



Australian Government
Australian Taxation Office

Legislative Instrument
Wine Equalisation Tax: Correcting WET Errors
Determination 2015

I, James O'Halloran, Deputy Commissioner of Taxation, make this determination under the following provisions:

- subsection 17-20(1) of the *A New Tax System (Goods and Services Tax) Act 1999*.

James O'Halloran
Deputy Commissioner of Taxation

Dated: 22 July 2015

1. Name of Determination

This Determination is the *Wine Equalisation Tax: Correcting WET Errors Determination 2015*.

2. Commencement

This Determination commences the day after its registration.

3. Application

This Determination applies in working out wine tax or wine tax credits as part of the calculation of a net amount for a tax period for which you give the Commissioner your GST return on or after the commencement date of the Determination.

However, it does not apply in working out wine tax or wine tax credits as part of the calculation of a net amount for a tax period that started before 1 July 2012.

4. Determination

Circumstances where an error may be corrected

In working out your net amount for a tax period, you may include an amount to correct an error made in working out your net amount for an earlier tax period if:

- (a) the error relates to an amount of wine tax or wine tax credit under the *A New Tax System (Wine Equalisation Tax) Act 1999*; and

- (b) if the earlier tax period started on or after 1 July 2012 - you lodge the GST return for the later tax period within the period of review for the assessment of the net amount for the earlier tax period, and
- (c) if the earlier tax period started before 1 July 2012 - the error does not relate to an amount that:
 - (i) ceased to be payable by you because of section 105-50 in Schedule 1 to the *Taxation Administration Act 1953*, or
 - (ii) you are not entitled to because of section 105-55 in Schedule 1 to the *Taxation Administration Act 1953*; and
- (d) at the time of lodging your GST return for the tax period, the error:
 - (i) does not relate to a matter that is subject to a compliance activity, and
 - (ii) was not made in working out your net amount for an earlier tax period that is subject to a compliance activity; and
- (e) you have not taken account of that error, to any extent, in working out your net amount for another tax period; and
- (f) if the error is a debit error - the conditions in clause 5 are also satisfied.

Additional conditions that apply to correcting a debit error

A debit error made in an earlier tax period may only be corrected in a GST return for a later period if:

- (g) the error was not a result of recklessness as to the operation of the wine tax law or intentional disregard of the wine tax law; and
- (h) the error is corrected in a return for a tax period that is within the debit error time limit that corresponds with your current GST turnover as set out in the table below.

Also, if the total of the debit errors included as corrections in the return, less the sum of any credit errors included as corrections in the return, exceeds the debit error value limit that corresponds with your current GST turnover as set out in the table below, then the excess may not be corrected in that return.

Current GST turnover	Debit error time limit	Debit error value limit
Less than \$20 million	The error must be corrected in a GST return that is lodged within 18 months of the due date of the GST return for the tax period in which the error was made.	Less than \$16, 000
\$20 million to less than \$100 million	The error must be corrected in a GST return that is lodged within 12 months of the due date of the GST return for the tax period in which the error was made.	Less than \$32, 000
\$100 million to less than \$500 million		Less than \$64, 000
\$500 million to less than \$1 billion		Less than \$128, 000
\$1 billion and over		Less than \$718, 000

5. Definitions

In this Determination:

compliance activity means an examination of your wine tax affairs. It begins on the day the Commissioner tells you that an examination is to be made and ends on the day when the earlier of the following occurs:

- (a) the Commissioner gives a notice of assessment or amended assessment in relation to the tax period under examination; or
- (b) the Commissioner tells you that the examination is over.

A **compliance activity** includes reviews, audits, verification checks and other similar activities, including where any of these relate to record-keeping.

credit error means a mistake you made in relation to wine tax or wine tax credits in working out your net amount for a tax period that would, if it was the only mistake made for the tax period, have resulted in your net amount or assessed net amount for that tax period being *overstated*.

debit error means a mistake you made in relation to wine tax or wine tax credits in working out your net amount for a tax period that would, if it was the only mistake made for the tax period, have resulted in your net amount or assessed net amount for that tax period being *understated*.

error means a credit error or a debit error.

Other expressions in this Determination have the same meaning as in the *A New Tax System (Goods and Services Tax) Act 1999*, the *A New Tax System (Wine Equalisation Tax) Act 1999* and the *Taxation Administration Act 1953*.