Tax Laws Amendment (Simplified GST Accounting) Act 2007

No. 112, 2007

An Act to amend the law relating to taxation, and for related purposes

Note: An electronic version of this Act is available in ComLaw (http://www.comlaw.gov.au/)

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Tax Laws Amendment (Simplified GST Accounting) Act 2007

No. 112, 2007

An Act to amend the law relating to taxation, and for related purposes

[*Assented to 28 June 2007*]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Tax Laws Amendment (Simplified GST Accounting) Act 2007*.

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2 Commencement

(1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information

Column 1	Column 2	Column 3
Provision(s)	**Commencement**	**Date/Details**
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day on which this Act receives the Royal Assent.	28 June 2007
2. Schedule 1	The later of: (a) the commencement of the *Tax Laws Amendment (Small Business) Act 2007*; and (b) the day on which this Act receives the Royal Assent.	28 June 2007 (paragraph (b) applies)

Note: This table relates only to the provisions of this Act as originally passed by both Houses of the Parliament and assented to. It will not be expanded to deal with provisions inserted in this Act after assent.

(2) Column 3 of the table contains additional information that is not part of this Act. Information in this column may be added to or edited in any published version of this Act.

3 Schedule(s)

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

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Schedule 1—Amendments

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

1 Section 17-99 (table item 12A)

After "retailers", insert "and small enterprise entities".

2 Section 37-1 (table item 29A)

After "retailers", insert "and small enterprise entities".

3 Division 123 (heading)

Repeal the heading, substitute:

Division 123—Simplified accounting methods for retailers and small enterprise entities

4 Section 123-1

After "retailers", insert "and small enterprise entities".

5 Paragraphs 123-5(1)(a) and (b)

Repeal the paragraphs, substitute:

(a) specifies the kinds of *retailers to whom it is available and provides a method for working out *net amounts of retailers to whom the method applies; or

(b) specifies the kinds of *small enterprise entities to whom it is available and provides a method for working out *net amounts of small enterprise entities to whom the method applies.

6 At the end of section 123-5

Add:

(3) The kinds of *small enterprise entities specified under paragraph (1)(b) must all be kinds of small enterprise entities that, in the course or furtherance of *carrying on their *enterprises:

(a) make both:

(i) *taxable supplies; and

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(ii) supplies that are *GST-free; or

(b) make both:

(i) *creditable acquisitions; and

(ii) acquisitions that are not creditable acquisitions because the supplies, made to the small enterprise entities, to which the acquisitions relate are GST-free.

7 After section 123-5

Insert:

123-7 Meaning of *small enterprise entity*

(1) An entity is a ***small enterprise entity*** at a particular time if:

(a) the entity is a *small business entity (other than because of subsection 328-110(4) of the *ITAA 1997) for the *income year in which the time occurs; or

(b) at that time, the entity does not carry on a business and its *GST turnover does not exceed the *small enterprise turnover threshold.

(2) The ***small enterprise turnover threshold*** is $2 million.

8 After paragraph 123-10(1)(a)

Insert:

(aa) choose to apply a *simplified accounting method if you are a *small enterprise entity of the kind to whom the method is available; or

9 Paragraph 123-10(1)(b)

Omit "to apply the method", substitute "under paragraph (a) or (aa)".

10 Paragraph 123-10(2)(b)

Repeal the paragraph, substitute:

(b) cannot make a further choice as a *retailer within 12 months after the day on which you revoked a previous choice as a retailer; and

(ba) cannot make a further choice as a *small enterprise entity within 12 months after the day on which you revoked a previous choice as a small enterprise entity; and

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11 Paragraph 123-10(4)(a)

Omit "if you cease to be a *retailer", substitute "if you made your choice as a *retailer and cease to be a retailer".

12 After paragraph 123-10(4)(a)

Insert:

(aa) if you made your choice as a *small enterprise entity and cease to be a small enterprise entity 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 small enterprise entity; or

13 Subsection 123-15(1)

After "*retailer", insert "or a *small enterprise entity".

14 Section 188-5 (after table item 4)

Insert:

4AA	Small enterprise turnover threshold	whether you can choose to apply a simplified accounting method as a small enterprise entity (see section 123-7)

15 After paragraph 188-10(3)(b)

Insert:

(ba) the *small enterprise turnover threshold;

16 Section 195-1

Insert:

small enterprise entity has the meaning given by subsection 123-7(1).

17 Section 195-1

Insert:

small enterprise turnover threshold has the meaning given by subsection 123-7(2).

18 Application

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The amendments made by this Schedule apply in relation to net amounts for tax periods starting on or after 1 July 2007.

[*Minister's second reading speech made in—*
House of Representatives on 13 June 2007
Senate on 20 June 2007]

(106/07)

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