



## **Finance Minister's (A New Tax System) Directions 2005**

---

I, NICK MINCHIN, Minister for Finance and Administration, make these Directions under subsection 177-1 (2) of the *A New Tax System (Goods and Services Tax) Act 1999*, subsection 21-1 (2) of the *A New Tax System (Luxury Car Tax) Act 1999* and subsection 27-20 (2) of the *A New Tax System (Wine Equalisation Tax) Act 1999*.

Dated 5 JANUARY 2005

[SIGNED]

NICK MINCHIN  
Minister for Finance and Administration

---

---

## Contents

<b>Part 1</b>	<b>Preliminary</b>	
1	Name of Directions	3
2	Commencement	3
3	Revocation of previous instrument	3
4	Definitions	3
5	Purpose of Directions	4
<b>Part 2</b>	<b>Directions</b>	
6	Notional liability to pay GST	5
7	Notional entitlement to input tax credits	5
8	Notional liability to pay luxury car tax	5
9	Notional liability to pay wine tax	5
10	Notional entitlement to wine tax credits	6
11	Registration	6
12	GST returns	6
13	Net amounts	6
14	Notional adjustments	7
15	Adjustment of net amounts	7
16	Transfer of net amounts to Commissioner	7
17	Transfer of net amounts by Commissioner	8
18	Transfer of amounts between an entity's accounts	8
19	Transfer of importation amounts to Commissioner	8
20	General direction to Commissioner	9

---

## Part 1 Preliminary

### 1 Name of Directions

These Directions are the *Finance Minister's (A New Tax System) Directions 2005*.

### 2 Commencement

These Directions commence on the date of their notification in the *Gazette*<sup>1</sup>.

### 3 Revocation of previous instrument

The *Finance Minister's (A New Tax System) Directions 2000* are revoked.

### 4 Definitions

(1) In these Directions:

**Commonwealth** includes a Commonwealth entity.

*Note 1* An expression used in these Directions that is defined in the GST Act, the LCT Act or the WET Act has the same meaning in these Directions as it has in the GST Act, the LCT Act or the WET Act, as the case requires: see *Acts Interpretation Act 1901*, paragraph 46(1)(a).

*Note 2* Under those Acts, **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.

*Note 3* Under the *Financial Management and Accountability Act 1997*, **Agency** means a Department of State, a Department of the Parliament or a prescribed Agency.

**GST Act** means the *A New Tax System (Goods and Services Tax) Act 1999*.

**LCT Act** means the *A New Tax System (Luxury Car Tax) Act 1999*.

**WET Act** means the *A New Tax System (Wine Equalisation Tax) Act 1999*.

(2) In these Directions:

- (a) a reference to the GST Act includes a reference to the *A New Tax System (Goods and Services Tax Transition) Act 1999*; and
- (b) a reference to the LCT Act includes a reference to Parts 1, 3 and 4 of the *A New Tax System (Wine Equalisation Tax and Luxury Car Tax Transitions) Act 1999*; and
- (c) a reference to the WET Act includes a reference to Parts 1, 2 and 4 of the *A New Tax System (Wine Equalisation Tax and Luxury Car Tax Transitions) Act 1999*.

## Section 5

---

### 5 Purpose of Directions

These Directions are made to give effect to the Parliament's intention in relation to the application to the Commonwealth of the GST Act, the LCT Act and the WET Act.

*Note 1* The Commonwealth and Commonwealth entities are not liable to pay GST, luxury car tax or wine equalisation tax. However, the Parliament's intention (see subsection 177-1 (1) of the GST Act, subsection 21-1 (1) of the LCT Act and subsection 27-20 (1) of the WET Act) is that the Commonwealth and Commonwealth entities should:

- (a) be notionally liable to pay the GST, luxury car tax and wine equalisation tax payable under those Acts; and
- (b) be notionally entitled to input tax credits arising under the GST Act and wine tax credits arising under the WET Act; and
- (c) notionally have adjustments arising under the GST Act and luxury car tax adjustments arising under the LCT Act.

*Note 2* These Directions must be complied with, despite any other Commonwealth law; see subsection 177-1 (3) of the GST Act, subsection 21-1 (3) of the LCT Act and subsection 27-20 (3) of the WET Act.

---

## Part 2                      Directions

### 6                      Notional liability to pay GST

- (1) The Commonwealth is notionally liable to pay GST on taxable supplies and taxable importations that it makes.
- (2) For subsection (1), the amount of notional GST payable is worked out under the GST Act as if the taxable supply or taxable importation was made by a person other than the Commonwealth.
- (3) For subsection (2), the value of the taxable importation (for subsection 13-20 (2) of the GST Act) is taken to include the value of any administrative charge payable on the taxable importation in accordance with *Australian Customs Notice 90/124* published by the Australian Customs Service on 11 September 1990.

### 7                      Notional entitlement to input tax credits

- (1) The Commonwealth is notionally entitled to an input tax credit if it makes:
  - (a) a creditable acquisition; or
  - (b) a creditable importation.
- (2) For subsection (1), the amount of a notional input tax credit is worked out under the GST Act as if the creditable acquisition or creditable importation was made by a person other than the Commonwealth.

### 8                      Notional liability to pay luxury car tax

- (1) The Commonwealth is notionally liable to pay luxury car tax if it makes:
  - (a) a taxable supply of a luxury car; or
  - (b) a taxable importation of a luxury car.
- (2) For subsection (1), the amount of notional luxury car tax payable is worked out under the LCT Act as if the taxable supply or taxable importation was made by a person other than the Commonwealth.
- (3) For subsection (2), the value of the taxable importation of a luxury car (for subsection 7-15 (1) of the LCT Act) is taken to include the value of any administrative charge payable on the taxable importation in accordance with *Australian Customs Notice 90/124* published by the Australian Customs Service on 11 September 1990.

### 9                      Notional liability to pay wine tax

- (1) The Commonwealth is notionally liable to pay wine tax on a taxable dealing to which it is a party.

## Section 10

---

- (2) For subsection (1), the amount of wine tax payable is worked out under the WET Act as if the taxable dealing was made by a party who is not the Commonwealth.
- (3) For subsection (2), the taxable value (for subsection 5-5 (3) of the WET Act) is taken to include the value of any administrative charge payable on the taxable dealing in accordance with *Australian Customs Notice 90/124* published by the Australian Customs Service on 11 September 1990.

### 10 Notional entitlement to wine tax credits

- (1) The Commonwealth is notionally entitled to wine tax credits arising in the circumstances mentioned in Division 17 of Part 4 of the WET Act.
- (2) For subsection (1), the amount of a wine tax credit is worked out under the WET Act as if the person to whom the circumstances apply was a person other than the Commonwealth.

### 11 Registration

- (1) A Commonwealth entity must be registered under the GST Act.
- (2) The form of registration, and the procedures for registration, must be in accordance with guidelines made by the Minister for Finance and Administration.

### 12 GST returns

- (1) This section applies to a Commonwealth entity's GST return that is not lodged electronically.
- (2) The GST return must be signed by:
  - (a) for a Commonwealth entity that is an Agency:
    - (i) the Agency's Chief Executive; or
    - (ii) a person authorised by the Chief Executive to sign the return; or
  - (b) for a Commonwealth entity that is a Commonwealth authority:
    - (i) a director of the Commonwealth authority; or
    - (ii) a person authorised by the directors to sign the return.

### 13 Net amounts

- (1) The net amount for a Commonwealth entity for a tax period is:

$$\text{GST} + \text{LCT} + \text{WT} - (\text{ITC} + \text{WTC})$$

where:

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

**LCT** is the sum of all the amounts of luxury car tax for which the entity is notionally liable that are attributable to the tax period, other than amounts notionally payable on taxable importations of luxury cars.

---

**Section 16**

*WT* is the sum of all the amounts of wine tax for which the entity is notionally liable that are attributable to the tax period, other than amounts notionally payable on customs dealings.

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

*WTC* is the sum of the wine tax credits to which the entity is notionally entitled that are attributable to the tax period.

- (2) For subsection (1), an amount for which an entity is notionally liable, or to which it is notionally entitled, is attributable to the tax period to which it would be attributable if the entity were actually (instead of notionally) liable for, or entitled to, the amount.

#### **14 Notional adjustments**

A Commonwealth entity has the following notional adjustments, worked out as if the person to whom the adjustment relates were not a Commonwealth entity:

- (a) any adjustments arising under the GST Act; and
- (b) any luxury car tax adjustments arising under the LCT Act.

#### **15 Adjustment of net amounts**

- (1) If a Commonwealth entity has any notional adjustments that are attributable to a tax period, the entity's net amount for the period is to be altered by:
- (a) adding to the net amount the sum of all the notional increasing adjustments that are attributable to the period; and
  - (b) subtracting from the net amount the sum of all the notional decreasing adjustments that are attributable to the period.
- (2) For subsection (1):
- (a) an increasing adjustment is worked out under the GST Act or the LCT Act as if the entity were not a Commonwealth entity; and
  - (b) a decreasing adjustment is worked out under the GST Act or the LCT Act as if the entity were not a Commonwealth entity; and
  - (c) an adjustment is attributable to the tax period to which it would be attributable if the entity were not a Commonwealth entity.

#### **16 Transfer of net amounts to Commissioner**

- (1) If the net amount for a Commonwealth entity for a tax period is greater than zero, the entity must transfer the net amount from a bank account or bank accounts of the entity to an official administered receipts bank account chosen by the Commissioner.
- (2) The net amount must be transferred:
- (a) if the tax period ends during the first 7 days of a month – on or before the 21<sup>st</sup> day of the month; or

## Section 17

---

- (b) in any other case – on or before the 21st day of the month following the end of the tax period.

### 17 Transfer of net amounts by Commissioner

If the net amount for a Commonwealth entity for a tax period is less than zero, the Commissioner:

- (a) may offset the net amount, or part of the net amount, against any withholding amounts due and payable to the Commissioner by the entity under Part 2-5 of Schedule 1 to the *Taxation Administration Act 1953*; and
- (b) must transfer an amount corresponding to the net amount, or the remainder of the net amount, from the appropriate official account of the Commissioner to a bank account of the Commonwealth entity.

### 18 Transfer of amounts between an entity's accounts

- (1) This section applies to a Commonwealth entity if:
  - (a) the entity gives its GST return for a tax period to the Commissioner; or
  - (b) the Commissioner transfers a net amount to a bank account of the entity.
- (2) A Commonwealth entity to which this section applies must, as soon as practicable before the end of the next banking day after the entity gives the return or receives the net amount, transfer amounts between the entity's bank accounts, if necessary, so that the entity's bank account balances correctly reflect the entity's departmental and administered cash balances.

### 19 Transfer of importation amounts to Commissioner

- (1) A Commonwealth entity that is notionally liable to pay:
  - (a) an amount of GST on a taxable importation; or
  - (b) an amount of luxury car tax on a taxable importation of a luxury car; or
  - (c) an amount of wine tax on a customs dealing;must transfer the amount to an official bank account designated by the Australian Customs Service.
- (2) The amount must be transferred when the relevant goods are entered for home consumption.
- (3) Despite subsections (1) and (2), if the entity has an approval from the Commissioner to defer the transfer of amounts mentioned in paragraph (1) (a), an amount mentioned in that paragraph must be transferred:
  - (a) to the official administered receipts bank account chosen by the Commissioner in accordance with subsection 16 (1); and
  - (b) on or before the 21st day after the end of the month in which the notional liability for the amount arose.



---

**Section 20**

---

**20 General direction to Commissioner**

The Commissioner must:

- (a) collect and account for the notional taxes required by these Directions; and
- (b) administer the GST Act, the LCT Act and the WET Act, in their application to the Commonwealth, as if:
  - (i) a reference to a tax, credit or adjustment in relation to the Commonwealth were a reference to the notional tax, notional credit or notional adjustment imposed by these Directions; and
  - (ii) a requirement for payment of an amount to or by the Commonwealth were a requirement to transfer money between designated accounts in accordance with these Directions.

---

**Note**

1. Notified in the *Commonwealth of Australia Gazette* on 25 January 2005.