ceases to exist;

the GST instalment payer must give the \*GST return, for the \*instalment tax period that ends because of the bankruptcy, liquidation, receivership or cessation, to the Commissioner:

(c) on or before the 21st day of the month following the end of the instalment tax period; or

(d) within such further period as the Commissioner allows.

(2) If the \*net amount for the \*instalment tax period is greater than zero, the \*GST instalment payer must pay the net amount to the Commissioner on or before the 21st day of the month following the end of the instalment tax period.

(3) This section has effect despite sections 162‑60 (which is about when GST instalment payers must give GST returns) and 162‑110 (which is about when GST instalment payers must pay net amounts).

162‑95 The effect of changing the membership of GST groups

(1) If you are:

(a) a \*GST instalment payer; and

(b) a \*member of a \*GST group whose membership changes during an \*instalment tax period applying to you;

the instalment tax period ends when the membership of the GST group changes.

(2) The \*representative member of the \*GST group must give the \*GST return for the \*instalment tax period to the Commissioner:

(a) on or before the 21st day of the month following the end of the instalment tax period; or

(b) within such further period as the Commissioner allows.

(3) If the \*net amount for the \*instalment tax period is greater than zero, the \*representative member of the \*GST group must pay the net amount to the Commissioner on or before the 21st day of the month following the end of the instalment tax period.

(4) This section has effect despite sections 162‑55 (which is about tax periods for GST instalment payers), 162‑60 (which is about when GST instalment payers must give GST returns) and 162‑110 (which is about when GST instalment payers must pay net amounts).

162‑100 General interest charge on late payment

If you fail to pay some or all of a \*GST instalment by the time by which the GST instalment is due to be paid, you are liable to pay the \*general interest charge on the unpaid amount for each day in the period that:

(a) started at the beginning of the day by which the GST instalment was due to be paid; and

(b) finishes at the end of the last day on which, at the end of the day, any of the following remains unpaid:

(i) the GST instalment;

(ii) general interest charge on any of the instalment.

162‑105 Net amounts for GST instalment payers

If you are a \*GST instalment payer, your \*net amount for an \*instalment tax period is the difference between:

(a) the amount that, but for this section, would be your \*net amount under section 17‑5 or 126‑5 for the instalment tax period; and

(b) the sum of all of the \*GST instalments payable by you for the \*GST instalment quarters of the instalment tax period.

162‑110 When payments of net amounts must be made—GST instalment payers

(1) If:

(a) you are a \*GST instalment payer; and

(b) the \*net amount for an \*instalment tax period applying to you is greater than zero;

you must pay the net amount to the Commissioner on or before the day on which, under section 162‑60, you are required to give to the Commissioner your \*GST return for the instalment tax period.

(2) This section has effect despite sections 33‑3 and 33‑5 (which are about when payments of net amounts are made).

Subdivision 162‑C—GST instalments

162‑130 What are your GST instalments

(1) If you are a \*GST instalment payer, your \*GST instalments for the \*GST instalment quarters of an \*instalment tax period applying to you are worked out under subsections (2) and (3).

(2) Your \*GST instalment for the first \*GST instalment quarter is whichever of the following you choose:

(a) your \*notified instalment amount for the GST instalment quarter; or

(b) your \*varied instalment amount for the GST instalment quarter.

(3) Your \*GST instalment for any other \*GST instalment quarter is:

(a) if you have a \*notified instalment amount for the GST instalment quarter—whichever of the following you choose:

(i) your notified instalment amount for the GST instalment quarter; or

(ii) your \*varied instalment amount for the GST instalment quarter; or

(b) if you do *not* have a notified instalment amount for the GST instalment quarter—whichever of the following you choose:

(i) 25% of your \*estimated annual GST amount relating to the preceding GST instalment quarter; or

(ii) your varied instalment amount for the GST instalment quarter.

Note: Subsection 162‑135(2) sets out when you will not have a notified instalment amount for a GST instalment quarter.

162‑135 Notified instalment amounts

(1) Your ***notified instalment amount*** for a \*GST instalment quarter is the amount that is:

(a) worked out by the Commissioner; and

(b) notified by the Commissioner to you before the day on which the \*GST instalment is due.

(2) However, the Commissioner is not to work out or notify a \*notified instalment amount for a \*GST instalment quarter if you had a \*varied instalment amount for an earlier GST instalment quarter of the same \*instalment tax period.

162‑140 Varied instalment amounts

(1) You may, by notifying the Commissioner in the \*approved form, substitute another amount for:

(a) your \*notified instalment amount for a \*GST instalment quarter; or

(b) if paragraph 162‑130(3)(b) applies to a GST instalment quarter—your \*GST instalment for the preceding GST instalment quarter.

The amount substituted is your ***varied instalment amount*** for the GST instalment quarter.

(2) The amount substituted must not be less than zero.

(3) You must give the notice to the Commissioner on or before the day on which the \*GST instalment for the \*GST instalment quarter is due.

(4) You must include in the notice an estimate of your \*annual GST liability relating to the \*instalment tax period in question. This estimate is your ***estimated annual GST amount*** relating to the \*GST instalment quarter.

Note: You may be liable to penalty under Subdivision 162‑D if your variation of the notified instalment amount is too much of an underestimate of your total GST liability.

(5) However, if paragraph 162‑130(3)(b) applies to a \*GST instalment quarter but you do not, under subsection (1) of this section, substitute another amount by notifying the Commissioner in the \*approved form:

(a) your ***varied instalment amount*** for the GST instalment quarter is 25% of your \*estimated annual GST amount relating to the preceding GST instalment quarter; and

(b) your ***estimated annual GST amount*** relating to the GST instalment quarter is your \*estimated annual GST amount relating to the preceding GST instalment quarter.

162‑145 Your annual GST liability

(1) Your ***annual GST liability***, for an \*instalment tax period that is a \*financial year, is the amount that would be your \*net amount for the period if it were not reduced under section 162‑105.

(2) Your ***annual GST liability***, for an \*instalment tax period that is only part of a \*financial year, is the sum of:

(a) the amount that would be your \*net amount for the period if it were not reduced under section 162‑105; and

(b) your \*early net amounts for the financial year (subtracting any of those amounts that are less than zero).

(3) Your ***early net amounts*** for the \*financial year are your \*net amounts for any tax periods that:

(a) started, or would but for section 27‑35 have started, at the start of or during that financial year; and

(b) ended before the start of the \*instalment tax period applying to you that forms part of that financial year.

Note: Under section 27‑35, the start or finish of a 3 month tax period could vary by up to 7 days from the start or finish of a normal quarter.

Subdivision 162‑D—Penalty payable in certain cases if varied instalment amounts are too low

162‑170 What this Subdivision is about

There are 3 circumstances where a penalty can arise if a varied instalment amount is too low:

(a) your payments are too low a proportion of your annual GST liability (see section 162‑175);

(b) your estimated annual GST amount is too low a proportion of your annual GST liability (see section 162‑180);

(c) the varied instalment amount is too low a proportion of your estimated annual GST amount (see section 162‑185).

The penalty is based on the general interest charge rate, and the machinery provisions of Division 298 in Schedule 1 to the *Taxation Administration Act 1953* apply.

Note: This section is an explanatory section.

162‑175 GST payments are less than 85% of annual GST liability

(1) You are liable to pay a penalty, for a \*GST instalment quarter of an \*instalment tax period applying to you, if you have a \*varied instalment amount for the GST instalment quarter, and:

(a) if the instalment tax period is a \*financial year—the sum of your \*GST instalments for all the GST instalment quarters of the instalment tax period is less than 85% of your \*annual GST liability for the instalment tax period; or

(b) if the instalment tax period is only part of a financial year—the sum of:

(i) your \*GST instalments for all the GST instalment quarters of the instalment tax period; and

(ii) your \*early net amounts for the financial year (subtracting any of those amounts that are less than zero);

is less than 85% of your annual GST liability for the instalment tax period.

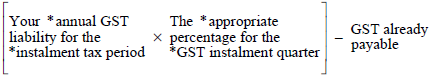
(2) The amount of the penalty, for a particular day, is worked out by applying the \*general interest charge:

(a) for each day in the period in section 162‑190; and

(b) in the way set out in subsection 8AAC(4) of the *Taxation Administration Act 1953*;

to your \*GST instalment shortfall, under this section, for the \*GST instalment quarter.

(3) Your ***GST instalment shortfall***, under this section, for the \*GST instalment quarter is the amount worked out as follows:



where:

***GST already payable*** is the sum of:

(a) the \*varied instalment amount; and

(b) all your other \*GST instalments (if any) for earlier \*GST instalment quarters of the \*instalment tax period in question; and

(c) if the instalment tax period is only part of a \*financial year—your \*early net amounts for the financial year (subtracting any of those amounts that are less than zero).

(4) However, if:

(a) the \*GST instalment quarter is not the first GST instalment quarter of the \*instalment tax period in question; and

(b) you are liable for one or more penalties under this section in relation to any of the earlier GST instalment quarters of the instalment tax period;

then:

(c) your ***GST instalment shortfall***, under this section, for the \*GST instalment quarter is the difference between:

(i) the amount worked out using the formula in subsection (3); and

(ii) the sum of all your GST instalment shortfalls for those earlier GST instalment quarters; and

(d) if that sum is greater than the amount worked out using the formula in subsection (3)—you are not liable to pay a penalty under this section in relation to the GST instalment quarter.

(5) The ***appropriate percentage*** for a \*GST instalment quarter is:

(a) if the GST instalment quarter ends on 30 September—25%; or

(b) if the GST instalment quarter ends on 31 December—50%; or

(c) if the GST instalment quarter ends on 31 March—75%; or

(d) if the GST instalment quarter ends on 30 June—100%.

162‑180 Estimated annual GST amount is less than 85% of annual GST liability

(1) You are liable to pay a penalty, for a \*GST instalment quarter of an \*instalment tax period applying to you, if:

(a) you have a \*varied instalment amount for the GST instalment quarter; and

(b) you are not liable to pay a penalty, for the GST instalment quarter, under section 162‑175; and

(c) your \*estimated annual GST amount relating to the GST instalment quarter is less than:

(i) 85% of your \*annual GST liability for the instalment tax period; or

(ii) if the GST instalment quarter ends on 30 September 2001—75% of your \*annual GST liability for the instalment tax period; and

(d) the varied instalment amount is less than or equal to 25% of your annual GST liability for the instalment tax period.

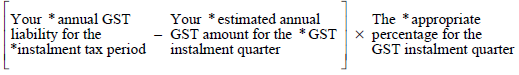
(2) The amount of the penalty, for a particular day, is worked out by applying the \*general interest charge:

(a) for each day in the period in section 162‑190; and

(b) in the way set out in subsection 8AAC(4) of the *Taxation Administration Act 1953*;

to your \*GST instalment shortfall, under this section, for the \*GST instalment quarter.

(3) Your ***GST instalment shortfall***, under this section, for the \*GST instalment quarter is the amount worked out as follows:



(4) However, if:

(a) the \*GST instalment quarter is not the first GST instalment quarter of the \*instalment tax period in question; and

(b) you are liable for one or more penalties under this section in relation to any of the earlier GST instalment quarters of the instalment tax period;

then:

(c) your ***GST instalment shortfall***, under this section, for the \*GST instalment quarter is the difference between:

(i) the amount worked out using the formula in subsection (3); and

(ii) the sum of all your GST instalment shortfalls for those earlier GST instalment quarters; and

(d) if that sum is greater than the amount worked out using the formula in subsection (3)—you are not liable to pay a penalty under this section in relation to the GST instalment quarter.

(5) For the purpose of working out your \*GST instalment shortfall under this section, your \*estimated annual GST amount relating to the \*GST instalment quarter is taken to be the amount worked out as follows, if the amount is less than that estimated annual GST amount:

Start formula start fraction GST already payable over The *appropriate percentage for the *GST instalment quarter end fraction end formula

where:

***GST already payable*** is the sum of:

(a) the \*varied instalment amount in question; and

(b) all your other \*GST instalments (if any) for earlier \*GST instalment quarters of the \*instalment tax period in question; and

(c) if the instalment tax period is only part of a \*financial year—your \*early net amounts for the financial year (subtracting any of those amounts that are less than zero).

162‑185 Shortfall in GST instalments worked out on the basis of estimated annual GST amount

(1) You are liable to pay a penalty, for a \*GST instalment quarter of an \*instalment tax period applying to you, if:

(a) you have a \*varied instalment amount for the GST instalment quarter; and

(b) you are not liable to pay a penalty, for the GST instalment quarter, under section 162‑175 or 162‑180; and

(c) the amount worked out by multiplying your \*estimated annual GST amount relating to the GST instalment quarter by the \*appropriate percentage for the GST instalment quarter exceeds the sum of:

(i) the varied instalment amount; and

(ii) all your other \*GST instalments (if any) for earlier GST instalment quarters of the \*instalment tax period in question; and

(iii) if the instalment tax period is only part of a \*financial year—your \*early net amounts for the financial year (subtracting any of those amounts that are less than zero).

(2) The amount of the penalty, for a particular day, is worked out by applying the \*general interest charge:

(a) for each day in the period in section 162‑190; and

(b) in the way set out in subsection 8AAC(4) of the *Taxation Administration Act 1953*;

to your \*GST instalment shortfall, under this section, for the \*GST instalment quarter.

(3) Your ***GST instalment shortfall***, under this section, for the \*GST instalment quarter is the amount of the excess referred to in paragraph (1)(c).

162‑190 Periods for which penalty is payable

You are liable to pay the penalty under this Subdivision for each day in the period that:

(a) started at the beginning of the day by which the \*GST instalment, for the \*GST instalment quarter to which the charge relates, was due to be paid; and

(b) finishes at the end of the day before which you must, under section 162‑110, pay to the Commissioner your \*net amount for the \*instalment tax period that includes that GST instalment quarter.

162‑195 Reduction in penalties if notified instalment amount is less than 25% of annual GST liability

(1) This section reduces your \*GST instalment shortfall, for a \*GST instalment quarter of an \*instalment tax period applying to you, if:

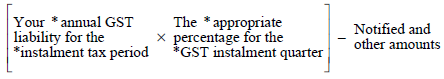
(a) you are liable to pay a penalty under section 162‑175 or 162‑180 for a \*GST instalment quarter of an \*instalment tax period applying to you; and

(b) for that or any other GST instalment quarter of an \*instalment tax period:

(i) you have a \*notified instalment amount that is less than 25% of your \*annual GST liability for the instalment tax period; or

(ii) you do not have a notified instalment amount, but the Commissioner is satisfied that, if you had such a notified instalment amount, it would be less than 25% of your annual GST liability for the instalment tax period.

(2) The \*GST instalment shortfall is reduced by the amount worked out as follows:

where:

***notified and other amounts*** is the sum of:

(a) the \*notified instalment amount, or, if you do not have a notified instalment amount for the \*GST instalment quarter, the amount that the Commissioner is satisfied would have otherwise been that notified instalment amount; and

(b) for each of the earlier GST instalment quarters (if any) of the \*instalment tax period in question:

(i) the notified instalment amount; or

(ii) if you do not have a notified instalment amount for the \*GST instalment quarter—the amount that the Commissioner is satisfied would have otherwise been that notified instalment amount; and

(c) if the instalment tax period is only part of a \*financial year—your \*early net amounts for the financial year (subtracting any of those amounts that are less than zero).

(3) If, because of the reduction, your \*GST instalment shortfall for the \*GST instalment quarter is zero or less than zero, you are not liable to pay a penalty under section 162‑175 or 162‑180 (as the case requires) in relation to the GST instalment quarter.

(4) If both this section and section 162‑200 apply to a particular \*GST instalment shortfall, apply this section to the shortfall before applying section 162‑200.

162‑200 Reduction in penalties if GST instalment shortfall is made up in a later instalment

(1) This section reduces your \*GST instalment shortfall, for a \*GST instalment quarter of an \*instalment tax period applying to you, if:

(a) you pay to the Commissioner a \*GST instalment for a later GST instalment quarter of the instalment tax period; and

(b) that GST instalment exceeds 25% of your \*annual GST liability for the instalment tax period.

The amount of that excess is called the ***top up***.

(2) The \*GST instalment shortfall is reduced by applying so much of the top up as does not exceed the GST instalment shortfall.

(3) However, if some of the top up has already been applied (under any other application or applications of this section) to reduce a \*GST instalment shortfall for a different \*GST instalment quarter of the \*instalment tax period, the GST instalment shortfall is reduced by applying so much of the top up as has not already been applied, and does not exceed the GST instalment shortfall.

(4) The reduction under subsection (2) has effect for each day in the period that:

(a) started at the beginning of the day on which you paid the \*GST instalment for the later \*GST instalment quarter; and

(b) finishes at the end of the day before which you must, under section 162‑110, pay to the Commissioner your \*net amount for the \*instalment tax period.

162‑205 This Subdivision does not create a liability for general interest charge

For the avoidance of doubt, this Subdivision does not have the effect of making you liable to pay the \*general interest charge.

Division 165—Anti‑avoidance

Table of Subdivisions

165‑A Application of this Division

165‑B Commissioner may negate effects of schemes for GST benefits

165‑C Penalties for getting GST benefits from schemes

165‑1 What this Division is about

The object of this Division is to deter schemes to give entities benefits by reducing GST, increasing refunds or altering the timing of payment of GST or refunds.

If the dominant purpose or principal effect of a scheme is to give an entity such a benefit, the Commissioner may negate the benefit an entity gets from the scheme by declaring how much GST or refund would have been payable, and when it would have been payable, apart from the scheme.

This Division is aimed at artificial or contrived schemes. It is not, for example, intended to apply to:

• an exporter electing to have monthly tax periods in order to bring forward the entitlement to input tax credits; or

• a supplier of child care applying to be approved under the *A New Tax System (Family Assistance) (Administration) Act 1999* (this would make the supplies of child care GST‑free); or

• a supplier choosing under section 9‑25 of the *A New Tax System (Wine Equalisation Tax) Act 1999* to use the average wholesale price method for working out the taxable value of retail sales of grape wine; or

• a bank having its car fleet serviced earlier than usual, and before 1 July 2000, so that the servicing does not, at least initially, bear the GST.

Subdivision 165‑A—Application of this Division

165‑5 When does this Division operate?

General rule

(1) This Division operates if:

(a) an entity (the ***avoider***) gets or got a \*GST benefit from a \*scheme; and

(b) the GST benefit is not attributable to the making, by any entity, of a choice, election, application or agreement that is expressly provided for by the \*GST law, the \*wine tax law or the \*luxury car tax law; and

(c) taking account of the matters described in section 165‑15, it is reasonable to conclude that either:

(i) an entity that (whether alone or with others) entered into or carried out the scheme, or part of the scheme, did so with the sole or dominant purpose of that entity or another entity getting a \*GST benefit from the scheme; or

(ii) the principal effect of the scheme, or of part of the scheme, is that the avoider gets the GST benefit from the scheme directly or indirectly; and

(d) the scheme:

(i) is a scheme that has been or is entered into on or after 2 December 1998; or

(ii) is a scheme that has been or is carried out or commenced on or after that day (other than a scheme that was entered into before that day).

Territorial application

(2) It does not matter whether the \*scheme, or any part of the scheme, was entered into or carried out inside or outside Australia.

165‑10 When does an entity get a *GST benefit* from a scheme?

(1) An entity gets a ***GST benefit*** from a \*scheme if:

(a) an amount that is payable by the entity under this Act apart from this Division is, or could reasonably be expected to be, smaller than it would be apart from the scheme or a part of the scheme; or

(b) an amount that is payable to the entity under this Act apart from this Division is, or could reasonably be expected to be, larger than it would be apart from the scheme or a part of the scheme; or

(c) all or part of an amount that is payable by the entity under this Act apart from this Division is, or could reasonably be expected to be, payable later than it would have been apart from the scheme or a part of the scheme; or

(d) all or part of an amount that is payable to the entity under this Act apart from this Division is, or could reasonably be expected to be, payable earlier than it would have been apart from the scheme or a part of the scheme.

What is a **scheme**?

(2) A ***scheme*** is:

(a) any arrangement, agreement, understanding, promise or undertaking:

(i) whether it is express or implied; and

(ii) whether or not it is, or is intended to be, enforceable by legal proceedings; or

(b) any scheme, plan, proposal, action, course of action or course of conduct, whether unilateral or otherwise.

GST benefit can arise even if no economic alternative

(3) An entity can get a \*GST benefit from a \*scheme even if the entity or entities that entered into or carried out the scheme, or a part of the scheme, could not have engaged economically in any activities:

(a) of the kind to which this Act applies; and

(b) that would produce an effect equivalent (except in terms of this Act) to the effect of the scheme or part of the scheme;

other than the activities involved in entering into or carrying out the scheme or part of the scheme.

165‑15 Matters to be considered in determining purpose or effect

(1) The following matters are to be taken into account under section 165‑5 in considering an entity’s purpose in entering into or carrying out the \*scheme from which the avoider got a \*GST benefit, and the effect of the scheme:

(a) the manner in which the scheme was entered into or carried out;

(b) the form and substance of the scheme, including:

(i) the legal rights and obligations involved in the scheme; and

(ii) the economic and commercial substance of the scheme;

(c) the purpose or object of this Act, the *Customs Act 1901* (so far as it is relevant to this Act) and any relevant provision of this Act or that Act (whether the purpose or object is stated expressly or not);

(d) the timing of the scheme;

(e) the period over which the scheme was entered into and carried out;

(f) the effect that this Act would have in relation to the scheme apart from this Division;

(g) any change in the avoider’s financial position that has resulted, or may reasonably be expected to result, from the scheme;

(h) any change that has resulted, or may reasonably be expected to result, from the scheme in the financial position of an entity (a ***connected entity***) that has or had a connection or dealing with the avoider, whether the connection or dealing is or was of a family, business or other nature;

(i) any other consequence for the avoider or a connected entity of the scheme having been entered into or carried out;

(j) the nature of the connection between the avoider and a connected entity, including the question whether the dealing is or was at arm’s length;

(k) the circumstances surrounding the scheme;

(l) any other relevant circumstances.

(2) Subsection (1) applies in relation to consideration of an entity’s purpose in entering into or carrying out a part of a \*scheme from which the avoider gets or got a \*GST benefit, and the effect of part of the scheme, as if the part were itself the \*scheme from which the avoider gets or got the GST benefit.

Subdivision 165‑B—Commissioner may negate effects of schemes for GST benefits

165‑40 Commissioner may negate avoider’s GST benefits

For the purpose of negating a \*GST benefit the avoider mentioned in section 165‑5 gets or got from the \*scheme, the Commissioner may make a declaration stating either or both of the following:

(a) the amount that is (and has been at all times) the avoider’s \*net amount for a specified tax period that has ended;

(b) the amount that is (and has been at all times) the amount of GST on a specified \*taxable importation that was made (or is stated in the declaration to have been made) by the avoider.

Note: A declaration of the Commissioner under this section is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

165‑45 Commissioner may reduce an entity’s net amount or GST to compensate

(1) This section operates if:

(a) the Commissioner has made a declaration under section 165‑40 to negate the \*GST benefit an entity gets or got from a \*scheme; and

(b) the Commissioner considers that another entity (the ***loser***) gets or got a \*GST disadvantage from the scheme; and

(c) the Commissioner considers that it is fair and reasonable that the loser’s GST disadvantage be negated or reduced.

(2) An entity gets a ***GST disadvantage*** from a \*scheme if:

(a) an amount that is payable by the entity under this Act apart from this Division is, or could reasonably be expected to be, larger than it would have been apart from the scheme or a part of the scheme; or

(b) an amount that is payable to the entity under this Act apart from this Division is, or could reasonably be expected to be, smaller than it would have been apart from the scheme or a part of the scheme; or

(c) all or part of an amount that is payable by the entity under this Act apart from this Division is, or could reasonably be expected to be, payable earlier than it would have been apart from the scheme or a part of the scheme; or

(d) all or part of an amount that is payable to the entity under this Act apart from this Division is, or could reasonably expected to be, payable later than it would have been apart from the scheme or a part of the scheme.

(3) For the purposes of negating or reducing the loser’s \*GST disadvantage from the \*scheme, the Commissioner may make a declaration (under this section) stating either or both of the following:

(a) the amount that is (and has been at all times) the loser’s \*net amount for a specified tax period that has ended;

(b) the amount that is (and has been at all times) the amount of GST on a specified \*taxable importation that was made (or is stated in the declaration to have been made) by the loser.

Note: A declaration of the Commissioner under this section is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

(4) An amount stated in a declaration as the loser’s \*net amount or the amount of GST on a \*taxable importation must not be less than the net amount or amount of GST (as appropriate) would have been apart from the \*scheme, or part of the scheme, and the declaration.

(5) An entity may give the Commissioner a written request to make a declaration under this section relating to the entity. The Commissioner must decide whether or not to grant the request, and give the entity notice of the Commissioner’s decision.

Note: A decision of the Commissioner under subsection (5) is a reviewable GST decision (see Division 7 of Part VI of the *Taxation Administration Act 1953*).

165‑50 GST or refund payable in accordance with declaration

A statement in a declaration under this Subdivision has effect according to its terms, for the purposes of Division 33 (about payments of GST) and Division 35 (about refunds), despite the provisions of this Act outside those Divisions and this Division.

165‑55 Commissioner may disregard scheme in making declarations

For the purposes of making a declaration under this Subdivision, the Commissioner may:

(a) treat a particular event that actually happened as not having happened; and

(b) treat a particular event that did not actually happen as having happened and, if appropriate, treat the event as:

(i) having happened at a particular time; and

(ii) having involved particular action by a particular entity; and

(c) treat a particular event that actually happened as:

(i) having happened at a time different from the time it actually happened; or

(ii) having involved particular action by a particular entity (whether or not the event actually involved any action by that entity).

165‑60 One declaration may cover several tax periods and importations

To avoid doubt, statements relating to different tax periods and different \*taxable importations may be included in a single declaration under this Subdivision.

165‑65 Commissioner must give copy of declaration to entity affected

(1) The Commissioner must give a copy of a declaration under this Subdivision to the entity whose \*net amount or GST liability is stated in the declaration.

(2) A failure to comply with subsection (1) does not affect the validity of the declaration.

Subdivision 165‑C—Penalties for getting GST benefits from schemes

Division 168—Tourist refund scheme

168‑1 What this Division is about

If you take goods overseas as accompanied baggage, you may be entitled to a refund of the GST that was payable on the supply of the goods to you.

168‑5 Tourist refund scheme

(1) If:

(a) you make an acquisition of goods the supply of which to you is a \*taxable supply; and

(b) the acquisition is of a kind specified in the regulations; and

(c) you leave Australia, and export the goods from Australia as accompanied baggage, in the circumstances specified in the regulations;

the Commissioner must, on behalf of the Commonwealth, pay to you an amount equal to:

(d) the amount of the GST payable on the taxable supply; or

(e) such proportion of that amount of GST as is specified in the regulations.

(2) The amount is payable within the period and in the manner specified in the regulations.

Division 171—Customs security etc. given on taxable importations

171‑1 What this Division is about

Security or undertakings can be required under the *Customs Act 1901* before a temporary import is permitted. In these cases, this Division delays the requirement to pay GST on the importation.

171‑5 Security or undertaking given under section 162 or 162A of the Customs Act

(1) An amount of GST on a \*taxable importation of goods is not payable if:

(a) a security or undertaking described in section 162 of the *Customs Act 1901* has been given; and

(b) the provisions of the regulations mentioned in paragraph 162(3)(a) of that Act are complied with; and

(c) either:

(i) the goods are exported within the relevant period mentioned in paragraph 162(3)(b) of that Act; or

(ii) one or more of the circumstances or conditions specified in the regulations mentioned in paragraph 162(3)(b) of that Act apply in relation to the goods.

Note: Section 162 of the *Customs Act 1901* allows delivery of imported goods if the importer gives a security or undertaking to pay any customs duty, GST and luxury car tax relating to the importation.

(1A) An amount of GST on a \*taxable importation of goods is not payable if:

(a) a security or undertaking described in section 162A of the *Customs Act 1901* has been given; and

(b) the goods are not dealt with in contravention of regulations made for the purposes of that section; and

(c) one or more of the following applies:

(i) the goods are exported within the relevant period mentioned in paragraph 162A(5)(b) of that Act;

(ii) if the goods are described in subsection 162A(5A) of that Act—the goods are exported before the end of the relevant day mentioned in paragraph 162A(5A)(b) of that Act;

(iii) one or more of the circumstances or conditions specified in the regulations mentioned in paragraph 162A(5)(b) of that Act apply in relation to the goods.

Note: Section 162A of the *Customs Act 1901* allows delivery of imported goods if the importer gives a security or undertaking to pay any customs duty, GST and luxury car tax relating to the importation.

(2) This section has effect despite section 33‑15 (which is about payments of amounts of GST on importations).

Chapter 5—Miscellaneous

Part 5‑1—Miscellaneous

Division 177—Miscellaneous

177‑1 Commonwealth etc. not liable to pay GST

(1) The Commonwealth and \*Commonwealth entities are not liable to pay GST payable under this Act. However, it is the Parliament’s intention that the Commonwealth and Commonwealth entities should:

(a) be notionally liable to pay GST payable under this Act; and

(b) be notionally entitled to input tax credits arising under this Act; and

(c) notionally have \*adjustments arising under this Act.

(2) The \*Finance Minister may give such written directions as are necessary or convenient for carrying out or giving effect to subsection (1) and, in particular, may give directions in relation to the transfer of money within an account, or between accounts, operated by the Commonwealth or a \*Commonwealth entity.

(2A) The directions given under subsection (2) may also take account of the provisions of the *A New Tax System (Goods and Services Tax Transition) Act 1999*.

(3) Directions under subsection (2) have effect, and must be complied with, despite any other Commonwealth law.

(4) If the Commonwealth or a \*Commonwealth entity is notionally liable to pay GST for a supply made to another entity (other than the Commonwealth or a \*Commonwealth entity), the \*GST law applies in relation to the other entity as if:

(a) the supply were a \*taxable supply to that entity; and

(b) the amount of GST for which the Commonwealth or a \*Commonwealth entity is notionally liable for the supply is treated as the amount of GST payable for the supply.

(5) ***Commonwealth entity*** means:

(a) an Agency (within the meaning of the *Financial Management and Accountability Act 1997*); or

(b) a Commonwealth authority (within the meaning of the *Commonwealth Authorities and Companies Act 1997*);

that cannot be made liable to taxation by a Commonwealth law.

177‑3 Acquisitions from State or Territory bodies where GST liability is notional

If:

(a) an \*Australian government agency, other than the Commonwealth or a \*Commonwealth entity, makes a supply to another entity; and

(b) the agency is not liable for GST on the supply, but an amount relating to the agency’s notional liability for GST on the supply is included in the \*consideration for the supply;

the \*GST law applies in relation to the other entity as if:

(c) the supply were a \*taxable supply to that entity; and

(d) the amount of GST for which the agency is notionally liable on the supply is the amount of GST payable on the supply.

177‑5 Cancellation of exemptions from GST

(1) This section cancels the effect of a provision of another Act that would have the effect of exempting a person from liability to pay GST payable under this Act.

(2) The cancellation does not apply if the provision of the other Act:

(a) commences after this section commences; and

(b) refers specifically to GST payable under this Act.

177‑10 Ministerial determinations

(1) The \*Aged Care Minister may make a determination for the purposes of:

(b) paragraph 38‑25(2)(b); or

(c) paragraph 38‑25(3)(b); or

(d) paragraph 38‑30(4)(b).

(2) The \*Child Care Minister may make a determination for the purposes of paragraph 38‑150(e).

(3) The \*Education Minister may make a determination under:

(a) paragraphs (a) and (b) of the definition of ***adult and community education course*** in the Dictionary; or

(b) paragraph (b) of the definition of ***primary course*** in the Dictionary; or

(c) paragraph (b) of the definition of ***secondary course*** in the Dictionary; or

(d) paragraph (b) of the definition of ***tertiary course*** in the Dictionary.

(4) The \*Health Minister may make a determination for the purposes of:

(a) paragraph 38‑15(c); or

(b) subsection 38‑47(1); or

(c) paragraph 38‑50(5)(b).

(5) A determination under this section is a disallowable instrument for the purposes of section 46A of the *Acts Interpretation Act 1901*.

177‑12 GST implications of references to price, value etc. in other Acts

(1) In any Act, unless the contrary intention appears, a reference to a \*price relating to a supply, or proposed supply, is taken to include the \*net GST (if any) that is, or would be, payable by an entity making the supply.

(2) Subsection (1) applies in relation to:

(a) any fee or charge made, or required to be made; or

(b) any \*consideration provided, or required to be provided;

for or in connection with the supply in the same way that it applies to a \*price relating to a supply.

(3) In any Act, unless the contrary intention appears, a reference to the value relating to a thing is taken not to include the GST (if any) that would be payable if an entity were to make a supply of the thing.

(4) This section does not apply to:

(a) this Act; or

(b) the *Income Tax Assessment Act 1997*; or

(c) the *A New Tax System (Wine Equalisation Tax) Act 1999*; or

(d) the *A New Tax System (Luxury Car Tax) Act 1999*; or

(e) Schedule 1 to the *Taxation Administration Act 1953*; or

(f) the *Income Tax Assessment Act 1936*; or

(g) the *Fringe Benefits Tax Assessment Act 1986*; or

(h) the *Petroleum Resource Rent Tax Assessment Act 1987*.

177‑15 Regulations

The Governor‑General may make regulations prescribing matters:

(a) required or permitted by this Act to be prescribed; or

(b) necessary or convenient to be prescribed for carrying out or giving effect to this Act.

Chapter 6—Interpreting this Act

Part 6‑1—Rules for interpreting this Act

Division 182—Rules for interpreting this Act

182‑1 What forms part of this Act

(1) These all form part of this Act:

the headings to the Chapters, Parts, Divisions and Subdivisions of this Act;

\*explanatory sections;

the headings to the sections and subsections of this Act;

the headings for groups of sections of this Act (group headings);

the notes and examples (however described) that follow provisions of this Act.

(2) The asterisks used to identify defined terms form part of this Act. However, if a term is not identified by an asterisk, disregard that fact in deciding whether or not to apply to that term a definition or other interpretation provision.

182‑5 What does not form part of this Act

These do not form part of this Act:

footnotes and endnotes;

Tables of Subdivisions.

182‑10 Explanatory sections, and their role in interpreting this Act

(1) An ***explanatory section*** is:

(a) any section that is the first section in a Division and that has as its heading “What this Division is about”; or

(b) any section in Chapter 1 (other than sections 1‑1 and 1‑2); or

(c) any section in Division 5 or 37; or

(d) any section that is the last section in a Division or Subdivision of Chapter 2 and that has a checklist of special rules in Chapter 4; or

(e) any section that a note states to be an explanatory section.

(2) Explanatory sections form part of this Act, but they are not operative provisions. In interpreting an operative provision, an explanatory section may only be considered:

(a) in determining the purpose or object underlying the provision; or

(b) to confirm that the provision’s meaning is the ordinary meaning conveyed by its text, taking into account its context in this Act and the purpose or object underlying the provision; or

(c) in determining the provision’s meaning if the provision is ambiguous or obscure; or

(d) in determining the provision’s meaning if the ordinary meaning conveyed by its text, taking into account its context in this Act and the purpose or object underlying the provision, leads to a result that is manifestly absurd or is unreasonable.

182‑15 Schedules 1, 2 and 3

The second columns of the tables in Schedules 1, 2 and 3 are not operative. In interpreting an item in those tables, or any other operative provision, those columns may only be considered for a purpose for which an \*explanatory section may be considered under subsection 182‑10(2).

Part 6‑2—Meaning of some important concepts

Division 184—Meaning of entity

184‑1 Entities

(1) ***Entity*** means any of the following:

(a) an \*individual;

(b) a body corporate;

(c) a corporation sole;

(d) a body politic;

(e) a \*partnership;

(f) any other unincorporated association or body of persons;

(g) a trust;

(h) a \*superannuation fund.

Note: The term “entity” is used in a number of different but related senses. It covers all kinds of legal persons. It also covers groups of legal persons, and other things, that in practice are treated as having a separate identity in the same way as a legal person does.

(1A) Paragraph (1)(f) does not include a \*non‑entity joint venture.

(2) The trustee of a trust or of a \*superannuation fund is taken to be an entity consisting of the person who is the trustee, or the persons who are the trustees, at any given time.

Note: This is because a right or obligation cannot be conferred or imposed on an entity that is not a legal person.

(3) A legal person can have a number of different capacities in which the person does things. In each of those capacities, the person is taken to be a different entity.

Example: In addition to his or her personal capacity, an individual may be:

sole trustee of one or more trusts; and

one of a number of trustees of a further trust.

In his or her personal capacity, he or she is one entity. As trustee of each trust, he or she is a different entity. The trustees of the further trust are a different entity again, of which the individual is a member.

(4) If a provision refers to an entity of a particular kind, it refers to the entity in its capacity as that kind of entity, not to that entity in any other capacity.

Example: A provision that refers to a company does not cover a company in a capacity as trustee, unless it also refers to a trustee.

Note: For GST purposes, non‑profit sub‑entities are treated as entities (see Division 63), and government entities can be treated as entities (see Division 149).

184‑5 Supplies etc. by partnerships and other unincorporated bodies

(1) For the avoidance of doubt, a supply, acquisition or importation made by or on behalf of a partner of a \*partnership in his or her capacity as a partner:

(a) is taken to be a supply, acquisition or importation made by the partnership; and

(b) is not taken to be a supply, acquisition or importation made by that partner or any other partner of the partnership.

Note: Section 50 of the *Taxation Administration Act 1953* deals with the liability of partners for the obligations imposed on a partnership under the GST law.

(2) For the avoidance of doubt, a supply, acquisition or importation made by or on behalf of one or more members of the committee of management of an unincorporated association or body of persons (other than a \*partnership), in their capacity as members of that committee:

(a) is taken to be a supply, acquisition or importation made by the body; and

(b) is not taken to be a supply, acquisition or importation made by any members of the association or body.

Note: Section 52 of the *Taxation Administration Act 1953* deals with the liability of members of committees of management for the obligations imposed on an unincorporated association or body of persons under the GST law.

Division 188—Meaning of annual turnover

188‑1 What this Division is about

In some important respects, the way that this Act applies to you depends on your annual turnover. There are several turnover thresholds, and whether your annual turnover meets a particular turnover threshold, or whether it does not exceed a particular turnover threshold*,* can determine how this Act applies to you.

188‑5 Explanation of the turnover thresholds

This table specifies the turnover thresholds and indicates how they affect the operation of this Act.

| Turnover thresholds | | |
| --- | --- | --- |
| Item | This turnover threshold ... | Is relevant to working out: |
| 1 | Registration turnover threshold | whether you are required to be registered (see section 23‑5). |
| 2 | Tax period turnover threshold | whether tax periods must be monthly (see section 27‑15). |
| 3 | Cash accounting turnover threshold | whether you can elect to account on a cash basis (see section 29‑40) |
| 4 | Electronic lodgment turnover threshold | whether you must lodge GST returns electronically (see section 31‑25);  whether you must pay amounts of GST electronically (see section 33‑10). |
| 5 | |  | | --- | | Instalment turnover threshold | | whether you can elect to pay GST by instalments (see subsection 162‑5(2)) |

Note 1: The provisions referred to in the table indicate if the issue in relation to the turnover threshold in question is whether the threshold is met, or whether the threshold is not exceeded.

Note 2: This section is an explanatory section.

188‑10 Whether your annual turnover meets, or does not exceed, a turnover threshold

(1) You have an ***annual turnover*** that meets a particular \*turnover threshold if:

(a) your \*current annual turnover is at or above the turnover threshold, and the Commissioner is not satisfied that your \*projected annual turnover is below the turnover threshold; or

(b) your projected annual turnover is at or above the turnover threshold.

(2) You have an ***annual turnover*** that does not exceed a particular \*turnover threshold if:

(a) your \*current annual turnover is at or below the turnover threshold, and the Commissioner is not satisfied that your \*projected annual turnover is above the turnover threshold; or

(b) your projected annual turnover is at or below the turnover threshold.

(3) Each of these is a ***turnover threshold***:

(aa) the \*cash accounting turnover threshold;

(a) the \*electronic lodgment turnover threshold;

(ab) the \*instalment turnover threshold;

(b) the \*registration turnover threshold;

(c) the \*tax period turnover threshold.

188‑15 Current annual turnover

General

(1) Your ***current annual turnover*** at a time during a particular month is the sum of the \*values of all the supplies that you have made, or are likely to make, during the 12 months ending at the end of that month, other than:

(a) supplies that are \*input taxed; or

(b) supplies that are not for \*consideration (and are not \*taxable supplies under section 72‑5); or

(c) supplies that are not made in connection with an \*enterprise that you \*carry on.

Members of GST groups

(2) If you are a \*member of a \*GST group, your ***current annual turnover*** at a time during a particular month is the sum of the \*values of all the supplies that you or any other member of the group have made, or are likely to make, during the 12 months, other than:

(a) supplies made from one member of the group to another member of the group; or

(b) supplies that are \*input taxed; or

(c) supplies that are not for \*consideration (and are not \*taxable supplies under section 72‑5); or

(d) supplies that are not made in connection with an \*enterprise that you \*carry on.

Supplies must be connected with Australia

(3) In working out your ***current annual turnover***, disregard any supplies that are not \*connected with Australia.

188‑20 Projected annual turnover

General

(1) Your ***projected annual turnover*** at a time during a particular month is the sum of the \*values of all the supplies that you have made, or are likely to make, during that month and the next 11 months, other than:

(a) supplies that are \*input taxed; or

(b) supplies that are not for \*consideration (and are not \*taxable supplies under section 72‑5); or

(c) supplies that are not made in connection with an \*enterprise that you \*carry on.

Members of GST groups

(2) If you are a \*member of a \*GST group, your ***projected annual turnover*** at a time during a particular month is the sum of the \*values of all the supplies that you or any other member of the group have made, or are likely to make, during that month and the next 11 months other than:

(a) supplies made from one member of the group to another member of the group; or

(b) supplies that are \*input taxed; or

(c) supplies that are not for \*consideration (and are not \*taxable supplies under section 72‑5); or

(d) supplies that are not made in connection with an \*enterprise that you \*carry on.

Supplies must be connected with Australia

(3) In working out your ***projected annual turnover***, disregard any *supplies that are not \*connected with Australia.*

188‑22 Settlements of insurance claims to be disregarded

In working out your \*current annual turnover or your \*projected annual turnover, disregard any supply that you have made to the extent that the \*consideration for the supply:

(a) is a payment of \*money, or a supply, by an insurer in settlement of a claim under an \*insurance policy; or

(aa) is a \*CTP dual premium or election payment or supply, a \*CTP hybrid payment or supply or a \*CTP compensation or ancillary payment or supply; or

(b) is a payment of money, or a supply, by an \*HIH rescue entity in the circumstances referred to in subsection 78‑120(1).

Note: Under Subdivision 78‑B, your settlements of insurance claims can be treated as constituting supplies by insured entities.

188‑23 Supplies “reverse charged” under Division 83 not to be included in a recipient’s turnover

To avoid doubt, if the GST on a \*taxable supply is, under Division 83, payable by the \*recipient of the supply, that supply is disregarded in working out the \*current annual turnover or the \*projected annual turnover of the recipient.

188‑24 Supplies to which Subdivision 153‑B applies

(1) In working out your \*current annual turnover or your \*projected annual turnover, you may choose to treat the \*value of any \*taxable supply that, under subsection 153‑55(1), you are taken to make as an agent as being an amount equal to the difference between:

(a) what is, apart from this section, the value of the supply; and

(b) the value of the taxable supply that, under subsection 153‑55(2), is taken to be made to you in relation to the taxable supply that you are taken to make.

(2) In working out your \*current annual turnover or your \*projected annual turnover, you may choose to treat the \*value of any \*taxable supply that, under subsection 153‑60(2), you are taken to make as an agent as being an amount equal to the difference between:

(a) what is, apart from this section, the value of the supply; and

(b) 10/11 of the \*consideration you provided or are liable to provide for the \*creditable acquisition that, under subsection 153‑60(1), you are taken to make and that relates to that supply.

188‑25 Transfer of capital assets, and termination etc. of enterprise, to be disregarded

In working out your \*projected annual turnover, disregard:

(a) any supply made, or likely to be made, by you by way of transfer of ownership of a capital asset of yours; and

(b) any supply made, or likely to be made, by you solely as a consequence of:

(i) ceasing to carry on an \*enterprise; or

(ii) substantially and permanently reducing the size or scale of an enterprise.

188‑30 The value of non‑taxable supplies

For the purposes only of this Division, the value of a supply that is not a \*taxable supply is taken to be 11/10 of what would be the \*value of the supply if it were a taxable supply.

For the basic rules on the value of taxable supplies, see Subdivision 9‑C.

188‑32 The value of gambling supplies

For the purposes only of this Division, the value of all the \*gambling supplies that an entity makes during a particular period is taken to be an amount equal to 11 times:

(a) the entity’s \*global GST amount for that period; or

(b) if that period is not a tax period—what would have been the entity’s global GST amount for the period if that period had been a tax period.

188‑35 The value of loans

To the extent that a supply is constituted by a loan of \*money, any repayment of the principal, and any obligation to repay the principal, is to be disregarded in working out the value of the supply.

188‑40 Supplies of employee services by overseas entities to be disregarded for the registration turnover threshold

(1) In working out a \*non‑resident’s \*current annual turnover or \*projected annual turnover in order to determine whether it meets the \*registration turnover threshold, if:

(a) the non‑resident makes a supply of the services of an employee of the non‑resident; and

(b) the \*recipient of the supply is the non‑resident’s \*100% subsidiary; and

(c) the services that the employee performs for the recipient are performed in Australia;

disregard the supply to the extent that the payments that the non‑resident makes to the employee for performing those services would, if they were made by the recipient, be \*withholding payments.

(2) This section does not affect how to work out any \*turnover threshold other than the \*registration turnover threshold.

Division 189—Exceeding the financial acquisitions threshold

189‑1 What this Division is about

You can be entitled to input tax credits for your acquisitions relating to financial supplies (even though financial supplies are input taxed) if you do not exceed the financial acquisitions threshold.

189‑5 Exceeding the financial acquisitions threshold—current acquisitions

General

(1) You ***exceed the financial acquisitions threshold*** at a time during a particular month if, assuming that all the \*financial acquisitions you have made, or are likely to make, during the 12 months ending at the end of that month were made solely for a \*creditable purpose, either or both of the following would apply:

(a) the amount of all the input tax credits to which you would be entitled for those acquisitions would exceed $50,000 or such other amount specified in the regulations;

(b) the amount of the input tax credits referred to in paragraph (a) would be more than 10% of the total amount of the input tax credits to which you would be entitled for all your acquisitions and importations during that 12 months (including the financial acquisitions).

Members of GST groups

(2) If you are a \*member of a \*GST group, you ***exceed the financial acquisitions threshold*** at a time during a particular month if, assuming that all the \*financial acquisitions you or any other member of the group have made, or are likely to make, during the 12 months ending at the end of that month were made solely for a \*creditable purpose, either or both of the following would apply:

(a) the amount of all the input tax credits to which you or any other member of the group would be entitled for those acquisitions would exceed $50,000 or such other amount specified in the regulations;

(b) the amount of the input tax credits referred to in paragraph (a) would be more than 10% of the total amount of the input tax credits to which you or any other member of the group would be entitled for all acquisitions and importations of any member of the group during that 12 months (including the financial acquisitions).

189‑10 Exceeding the financial acquisitions threshold—future acquisitions

General

(1) You ***exceed the financial acquisitions threshold*** at a time during a particular month if, assuming that all the \*financial acquisitions you have made, or are likely to make, during that month and the next 11 months were made solely for a \*creditable purpose, either or both of the following would apply:

(a) the amount of all the input tax credits to which you would be entitled for those acquisitions would exceed $50,000 or such other amount specified in the regulations;

(b) the amount of the input tax credits referred to in paragraph (a) would be more than 10% of the total amount of the input tax credits to which you would be entitled for all your acquisitions and importations during those months (including the financial acquisitions).

Members of GST groups

(2) If you are a \*member of a \*GST group, you ***exceed the financial acquisitions threshold*** at a time during a particular month if, assuming that all the \*financial acquisitions you or any other member of the group have made, or are likely to make, during that month and the next 11 months were made solely for a \*creditable purpose, either or both of the following would apply:

(a) the amount of all the input tax credits to which you or any other member of the group would be entitled for those acquisitions would exceed $50,000 or such other amount specified in the regulations;

(b) the amount of the input tax credits referred to in paragraph (a) would be more than 10% of the total amount of the input tax credits to which you or any other member of the group would be entitled for all acquisitions and importations of any member of the group during those months (including the financial acquisitions).

189‑15 Meaning of *financial acquisition*

A ***financial acquisition*** is an acquisition that relates to the making of a \*financial supply (other than a financial supply consisting of a borrowing).

Division 190—90% owned groups of companies

190‑1 90% owned groups

Two companies are members of the same ***90% owned group*** if:

(a) one of the companies has \*at least a 90% stake in the other company; or

(b) a third company has \*at least a 90% stake in each of the two companies.

190‑5 When a company has at least a 90% stake in another company

A \*company (the ***holding company***) has ***at least a*** ***90% stake*** in another company (the ***subsidiary company***) if the holding company:

(a) controls, or is able to control, at least 90% of the voting power in the subsidiary company (whether directly, or indirectly through one or more interposed companies); and

(b) has the right to receive (whether directly, or indirectly through one or more interposed companies) at least 90% of any \*dividends that the subsidiary company may pay; and

(c) has the right to receive (whether directly, or indirectly through one or more interposed companies) at least 90% of any distribution of capital of the subsidiary company.

Part 6‑3—Dictionary

Division 195—Dictionary

195‑1 Dictionary

In this Act, except so far as the contrary intention appears:

***90% owned group*** has the meaning given by section 190‑1.

***100% subsidiary*** has the meaning given by section 975‑505 of the \*ITAA 1997.

***ABN*** has the meaning given by section 41 of the *A New Tax System (Australian Business Number) Act 1999*.

***account on a cash basis***: you account on a cash basis while a choice you make under section 29‑40, or a permission of the Commissioner under section 29‑45 in relation to you, has effect.

***account on the same basis***: 2 or more \*companies account on the same basis if:

(a) each company \*accounts on a cash basis; or

(b) none of the companies account on a cash basis.

***acquisition*** has the meaning given by section 11‑10.

***actual application of a thing*** has the meaning given by section 129‑40.

***adjustment*** means an \*increasing adjustment or a \*decreasing adjustment.

***adjustment event*** has the meaning given by sections 19‑10 and 69‑50.

***adjustment note*** means a document that complies with the requirements of subsection 29‑75(1) and (if applicable) section 54‑50.

***adjustment period*** has the meaning given by Subdivision 129‑B.

***adult and community education course*** means a course of study or instruction that is likely to add to the employment related skills of people undertaking the course and:

(a) is of a kind determined by the \*Education Minister to be an adult and community education course and is provided by, or on behalf of, a body:

(i) that is a \*higher education institution; or

(ii) that is recognised, by a State or Territory authority, as a provider of courses of a kind described in the determination; or

(iii) that is funded by a State or Territory on the basis that it is a provider of courses of a kind described in the determination; or

(b) is determined by the \*Education Minister to be an adult and community education course.

***Aged Care Minister*** means the Minister administering the *Aged Care Act 1997*.

***aircraft’s stores*** has the meaning given by section 130C of the *Customs Act 1901*.

***airport shop goods*** has the same meaning as in the *Customs Act 1901.*

***amalgamated company***, in relation to an \*amalgamation, means the single \*company that is, or will be, the result of the amalgamation, and that continues, or will continue, after the amalgamation. It may be one of the \*amalgamating companies or a new company.

***amalgamating company***, in relation to an \*amalgamation, means any \*company that amalgamates with one or more other companies under the amalgamation.

***amalgamation*** means any procedure, under an \*Australian law or a \*foreign law, by which 2 or more\*companies amalgamate and continue as one company.

***amount*** includes a nil amount.

***annual GST liability***, for an \*instalment tax period, has the meaning given by section 162‑145.

***annual turnover*** means:

(a) in relation to meeting a \*turnover threshold—has the meaning given by subsection 188‑10(1); and

(b) in relation to not exceeding a \*turnover threshold—has the meaning given by subsection 188‑10(2).

***apply***, in relation to a thing acquired or imported, has the meaning given by section 129‑55.

***appropriate percentage***, for a \*GST instalment quarter, has the meaning given by subsection 162‑175(5).

***approved form*** has the meaning given by section 388‑50 in Schedule 1 to the *Taxation Administration Act 1953*.

***approved pathology practitioner*** means a person who is an approved pathology practitioner for the purposes of the *Health Insurance Act 1973*.

***assessable income*** has the meaning given by subsection 995‑1(1) of the \*ITAA 1997.

***assessable professional income*** has the meaning given by subsection 405‑20(1) of the \*ITAA 1997.

***associate*** has the meaning given by section 318 of the \*ITAA 1936.

***at least a 90% stake*** in a \*company has the meaning given by section 190‑5.

***Australia*** does not include any external Territory. However, it includes an installation (within the meaning of the *Customs Act 1901*) that is deemed by section 5C of the *Customs Act 1901* to be part of Australia.

***Australian Business Register*** means the register established under section 24 of the *A New Tax System (Australian Business Number) Act 1999*.

***Australian Business Registrar*** means the Registrar of the \*Australian Business Register.

***Australian government agency*** has the meaning given by section 995‑1 of the \*ITAA 1997.

***Australian law*** has the meaning given by section 995‑1 of the \*ITAA 1997.

***Australian resident*** means a person who is a resident of Australia for the purposes of the \*ITAA 1936.

***Australian tax, fee or charge*** means:

(a) a tax (however described) imposed under an \*Australian law; or

(b) a fee or charge (however described) imposed under an Australian law and payable to an \*Australian government agency.

***average income*** has the meaning given by subsection 392‑45(1) of the \*ITAA 1997.

***average input tax credit fraction*** has the meaning given by section 79‑100.

***base year*** has the meaning given by sections 45‑320 and 45‑470 in Schedule 1 to the *Taxation Administration Act 1953*.

***batch repair process*** has the meaning given by section 117‑5.

***beverage*** has the meaning given by subsection 38‑4(2).

***borrowing*** has the meaning given by section 995‑1 of the \*ITAA 1997.

***business*** includes any profession, trade, employment, vocation or calling, but does not include occupation as an employee.

***car*** has the meaning given by section 995‑1 of the \*ITAA 1997.

***car limit*** has the meaning given by section 40‑230 of the \*ITAA 1997.

***car parts***, in relation to \*cars, includes:

(a) bodies for those cars (including insulated bodies, tank‑bodies, and other bodies designed for the transport or delivery of goods or other property of particular kinds); and

(b) underbody hoists, and other equipment or apparatus of a kind ordinarily fitted to cars for use in connection with the transport or delivery of goods or other property by those road vehicles.

***carried on in Australia***, in relation to an \*enterprise, has the meaning given by subsection 9‑25(6).

***carrying on*** an \*enterprise includes doing anything in the course of the commencement or termination of the enterprise.

***cash accounting turnover threshold*** has the meaning given by subsection 29‑40(3).

***cease to be a member of a GST group*** means:

(a) your approval as a \*member of a \*GST group is revoked; or

(b) the approval of a GST group of which you are a member is revoked.

***cease to be a participant of a GST joint venture*** means:

(a) your approval as a \*participant of a \*GST joint venture is revoked; or

(b) the approval of a GST joint venture of which you are a participant is revoked.

***Child Care Minister*** means the Minister administering the *Child Care Act 1972* and the family assistance law (within the meaning of section 3 of the *A New Tax System (Family Assistance) (Administration) Act 1999*.

***commercial accommodation*** has the meaning given by section 87‑15.

***commercial residential premises*** means:

(a) a hotel, motel, inn, hostel or boarding house; or

(b) premises used to provide accommodation in connection with a \*school; or

(c) a \*ship that is mainly let out on hire in the ordinary course of a \*business of letting ships out on hire; or

(d) a ship that is mainly used for \*entertainment or transport in the ordinary course of a \*business of providing ships for entertainment or transport; or

(da) a marina at which one or more of the berths are occupied, or are to be occupied, by \*ships used as residences; or

(e) a caravan park or a camping ground; or

(f) anything similar to \*residential premises described in paragraphs (a) to (e).

However, it does not include premises to the extent that they are used to provide accommodation to students in connection with an \*education institution that is not a \*school.

***Commissioner*** means the Commissioner of Taxation.

***Commonwealth entity*** has the meaning given by section 177‑1.

***community care*** has the meaning given by section 45‑3 of the *Aged Care Act 1997*.

Note: Community care can include respite care.

***company*** means:

(a) a body corporate; or

(b) any other unincorporated association or body of persons;

but does not include a \*partnership or a \*non‑entity joint venture.

***complying superannuation fund*** has the meaning given by section 995‑1 of the \*ITAA 1997.

***compulsory third party scheme*** is a scheme or arrangement:

(a) that is established by an \*Australian law; and

(b) that is specified in the regulations, or that is of a kind specified in the regulations, made for the purposes of this definition.

***connected with Australia***, in relation to a supply, has the meaning given by sections 9‑25 and 85‑5.

Note: This meaning is also affected by sections 81‑10 and 96‑5.

***consideration***, for a supply or acquisition, means any consideration, within the meaning given by section 9‑15, in connection with the supply or acquisition.

Note: This meaning is affected by sections 78‑20, 78‑35, 78‑45, 78‑50, 78‑65, 78‑70, 79‑60, 79‑65, 79‑80, 80‑15, 80‑55, 81‑5, 82‑5, 82‑10, 99‑5, 100‑5 and 102‑5.

***contributing operator*** has the meaning given by subparagraph 80‑5(1)(c)(ii), 80‑40(1)(c)(ii) or 80‑80(1)(c)(ii).

***contributing operator’s payment*** has the meaning given by subsection 80‑5(3), 80‑40(3) or 80‑80(3).

***corrected GST amount*** has the meaning given by paragraph 19‑40(c).

***corrected input tax credit amount*** has the meaning given by paragraph 19‑70(c).

***course materials***, in relation to an \*education course, means materials provided by the entity supplying the course that are necessarily consumed or transformed by the students undertaking the course for the purposes of the course.

***creditable acquisition*** has the meaning given by section 11‑5.

Note: This meaning is affected by sections 49‑35, 60‑10, 69‑5, 72‑40, 75‑20, 78‑30, 90‑15, 93‑5 and 111‑5.

***creditable at less than 1/11 of the consideration*** has the meaning given by subsection 136‑50(2).

***creditable importation*** has the meaning given by section 15‑5.

Note: This meaning is affected by sections 60‑10 and 69‑5.

***creditable purpose***:

(a) in relation to the acquisition of a thing—has the meaning given by sections 11‑15 and 60‑20; and

(b) in relation to the importation of a thing—has the meaning given by sections 15‑10 and 60‑20; and

(c) in relation to the \*application of a thing acquired or imported—has the meaning given by section 129‑50.

Note: This meaning is affected by section 70‑10.

***CTP ancillary payment or supply*** has the meaning given by subsection 79‑35(3).

Note: Section 79‑90 also treats certain payments or supplies as CTP ancillary payments or supplies.

***CTP compensation or ancillary payment or supply*** has the meaning given by subsection 79‑35(1).

***CTP compensation payment or supply*** has the meaning given by subsection 79‑35(2).

Note: Section 79‑90 also treats certain payments or supplies as CTP compensation payments or supplies.

***CTP dual premium or election payment or supply*** means a payment or supply to which section 79‑5 or 79‑15 applies.

***CTP hybrid payment or supply*** has the meaning given by section 79‑25.

***CTP premium***, in relation to a \*compulsory third party scheme, means:

(a) a payment of a premium, contribution or similar payment under the scheme; or

(b) a payment of levy in connection with the scheme.

***current annual turnover*** has the meaning given by section 188‑15.

Note: This meaning is affected by section 188‑22.

***current GST lodgment record*** has the meaning given by section 162‑10.

***customs clearance area*** means a place identified under section 234AA of the *Customs Act 1901.*

***customs duty*** means any duty of customs imposed by that name under a law of the Commonwealth, other than:

(a) the *A New Tax System (Goods and Services Tax Imposition—Customs) Act 1999*; or

(b) the *A New Tax System (Wine Equalisation Tax Imposition—Customs) Act 1999*; or

(c) the *A New Tax System (Luxury Car Tax Imposition—Customs) Act 1999*.

***customs value***, in relation to goods, means the customs value of the goods for the purposes of Division 2 of Part VIII of the *Customs Act 1901*.

***dealer in precious metal*** means an entity that satisfies the Commissioner that a principal part of \*carrying on its \*enterprise is the regular supply and acquisition of \*precious metal.

***decreasing adjustment*** means an amount arising under one of the following provisions:

| Decreasing adjustments | | |
| --- | --- | --- |
| Item | Provision | Subject matter |
| 1 | Section 19‑55 | Adjustment events (supplies) |
| 2 | Section 19‑85 | Adjustment events (acquisitions) |
| 3 | Section 21‑5 | Writing off bad debts (taxable supplies) |
| 4 | Section 21‑20 | Recovering amounts previously written off (creditable acquisitions) |
| 4A | Section 78‑10 (including as it applies in accordance with Subdivision 79‑A or 79‑B or Division 80) | Payments or supplies in settlement of insurance claims or under \*compulsory third party schemes |
| 4B | Subsection 79‑10(1) (including as it applies in accordance with Division 80) | \*Decreasing adjustments under \*compulsory third party schemes |
| 4C | Section 79‑50 (including as it applies in accordance with Division 80) | \*Decreasing adjustments under \*compulsory third party schemes |
| 5 | Section 129‑40 | Changes in the extent of creditable purpose |
| 6 | Section 132‑15 | Supplies of things acquired or imported to make supplies |
| 7 | Section 137‑5 | Stock on hand on becoming registered etc. |

Note: Decreasing adjustments decrease your net amounts.

***dental practitioner*** has the meaning given by subsection 3(1) of the *Health Insurance Act 1973.*

***derived*** has a meaning affected by subsection 6‑5(4) of the \*ITAA 1997.

***dividend*** has the meaning given by subsections 6(1), (4) and (5) of the \*ITAA 1936.

***early net amount*** has the meaning given by subsection 162‑145(3).

***education course*** means:

(a) a \*pre‑school course; or

(b) a \*primary course; or

(c) a \*secondary course; or

(d) a \*tertiary course; or

(e) a \*Masters or Doctoral course; or

(f) a \*special education course; or

(g) an \*adult and community education course; or

(h) an \*English language course for overseas students; or

(i) a \*first aid or life saving course; or

(j) a \*professional or trade course; or

(k) a \*tertiary residential college course.

***education institution*** has the meaning given by subsection 3(1) of the *Student Assistance Act 1973*.

***Education Minister*** means the Minister administering the *Student Assistance Act 1973*.

***electronic lodgment turnover threshold*** has the meaning given by subsection 31‑25(4).

***electronic payment*** means a payment by way of electronic transmission, in an electronic format approved by the Commissioner.

***electronic signature*** has the meaning given by subsection 995‑1(1) of the *Income Tax Assessment Act 1997*.

***employee share scheme*** has the meaning given by section 139C of the \*ITAA 1936.

***English language course for overseas students*** means a course of study or education supplied to overseas students that:

(a) includes study or education in the English language; and

(b) is supplied by an entity that is accredited to provide such courses by a State or Territory authority responsible for their accreditation.

***enterprise*** has the meaning given by section 9‑20.

***entertainment*** has the meaning given by section 32‑10 of the \*ITAA 1997.

***entity*** has the meaning given by section 184‑1.

***essential prerequisite***: a qualification is an ***essential prerequisite*** in relation to the entry to, or the commencement of the practice of, a particular profession or trade if the qualification is imposed:

(a) by or under an \*industrial instrument; or

(b) if there is no industrial instrument for that profession or trade but there is a professional or trade association that has uniform national requirements relating to the entry to, or the commencement of the practice of, the profession or trade concerned—by that association; or

(c) if neither paragraph (a) nor (b) applies but there is a professional or trade association in a State or Territory that has requirements relating to the entry to, or the commencement of the practice of, the profession or trade concerned—by that association.

***estimated annual GST amount*** has the meaning given by subsection 162‑140(4) and paragraph 162‑140(5)(b).

***exceed the financial acquisitions threshold*** has the meaning given by Division 189.

***excisable goods*** has the meaning given by subsection 4(1) of the *Excise Act 1901*.

***excise duty*** means any duty of excise imposed by that name under a law of the Commonwealth.

***exempt entity*** has the meaning given by section 995‑1 of the \*ITAA 1997.

***expense payment benefit*** means a \*fringe benefit that is a benefit of a kind referred to in section 20 of the *Fringe Benefits Tax Assessment Act 1986*.

***explanatory section*** has the meaning given by section 182‑10.

***family member*** has the meaning given by subsection 48‑15(2).

***farming business*** has the meaning given by subsection 38‑475(2).

***FBT year*** means a year beginning on 1 April.

***Finance Minister*** means the Minister administering the *Financial Management and Accountability Act 1997*.

***financial acquisition*** has the meaning given by section 189‑15.

***financial supply*** has the meaning given by the regulations made for the purposes of subsection 40‑5(2).

***financial year*** means a period of 12 months beginning on 1 July.

***first aid or life saving course*** means a course of study or instruction that:

(a) principally involves training individuals in one or more of the following:

(i) first aid, resuscitation or other similar life saving skills including personal aquatic survival skills but not including swimming lessons;

(ii) surf life saving;

(iii) aero‑medical rescue; and

(b) is provided by an entity:

(i) that is registered (or otherwise approved) by a State or Territory authority that has responsibility for registering (or otherwise approving) entities that provide such courses; or

(ii) that is approved to provide such courses by a State or Territory body that has responsibility for approving the provision of such courses; or

(iii) that uses, as the instructor for the course, a person who holds a training qualification for that course that was issued by Austswim Limited (ACN 097 784 122); or

(iv) that uses, as the instructor for the course, a person who holds a training qualification for that course that was issued by Surf Life Saving Australia Limited (ACN 003 147 180); or

(v) that uses, as the instructor for the course, a person who holds a training qualification for that course that was issued by The Royal Life Saving Society—Australia (ACN 008 594 616); or

(vi) that uses, as the instructor for the course, a person who holds a training qualification for that course that is a qualification (in life saving) specified in, or of a kind specified in, the regulations.

***floating home*** means a structure that is composed of a floating platform and a building designed to be occupied as a residence that is permanently affixed to the platform, but does not include any structure that has means of, or is capable of being readily adapted for, self‑propulsion.

***food*** has the meaning given by section 38‑4.

***foreign law*** has the meaning given by section 995‑1 of the \*ITAA 1997.

***freight container*** means a container within the meaning of the Customs Convention on Containers, 1972, signed in Geneva on 2 December 1972, as affected by any amendment of the Convention that has come into force.

***fringe benefit*** has the meaning given by section 995‑1 of the \*ITAA 1997 but includes a benefit within the meaning of subsection 136(1) of the *Fringe Benefits Tax Assessment Act 1986* that is an exempt benefit for the purposes of that Act.

***fringe benefits tax*** means tax imposed by the *Fringe Benefits Tax Act 1986*.

***fund‑raising event*** has the meaning given by section 40‑165.

***futures exchange*** means:

(a) a body corporate in relation to which an approval under section 1126 of the *Corporations Act 2001* is in force, or is taken to be in force because of subsection 1126(3) of that Act; or

(b) a body corporate that is recognised as a futures exchange in a foreign country and operates as a futures exchange under the laws of that country.

***gambling event*** has the meaning given by subsection 126‑35(2).

***gambling supply*** has the meaning given by subsection 126‑35(1).

***general interest charge*** means the charge worked out under Division 1 of Part IIA of the *Taxation Administration Act 1953*.

***gift‑deductible entity***: an entity is a gift‑deductible entity if gifts or contributions made to it can be deductible under Division 30 of the \*ITAA 1997.

***global GST amount*** has the meaning given by sections 126‑10, 126‑15 and 126‑20.

***goods*** means any form of tangible personal property.

***government entity*** has the meaning given by section 41 of the *A New Tax System (Australian Business Number) Act 1999*.

***government related entity*** is:

(a) a \*government entity; or

(b) an entity that would be a government entity but for subparagraph (e)(i) of the definition of ***government entity*** in the *A New Tax System (Australian Business Number) Act 1999*; or

(c) a local governing body established by or under a \*State law or \*Territory law.

***government school*** means a \*school that:

(a) supplies any of these kinds of \*education courses:

(i) \*pre‑school courses;

(ii) full‑time \*primary courses;

(iii) full‑time \*secondary courses;

(whether or not the school supplies any other education courses); and

(b) is conducted by or on behalf of an \*Australian government agency;

and includes a proposed school that will meet the requirements of paragraphs (a) and (b) once it starts operation.

***GST*** means tax that is payable under the \*GST law and imposed as goods and services tax by any of these:

(a) the *A New Tax System (Goods and Services Tax Imposition—General) Act 1999*; or

(b) the *A New Tax System (Goods and Services Tax Imposition—Customs) Act 1999*; or

(c) the *A New Tax System (Goods and Services Tax Imposition—Excise) Act 1999*.

***GST benefit*** has the meaning given by subsection 165‑10(1).

***GST branch*** has the meaning given by section 54‑5.

***GST branch registration number***, of a branch, means the branch’s GST branch registration number notified under section 54‑15.

***GST disadvantage*** has the meaning given by subsection 165‑45(2).

***GST exclusive market value***, in relation to a supply or acquisition:

(a) other than of a \*luxury car—is 10/11 of the \*GST inclusive market value of the supply or acquisition; or

(b) of a \*luxury car—is 10/11 of the \*GST inclusive market value of the luxury car (excluding any \*luxury car tax that is, or would be, payable on the supply of that car).

***GST exclusive value***:

(a) in relation to an acquisition:

(i) other than of a \*luxury car—means 10/11 of the \*price of the supply of the thing being acquired; or

(ii) of a \*luxury car—means 10/11 of the \*price of the supply of the luxury car (excluding any \*luxury car tax payable on the supply); and

(b) in relation to an importation that is a \*taxable importation, means the \*value of the importation; and

(c) in relation to an importation that is not a taxable importation, means the amount that would be the value of the importation if it were a taxable importation.

***GST‑free*** has the meaning given by subsection 9‑30(1) and Division 38.

***GST group*** has the meaning given by section 48‑5.

***GST inclusive market value*** of:

(a) \*consideration in connection with a supply; or

(b) a thing, or a supply or acquisition of a thing;

means the market value of the consideration or thing, without any discount for any amount of GST or \*luxury car tax payable on the supply.

***GST instalment*** has the meaning given by subsection 162‑70(1).

***GST instalment payer*** has the meaning given by section 162‑50.

***GST instalment quarter*** has the meaning given by subsections 162‑70(2) and (3).

***GST instalment shortfall***, for a \*GST instalment quarter in relation to which you are liable to pay a penalty under Subdivision 162‑D, means:

(a) if the penalty is payable under section 162‑175—the amount worked out under subsection 162‑175(3) or paragraph 162‑175(4)(c) (whichever is applicable); or

(b) if the penalty is payable under section 162‑180—the amount worked out under subsection 162‑180(3) or paragraph 162‑180(4)(c) (whichever is applicable); or

(c) if the penalty is payable under section 162‑185—the amount worked out under subsection 162‑185(3).

Note: The amount of a GST instalment shortfall can be reduced under section 162‑195 or 162‑200 (or both).

***GST joint venture*** has the meaning given by section 51‑5.

***GST law*** means:

(a) this Act; and

(b) any Act that imposes GST; and

(c) the *A New Tax System (Goods and Services Tax Transition) Act 1999*; and

(d) the *Taxation Administration Act 1953*, so far as it relates to any Act covered by paragraphs (a) to (c); and

(e) any other Act, so far as it relates to any Act covered by paragraphs (a) to (d) (or to so much of that Act as is covered); and

(f) regulations under any Act, so far as they relate to any Act covered by paragraphs (a) to (e) (or to so much of that Act as is covered).

***GST religious group*** has the meaning given by section 49‑5.

***GST return*** means a return of the kind referred to in Division 31, that complies with all the requirements of sections 31‑15 and 31‑25 of this Act and section 388‑75 in Schedule 1 to the *Taxation Administration Act 1953*.

***Health Minister*** means the Minister administering the *National Health Act 1953*.

***higher education institution*** means an institution specified in section 4, or paragraph 34(4)(b), (f) or (h), of the *Higher Education Funding Act 1988*.

***HIH company*** has the meaning given by section 322‑5 of the \*ITAA 1997.

***HIH rescue entity*** means:

(a) the HIH Claims Support Trust (established on 6 July 2001); or

(b) the Commonwealth; or

(c) an entity prescribed for the purposes of subsection 322‑5(1) of the \*ITAA 1997.

***hire purchase agreement*** has the meaning given by section 995‑1 of the \*ITAA 1997.

***hospital treatment*** has the meaning given by subsection 67(4) of the *National Health Act 1953*.

***hybrid settlement sharing arrangement*** has the meaning given by subsection 80‑80(1).

***import*** means import goods into Australia.

***incapacitated entity*** means:

(a) an individual who is a bankrupt; or

(b) an entity that is in liquidation or receivership; or

(c) an entity that has a\*representative.

***income year*** has the meaning given by section 995‑1 of the \*ITAA 1997.

***increasing adjustment*** means an amount arising under one of the following provisions:

| Increasing adjustments | | |
| --- | --- | --- |
| Item | Provision | Subject matter |
| 1 | Section 19‑50 | Adjustment events (supplies) |
| 2 | Section 19‑80 | Adjustment events (acquisitions) |
| 3 | Section 21‑10 | Recovering amounts previously written off (taxable supplies) |
| 4 | Section 21‑15 | Bad debts written off (creditable acquisitions) |
| 4AA | Section 78‑18 (including as it applies in accordance with Subdivision 79‑B or Division 80) | Payments of excess etc. under insurance policies or \*compulsory third party schemes |
| 4AB | Subsection 79‑10(2) (including as it applies in accordance with Division 80) | \*Increasing adjustments under \*compulsory third party schemes |
| 4AC | Section 79‑55 (including as it applies in accordance with Division 80) | \*Increasing adjustments under \*compulsory third party schemes |
| 4AD | Section 80‑30 | \*Increasing adjustments under \*insurance policy settlement sharing arrangements |
| 4AE | Section 80‑70 | \*Increasing adjustments under \*nominal defendant settlement sharing arrangements |
| 4A | Section 100‑15 | Unredeemed vouchers |
| 5 | Section 129‑40 | Changes in the extent of creditable purpose |
| 5A | Section 130‑5 | Goods applied solely to private or domestic use |
| 6 | Section 132‑10 | Supplies of things acquired or imported to make supplies |
| 7 | Section 135‑5 | Supplies of going concerns |
| 8 | Section 138‑5 | Cessation of registration |
| 8A | Section 139‑5 | Distributions from deceased estates |
| 9 | Section 141‑50 | Tradex scheme goods |

Note: Increasing adjustments increase your net amounts.

***individual*** means a natural person.

***industrial instrument*** has the meaning given by section 995‑1 of the \*ITAA 1997.

***in existence*** has the meaning given by section 995‑1 of the \*ITAA 1997.

***input tax credit*** means an entitlement arising under section 11‑20 or 15‑15.

***input taxed*** has the meaning given by subsection 9‑30(2) and Division 40.

***instalment tax period*** has the meaning given by subsection 162‑55(3).

***instalment turnover threshold*** has the meaning given by subsection 162‑5(2).

***insurance broker*** has the meaning given by section 11 of the *Insurance Contracts Act 1984*.

***insurance policy*** means a policy of insurance (or of reinsurance) against loss, damage, injury or risk of any kind, whether under a contract or a law. However, it does not include such a policy to the extent that it does not relate to insurance (or reinsurance) against loss, damage, injury or risk of any kind.

***insurance policy settlement sharing arrangement*** has the meaning given by subsection 80‑5(1).

***intended or former application of a thing*** has the meaning given by section 129‑40.

***international transport*** means:

(a) in relation to the export of goods—the transport of the goods from their \*place of export in Australia to a destination outside Australia (including loading and handling within Australia that is part of that transport); or

(b) in relation to the import of goods—the transport of the goods from a place outside Australia to their \*place of consignment in Australia (excluding loading and handling within Australia).

***invoice*** means a document notifying an obligation to make a payment.

***inwards duty free shop*** has the same meaning as in section 96B of the *Customs Act 1901.*

***ITAA 1936*** means the *Income Tax Assessment Act 1936*.

***ITAA 1997*** means the *Income Tax Assessment Act 1997*.

***joint venture*** ***operator***, for a \*GST joint venture, is the entity nominated to be the joint venture operator under paragraph 51‑5(e), or approved as a replacement joint venture operator for the joint venture under paragraph 51‑70(1)(c).

***legal practitioner*** means a person who is enrolled as a barrister, a solicitor or a barrister and solicitor of:

(a) a federal court; or

(b) a court of a State or Territory.

***life insurance policy*** means a policy of insurance on the life of an individual.

***liquidator*** has the meaning given by subsection 6(1) of the \*ITAA 1936.

***local entry*** has the meaning given by section 5‑30 of the *A New Tax System (Wine Equalisation Tax) Act 1999*.

***lodged electronically*** has the meaning given by subsection 31‑25(3).

***long‑term accommodation*** has the meaning given by subsection 87‑20(1).

***long‑term lease*** means a supply by way of lease, hire or licence (including a renewal or extension of a lease, hire or licence) for at least 50 years if:

(a) at the time of the lease, hire or licence, or the renewal or extension of the lease, hire or licence, it was reasonable to expect that it would continue for at least 50 years; and

(b) unless the supplier is an \*Australian government agency—the terms of the lease, hire or licence, or the renewal or extension of the lease, hire or licence, as they apply to the \*recipient are substantially the same as those under which the supplier held the premises.

***luxury car tax*** has the meaning given by section 27‑1 of the *A New Tax System (Luxury Car Tax) Act 1999*.

***luxury car tax law*** has the meaning given in section 27‑1 of the *A New Tax System (Luxury Car Tax) Act 1999*.

***managing operator*** has the meaning given by subparagraph 80‑5(1)(c)(i), 80‑40(1)(c)(i) or 80‑80(1)(c)(i).

***managing operator’s payment or supply*** has the meaning given by subsection 80‑5(2), 80‑40(2) or 80‑80(2).

***margin***, in relation to a \*taxable supply of \*real property, has the meaning given by subsection 75‑10(2).

***margin scheme***: a \*taxable supply of \*real property is under the margin scheme if you choose, under section 75‑5, to use the margin scheme in working out the amount of GST on the supply.

***Masters or Doctoral course*** means a course of study or instruction, accredited at Masters or Doctoral level and supplied by a \*higher education institution or a \*non‑government higher education institution.

***medical practitioner*** means a person who is a medical practitioner for the purposes of the *Health Insurance Act 1973*.

***medical service*** means:

(a) a service for which medicare benefit is payable under Part II of the *Health Insurance Act 1973*; or

(b) any other service supplied by or on behalf of a \*medical practitioner or \*approved pathology practitioner that is generally accepted in the medical profession as being necessary for the appropriate treatment of the \*recipient of the supply.

***member*** means:

(a) in relation to a \*GST group—an entity, a \*non‑profit sub‑entity or a \*government related entity currently approved as one of the members of the group under section 48‑5 or paragraph 48‑70(1)(a); or

(b) in relation to a \*GST religious group—an entity currently approved as one of the members of the group under section 49‑5 or paragraph 49‑70(1)(a).

***mineral*** ***deposit*** means a deposit of \*minerals, and includes a deposit of sand or gravel.

***minerals*** has the meaning given by section 40‑730 of the \*ITAA 1997.

***monetary prize*** means:

(a) any prize, or part of a prize, in the form of \*money; or

(b) if the prize is given at a casino—any prize, or part of a prize, in the form of \*money or in the form of gambling chips that may be redeemed for money.

***money*** includes:

(a) currency (whether of Australia or of any other country); and

(b) promissory notes and bills of exchange; and

(c) any negotiable instrument used or circulated, or intended for use or circulation, as currency (whether of Australia or of any other country); and

(d) postal notes and money orders; and

(e) whatever is supplied as payment by way of:

(i) credit card or debit card; or

(ii) crediting or debiting an account; or

(iii) creation or transfer of a debt.

However, it does not include:

(f) a collector’s piece; or

(g) an investment article; or

(h) an item of numismatic interest; or

(i) currency the market value of which exceeds its stated value as legal tender in the country of issue.

***net amount*** has the meaning given by sections 17‑5, 126‑5 and 162‑105.

***net capital loss*** has the meaning given by subsection 995‑1(1) of the \*ITAA 1997.

***net GST***: the ***net GST*** that is or would be payable by an entity for a supply is:

(a) the GST that is or would be payable by the entity on the supply; plus

(b) the sum of any \*increasing adjustments that the entity has or would have relating to the supply; minus

(c) the sum of any \*decreasing adjustments that the entity has or would have relating to the supply.

***net refund position*** has the meaning given by subsection 162‑5(3).

***new residential premises*** has the meaning given by section 40‑75.

***nominal defendant settlement sharing arrangement*** has the meaning given by subsection 80‑40(1).

***non‑cash benefit*** has the meaning given by subsection 995‑1(1) of the *Income Tax Assessment Act 1997*.

***non‑creditable insurance event*** has the meaning given by subsection 78‑10(3).

***non‑deductible expense*** has the meaning given by subsections 69‑5(3) and (3A).

***non‑entity joint venture*** has the meaning given by subsection 995‑1(1) of the \*ITAA 1997.

***non‑government higher education institution*** means an institution that is not a \*higher education institution and that:

(a) is established as a non‑government higher education institution under the law of a State or Territory; or

(b) is registered by a State or Territory higher education recognition authority.

***non‑profit association*** means an entity all the members of which are non‑profit bodies.

***Non‑profit sub‑entity*** has the meaning given by subsection 63‑15(3).

***non‑resident*** means an entity that is not an \*Australian resident.

***non‑taxable importation*** has the meaning given by section 13‑10 and Division 42.

***notified instalment amount*** has the meaning given by subsection 162‑135(1).

***officer***, except in section 38‑510, has the meaning given by the *Corporations Act 2001*.

***operator*** of a \*compulsory third party scheme means an entity that is required to make payments or supplies in settlement of claims under the scheme.

***outwards duty free shop*** has the same meaning as in section 96A of the *Customs Act 1901.*

***overdue***: a debt is overdue if there has been a failure to discharge the debt, and that failure is a breach of the debtor’s obligations in relation to the debt.

***participant***, in relation to a \*GST joint venture, means an entity currently approved as one of the participants of the joint venture under section 51‑5 or paragraph 51‑70(1)(a).

***partly creditable***:

(a) in relation to an acquisition, has the meaning given by sections 11‑30 and 70‑20; or

(b) in relation to an importation, has the meaning given by section 15‑25.

***partnership*** has the meaning given by section 995‑1 of the \*ITAA 1997.

***person*** includes a \*company.

***place of consignment*** of goods means:

(a) if the goods are posted to Australia—the place in Australia to which the goods are addressed; or

(b) in any other case—the port or airport of final destination as indicated on the \*transportation document.

***place of export*** of goods means:

(a) if the goods were posted from Australia—the place from which they were posted; or

(b) if paragraph (a) does not apply and the goods were packed in a \*freight container—the place where they were so packed; or

(c) if the goods are self transported goods—the place, or last place, from which the goods departed Australia; or

(d) if paragraphs (a), (b) and (c) do not apply—the place, or first place, where the goods were placed on board a ship or aircraft for export from Australia.

***potential residential land*** means land that it is permissible to use for residential purposes, but that does not contain any buildings that are \*residential premises.

***precious metal*** means:

(a) gold (in an investment form) of at least 99.5% fineness; or

(b) silver (in an investment form) of at least 99.9% fineness; or

(c) platinum (in an investment form) of at least 99% fineness; or

(d) any other substance (in an investment form) specified in the regulations of a particular fineness specified in the regulations.

***predominantly for long‑term accommodation*** has the meaning given by subsection 87‑20(3).

***pre‑establishment*** ***acquisition*** has the meaning given by section 60‑15.

***pre‑establishment importation*** has the meaning given by section 60‑15.

***premises***, in relation to a supply of \*food, has the meaning given by section 38‑5.

***premium selection test is satisfied*** has the meaning given by subsection 79‑5(2).

***pre‑school course*** means a course that is delivered:

(a) in accordance with a pre‑school curriculum recognised by:

(i) the education authority of the State or Territory in which the course is delivered; or

(ii) a State or Territory body that has the responsibility for recognising pre‑school curricula for courses delivered in that State or Territory; and

(b) by a \*school that is recognised as a pre‑school under the law of the State or Territory.

***previously attributed GST amount*** has the meaning given by section 19‑45.

***previously attributed input tax credit amount*** has the meaning given by section 19‑75.

***price***, in relation to a supply, has the meaning given by section 9‑75.

***primary course*** means:

(a) a course of study or instruction that is delivered:

(i) in accordance with a primary curriculum recognised by the education authority of the State or Territory in which the course is delivered; and

(ii) by a \*school that is recognised as a primary school under the law of the State or Territory; or

(b) any other course of study or instruction that the \*Education Minister has determined is a primary course for the purposes of this Act.

***primary production business*** has the meaning given by subsection 995‑1(1) of the \*ITAA 1997.

***principal member***, for a \*GST religious group, is the \*member of the group nominated as mentioned in paragraph 49‑5(c), or approved as a replacement principal member for the group under paragraph 49‑70(1)(c).

***private health insurance*** means insurance provided under a contract of insurance that was entered into by a registered organisation (within the meaning of Part VI of the *National Health Act 1953*) in the course of carrying on health insurance business (within the meaning of subsection 67(4) of that Act).

***professional or trade course*** means a course leading to a qualification that is an \*essential prerequisite:

(a) for entry to a particular profession or trade in Australia; or

(b) to commence the practice of (but not to maintain the practice of) a profession or trade in Australia.

***professional service*** has the meaning given by subsection 3(1) of the *Health Insurance Act 1973*.

***projected annual turnover*** has the meaning given by section 188‑20.

Note: This meaning is affected by sections 188‑22 and 188‑25.

***Quality of Care Principles*** means the principles made under section 96‑1 of the *Aged Care Act 1997*.

***quarterly tax period*** has the meaning given by subsection 31‑8(2).

***real property*** includes:

(a) any interest in or right over land; or

(b) a personal right to call for or be granted any interest in or right over land; or

(c) a licence to occupy land or any other contractual right exercisable over or in relation to land.

***recipient***, in relation to a supply, means the entity to which the supply was made.

***recipient created tax invoice*** has the meaning given by subsection 29‑70(3).

***recipients contribution*** has the meaning given by subsection 136(1) of the *Fringe Benefits Tax Assessment Act 1986* but includes any consideration paid in respect of the provision of a benefit that is an exempt benefit for the purposes of that Act.

***recipient’s payment*** has the meaning given by paragraph 9(2)(e) or 10(3)(c) of the *Fringe Benefits Tax Assessment Act 1986*.

***recognised professional***: a person is a recognised professional, in relation to the supply of a service of a kind specified in the table in subsection 38‑10(1), if:

(a) the service is supplied in a State or Territory in which the person has a permission or approval, or is registered, under a \*State law or a \*Territory law prohibiting the supply of services of that kind without such permission, approval or registration; or

(b) the service is supplied in a State or Territory in which there is no State law or Territory law requiring such permission, approval or registration, and the person is a member of a professional association that has uniform national registration requirements relating to the supply of services of that kind; or

(c) in the case of services covered by item 3 in the table—the service is supplied by an accredited service provider within the meaning of section 4 of the *Hearing Services Administration Act 1997*.

***recognised tax adviser*** has the meaning given by section 995‑1 of the \*ITAA 1997.

***reduced credit acquisition*** has the meaning given by section 70‑5.

***reduced credit land transport*** has the meaning given by section 123‑55.

***refiner of precious metal*** means an entity that satisfies the Commissioner that it regularly converts or refines \*precious metal in \*carrying on its \*enterprise.

***registered*** means:

(a) in relation to an entity—registered under Part 2‑5; or

(b) in relation to a branch of an entity—registered under Division 54.

***registered tax agent*** means an entity that is registered as a tax agent under Part VIIA (Registration of tax agents) of the \*ITAA 1936.

***registration turnover threshold*** has the meaning given by sections 23‑15 and 63‑25.

***relates to business finance*** has the meaning given by subsection 129‑10(3).

***relevant traveller***:

(a) in relation to goods that are exported—has the same meaning as in section 96A of the *Customs Act 1901*; and

(b) in relation to goods that are \*airport shop goods—has the same meaning as in section 96B of the *Customs Act 1901*.

***religious practitioner*** means:

(a) a minister of religion; or

(b) a student at an institution who is undertaking a course of instruction in the duties of a minister of religion; or

(c) a full‑time member of a religious order; or

(d) a student at a college conducted solely for training persons to become members of religious orders.

***representative*** means:

(a) a trustee in bankruptcy; or

(b) a \*liquidator; or

(c) a receiver; or

(d) an administrator appointed to an entityunder Division 2 of Part 5.3A of the *Corporations Act 2001*; or

(e) a person appointed, or authorised, under an \*Australian law to manage the affairs of an entity because it is unable to pay all its debts as and when they become due and payable; or

(f) an administrator of a deed of company arrangement executed by the entity.

***representative member***, for a \*GST group, is the \*member of the group nominated as mentioned in paragraph 48‑5(1)(c), or approved as a replacement representative member for the group under paragraph 48‑70(1)(c).

***required to be registered*** has the meaning given by sections 23‑5, 57‑20, 144‑5 and 147‑5.

***resident agent*** means an agent that is an \*Australian resident.

***residential care*** has the meaning given by section 41‑3 of the *Aged Care Act 1997*.

Note: Residential care can include respite care.

***residential care service*** has the meaning given by the Dictionary in Schedule 1 to the *Aged Care Act 1997*.

***residential premises*** means land or a building that:

(a) is occupied as a residence; or

(b) is intended to be occupied, and is capable of being occupied, as a residence;

and includes a \*floating home.

***retailer*** means an entity that, in the course or furtherance of \*carrying on its \*enterprise, sells \*goods to people who buy them for private or domestic use or consumption.

***reviewable GST decision*** has the meaning given by Division 7 of Part VI of the *Taxation Administration Act 1953*.

***satisfies the membership requirements***:

(a) in relation to a \*GST group—has the meaning given by section 48‑10, 63‑50 or 149‑25; or

(b) in relation to a \*GST religious group—has the meaning given by section 49‑10.

***satisfies the participation requirements*** for a \*GST joint venture has the meaning given by section 51‑10.

***scheme*** has the meaning given by subsection 165‑10(2).

***school*** means an institution that supplies \*pre‑school courses, \*primary courses, \*secondary courses or \*special education courses but not any other \*education course.

***secondary course*** means:

(a) a course of study or instruction that is a secondary course determined by the \*Education Minister under subsection 5D(1) of the *Student Assistance Act 1973* for the purposes of that Act; or

(b) any other course of study or instruction that the \*Education Minister has determined is a secondary course for the purposes of this Act.

***second‑hand goods*** does not include:

(a) \*precious metal; or

(b) goods to the extent that they consist of gold, silver, platinum, or any other substance which, if it were of the required fineness, would be precious metal; or

(c) animals or plants.

***settlement amount*** has the meaning given by subsection 78‑15(4).

***share*** in a \*company means a share in the capital of the company, and includes stock.

***ship*** means any vessel used in navigation, other than air navigation.

***ship’s stores*** has the meaning given by section 130C of the *Customs Act 1901*.

***simplified accounting method*** means an arrangement in respect of which a determination under section 123‑5 is in force.

***special education course*** means a course of education that provides special programs designed specifically for children with disabilities or students with disabilities (or both).

***special professional*** has the meaning given by subsection 405‑25(1) of the \*ITAA 1997.

***State law***has the meaning given by section 995‑1 of the \*ITAA 1997.

***statutory compensation scheme*** has the meaning given by section 78‑105.

***stratum unit*** has the meaning given by subsection 124‑190(3) of the \*ITAA 1997.

***student accommodation*** has the meaning given by subsection 38‑105(3).

***Subdivision 38‑P period***, in relation to the supply of a \*car to an individual, means the period starting when he or she acquires it and ending at the earliest of the following times:

(a) the end of 2 years after the acquisition;

(b) the time when the car is no longer reasonably capable of being used for the purpose for which cars of that kind are ordinarily used;

(c) a time that the Commissioner considers to be appropriate in special circumstances.

***substantial renovations*** of a building are renovations in which all, or substantially all, of a building is removed or replaced. However, the renovations need not involve removal or replacement of foundations, external walls, interior supporting walls, floors, roof or staircases.

***superannuation fund*** has the meaning given by section 995‑1 of the \*ITAA 1997.

***supply*** has the meaning given by section 9‑10.

***supply of a*** ***going concern*** has the meaning given by subsection 38‑325(2).

***taxable at less than 1/11 of the price*** has the meaning given by subsection 136‑50(1).

***taxable importation*** has the meaning given by subsections 13‑5(1) and 114‑5(1).

***taxable supply*** has the meaning given by sections 9‑5, 78‑50, 84‑5 and 105‑5.

Note: This meaning is also affected by sections 49‑30, 66‑45, 72‑5, 78‑25, 78‑60, 78‑65, 78‑70, 79‑60, 79‑85, 80‑10, 80‑50, 81‑10, 90‑5, 100‑5, 110‑5, 110‑10 and 113‑5.

***taxation law*** has the meaning given by section 2 of the *Taxation Administration Act 1953*.

***tax invoice*** means a document that complies with the requirements of subsection 29‑70(1) and (if applicable) section 54‑50.

***taxi travel*** means travel that involves transporting passengers, by taxi or limousine, for fares.

***tax loss*** has the meaning given by subsection 995‑1(1) of the \*ITAA 1997.

***tax period*** means a tax period applying to you under Division 27 or section 57‑35 or 147‑25.

***tax period turnover threshold*** has the meaning given by subsection 27‑15(3).

***telecommunication supply*** has the meaning given by section 85‑10.

***Territory law***has the meaning given by section 995‑1 of the \*ITAA 1997.

***tertiary course*** means:

(a) a course of study or instruction that is a tertiary course determined by the \*Education Minister under subsection 5D(1) of the *Student Assistance Act 1973* for the purposes of that Act; or

(b) any other course of study or instruction that the Education Minister has determined is a tertiary course for the purposes of this Act.

***tertiary residential college course*** means a course supplied in connection with a \*tertiary course or a \*Masters or Doctoral course at premises that are used to provide accommodation to students undertaking tertiary courses or Masters or Doctoral courses.

***thing*** means anything that can be supplied or imported.

***total Subdivision 66‑B credit amount*** has the meaning given by subsection 66‑65(1).

***total Subdivision 66‑B GST amount*** has the meaning given by subsection 66‑65(2).

***tradex order*** has the meaning given by subsection 141‑10(2).

***tradex scheme goods*** has the meaning given by subsection 141‑10(1).

***transportation document*** includes the following:

(a) a consignment note;

(b) a house bill of lading;

(c) an ocean bill of lading;

(d) a house air waybill;

(e) a master air waybill;

(f) a sea waybill;

(g) a straight line air waybill;

(h) a sub‑master air waybill;

(i) other similar documents.

***turnover threshold*** means:

(a) the \*cash accounting turnover threshold; or

(b) the \*electronic lodgment turnover threshold; or

(c) the \*registration turnover threshold; or

(d) the \*tax period turnover threshold.

***unit trust*** has the meaning given by subsection 202A(1) of the \*ITAA 1936.

***valid meal entertainment register*** means a valid meal entertainment register within the meaning of section 37CA of the *Fringe Benefits Tax Assessment Act 1986*.

***value***:

(a) value of a \*taxable importation has the meaning given by sections 13‑20, 13‑25, 117‑5 and 117‑10; and

(b) value of a \*taxable supply has the meaning given by sections 9‑75, 9‑80, 72‑10, 72‑70, 78‑5, 78‑60, 78‑95, 79‑40, 79‑85, 87‑10, 90‑10, 96‑10 and 108‑5;

(d) value of a supply includes the meaning given by section 188‑35.

Note: Section 188‑30 contains a means of working out, for the purposes of Division 188, the value of a supply that is not a taxable supply, and section 188‑32 contains a means of working out, for those purposes, the value of gambling supplies.

***varied instalment amount*** has the meaning given by subsection 162‑140(1) and paragraph 162‑140(5)(a).

***voucher*** has the meaning given by section 100‑25.

***wine tax*** has the meaning given by section 33‑1 of the *A New Tax System (Wine Equalisation Tax) Act 1999*.

***wine tax law*** has the meaning given in section 33‑1 of the *A New Tax System (Wine Equalisation Tax) Act 1999*.

***withholding payment*** covered by a particular provision in Schedule 1 to the *Taxation Administration Act 1953* has the meaning given by subsection 995‑1(1) of the *Income Tax Assessment Act 1997*.

***withholding payment*** has the meaning given by subsection 995‑1(1) of the *Income Tax Assessment Act 1997*.

***you***: if a provision of this Act uses the expression ***you***, it applies to entities generally, unless its application is expressly limited.

Note: The expression “you” is not used in provisions that apply only to entities that are not individuals.

Schedule 1—Food that is not GST‑free

Note 1: See section 38‑3.

Note 2: The second column of the table is not operative (see section 182‑15).

1 Food that is not GST‑free

\*Food specified in the third column of the table is not GST‑free.

| Food that is not GST‑free | | |
| --- | --- | --- |
| Item | Category | Food |
| 1 | Prepared food | quiches |
| 2 |  | sandwiches (using any type of bread or roll) |
| 3 |  | pizzas, pizza subs, pizza pockets and similar \*food |
| 4 |  | \*food marketed as a prepared meal, but not including soup |
| 5 |  | platters etc. of cheese, cold cuts, fruit or vegetables and other arrangements of \*food |
| 6 |  | hamburgers, chicken burgers and similar \*food |
| 7 |  | hot dogs |
| 8 | Confectionery | confectionery, \*food marketed as confectionery, food marketed as ingredients for confectionery or food consisting principally of confectionery |
| 9 |  | popcorn |
| 10 |  | confectionery novelties |
| 11 |  | \*food known as muesli bars or health food bars, and similar foodstuffs |
| 12 |  | crystallised fruit, glace fruit and drained fruit |
| 13 |  | crystallised ginger and preserved ginger |
| 14 |  | edible cake decorations |
| 15 | Savoury snacks | potato crisps, sticks or straws, corn crisps or chips, bacon or pork crackling or prawn chips |
| 16 |  | seeds or nuts that have been processed or treated by salting, spicing, smoking or roasting, or in any other similar way |
| 17 |  | caviar and similar fish roe |
| 18 |  | \*food similar to that covered by item 15 or 16, whether or not it consists wholly or partly of any vegetable, herb, fruit, meat, seafood or dairy product or extract and whether or not it is artificially flavoured |
| 19 |  | \*food consisting principally of food covered by items 15 to 18 |
| 20 | Bakery products | cakes, slices, cheesecakes, pancakes, waffles, crepes, muffins and puddings |
| 21 |  | pavlova and meringues |
| 22 |  | pies (meat, vegetable or fruit), pasties and sausage rolls |
| 23 |  | tarts and pastries |
| 24 |  | doughnuts and croissants |
| 25 |  | pastizzi, calzoni and brioche |
| 26 |  | scones and scrolls |
| 27 |  | bread (including buns) with a sweet filling or coating |
| 28 | Ice‑cream food | ice‑cream, ice‑cream cakes, ice‑creams and ice‑cream substitutes |
| 29 |  | frozen confectionery, frozen yoghurt and frozen fruit products (but not frozen whole fruit) |
| 30 |  | flavoured iceblocks (whether or not marketed in a frozen state) |
| 31 |  | any \*food similar to food listed in items 28 to 30 |
| 32 | Biscuit goods | \*food that is, or consists principally of, biscuits, cookies, crackers, pretzels, cones or wafers |

2 Prepared food, bakery products and biscuit goods

For the purpose of determining whether particular \*food is covered by any of the items in the table relating to the category of prepared food, bakery products or biscuit goods, it does not matter whether it is supplied hot or cold, or requires cooking, heating, thawing or chilling prior to consumption.

3 Prepared meals

Item 4 in the table only applies to \*food that requires refrigeration or freezing for its storage.

4 Candied peel

None of the items in the table relating to the category of confectionery include candied peel.

5 Goods that are not biscuit goods

None of the items in the table relating to the category of biscuit goods include:

(a) breakfast \*food consisting principally of compressed, rolled or flattened cereal; or

(b) rusks for infants or invalids, or goods consisting principally of those rusks.

Schedule 2—Beverages that are GST‑free

Note 1: See section 38‑3.

Note 2: The second column of the table is not operative (see section 182‑15).

1 Beverages that are GST‑free

\*Beverages specified in the third column of the table are GST‑free.

| Beverages that are GST‑free | | |
| --- | --- | --- |
| Item | Category | Beverages |
| 1 | Milk products | any of the following products:  (a) milk, skim milk or buttermilk (whether liquid, powdered, concentrated or condensed);  (b) casein;  (c) whey, whey powder or whey paste |
| 2 |  | \*beverages consisting of products referred to in item 1 (or a combination of those products), to the extent of at least 95%, but not including flavoured beverages |
| 3 |  | lactose |
| 4 | Soy milk and rice milk | \*beverages consisting principally of soy milk or rice milk, but not including flavoured beverages |
| 5 | Tea, coffee etc. | tea (including herbal tea, fruit tea, ginseng tea and other similar \*beverage preparations), coffee and coffee essence, chicory and chicory essence, and malt |
| 6 |  | malt extract, if it is marketed principally for drinking purposes |
| 7 |  | preparations for drinking purposes that are marketed principally as tea preparations, coffee preparations, or preparations for malted \*beverages |
| 8 |  | preparations marketed principally as substitutes for preparations covered by item 6 or 7 |
| 9 |  | dry preparations marketed for the purpose of flavouring milk |
| 10 | Fruit and vegetable juices | concentrates for making non‑alcoholic \*beverages, if the concentrates consist of at least 90% by volume of juices of fruits |
| 11 |  | non‑alcoholic carbonated \*beverages, if they consist wholly of juices of fruits or vegetables |
| 12 |  | non‑alcoholic non‑carbonated \*beverages, if they consist of at least 90% by volume of juices of fruits or vegetables |
| 13 | Beverages for infants or invalids | \*beverages, and ingredients for beverages, of a kind marketed principally as \*food for infants or invalids |
| 14 | Water | natural water, non‑carbonated and without any other additives |

2 Tea, coffee etc.

None of the items in the table relating to the category of tea, coffee etc. include any \*beverage that is marketed in a ready‑to‑drink form.

3 Fruit and vegetable juices

For the purposes of items 11 and 12 in the table, herbage is treated as vegetables.

Schedule 3—Medical aids and appliances

Note 1: GST‑free supplies of medical aids and appliances are dealt with in section 38‑45.

Note 2: The second column of the table is not operative (see section 182‑15).

| Medical aids and appliances | | |
| --- | --- | --- |
| Item | Category | Medical aids or appliances |
| 1 | Cardiovascular | heart monitors |
| 2 |  | pacemakers |
| 3 |  | surgical stockings |
| 4 | Communication aids for people with disabilities | communication boards and voice output devices |
| 5 |  | communication cards |
| 6 |  | page turners |
| 7 |  | eye pointing frames |
| 8 |  | software programs specifically designed for people with disabilities |
| 9 |  | printers and scanners specifically designed for software and hardware used by people with disabilities |
| 10 |  | switches and switch interfaces |
| 11 |  | mouth/head sticks/pointers |
| 12 |  | alternative keyboards |
| 13 |  | electrolarynx replacements |
| 14 |  | speech amplification/clarification aids |
| 15 | Continence | urine/faecal drainage/collection devices |
| 16 |  | waterproof covers or mattress protectors |
| 17 |  | absorbent pads for beds and chairs |
| 18 |  | disposable/reusable continence pads, pants and nappies required for continence use (excluding nappies for babies, sanitary pads or tampons) |
| 19 |  | enuresis alarms |
| 20 |  | incontinence appliances |
| 21 |  | hospital/medical/continence deodorising products |
| 22 |  | waterproof protection for beds and chairs |
| 23 |  | sterile plastic bags |
| 24 |  | electric bag emptiers |
| 25 |  | enemas, suppositories and applicators |
| 26 |  | urinals and bedpans |
| 27 |  | penile clamps |
| 28 | Daily living for people with disabilities | customised eating equipment for people with disabilities |
| 29 |  | customised toothbrushes for people with disabilities |
| 30 |  | dentures and artificial teeth |
| 31 |  | environmental control units designed for the disability of a particular person |
| 32 |  | computer modifications required for people with disabilities |
| 33 |  | “medical alert” devices |
| 34 | Diabetes | finger prickers |
| 35 |  | alcohol skin wipes |
| 36 |  | test strips |
| 37 |  | needles and syringes |
| 38 |  | glucose monitors |
| 39 | Dialysis | home dialysis machines |
| 40 | Enteral nutrition | enteral nutrition and associated delivery equipment |
| 41 | Footwear for people with disabilities | surgical shoes, boots, braces and irons |
| 42 |  | orthotics |
| 43 | Hearing/speech | hearing aids |
| 44 |  | visual display units specificallydesigned for deaf people, or for people with a speech impairment, to communicate with others |
| 45 |  | telephone communication devices specificallydesigned to allow deaf people to send and receive messages by telephone |
| 46 |  | batteries specificallydesigned specifically for use with hearing aids |
| 47 |  | visual/tactile alerting devices |
| 48 |  | interactive and broadcast videotext systems |
| 49 |  | closed caption decoding devices |
| 50 |  | external processors for cochlear implants |
| 51 | Home modifications for people with disabilities | bidet/bidet toilet attachments |
| 52 |  | special door fittings relating to the disability of a particular person |
| 53 | Mobility of people with disabilities—motor vehicles | special purpose car seats |
| 54 |  | car seat harness specifically designed for people with disabilities |
| 55 |  | wheelchair and occupant restraint |
| 56 |  | wheelchair ramp |
| 57 |  | electric/hydraulic wheelchair lifting device |
| 58 |  | motor vehicle modifications |
| 59 | Mobility of people with disabilities—physical: bedding for people with disabilities | manually operated adjustable beds |
| 60 |  | electronically operated adjustable beds |
| 61 |  | hospital‑type beds |
| 62 |  | customised bed rails for people with disabilities |
| 63 |  | bed cradles |
| 64 |  | bed restraints |
| 65 |  | bed poles and sticks |
| 66 |  | pressure management mattresses and overlays |
| 67 |  | backrests, leg rests and footboards for bed use |
| 68 | Mobility of people with disabilities—physical: orthoses | spinal orthoses |
| 69 |  | lower limb orthoses |
| 70 |  | upper limb orthoses |
| 71 |  | pressure management garments and lymphoedema pumps |
| 72 |  | callipers |
| 73 |  | corsets (surgical) |
| 74 |  | handsplints and cervical collars |
| 75 |  | mandibular advancement splints |
| 76 | Mobility of people with disabilities—physical: positioning aids | alternative positional seating corner chairs |
| 77 |  | alternative positional seating abduction cushions or long leg wedges |
| 78 |  | alternative positional seating modifications |
| 79 |  | standing frames |
| 80 |  | standing frames or tilt table modifications |
| 81 |  | side lying boards |
| 82 |  | night‑time positioning equipment modifications |
| 83 | Mobility of people with disabilities—physical: prostheses | artificial limbs and associated supplements and aids |
| 84 |  | mammary |
| 85 | Mobility of people with disabilities—physical: seating aids | postural support seating trays |
| 86 |  | electrically operated therapeutic lounge/recliner chairs specifically designed for people with disabilities |
| 87 |  | cushions specifically designed for people with disabilities |
| 88 | Mobility of people with disabilities—physical: transfer aids | manual, electric, ceiling track or pool hoists specifically designed for people with disabilities |
| 89 |  | hoist slings |
| 90 |  | goosenecks |
| 91 |  | transfer boards |
| 92 |  | transfer sheets, mats or belts |
| 93 |  | stairlifts |
| 94 |  | portable stair climbers |
| 95 |  | monkey rings for people with disabilities |
| 96 | Mobility of people with disabilities—physical: walking aids | crutches |
| 97 |  | walking sticks—specialised |
| 98 |  | walking frames—standard adult |
| 99 |  | walking frames—standard child |
| 100 |  | walking frames—specialised |
| 101 |  | walking frame modifications |
| 102 |  | specialised ambulatory orthoses |
| 103 |  | specialised ambulatory orthosis modifications |
| 104 |  | quadrupod and tripod walking aids |
| 105 | Mobility of people with disabilities—physical: wheelchairs and accessories | wheelchairs, motorised wheelchairs, scooters, tricycles, spinal carriages and other goods for the carriage of people with disabilities |
| 106 |  | accessories associated with wheelchairs, motorised wheelchairs, scooters, tricycles, spinal carriages and other goods for the carriage of people with disabilities |
| 107 |  | battery chargers for wheelchairs, scooters, tricycles, spinal carriages and other goods for the carriage of people with disabilities |
| 108 |  | stair‑aid apparatuses designed for carrying people with disabilities in wheelchairs up or down stairs |
| 109 | Pain relief delivery systems | syringe drivers |
| 110 |  | patient control analgesia |
| 111 | Personal hygiene for people with disabilities | bathboards or toilet seats for people with disabilities |
| 112 |  | bath supports |
| 113 |  | shower chairs or stools |
| 114 |  | shower supports |
| 115 |  | shower trolleys |
| 116 |  | mobile shower chairs |
| 117 |  | commodes |
| 118 |  | commode cushions |
| 119 |  | commode pans |
| 120 |  | toilet frames |
| 121 |  | toilet supports |
| 122 |  | self‑help poles |
| 123 | Respiratory appliances | ventilators |
| 124 |  | continuous positive airway pressure (CPAP) appliances |
| 125 |  | respiratory appliance mask assemblies—complete |
| 126 |  | respiratory appliance mask assemblies—components |
| 127 |  | respiratory appliance accessories |
| 128 |  | sleep apnoea machines |
| 129 | Respiratory appliances—other products for those with breathing difficulties: | peak flow meters |
| 130 |  | nebulisers |
| 131 |  | spacers |
| 132 |  | vaporisers |
| 133 |  | respirators |
| 134 |  | air pumps |
| 135 |  | bottled oxygen and associated hardware |
| 136 |  | oxygen concentrators |
| 137 |  | breathing monitors |
| 138 |  | ventilators |
| 139 | Safety helmets specifically designed for people with disabilities | safety helmets specifically designed for people with disabilities |
| 140 | Skin | jobst suits |
| 141 |  | transcutaneous nerve stimulator machines |
| 142 | Stoma | stoma products including all bags and related equipment for patients with colostomies and ileostomies |
| 143 | Vision | tactile or Braille books, magazines or newspapers |
| 144 |  | electronic reading aids |
| 145 |  | talking book machines (and parts) specifically designed for people with a vision impairment |
| 146 |  | enlarged text computer monitors for people with a visual impairment |
| 147 |  | Braille note takers |
| 148 |  | Braille printers and paper |
| 149 |  | Braille translators (hardware and software) |
| 150 |  | money identification equipment |
| 151 |  | auditory/tactile alerting devices |
| 152 |  | sonar canes |
| 153 |  | reading magnification devices (excluding magnifying glasses) |
| 154 |  | artificial eyes |
| 155 |  | lenses for prescription spectacles |
| 156 |  | prescription contact lenses |
| 157 |  | ultrasonic sensing devices specificallydesigned for use by people with a vision impairment |
| 158 |  | viewscan apparatus specificallydesigned for use by people with a vision impairment |

Endnotes

Endnote 1—About the endnotes

The endnotes provide information about this compilation and the compiled law.

The following endnotes are included in every compilation:

Endnote 1—About the endnotes

Endnote 2—Abbreviation key

Endnote 3—Legislation history

Endnote 4—Amendment history

**Abbreviation key—Endnote 2**

The abbreviation key sets out abbreviations that may be used in the endnotes.

**Legislation history and amendment history—Endnotes 3 and 4**

Amending laws are annotated in the legislation history and amendment history.

The legislation history in endnote 3 provides information about each law that has amended (or will amend) the compiled law. The information includes commencement details for amending laws and details of any application, saving or transitional provisions that are not included in this compilation.

The amendment history in endnote 4 provides information about amendments at the provision (generally section or equivalent) level. It also includes information about any provision of the compiled law that has been repealed in accordance with a provision of the law.

**Editorial changes**

The *Legislation Act 2003* authorises First Parliamentary Counsel to make editorial and presentational changes to a compiled law in preparing a compilation of the law for registration. The changes must not change the effect of the law. Editorial changes take effect from the compilation registration date.

If the compilation includes editorial changes, the endnotes include a brief outline of the changes in general terms. Full details of any changes can be obtained from the Office of Parliamentary Counsel.

**Misdescribed amendments**

A misdescribed amendment is an amendment that does not accurately describe how an amendment is to be made. If, despite the misdescription, the amendment can be given effect as intended, then the misdescribed amendment can be incorporated through an editorial change made under section 15V of the *Legislation Act 2003*.

If a misdescribed amendment cannot be given effect as intended, the amendment is not incorporated and “(md not incorp)” is added to the amendment history.

Endnote 2—Abbreviation key

|  |  |
| --- | --- |
| ad = added or inserted | o = order(s) |
| am = amended | Ord = Ordinance |
| amdt = amendment | orig = original |
| c = clause(s) | par = paragraph(s)/subparagraph(s) |
| C[x] = Compilation No. x | /sub‑subparagraph(s) |
| Ch = Chapter(s) | pres = present |
| def = definition(s) | prev = previous |
| Dict = Dictionary | (prev…) = previously |
| disallowed = disallowed by Parliament | Pt = Part(s) |
| Div = Division(s) | r = regulation(s)/rule(s) |
| ed = editorial change | reloc = relocated |
| exp = expires/expired or ceases/ceased to have | renum = renumbered |
| effect | rep = repealed |
| F = Federal Register of Legislation | rs = repealed and substituted |
| gaz = gazette | s = section(s)/subsection(s) |
| LA = *Legislation Act 2003* | Sch = Schedule(s) |
| LIA = *Legislative Instruments Act 2003* | Sdiv = Subdivision(s) |
| (md) = misdescribed amendment can be given | SLI = Select Legislative Instrument |
| effect | SR = Statutory Rules |
| (md not incorp) = misdescribed amendment | Sub‑Ch = Sub‑Chapter(s) |
| cannot be given effect | SubPt = Subpart(s) |
| mod = modified/modification | underlining = whole or part not |
| No. = Number(s) | commenced or to be commenced |

Endnote 3—Legislation history

| Act | Number and year | Assent | Commencement | Application, saving and transitional provisions | |
| --- | --- | --- | --- | --- | --- |
| A New Tax System (Goods and Services Tax) Act 1999 | 55, 1999 | 8 July 1999 | 1 July 2000 (s 1‑2(1)) |  |
| Appropriation (Supplementary Measures) Act (No. 1) 1999 | 154, 1999 | 11 Nov 1999 | Sch 1: 11 Nov 1999 (s 2) | — |
| A New Tax System (Indirect Tax and Consequential Amendments) Act 1999 | 176, 1999 | 22 Dec 1999 | Sch 1 (items 1–168) and Sch 7 (items 9–16): 1 July 2000 (s 2(2), (5), (14)(b)) | — |
| A New Tax System (Indirect Tax and Consequential Amendments) Act (No. 2) 1999 | 177, 1999 | 22 Dec 1999 | Sch 1 (items 1–162): 1 July 2000 (s 2(2)) | — |
| **as amended by** |  |  |  |  |
| Taxation Laws Amendment Act (No. 8) 2000 | 156, 2000 | 21 Dec 2000 | Sch 7 (item 9): 22 Dec 1999 (s 2(5)) | — |
| A New Tax System (Pay As You Go) Act 1999 | 178, 1999 | 22 Dec 1999 | Sch 1 (items 50–69): 22 Dec 1999 (s 2(1)) | *—* |
| A New Tax System (Tax Administration) Act 1999 | 179, 1999 | 22 Dec 1999 | Sch 2 (items 5–8): 22 Dec 1999 (s 2(1))Sch 12 (items 1, 2) and Sch 15 (items 1–6): 1 July 2000 (s 2(12)) | — |
| A New Tax System (Fringe Benefits) Act 2000 | 52, 2000 | 30 May 2000 | 30 May 2000 (s 2) | — |
| Indirect Tax Legislation Amendment Act 2000 | 92, 2000 | 30 June 2000 | Sch 1 (items 1–9), Sch 2, Sch 3, Sch 4 (items 1–9), Sch 5, Sch 6 (items 1–6), Sch 7 (items 4–25), Sch 8 (items 1–5), Sch 9 (items 1–11) and Sch 11 (items 3–13): 1 July 2000 (s 2(1)) | — |
| Taxation Laws Amendment Act (No. 8) 2000 | 156, 2000 | 21 Dec 2000 | Sch 1 (items 1–16, 18), Sch 2 (items 1–12, 25), Sch 3, Sch 4, Sch 5 (items 1–3, 18(1)) and Sch 6 (items 1–40, 49(1), (2)): 21 Dec 2000 (s 2(1)) Sch 7 (items 1–7): 1 July 2000 (s 2(3)) | Sch 1 (item 18), Sch 2 (item 25), Sch 3 (item 34), Sch 4 (item 20), Sch 5 (item 18(1)) and Sch 6 (item 49(1), (2)) |
| Corporations (Repeals, Consequentials and Transitionals) Act 2001 | 55, 2001 | 28 June 2001 | s 4–14 and Sch 3 (items 31–34): 15 July 2001 (s 2(1), (3)) | s 4–14 |
| Taxation Laws Amendment Act (No. 3) 2001 | 73, 2001 | 30 June 2001 | Sch 1 (items 1–20, 22, 23–55, 62(1), 63–68): 30 June 2001 (s 2(1)) | Sch 1 (items 22, 62(1), 66, 68) |
| New Business Tax System (Capital Allowances—Transitional and Consequential) Act 2001 | 77, 2001 | 30 June 2001 | Sch 2 (items 10–14, 488(1)): 30 June 2001 (s 2(1)) | Sch 2 (item 488(1)) |
| **as amended by** |  |  |  |  |
| Taxation Laws Amendment Act (No. 2) 2002 | 119, 2002 | 2 Dec 2002 | Sch 3 (item 97): 30 June 2001 (s 2(1) item 9) | — |
| Taxation Laws Amendment Act (No. 5) 2001 | 168, 2001 | 1 Oct 2001 | Sch 1 (items 4–6): 1 Oct 2001 (s 2(1)) | Sch 1 (item 6) |
| Taxation Laws Amendment Act (No. 6) 2001 | 169, 2001 | 1 Oct 2001 | s 4 and Sch 5 (items 9A–14) 1 Oct 2001 (s 2(1), (4A)) | s 4 and Sch 5 (item 14) |
| **as amended by** |  |  |  |  |
| Taxation Laws Amendment Act (No. 2) 2002 | 57, 2002 | 3 July 2002 | Sch 12 (item 57): 1 Oct 2001 (s 2(1) item 57) | — |
| Customs Legislation Amendment Act (No. 1) 2002 | 82, 2002 | 10 Oct 2002 | Sch 3 (item 8): awaiting commencement (s 2(1) item 5) | — |
| Taxation Laws Amendment Act (No. 3) 2002 | 97, 2002 | 10 Nov 2002 | Sch 1 (items 1–6, 9–11, 14–16, 19): 10 Nov 2002 (s 2(1) item 2) | Sch 1 (items 6, 19) |
| Taxation Laws Amendment Act (No. 6) 2003 | 67, 2003 | 30 June 2003 | Sch 11 (items 1–41, 43): 30 June 2003 (s 2(1) item 11) | Sch 11 (items 17, 43) |
| Taxation Laws Amendment Act (No. 3) 2003 | 101, 2003 | 14 Oct 2003 | Sch 6 (item 2): 1 July 2000 (s 2(1) item 9) | — |
| Taxation Laws Amendment Act (No. 2) 2004 | 20, 2004 | 23 Mar 2004 | Sch 1: 23 Mar 2004 (s 2(1) item 2) | Sch 1 (item 6) |
| Tax Laws Amendment (2004 Measures No. 2) Act 2004 | 83, 2004 | 25 June 2004 | Sch 7: 25 June 2004 (s 2(1) item 17) | Sch 7 (item 14) |
| Tax Laws Amendment (2009 Measures No. 5) Act 2009 | 118, 2009 | 4 Dec 2009 | Sch 1 (items 1–10): 1 July 2000 (s 2(1) item 2) Sch 1 (items 12–45, 50–52, 55): 4 Dec 2009 (s 2(1) item 4) | Sch 1 (items 50–52, 55) |

Endnote 4—Amendment history

| Provision affected | | How affected | |
| --- | --- | --- | --- |
| **Chapter 1** | |  | |
| **Part 1‑1** | |  | |
| **Division 1** | |  | |
| s 1‑2 | | am No 154, 1999 | |
| s 1‑4 | | ad No 176, 1999 | |
| **Part 1‑2** | |  | |
| **Division 3** | |  | |
| s 3‑5 | | am No 176, 1999 | |
| **Chapter 2** | |  | |
| **Part 2‑2** | |  | |
| **Division 9** | |  | |
| **Subdivision 9‑A** | |  | |
| s 9‑10 | | am No 176, 1999; No 92, 2000 | |
| s 9‑15 | | am No 176, 1999; No 177, 1999; No 92, 2000 | |
| s 9‑20 | | am No 177, 1999; No 178, 1999; No 92, 2000 | |
| s 9‑25 | | am No 176, 1999 | |
| s 9‑30 | | am No 177, 1999; No 92, 2000 | |
| s 9‑39 | | am No 176, 1999; No 177, 1999; No 178, 1999; No 92, 2000; No 97, 2002; No 67, 2003 | |
| **Subdivision 9‑B** | |  | |
| s 9‑69 | | am No 92, 2000; No 118, 2009 | |
| **Subdivision 9‑C** | |  | |
| s 9‑75 | | am No 176, 1999; No 52, 2000 | |
| s 9‑80 | | am No 92, 2000 | |
| s 9‑85 | | ad No 176, 1999 | |
| s 9‑90 | | ad No 92, 2000 | |
| s 9‑99 | | am No 176, 1999; No 92, 2000; No 67, 2003 | |
| **Division 11** | |  | |
| s 11‑10 | | am No 176, 1999 | |
| s 11‑15 | | am No 176, 1999; No 92, 2000; No 156, 2000 | |
| s 11‑30 | | am No 176 1999; No 177, 1999 | |
| s 11‑99 | | am No 176, 1999; No 92, 2000; No 156, 2000; No 67, 2003; No 118, 2009 | |
| **Part 2‑3** | |  | |
| **Division 13** | |  | |
| s 13‑5 | | am No 176, 1999 | |
| s 13‑20 | | am No 176, 1999; No 156, 2000 | |
| s 13‑99 | | am No 176, 1999; No 156, 2000; No 118, 2009 | |
| **Division 15** | |  | |
| s 15‑10 | | am No 176, 1999; No 92, 2000; No 156, 2000 | |
| s 15‑25 | | am No 176, 1999; No 177, 1999 | |
| s 15‑99 | | am No 176, 1999; No 92, 2000; No 156, 2000; No 118, 2009 | |
| **Part 2‑4** | |  | |
| **Division 17** | |  | |
| s 17‑15 | | ad No 92, 2000 | |
| s 17‑20 | | ad No 73, 2001 | |
| s 17‑99 | | am No 176, 1999; No 177, 1999; No 92, 2000; No 156, 2000; No 73, 2001; No 67, 2003; No 118, 2009 (Sch 1 item 12) | |
| **Division 19** | |  | |
| s 19‑5 | | am No 176, 1999 | |
| **Subdivision 19‑A** | |  | |
| s 19‑10 | | am No 176, 1999 | |
| **Subdivision 19‑B** | |  | |
| s 19‑40 | | am No 177, 1999 | |
| s 19‑45 | | am No 177, 1999 | |
| **Subdivision 19‑C** | |  | |
| s 19‑70 | | am No 177, 1999 | |
| s 19‑75 | | am No 176, 1999; No 177, 1999 | |
| s 19‑99 | | ad No 177, 1999 | |
|  | | am No 92, 2000; No 156, 2000; No 67, 2003 | |
| **Division 21** | |  | |
| s 21‑5 | | am No 177, 1999 | |
| s 21‑10 | | am No 177, 1999 | |
| s 21‑15 | | am No 177, 1999 | |
| s 21‑20 | | am No 177, 1999 | |
| s 21‑99 | | am No 177, 1999; No 156, 2000; No 118, 2009 | |
| **Part 2‑5** | |  | |
| **Division 23** | |  | |
| s 23‑99 | | am No 177, 1999; No 118, 2009 | |
| **Division 25** | |  | |
| **Subdivision 25‑A** | |  | |
| s 25‑10 | | am No 176, 1999 | |
| s 25‑49 | | am No 177, 1999; No 92, 2000 | |
| **Subdivision 25‑B** | |  | |
| s 25‑57 | | ad No 156, 2000 | |
| s 25‑60 | | am No 176, 1999; No 156, 2000 | |
| s 25‑99 | | am No 177, 1999; No 118, 2009 | |
| **Part 2‑6** | |  | |
| **Division 27** | |  | |
| s 27‑15 | | am No 92, 2000; No 73, 2001 | |
| s 27‑22 | | ad No 156, 2000 | |
| s 27‑30 | | am No 176, 1999 | |
| s 27-39 | | ad No 118, 2009 | |
| s 27‑40 | | am No 176, 1999; No 118, 2009 | |
| s 27‑99 | | am No 176, 1999; No 73, 2001; No 118, 2009 | |
| **Division 29** | |  | |
| **Subdivision 29‑A** | |  | |
| s 29‑10 | | am No 156, 2000 | |
| s 29‑15 | | am No 176, 1999 | |
| s 29‑39 | | am No 176, 1999; No 177, 1999; No 92, 2000; No 156, 2000; No 118, 2009 | |
| **Subdivision 29‑B** | |  | |
| s 29‑40 | | am No 176, 1999; No 92, 2000 | |
| s 29‑45 | | am No 176, 1999 | |
| **Subdivision 29‑C** | |  | |
| s 29‑70 | | am No 176, 1999 | |
| s 29‑75 | | am No 176, 1999; No 177, 1999; No 92, 2000 | |
| s 29‑80 | | am No 92, 2000 | |
| s 29‑99 | | am No 177, 1999; No 92, 2000, No 156, 2000 | |
| **Part 2‑7** | |  | |
| **Division 31** | |  | |
| s 31‑8 | | ad No 73, 2001 | |
| s 31‑10 | | am No 176, 1999; No 73, 2001 | |
| s 31‑15 | | am No 92, 2000; No 73, 2001 | |
| s 31‑20 | | am No 176, 1999; No 73, 2001 | |
| s 31‑25 | | am No 176, 1999; No 179, 1999; No 92, 2000 | |
| s 31‑30 | | rep No 92, 2000 | |
| s 31‑99 | | am No 73, 2001; No 118, 2009 | |
| **Division 33** | |  | |
| s 33‑1 | | am No 179, 1999 | |
| s 33‑3 | | ad No 73, 2001 | |
| s 33‑5 | | am No 73, 2001 | |
| s 33‑10 | | am No 179, 1999; No 92, 2000; No 73, 2001 | |
| s 33‑15 | | am No 176, 1999 | |
| s 33‑20 | | rep No 179, 1999 | |
| s 33‑25 | | rep No 179, 1999 | |
| s 33‑30 | | rep No 179, 1999 | |
| s 33‑99 | | am No 176, 1999; No 73, 2001 | |
| **Division 35** | |  | |
| s 35‑5 | | rs No 179, 1999 | |
| s 35‑10 | | am No 176, 1999 | |
|  | | rep No 179, 1999 | |
|  | | ad No 92, 2000 | |
|  | | am No 73, 2001 | |
| s 35‑99 | | am No 179, 1999 | |
| **Part 2‑8** | |  | |
| **Division 37‑1** | |  | |
| s 37‑1 | | am No 176, 1999; No 177, 1999; No 178, 1999; No 92, 2000; No 156, 2000; No 73, 2001; No 97, 2002; No 67, 2003; No 118, 2009 | |
| **Chapter 3** | |  | |
| **Part 3‑1** | |  | |
| **Division 38** | |  | |
| **Subdivision 38‑A** | |  | |
| s 38‑4 | | am No 176, 1999 | |
| **Subdivision 38‑B** | |  | |
| s 38‑7 | | am No 177, 1999 | |
| s 38‑10 | | am No 176, 1999 | |
| s 38‑50 | | am No 176, 1999 | |
| s 38‑55 | | am No 176, 1999 | |
| **Subdivision 38‑C** | |  | |
| s 38‑97 | | ad No 92, 2000 | |
| s 38‑100 | | am No 92, 2000 | |
| **Subdivision 38‑D** | |  | |
| s 38‑140 | | rs No 156, 2000 | |
| s 38‑145 | | rs No 156, 2000 | |
| **Subdivision 38‑E** | |  | |
| s 38‑185 | | am No 176, 1999 | |
| s 38‑187 | | ad No 176, 1999 | |
| s 38‑188 | | ad No 92, 2000 | |
| s 38‑190 | | am No 177, 1999; No 92, 2000 | |
| **Subdivision 38‑G** | |  | |
| s 38‑250 | | am No 176, 1999; No 177, 1999; No 92, 2000 | |
| s 38‑255 | | am No 92, 2000 | |
| **Subdivision 38‑H** | |  | |
| s 38‑270 | | am No 92, 2000 | |
| **Subdivision 38‑I** | |  | |
| Subdivision 38‑I heading | | rs No 176, 1999 | |
| s 38‑290 | | am No 92, 2000 | |
| s 38‑300 | | ad No 176, 1999 | |
| **Subdivision 38‑K** | |  | |
| s 38‑355 | | am No 176, 1999; No 92, 2000 | |
| s 38‑360 | | ad No 156, 2000 | |
| **Subdivision 38‑L** | |  | |
| s 38‑385 | | rs No 177, 1999 | |
| **Subdivision 38‑M** | |  | |
| s 38‑415 | | rs No 92, 2000 | |
| **Subdivision 38‑N** | |  | |
| Subdivision 38‑N heading | | rs No 156, 2000 | |
| s 38‑445 | | am No 156, 2000 | |
| s 38‑450 | | ad No 156, 2000 | |
| **Subdivision 38‑O** | |  | |
| s 38‑475 | | am No 177, 1999; No 92, 2000 | |
| s 38‑480 | | rs No 177, 1999 | |
|  | | am No 92, 2000 | |
| **Subdivision 38‑P** | |  | |
| s 38‑505 | | am No 77, 2001 | |
| s 38‑510 | | am No 176, 1999; No 77, 2001 | |
| **Subdivision 38‑Q** | |  | |
| Subdivision 38‑Q | | ad No 177, 1999 | |
| s 38‑540 | | ad No 177, 1999 | |
| **Division 40** | |  | |
| s 40‑1 | | am No 177, 1999 | |
| **Subdivision 40‑A** | |  | |
| s 40‑5 | | am No 177, 1999 | |
| **Subdivision 40‑B** | |  | |
| s 40‑35 | | am No 156, 2000 | |
| **Subdivision 40‑C** | |  | |
| s 40‑65 | | am No 92, 2000 | |
| s 40‑70 | | am No 92, 2000 | |
| s 40‑75 | | ad No 156, 2000 | |
| **Subdivision 40‑E** | |  | |
| s 40‑130 | | am No 92, 2000 | |
| **Subdivision 40‑F** | |  | |
| Subdivision 40‑F | | ad No 92, 2000 | |
| s 40‑160 | | ad No 92, 2000 | |
| s 40‑165 | | ad No 92, 2000 | |
| **Part 3‑2** | |  | |
| **Division 42** | |  | |
| s 42‑5 | | am No 176, 1999; No 177, 1999; No 92, 2000 | |
| s 42‑10 | | rep No 176, 1999 | |
|  | | ad No 92, 2000 | |
|  | | am 156, 2000 | |
| s 42‑15 | | rep No 177, 1999 | |
| **Chapter 4** | |  | |
| **Part 4‑1** | |  | |
| **Division 48** | |  | |
| s 48‑1 | | am No 176, 1999; No 156, 2000 | |
| **Subdivision 48‑A** | |  | |
| s 48‑5 | | am No 156, 2000 | |
| s 48‑10 | | am No 176, 1999; No 177, 1999; No 92, 2000; No 156, 2000 | |
| s 48‑15 | | ad No 156, 2000 | |
| **Subdivision 48‑B** | |  | |
| s 48‑40 | | am No 176, 1999 | |
| s 48‑45 | | am No 156, 2000 | |
| **Subdivision 48‑C** | |  | |
| s 48‑70 | | am No 156, 2000; No 118, 2009 | |
| s 48-72 | | ad No 118, 2009 | |
| s 48-73 | | ad No 118, 2009 | |
| s 48-75 | | am No 118, 2009 | |
| **Subdivision 48‑D** | |  | |
| Subdivision 48‑D | | ad No 177, 1999 | |
| s 48‑110 | | ad No 177, 1999 | |
| s 48‑115 | | ad No 177, 1999 | |
| **Division 49** | |  | |
| Division 49 | | ad No 92, 2000 | |
| s 49‑1 | | ad No 92, 2000 | |
| **Subdivision 49‑A** | |  | |
| s 49‑5 | | ad No 92, 2000 | |
| s 49‑10 | | ad No 92, 2000 | |
| **Subdivision 49‑B** | |  | |
| s 49‑30 | | ad No 92, 2000 | |
| s 49‑35 | | ad No 92, 2000 | |
| s 49‑40 | | ad No 92, 2000 | |
| s 49‑45 | | ad No 92, 2000 | |
| s 49‑50 | | ad No 92, 2000 | |
| **Subdivision 49‑C** | |  | |
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| **Subdivision 51‑C** | |  | |
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| **Subdivision 51‑D** | |  | |
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| s 54‑60 | | am No 73, 2001 | |
| s 54‑65 | | rs No 179, 1999 | |
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| **Division 63** | |  | |
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| s 63‑45 | | ad No 177, 1999 | |
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|  | | am No 92, 2000 | |
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| **Subdivision 66‑B** | |  | |
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| s 66‑65 | | ad No 177, 1999 | |
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| **Division 69** | |  | |
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| **Subdivision 69‑B** | |  | |
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| **Division 70** | |  | |
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| **Division 71** | |  | |
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| **Division 72** | |  | |
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| **Subdivision 72‑B** | |  | |
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| **Subdivision 72‑D** | |  | |
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| **Division 75** | |  | |
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| **Division 78** | |  | |
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|  | | am No 67, 2003 | |
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| **Subdivision 78‑B** | |  | |
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|  | | am No 92, 2000; No 156, 2000; No 67, 2003 | |
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| **Subdivision 78‑C** | |  | |
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| **Subdivision 78‑E** | |  | |
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| s 78‑100 | | ad No 177, 1999 | |
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| **Subdivision 79‑A** | |  | |
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| s 79‑20 | | ad No 67, 2003 | |
| **Subdivision 79‑B** | |  | |
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|  | | am No 83, 2004 | |
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| **Subdivision 79‑C** | |  | |
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| **Subdivision 79‑D** | |  | |
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| s 80‑1 | | ad No 67, 2003 | |
| **Subdivision 80‑A** | |  | |
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|  | | am No 83, 2004 | |
| s 80‑10 | | ad No 67, 2003 | |
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| **Subdivision 80‑B** | |  | |
| s 80‑40 | | ad No 67, 2003 | |
|  | | am No 83, 2004 | |
| s 80‑45 | | ad No 67, 2003 | |
| s 80‑50 | | ad No 67, 2003 | |
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| **Subdivision 80‑C** | |  | |
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| **Division 85** | |  | |
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| **Division 96** | |  | |
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| **Division 105** | |  | |
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| **Part 6‑2** | |  | |
| **Division 184** | |  | |
| s 184‑1 | | am No 177, 1999; No 92, 2000 | |
| s 184‑5 | | ad No 177, 1999 | |
| Division 186 | | rep No 176, 1999 | |
| s 186‑1 | | rep No 176, 1999 | |
| **Division 188** | |  | |
| s 188‑5 | | am No 73, 2001 | |
| s 188‑10 | | am No 73, 2001 | |
| s 188‑15 | | am No 176, 1999 | |
| s 188‑20 | | am No 176, 1999 | |
| s 188‑22 | | ad No 176, 1999 | |
|  | | am No 169, 2001 (as am by No 57, 2002); No 67, 2003 | |
| s 188‑23 | | ad No 92, 2000 | |
| s 188‑24 | | ad No 92, 2000 | |
| s 188‑30 | | rs No 176, 1999 | |
| s 188‑32 | | ad No 92, 2000 | |
| s 188‑35 | | ad No 176, 1999 | |
| s 188‑40 | | ad No 156, 2000 | |
| **Division 189** | |  | |
| Division 189 | | ad No 92, 2000 | |
| s 189‑1 | | ad No 92, 2000 | |
| s 189‑5 | | ad No 92, 2000 | |
| s 189‑10 | | ad No 92, 2000 | |
| s 189‑15 | | ad No 92, 2000 | |
| **Part 6‑3** | |  | |
| **Division 195** | |  | |
| s 195‑1 | | am No 176, 1999; No 177, 1999 (as am by No 156, 2000); No 178, 1999; No 179, 1999; No 52, 2000; No 92, 2000; No 156, 2000; No 55, 2001; No 73, 2001; No 77, 2001; No 168, 2001; No 169, 2001; No 97, 2002; No 67, 2003; No 101, 2003; No 20, 2004; No 118, 2009 | |
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| **Schedule 3** | |  | |
| Schedule 3 | | am No 176, 1999 | |