A New Tax System (Goods and Services Tax) Bill 1998

No. , 1998

(Treasury)

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

The Parliament of Australia enacts:

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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 1998.

1-2 Commencement

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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 1998; and
(b) the A New Tax System (Goods and Services Tax Imposition—Customs) Act 1998; and
(c) the A New Tax System (Goods and Services Tax Imposition—Excise) Act 1998.

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 1  Introduction

Part 1-2  Using this Act

Division 2  Overview of the GST legislation

Section 2-10

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.

2-25  Interpretative 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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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.

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<td>amount</td>
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<td>3</td>
<td>Australia</td>
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<td>4</td>
<td>Commissioner</td>
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<tr>
<td>5</td>
<td>entity</td>
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<td>6</td>
<td>goods</td>
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*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
### Section 3-10

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</table>

#### 3-10 Identifying the defined term in a definition

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

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
The basic rules Chapter 2

Introduction Division 5

Section 5-5

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 2  The basic rules
Part 2-1  The central provisions
Division 7  The central provisions

Section 7-1

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Note: Refunds may be set off against your other liabilities (if any) under laws administered by the Commissioner.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Part 2-2—Supplies and acquisitions

Division 9—Taxable supplies

Table of Subdivisions

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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).

However, it does not include a supply of money unless the money is provided as consideration for a supply that is a supply of money.

(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.

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 2  The basic rules
Part 2-2  Supplies and acquisitions
Division 9  Taxable supplies

Section 9-20

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

(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) a payment made as a gift to a non-profit body is not the provision of consideration.

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
   (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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 9-25

(2) However, enterprise does not include an activity, or series of activities, done:
   (a) as an employee or other "PAYE earner (unless it is done in supplying services as the holder of an office that the employee or PAYE earner has accepted in the course of or in connection with an activity or series of activities of the kind mentioned in subsection (1)); or
   Note: An employee’s or PAYE earner’s acts will still form part of the activities of the enterprise in which he or she is employed.
   (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 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 (other than an eligible local governing body within the meaning of section 221A of the Income Tax Assessment Act 1936).

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:
Chapter 2  The basic rules
Part 2-2  Supplies and acquisitions
Division 9  Taxable supplies

Section 9-30

(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 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 it is GST-free under Division 38.

Input taxed

(2) A supply is input taxed if it is input taxed under Division 40.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 9-39

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).

GST-free overrides input taxed

(3) If, apart from this subsection, a supply would be both wholly *GST-free and wholly *input taxed, then the supply is taken to be GST-free and not input taxed.

Supply of things used solely in connection with making supplies that are input taxed

(4) A supply is taken to be a supply that is *input taxed if it is a supply of anything that you have used solely in connection with your supplies that are input taxed.

Note: This subsection would, for example, make a sale of a building a supply that is input taxed if you had used the building solely to carry on an enterprise that only made supplies that are input taxed.

9-39 Special rules relating to taxable supplies

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

Checklist of special rules

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<th>For this case ...</th>
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*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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Part 2-2  Supplies and acquisitions
Division 9  Taxable supplies

Section 9-40

Checklist of special rules

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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

<table>
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<th>Item</th>
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*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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

The value of a taxable supply is as follows:

\[ \text{Price} \times \frac{10}{11} \]

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:

\[ $22,000 \times \frac{10}{11} = $20,000 \]

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

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 9-80

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

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 (worked out as if it were solely a taxable supply) that the taxable supply represents.

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:

<table>
<thead>
<tr>
<th>Item</th>
<th>For this case ...</th>
<th>See:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Associates</td>
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</tr>
<tr>
<td>2</td>
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<td>3</td>
<td>Gambling</td>
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<tr>
<td>4</td>
<td>Long-term accommodation in commercial residential premises</td>
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<tr>
<td>5</td>
<td>Sale of freehold interests etc.</td>
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<tr>
<td>6</td>
<td>Second-hand goods</td>
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</tr>
<tr>
<td>7</td>
<td>Supplies partly connected with Australia</td>
<td>Division 96</td>
</tr>
<tr>
<td>8</td>
<td>Transactions relating to insurance policies</td>
<td>Division 78</td>
</tr>
<tr>
<td>9</td>
<td>Valuation of taxable supplies of goods in bond</td>
<td>Division 108</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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;

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(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).

However, it 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.

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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.

(2) However, the acquisition is not partly creditable if:

(a) it was made for a creditable purpose except to the extent (if any) that the acquisition relates to making financial supplies; and

(b) your annual turnover of financial supplies does not exceed either:

(i) $50,000 or such other amount specified in the regulations; or

(ii) 5% of your annual turnover (treating supplies that are input taxed as part of your annual turnover).

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

\[
\text{Full input tax credit} \times \text{Extent of creditable purpose} \times \text{Extent of consideration}
\]

where:

\text{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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
Chapter 2  The basic rules
Part 2-2  Supplies and acquisitions
Division 11  Creditable acquisitions

Section 11-99

*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.

11-99 Special rules relating to acquisitions

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

<table>
<thead>
<tr>
<th>Item</th>
<th>For this case ...</th>
<th>See:</th>
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<tbody>
<tr>
<td>1</td>
<td>Associates</td>
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<td>Company amalgamations</td>
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<td>3</td>
<td>Gambling</td>
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<td>4</td>
<td>GST groups</td>
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<td>5</td>
<td>GST joint ventures</td>
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<td>Insurance</td>
<td>Division 78</td>
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<td>7</td>
<td>Non-deductible expenses</td>
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<td>8</td>
<td>Pre-establishment costs</td>
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<td>9</td>
<td>Resident agents acting for non-residents</td>
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<td>10</td>
<td>Returnable containers</td>
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<tr>
<td>11</td>
<td>Sale of freehold interests etc.</td>
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<tr>
<td>12</td>
<td>Second-hand goods</td>
<td>Division 66</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
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) A taxable importation is an importation of goods into Australia, but only to the extent that it is not a non-taxable importation.

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

(2) You make an importation of goods into Australia if:

(a) you enter the goods for home consumption (within the meaning of the Customs Act 1901); and

(b) at the time they are so entered for home consumption, you are the owner (within the meaning of that Act) of the goods.

(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:

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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 (for the purposes of Division 2 of Part VIII of the Customs Act 1901) of the goods imported; and

(b) the amount paid or payable:

(i) to transport the goods to 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.

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

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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Importations Part 2-3
Taxable importations Division 13

Section 13-99

(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:

<table>
<thead>
<tr>
<th>Item</th>
<th>For this case ...</th>
<th>See:</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>2</td>
<td>GST joint ventures</td>
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<tr>
<td>3</td>
<td>Importations without entry for home consumption</td>
<td>Division 114</td>
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<tr>
<td>4</td>
<td>Non-deductible expenses</td>
<td>Division 69</td>
</tr>
<tr>
<td>5</td>
<td>Resident agents acting for non-residents</td>
<td>Division 57</td>
</tr>
<tr>
<td>6</td>
<td>Valuation of taxable importations of goods that were exported for repair or renovation</td>
<td>Division 117</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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.

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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.

(2) However, the importation is not *partly creditable if:

   (a) it was made for a *creditable purpose except to the extent (if any) that the importation relates to making *financial supplies; and

   (b) your *annual financial supplies turnover does not exceed either:

      (i) $50,000 or such other amount specified in the regulations; or

      (ii) 5% of your *annual turnover (treating supplies that are input taxed as part of your annual turnover)

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

   Full input tax credit × Extent of creditable purpose

   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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.


Chapter 2  The basic rules  
Part 2-3  Importations  
Division 15  Creditable importations  

Section 15-99

1  
2  
3  

*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.

15-99 Special rules relating to creditable importations

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

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**Checklist of special rules**

<table>
<thead>
<tr>
<th>Item</th>
<th>For this case ...</th>
<th>See:</th>
</tr>
</thead>
<tbody>
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<td>2</td>
<td>GST joint ventures</td>
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</tr>
<tr>
<td>3</td>
<td>Pre-establishment costs</td>
<td>Division 60</td>
</tr>
<tr>
<td>4</td>
<td>Resident agents acting for non-residents</td>
<td>Division 57</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
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:

\[ \text{GST} - \text{Input tax credits} \]

where:

\[ \text{GST} \] is the sum of all of the GST for which you are liable on the "taxable supplies that are attributable to the tax period.

\[ \text{input tax credits} \] 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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 2  The basic rules
Part 2-4  Net amounts and adjustments
Division 17

Section 17-10

(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.

17-99 Special rules relating to net amounts or adjustments

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

<table>
<thead>
<tr>
<th>Item</th>
<th>For this case ...</th>
<th>See:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Anti-avoidance</td>
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<td>2  Cessation of registration</td>
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<td>3  Changes in the extent of creditable purpose</td>
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<tr>
<td>4  Company amalgamations</td>
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<tr>
<td>5  Diesel fuel credits</td>
<td></td>
<td>Division 123</td>
</tr>
<tr>
<td>6  Gambling</td>
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<td>Division 126</td>
</tr>
<tr>
<td>7  GST branches</td>
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<td>Division 54</td>
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<td>8  GST groups</td>
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<td>Division 48</td>
</tr>
<tr>
<td>9  GST joint ventures</td>
<td></td>
<td>Division 51</td>
</tr>
<tr>
<td>10 Representatives of incapacitated entities</td>
<td>Division 147</td>
<td></td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
### Checklist of special rules

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<tr>
<th>Item</th>
<th>For this case ...</th>
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<tbody>
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<td>11</td>
<td>Resident agents acting for non-residents</td>
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<td>12</td>
<td>Second-hand goods</td>
<td>Division 66</td>
</tr>
<tr>
<td>13</td>
<td>Supplies in satisfaction of debts</td>
<td>Division 105</td>
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<tr>
<td>14</td>
<td>Supplies of going concerns</td>
<td>Division 135</td>
</tr>
<tr>
<td>15</td>
<td>Supplies of things acquired or imported to make supplies</td>
<td>Division 132</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
Chapter 2  The basic rules  
Part 2-4  Net amounts and adjustments  
Division 19  Adjustment events  

Section 19-1  

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.  

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.  

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:

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 2  The basic rules  
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(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.

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 no longer correctly reflects the amount of GST on the supply (the corrected GST amount), taking into account any adjustments for the supply.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
The basic rules
Chapter 2
Net amounts and adjustments Part 2-4
Adjustment events Division 19

Section 19-45

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

19-50 Increasing adjustments for supplies

If the *corrected GST amount 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

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 2  The basic rules
Part 2-4  Net amounts and adjustments
Division 19  Adjustment events

Section 19-75

(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 adjustments for the acquisition.

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; plus
(b) the sum of any *increasing adjustments, under this Subdivision, that were previously attributable to a tax period in respect of the acquisition; minus
(c) the sum of any *decreasing adjustments, under this Subdivision, 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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
Chapter 2  The basic rules  
Part 2-4  Net amounts and adjustments  
Division 21  Bad debts  

Section 21-1  

**Division 21—Bad debts**  

21-1  What this Division is about  

When bad debts are written off, adjustments (for the purpose of working out net amounts) are made. They can arise both for amounts written off and for recovery of amounts previously written off.  

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.  

The amount of the decreasing adjustment is $\frac{1}{11}$ of the amount written off.  

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

(3) You must notify the *recipient of the supply, in the *approved form, if you write off as bad the whole or a part of the debt.  

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

You have an *increasing adjustment* if:  

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
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Chapter 2
Net amounts and adjustments Part 2-4
Bad debts Division 21

Section 21-15

(a) you made a *taxable supply in relation to which you had a
*decreasing adjustment under section 21-5 for a debt written
off as bad; and
(b) you recover the whole or a part of the amount written off.
The amount of the increasing adjustment is \( \frac{1}{11} \) 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 due, but you have
not provided the consideration due; and
(c) the supplier of the thing you acquired writes off as bad the
whole or a part of the debt.
The amount of the increasing adjustment is \( \frac{1}{11} \) of the amount
written off.

(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
written off as bad; and
(b) you pay to the supplier of the thing you acquired the whole or
a part of the amount written off.
The amount of the decreasing adjustment is \( \frac{1}{11} \) of the amount
recovered.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 2 The basic rules
Part 2-4 Net amounts and adjustments
Division 21 Bad debts

Section 21-99

21-99 Special rules relating to adjustments for bad debts

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

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<td>Sale of freehold interests etc.</td>
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*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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.

Are you carrying on an enterprise? (see section 9-20)

No \(\rightarrow\) You can't be registered

Yes

Does your annual turnover meet the registration turnover threshold? (see section 23-15)

No \(\rightarrow\) You may be registered (see section 23-10)

Yes

You are required to be registered (see section 23-5 and Divisions 57, 144 and 147)

Note: This section is an explanatory section.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 2  The basic rules
Part 2-5  Registration
Division 23  Who is required to be registered and who may be registered

Section 23-5

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:

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
The basic rules  Chapter 2
Registration  Part 2-5
Who is required to be registered and who may be registered  Division 23

Section 23-99

Checklist of special rules

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*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 2  The basic rules
Part 2-5  Registration
Division 25  How you become registered, and how your registration can be cancelled

Section 25-1

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 25-10

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

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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 25-15

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

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<td>GST branches</td>
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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

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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.

25-60 The date of effect of your cancellation

The Commissioner must decide the date on which the cancellation
of your *registration under subsection 25-55(1) or (2) takes effect.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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).

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:

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</tr>
<tr>
<td>3</td>
<td>Resident agents acting for non-residents</td>
<td>Division 57</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 27-15

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; or

(d) your income year is not the same as the financial year.

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 2
Tax periods Part 2-6
How to work out the tax periods that apply to you Division 27

Section 27-20

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.

27-25 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

(1) For the purpose of ensuring the effective operation of this Division where the tax periods have changed, the Commissioner may, by

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 2  The basic rules
Part 2-6  Tax periods
Division 27  How to work out the tax periods that apply to you

Section 27-35

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.

27-40 An entity’s concluding tax period

(1) If:
   (a) an individual dies, becomes bankrupt or ceases to carry on
       any enterprise; or

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(b) any other entity goes into liquidation or receivership, ceases
to carry on any enterprise 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,
cessation, liquidation or receivership.

(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:

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<td>Resident agents acting for non-residents</td>
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*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
Chapter 2  The basic rules
Part 2-6  Tax periods
Division 29  What is attributable to tax periods

Section 29-1

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

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(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:

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 2  The basic rules  
Part 2-6  Tax periods  
Division 29  What is attributable to tax periods  

Section 29-15  

(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.  

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

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.  

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:  

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.  

(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:

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(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:

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<th>Checklist of special rules</th>
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*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 29-40

Subdivision 29-B—Accounting on a cash basis

29-40 Choosing to account on a cash basis

(1) If your *annual turnover does not exceed the *cash accounting turnover threshold, you may choose to *account on a cash basis, with effect from the first day of the tax period that you choose.

(2) The *cash accounting turnover threshold is:
   (a) $500,000; 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:

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 29-50

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

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

(iii) how you account for income tax purposes; 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

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(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).

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.

(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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 2  The basic rules
Part 2-6  Tax periods
Division 29

Section 29-75

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, 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 of the supply); 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.

(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, before receiving such a request, the supplier becomes aware of the adjustment—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.

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 that relates to a taxable supply the value of which

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
The basic rules Chapter 2
Tax periods Part 2-6
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Section 29-99

1 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:

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<thead>
<tr>
<th>Checklist of special rules</th>
<th>Item</th>
<th>For this case ...</th>
<th>See:</th>
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<tbody>
<tr>
<td>1 Agents</td>
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<td></td>
</tr>
<tr>
<td>2 GST branches</td>
<td></td>
<td>Division 54</td>
<td></td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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.

31-10 When GST returns must be given

You must give your *GST return for a 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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
31-15 The form and contents of GST returns

(1) Your GST return for a tax period must:
   (a) be in the approved form; and
   (b) state your net amount for the tax period; and
   (c) set out such other information as the approved form requires; and
   (d) be signed in accordance with section 31-30.

(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.

31-20 Additional GST returns

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).

31-25 Electronic lodgment of GST returns

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

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
However, if your annual turnover meets the electronic lodgment turnover threshold, you must give your GST returns to the Commissioner by lodging them electronically.

A GST return is lodged electronically if it is transmitted to the Commissioner in an electronic format approved by the Commissioner.

The electronic lodgment turnover threshold is:
(a) $20 million; or
(b) such higher amount as the regulations specify.

(1) You must sign your GST returns unless they are lodged electronically.

(2) Any GST return of yours that is lodged electronically:
(a) if you give it to the Commissioner—must contain your electronic signature; or
(b) if a registered tax agent gives it to the Commissioner on your behalf—must contain the registered tax agent’s electronic signature.

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

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<tr>
<th>Item</th>
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*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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<th>Item</th>
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<td>Supplies in satisfaction of debts</td>
<td>Division 105</td>
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</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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.

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

33-5 When payments of net amounts must be made

(1) If the *net amount for a 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 under section 33-5. 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 under section 33-5.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
The basic rules  Chapter 2
Returns, payments and refunds  Part 2-7
Payments of GST  Division 33

Section 33-15

Note: A penalty applies if you fail to make an electronic payment as required—see section 41 of the Taxation Administration Act 1953.

33-15 Payments of amounts of GST on importations

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.

33-20 Commissioner may extend time for payment

The Commissioner may, in a particular case, extend the time for a payment of:
(a) a *net amount; or
(b) an amount of GST; or
(c) an amount of a penalty under Part VI of the Taxation Administration Act 1953;
or allow it to be paid by instalments on terms determined by the Commissioner.

33-25 Commissioner may bring forward payment date if you are about to leave Australia

If the Commissioner has reason to believe that you may leave Australia before a particular payment of:
(a) a *net amount; or

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 2  The basic rules
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Section 33-30

(b) an amount of GST; or
(c) an amount of a penalty under Part VI of the Taxation Administration Act 1953;

would (apart from this section) become due, that amount becomes due for payment on the day the Commissioner fixes and notifies to you.

Note: The Commissioner has power to issue departure prohibition orders under Part IVA of the Taxation Administration Act 1953.

33-30 Net amounts etc. a debt due to the Commonwealth

When a *net amount, an amount of GST or an amount of a penalty under Part VI of the Taxation Administration Act 1953 becomes payable, it is a debt due to the Commonwealth.

33-99 Special rules relating to payments of GST

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

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<tr>
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<td>Item</td>
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<tr>
<td>4</td>
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<tr>
<td>5</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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 When refunds must be made

(1) 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 within 14 days after you give to the Commissioner, under Division 31, your GST return for that tax period.

Note: Interest is payable under the Taxation (Interest on Overpayments and Early Payments) Act 1983 if the Commonwealth is late in making the payment.

(2) However, if you have a liability to the Commonwealth arising under or because of an Act of which the Commissioner has the general administration, the Commissioner may:

(a) apply that net amount against the liability; and
(b) pay to you any part of that net amount not so applied.

35-10 How refunds are made

(1) The Commissioner must pay any net amounts payable to you under section 35-5 to the credit of a financial institution account nominated and maintained by you.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 2  The basic rules  
Part 2-7  Returns, payments and refunds  
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Section 35-99

(2) However, the Commissioner may direct that any *net amounts payable to you under section 35-5 be paid to you in a different way.

(3) If you have not nominated a *financial institution account for the purposes of this section and a direction has not been made under subsection (2) relating to you, the Commissioner is not obliged to pay any refunds to you until you nominate an account for the purposes of this section.

35-99  Special rules relating to refunds

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

Checklist of special rules

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<tr>
<th>Item</th>
<th>For this case ...</th>
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<td>4</td>
<td>Tourist refund scheme</td>
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</table>

Note: Sections 38 and 39 of the Taxation Administration Act 1953 also relate to refunds of net amounts.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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.

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<th>For this case...</th>
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<td>Changing your accounting basis</td>
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<td>GST joint ventures</td>
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<td>Importations of goods that were exported for repair or renovation</td>
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*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
### Checklist of special rules

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<th>Item</th>
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<td>Non-deductible expenses</td>
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<td>Offshore supplies other than goods or real property</td>
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<td>Payments of taxes</td>
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<td>Pre-establishment costs</td>
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<td>24</td>
<td>Representatives of incapacitated entities</td>
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<td>Resident agents acting for non-residents</td>
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<td>26</td>
<td>Returnable containers</td>
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<td>Sale of freehold interests etc.</td>
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<td>29</td>
<td>Supplies and acquisitions made on a progressive or periodic basis</td>
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<td>Supplies in satisfaction of debts</td>
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<td>Supplies of going concerns</td>
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<td>Supplies of things acquired or imported to make supplies</td>
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<td>Supplies partly connected with Australia</td>
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<td>Taxis</td>
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<td>Tourist refund scheme</td>
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<tr>
<td>36</td>
<td>Valuation of taxable supplies of goods in bond</td>
<td>Division 108</td>
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*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 3—The exemptions

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Division 38—GST-free supplies

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38-K  Supplies through inwards duty free shops
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38-M  Subdivided farm land
38-N  Cars for use by disabled people

38-1 What this Division is about

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

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 3 The exemptions
Part 3-1 Supplies that are not taxable supplies
Division 38 GST-free supplies

Section 38-5

- 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—Health

38-5 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) and (f)); 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:

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
The exemptions

Chapter 3
Supplies that are not taxable supplies Part 3-1
GST-free supplies Division 38

Section 38-10

(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.

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<tr>
<th>Health services</th>
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*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 3  The exemptions
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Division 38  GST-free supplies

Section 38-15

(2) However, a supply of a pharmacy service is not GST-free under subdivision (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 9 or 12 of the table in subsection (1)); and
   (b) it is made at the premises at which the service is supplied.

(4) 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 38-5 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 38-5(2), is not GST-free.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(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 *residential care is **GST-free** if it is a supply of services:

(a) covered by Schedule 1 to the *Quality of Care Principles; and

(b) in respect of which residential care subsidy is payable under Part 3.1 of that Act to the supplier for the care.

(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 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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
Chapter 3  The exemptions
Part 3-1  Supplies that are not taxable supplies
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Section 38-30

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:
   (a) the supplier receives funding under the Disability Services Act 1986 or under a complementary "State law or "Territory law in respect of the services; and

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 38-45

(b) the services are of a kind described as accommodation services, community support services, community access services or respite services, within the meaning of the Commonwealth/State Disability Agreement 1997/98-2001/2002.

38-45 Medical aids and appliances

(1) A supply is **GST-free** if:
   (a) it is covered by Schedule 1 (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) 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 prohibited except 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 drug or medicinal preparation may only be supplied by a *medical practitioner, *dental practitioner or pharmacist.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
Chapter 3 The exemptions
Part 3-1 Supplies that are not taxable supplies
Division 38 GST-free supplies

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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).

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, or a supply of re-insurance of such insurance, is *GST-free.*

Subdivision 38-B—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:

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
Supplies that are not taxable supplies

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GST-free supplies

Section 38-95

(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.

38-95 Course materials

A supply of *course materials for a subject undertaken in an *education course is GST-free.

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);

(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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 38-110

(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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
Subdivision 38-C—Child care

38-140 Child care—suppliers registered under the Childcare Rebate Act

A supply is GST-free if:
(a) it is a supply of child care (within the meaning of the Childcare Rebate Act 1993) relating to a child; and
(b) the supplier is registered under section 49 of that Act.

38-145 Child care—eligible child care centres

(1) A supply is GST-free if:
(a) it is a supply of child care (within the meaning of the Child Care Act 1972) at an eligible child care centre (within the meaning of section 12A of that Act); and
(b) the supplier of the child care is the operator (within the meaning of section 4 of that Act) of the centre; and
(c) the operator is granted fee relief (whether or not in respect of that particular supply) under section 12A of that Act.

(2) A supply is GST-free if it is a supply of an excursion that is directly related to the supply of child care covered by subsection (1).

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

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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Section 38-155

(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 38-155; and
(b) supplied by, or on behalf of, the supplier of the child care.

Subdivision 38-D—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**:

<table>
<thead>
<tr>
<th>Item</th>
<th>Topic</th>
<th>These supplies are GST-free ...</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Export of goods—general</td>
<td>a supply of goods, but only if the supplier exports them from Australia 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.</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
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Chapter 3
Supplies that are not taxable supplies Part 3-1
GST-free supplies Division 38

Section 38-185

<table>
<thead>
<tr>
<th>Item</th>
<th>Topic</th>
<th>These supplies are GST-free ...</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Export of goods—supplies paid for by instalments</td>
<td>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 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.</td>
</tr>
<tr>
<td>3</td>
<td>Export of aircraft or ships</td>
<td>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) of taking physical possession of it.</td>
</tr>
<tr>
<td>4</td>
<td>Export of aircraft or ships—paid for by instalments</td>
<td>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 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.</td>
</tr>
<tr>
<td>5</td>
<td>Export of goods that are to be consumed on international flights or voyages</td>
<td>a supply of: (a) *aircraft’s stores for use, consumption or sale on an aircraft on a flight that has a destination outside Australia; or (b) *ship’s stores 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.</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
### 38-190 Supplies of things, other than goods or real property, for consumption outside Australia

<table>
<thead>
<tr>
<th>Item</th>
<th>Topic</th>
<th>These supplies are GST-free (except to the extent that they are supplies of goods or &quot;real property&quot;)...</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Supply connected with property outside Australia</td>
<td>a supply that is directly connected with goods or real property situated outside Australia.</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
## Supplies of things, other than goods or real property, for consumption outside Australia

<table>
<thead>
<tr>
<th>Item</th>
<th>Topic</th>
<th>These supplies are GST-free (except to the extent that they are supplies of goods or real property)...</th>
</tr>
</thead>
</table>
| 2    | Recipient not an *Australian resident etc. | a supply that is made to a *recipient who:  
(a) is not an *Australian resident; and  
(b) is not in Australia when the thing supplied is done;  
other than a supply directly connected with goods situated in Australia when the thing supplied is done, or with *real property situated in Australia. |
| 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 directly connected with goods situated in Australia when the thing supplied is done, or 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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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Section 38-220

Subdivision 38-E—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-F—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 or a *gift-deductible entity; and

(b) the supply is for *consideration that 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 or a *gift-deductible entity; and

(b) the supply is for *consideration that is less than 50% 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 or a *gift-deductible entity; and

(b) the goods were supplied to the institution, trustee or gift-deductible entity as a gift.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
However, the supply is not GST-free if the institution, trustee or gift-deductible entity has dealt with the goods in such a way that the goods no longer have their original character.

Subdivision 38-G—Water and sewerage

38-285 Water

(1) A supply of water is GST-free.

(2) However, a supply of water is not GST-free 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

A supply of sewerage services 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.

Subdivision 38-H—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

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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Section 38-355

(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-I—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:

| Item | Topic | These supplies are GST-free ...
|------|-------|-----------------------------------------------------------------------------------------------------------------------|
| 1    | Transport to, from or outside Australia | the transport of a passenger or goods:  
(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. |

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
**Supplies of transport and related matters**

| Item | Topic | These supplies are GST-free ...
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Domestic air travel of non-residents</td>
<td>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.</td>
</tr>
<tr>
<td>4</td>
<td>Transport of passengers on domestic legs of international sea voyages</td>
<td>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.</td>
</tr>
<tr>
<td>5</td>
<td>Transport etc. of goods within Australia</td>
<td>the transport, loading or handling of goods within Australia, but only if: (a) it is an integral part of the supply of transporting goods to or from Australia; and (b) it is provided by the supplier who transports those goods to or from Australia.</td>
</tr>
<tr>
<td>6</td>
<td>Insuring transport etc.</td>
<td>(a) insuring transport covered by item 1, 2, 3 or 4; or (b) insuring transport, loading or handling of goods covered by item 5.</td>
</tr>
<tr>
<td>7</td>
<td>Arranging transport etc.</td>
<td>(a) arranging transport covered by item 1, 2, 3 or 4; or (b) arranging transport, loading or handling of goods covered by item 5; or (c) arranging insurance covered by item 6.</td>
</tr>
</tbody>
</table>

**Subdivision 38-J—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 the supplier; and

(b) the supplier is a *refiner of precious metal; and

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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Section 38-415

(c) the *recipient of the supply is a *dealer in precious metal who
acquires the precious metal for investment purposes.

Note:  Any other supply of precious metal is input taxed under section
40-100.

Subdivision 38-K—Supplies through inwards duty free shops

38-415  Supplies through inwards duty free shops

A supply is GST-free if:
(a) the supply is a sale of *airport shop goods through an
*inwards duty free shop to a *relevant traveller; and
(b) the goods are *imported or are *excisable goods.

Subdivision 38-L—Grants of freehold and similar interests 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.

(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.

Subdivision 38-M—Subdivided farm land

38-475  Subdivided farm land

(1) A supply of *potential residential land is GST-free if:
(a) the land is subdivided from land on which the supplier has
*carried on a *farming business for at least 5 years; and

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(b) the supply is made to an *associate 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.

Subdivision 38-N—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-N period.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(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 depreciation 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 Secretary to the Department responsible for the administration of the Disability Services Act 1986; or

(ii) an officer of that Department authorised in writing by that Secretary for the purposes of this Act;

(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 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 depreciation 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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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Part 3-1  Supplies that are not taxable supplies
Division 40  Input taxed supplies

Section 40-1

Division 40—Input taxed supplies

Table of Subdivisions

40-A  Financial supplies
40-B  Residential rent
40-C  Residential premises
40-D  Precious metals

40-1  What this Division is about

This Division sets out 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) The third column of this table sets out the supplies that are financial supplies:

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
### Supplies that are financial supplies

| Item | Topic | These are financial supplies ...
|------|-------|-------------------------------------------------------------------------------------
| 1    | Money | the creation, issue, transfer, assignment or receipt of, or any other dealing with, *money including:
|      |       | (a) lending or borrowing money; and
|      |       | (b) creating or transferring a debt or an interest in a debt; and
|      |       | (c) making any advance or granting any credit.
| 2    | Accounts | the creation, keeping or closing of a savings account, cheque account or deposit account.
| 3    | Debt securities | the creation, issue, transfer, assignment or receipt of, or any other dealing with, a security for a debt (including a guarantee or indemnity), but not if the security is a lease, licence or other similar arrangement in respect of *real property.
| 4    | Equity securities | the allotment, issue, transfer, assignment or receipt of, or any other dealing with, a security within the meaning of subsection 92(1) of the Corporations Law (other than paragraph (ca) of that subsection).
| 5    | Unit trusts | the creation, issue, transfer, assignment or receipt of, or any other dealing with:
|      |       | (a) a *unit trust; or
|      |       | (b) an interest in, or a right to or under, a unit trust.
|      |       | the management of a unit trust.
| 6    | Futures | the provision, transfer or assignment of a futures contract through a *futures exchange.
| 7    | Options and warrants | the creation, issue, transfer, assignment or receipt of, or any other dealing with, an option or warrant relating to a future supply covered by item 3, 4 or 5.
| 8    | Underwriting | an underwriting of a supply covered by any of items 1 to 7 (other than items 2 and 3).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
### Supplies that are financial supplies

<table>
<thead>
<tr>
<th>Item</th>
<th>Topic</th>
<th>These are financial supplies ...</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Superannuation funds</td>
<td>the creation, transfer, assignment or receipt of, or any other dealing with, an interest in, or a right under, a <em>superannuation fund.</em></td>
</tr>
<tr>
<td></td>
<td></td>
<td>the management of a superannuation fund.</td>
</tr>
<tr>
<td>10</td>
<td>Life insurance</td>
<td>the provision, transfer or assignment of:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(a) a *life insurance policy; or</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(b) reinsurance relating to a life insurance policy.</td>
</tr>
<tr>
<td>11</td>
<td>Hire purchase etc.</td>
<td>the provision of credit under a *hire purchase agreement, or a sale, relating to goods, but only if:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(a) the credit is provided for a separate charge; and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(b) the separate charge is disclosed to the *recipient of the goods.</td>
</tr>
<tr>
<td>12</td>
<td>Incidental supplies</td>
<td>a supply of anything directly in connection with a supply covered by any of items 1 to 13 (other than this item), but only if the supplier under this item is the same supplier as that under the other item.</td>
</tr>
<tr>
<td>13</td>
<td>Arranging etc. supplies</td>
<td>agreeing to make, or arranging, a supply covered by any of items 1 to 12 (other than item 2).</td>
</tr>
</tbody>
</table>

(3) The third column of the following table sets out the supplies that are *not* financial supplies:

<table>
<thead>
<tr>
<th>Item</th>
<th>Topic</th>
<th>These are not financial supplies ...</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Advice</td>
<td>a supply of advice, including any advice in relation to a supply covered by any of items 1 to 12 of the table in subsection (2).</td>
</tr>
<tr>
<td>2</td>
<td>Insurance</td>
<td>a supply of insurance (other than insurance covered by item 10 of the table in subsection (2)).</td>
</tr>
<tr>
<td>3</td>
<td>Legal service</td>
<td>a supply of a legal service by a *legal practitioner in the course of a professional practice.</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Supplies that are not financial supplies

<table>
<thead>
<tr>
<th>Item</th>
<th>Topic</th>
<th>These are not financial supplies ...</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Accounting service</td>
<td>a supply of an accounting service by an accountant in the course of a professional practice.</td>
</tr>
<tr>
<td>5</td>
<td>Tax agents</td>
<td>management by a registered tax agent of an entity’s affairs relating to taxation.</td>
</tr>
<tr>
<td>6</td>
<td>Safe custody</td>
<td>a supply of a safe custody service for cash, documents or other things.</td>
</tr>
<tr>
<td>7</td>
<td>Payroll services</td>
<td>a supply of a payroll service.</td>
</tr>
</tbody>
</table>

(4) The regulations may provide that a particular supply is, or is not, a financial supply. The regulations have effect despite subsections (2) and (3).

Subdivision 40-B—Residential rent

40-35 Residential rent

(1) A supply is input taxed if:

(a) the supply is of residential premises (other than commercial residential premises), but only to the extent that the premises are to be used predominantly for residential accommodation;

and

(b) the supply is by way of lease, hire or licence (including a renewal or extension of a lease, hire or licence).

(2) However, 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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 40-65

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 *commercial residential premises or *new residential premises.

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 *commercial residential premises or *new residential premises.

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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


(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 if they were dutiable goods within the meaning of the Customs Act 1901.

42-10 Ship and aircraft stores

An importation of goods is a non-taxable importation if the goods are *ship’s stores or *aircraft’s stores.

42-15 Goods imported or purchased by overseas travellers

(1) An importation of goods is a non-taxable importation if the goods:

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 42-15

(a) are imported by a passenger or member of the crew of a *ship or aircraft; and

(b) are covered by item 15 in Schedule 4 to the *Customs Tariff Act 1995.

(2) An importation of goods is a non-taxable importation if the goods:

(a) are purchased from an *inwards duty free shop by a *relevant traveller; and

(b) are covered by item 15 in Schedule 4 to the *Customs Tariff Act 1995 (or would be covered if they had been imported by the *relevant traveller).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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

48-1 What this Division is about

Companies within a 90% owned group 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 intra-group transactions are excluded from the GST.

Subdivision 48-A—Approval of GST groups

48-5 Approval of GST groups

(1) The Commissioner must approve 2 or more *companies as a *GST group if:

(a) the companies jointly apply, in the *approved form, for approval as a GST group; and

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(b) each of the companies *satisfies the membership
requirements for that GST group; and
(c) the application nominates one of the companies to be the
*representative member for the group.

A group of companies that is so approved is a **GST group**.

(2) The application for approval need not include all the *companies of
the *90% owned 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).

### 48-10 Membership requirements of a GST group

(1) A *company satisfies the membership requirements of a *GST
group, or a proposed GST group, if the company:
(a) is a *member of the same *90% owned group as all the other
members of the GST group or proposed GST group; and
(b) is *registered; and
(c) is an *Australian resident; and
(d) has the same tax periods applying to it as the tax periods
applying to all those other members; and
(e) accounts on the same basis as all those other members; and
(f) is not a member of any other GST group.

(2) However, paragraph (1)(a) does not apply if:
(a) the company 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 company and all those other members are members of the
same *non-profit association.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 48-40

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 a *company makes to another *member of the same *GST group is treated as if it were not a *taxable supply; 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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 48-50

(2) However, an acquisition that a *company makes from another *member of the same *GST group is treated as if it were not a *creditable acquisition.

(3) This section has effect despite 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).

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*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 4  The special rules
Part 4-1  Special rules mainly about particular ways entities are organised
Division 48  GST groups

Section 48-60

**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 *company 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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Special rules mainly about particular ways entities are organised  
GST groups  

Chapter 4  

GST groups  

Part 4-1  

Division 48  

Section 48-75  

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: 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).  

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 4  The special rules
Part 4-1  Special rules mainly about particular ways entities are organised
Division 48  GST groups

Section 48-85

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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

51-1 What this Division is about

Companies 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 other participants in the joint venture.

Subdivision 51-A—Approval of GST joint ventures

51-5 Approval of GST joint ventures

(1) The Commissioner must approve 2 or more *companies 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 companies jointly apply, in the *approved form, for approval of the joint venture as a GST joint venture; and
   (d) each of the companies *satisfies the participation requirements for that GST joint venture; and
   (e) the application nominates one of the companies to be the *joint venture operator for the joint venture.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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A joint venture that is so approved is a GST joint venture.

(2) The application for approval need not include all the *companies 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

A *company satisfies the participation requirements for a *GST joint venture, or a proposed GST joint venture, if the company:

(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 companies participating in, or intending to participate in, the joint venture; and

(c) is *registered; and

(d) is an *Australian resident; and

(e) has the same tax periods applying to it as the tax periods applying to all the other participants of the GST joint venture; and

(f) accounts on the same basis as all those other participants; and

(g) is not a member of a *GST group.

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 *participant in the joint venture, in the course of activities for which the joint venture was entered into:

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 51-35

(a) is payable by the joint venture operator; and
(b) is not payable by the other 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 *participant in the joint venture; and
   (b) the other 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 *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 other 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 *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 other participant did not have the adjustment; and

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*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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Section 51-45

(b) the joint venture operator 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 *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 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 participant in the joint venture, in the course of activities for which the joint venture was entered into.

(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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(2) The *net amount stated in such a return must be the net amount relating to the *GST joint venture in question.

(3) This section has effect despite sections 31-5 and 31-15 (which are about GST returns).

51-55 Payments of GST relating to GST joint ventures

(1) If the *net amount relating to a *GST joint venture for a tax period is greater than zero:
   (a) the *joint venture operator of the GST joint venture 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 33-5.

(2) This section has effect despite Division 33 (which is about payments of GST).

51-60 Refunds relating to GST joint ventures

(1) If the *net amount relating to a *GST joint venture for a tax period is less than zero:
   (a) the Commissioner must, on behalf of the Commonwealth, pay that net amount (expressed as a positive amount) to the *joint venture operator of the GST joint venture; and
   (b) Division 35 applies to payment of that amount as if it were a payment the Commissioner was obliged to make under section 35-5.

(2) This section has effect despite Division 35 (which is about refunds).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 51-70

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 *company 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 participant of the GST joint venture to replace the applicant 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 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.

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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 51-85

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 *companies as the *participants of a *GST joint venture—to the company 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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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GST branches Division 54

Section 54-1

Division 54—GST branches

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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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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Part 4-1  Special rules mainly about particular ways entities are organised
Division 54  GST branches

Section 54-10

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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Section 54-40

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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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Part 4-1 Special rules mainly about particular ways entities are organised
Division 54 GST branches

Section 54-45

54-45 Net amounts of parent entities

1 (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 (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 (3) This section has effect despite sections 17-5 and 17-10 (which are about net amounts and adjustments).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 54-50

**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.

(2) The *net amount stated in such a return must be the net amount relating to the *GST branch in question.

(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 sections 31-5 and 31-15 (which are about 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 33-5.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(2) This section has effect despite Division 33 (which is about payments of GST).

54-65 Refunds 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 less than zero:
   (a) the Commissioner must, on behalf of the Commonwealth, pay that net amount (expressed as a positive amount) to the entity; and
   (b) Division 35 applies to payment of that amount as if it were a payment the Commissioner was obliged to make under section 35-5.

(2) This section has effect despite Division 35 (which is about refunds).

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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 *To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 57-1

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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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Division 57 Resident agents acting for non-residents

Section 57-15

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 *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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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Section 57-30

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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Section 60-1

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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) 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

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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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

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
treated, for the purposes of Division 129 (which is about changes in the extent of creditable purpose), as if the company had made it.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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Section 66-1

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

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.

66-5  Creditable acquisitions of second-hand goods

(1) If you acquire *second-hand goods, 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) the supply of the goods to you occurred before 1 July 2000; or
(e) you make a supply of the goods that is not a taxable supply.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(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 is:
   (a) an amount equal to \( \frac{1}{11} \) 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.

(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) the *consideration for the acquisition was more than $300;
   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:

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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(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.

(3) Subsection 29-10(3) does not apply in relation to a *creditable acquisition of *second-hand goods if the supply of the goods to you was not a *taxable supply.

(4) This section has effect despite section 29-10 (which is about attributing the input tax credits for creditable acquisitions).

66-20  Returnable containers

This Division does not apply to an acquisition of a *returnable container.

Note: See Division 93 for input tax credits for acquisitions of returnable containers.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Division 69—Non-deductible expenses

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.

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);

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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(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).

(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) 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) the *GST inclusive market value of the car exceeds the *car depreciation 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 an amount equal to \(\frac{1}{11}\) of that limit.

(2) This section has effect despite sections 11-25 and 15-20 (which are about the amount of input tax credits on creditable acquisitions and the amount of input tax credits on creditable importations).

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*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Division 72—Associates

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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).

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.

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(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).

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:

\[
\text{Full input tax credit} \times \text{Extent of creditable purpose}
\]

where:

\textit{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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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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(2) (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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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Division 75  Sale of freehold interests etc.

Section 75-1

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 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) 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 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 \( \frac{1}{11} \) 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 freehold interest or long-term lease in question.

(3) However, if:

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.

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(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 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 freehold interest or *long-term lease.

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<td>The supplier acquired the freehold interest or *long-term lease before 1 July 2000, and items 2, 3 and 4 do not apply.</td>
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<tr>
<td>2</td>
<td>The supplier acquired the freehold interest or *long-term lease before 1 July 2000, but does not become *registered or *required to be registered until after 1 July 2000.</td>
<td>The date of effect of your registration, or the day on which you applied for registration (if it is earlier)</td>
</tr>
<tr>
<td>3</td>
<td>The supplier is *registered or *required to be registered and has held the freehold interest or *long-term lease since before 1 July 2000, and there were improvements on the land or premises in question as at 1 July 2000.</td>
<td>1 July 2000</td>
</tr>
<tr>
<td>4</td>
<td>The supplier is the Commonwealth, a State or a Territory and has held the freehold interest or *long-term lease since before 1 July 2000, and there were no improvements on the land or premises in question as at 1 July 2000.</td>
<td>The day on which the *taxable supply takes place</td>
</tr>
</tbody>
</table>

(4) This section has effect despite section 9-70 (which is about the amount of GST on taxable supplies).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 4  The special rules
Part 4-2  Special rules mainly about supplies and acquisitions
Division 75  Sale of freehold interests etc.

Section 75-15

75-15 Subdivided land

For the purposes of section 75-10, if the freehold interest 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 or a "long-term lease is
not a "creditable acquisition if the supply of the freehold interest or
long-term 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 a freehold
interest in land or a "long-term lease 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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Division 78—Insurance

78-1 What this Division is about

Payments of claims under insurance policies can attract input tax credits. However, some transactions relating to insurance policies are not included in the GST system.

Note: Normally, transactions relating to insurance policies would be supplies and acquisitions (see in particular paragraphs 9-10(2)(e) and 11-10(2)(e)).

78-5 Creditable acquisitions relating to indemnity payments

(1) If:

(a) an insurer makes a payment of *money to indemnify another entity under an *insurance policy; and

(b) the acceptance by the other person of the payment is not a *taxable supply;

the fact that the acceptance of the payment is not a *taxable supply does not stop the acquisition, made by the insurer as a result of the acceptance, being a *creditable acquisition.

(2) However, this section only applies if the supply of the *insurance policy by the insurer was a *taxable supply, or would have been a taxable supply if it had been supplied after 1 July 2000.

(3) An insurance policy is a policy of insurance (or of reinsurance), or a guarantee, against loss, damage, injury or risk of any kind, whether under a contract or a law. However, it does not include:

(a) such a policy or guarantee to the extent that it does not relate to insurance (or reinsurance), or a guarantee against loss, damage, injury or risk of any kind; or

(b) a *life insurance policy; or

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 4  The special rules
Part 4-2  Special rules mainly about supplies and acquisitions
Division 78  Insurance

Section 78-10

(c) such a policy for "private health insurance.

(4) This section has effect despite section 11-5 (which is about what is a creditable acquisition).

78-10 Excluded insurance transactions are not taxable supplies or creditable acquisitions

(1) A supply is not a "taxable supply if it is solely an "excluded insurance transaction.

(2) An acquisition is not a "creditable acquisition if it is solely an "excluded insurance transaction.

(3) An excluded insurance transaction is:

(a) a supply of goods to the insurer, or an acquisition of goods by the insurer, under an "insurance policy, in the course of settling a claim under the policy; or

(b) a surrender by the insured of a right to be indemnified under an insurance policy in respect of losses incurred in making supplies that are "input taxed.

(4) This section has effect despite sections 9-5 and 11-5 (which are about what are taxable supplies and creditable acquisitions).

78-15 The value of taxable supplies that are partly excluded insurance transactions

(1) In working out the value of a "taxable supply that is partly an "excluded insurance transaction, disregard the "consideration to the extent that it relates to that transaction.

(2) This section has effect despite section 9-75 (which is about the value of taxable supplies).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Division 81—Payments of taxes

81-1 What this Division is about

GST applies to payments of taxes and other charges, except those taxes and other charges that are excluded from the GST by a determination of the Treasurer.

81-5 Payments of taxes can constitute consideration

  (1) The payment of any *Australian tax (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 is payable, for a supply that the entity makes to you.

  (2) However, the payment of any *Australian tax 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

  (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, or the discharging of a liability to make such a payment.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 4  The special rules
Part 4-2  Special rules mainly about supplies and acquisitions
Division 81  Payments of taxes

Section 81-10

(2) This section has effect despite section 9-5 (which is about taxable supplies).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
The special rules  
Chapter 4  
Special rules mainly about supplies and acquisitions  Part 4-2  
Offshore supplies other than goods or real property  Division 84

Section 84-1

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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 84-10

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).

84-15 Transfers etc. between branches of the same entity

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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;

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 4  The special rules
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Division 87  Long-term accommodation in commercial residential premises

Section 87-15

1 is the sum of:
2 (c) the value, worked out in the way set out in section 9-75, of
3 that part of the supply that relates to provision of the
4 commercial accommodation during the first 27 days; and
5 (d) 50%, or such other percentage as is specified in the
6 regulations, of what would be the *price (if this Division did
7 not apply) of that part of the supply that relates to provision
8 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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(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.
Chapter 4  The special rules
Part 4-2  Special rules mainly about supplies and acquisitions
Division 90  Company amalgamations

Section 90-1

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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 4
Special rules mainly about supplies and acquisitions Part 4-2
Company amalgamations Division 90

Section 90-15

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(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:

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 90-35

(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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Division 93—Returnable containers

93-1 What this Division is about

This Division allows for input tax credits for the acquisition of returnable containers from people who are not making taxable supplies.

93-5 Creditable acquisitions of returnable containers

(1) If you acquire a returnable container from an entity that is not registered or required to be registered, the fact that the supply of the container to you is not a taxable supply does not stop the acquisition being a creditable acquisition.

(2) A container is a returnable container if entities of a kind provided under a State law or Territory law are obliged under that law:
   (a) to accept delivery of that container when empty; and
   (b) to pay a refund to the entity delivering the container.

(3) This section has effect despite section 11-5 (which is about what is a creditable acquisition).

93-10 How much are the input tax credits for creditable acquisitions of returnable containers?

(1) The amount of the input tax credit on a creditable acquisition of a returnable container is an amount equal to 1/11 of:
   (a) the consideration that you provide, or are liable to provide, for the acquisition; or
   (b) if that consideration is more than the amount of the refund that you are obliged to pay under the State law or Territory law.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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Returnable containers Division 93

Section 93-15

...law in question—the amount of the refund that you are obliged to pay.

(2) However, this section does not apply if the supply of the container 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).

93-15 Attributing creditable acquisitions of returnable containers

(1) If you are entitled to the input tax credit for a *creditable acquisition of a *returnable container but the supply of the container was not a *taxable supply, the input tax credit for the acquisition is attributable to:

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

(b) 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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 93-20

(3) Subsection 29-10(3) does not apply in relation to a *creditable acquisition of a *returnable container if the supply of the container was not a *taxable supply.

(4) This section has effect despite section 29-10 (which is about attributing the input tax credits for creditable acquisitions).

93-20 Ownership of returnable containers

To avoid doubt, if a *returnable container is delivered to you in circumstances under which you are obliged, under a *State law or *Territory law, to make a refund to the entity delivering the container, your acceptance of the delivery is an acquisition of the container:

(a) whether or not you owned the container immediately prior to the delivery; and

(b) whether or not you become the owner of the container on that delivery.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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 supply of anything other than goods or real property;
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;

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 4  The special rules
Part 4-2  Special rules mainly about supplies and acquisitions
Division 102  Cancelled lay-by sales

Section 102-1

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 105-1

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 105-10

(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.

(2) The *GST return need not state a *net amount.

(3) This section has effect despite sections 31-5, 31-10 and 31-15 (which are about giving GST returns).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 4  The special rules  
Part 4-2  Special rules mainly about supplies and acquisitions  
Division 105  Supplies in satisfaction of debts

Section 105-20

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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.

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 customs duty or 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 goods that are in bond or otherwise subject to the control of Customs 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 customs duty or excise duty to which the goods would have been subject if they had been entered for home consumption under the Customs Act 1901 or the law relating to excise (as the case requires) 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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 4  The special rules
Part 4-3  Special rules mainly about importations
Division 114  Importations without entry for home consumption

Section 114-1

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.

114-5 Importations without entry for home consumption

The circumstances referred to in the third column of the following table are importations of goods into Australia. You are taken to have imported the goods if you are referred to in the fourth column of the table as the importer in relation to those circumstances. This section has effect despite section 13-5.

<table>
<thead>
<tr>
<th>Item</th>
<th>Topic</th>
<th>Circumstance</th>
<th>Importer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Personal or household effects of passengers or crew</td>
<td>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.</td>
<td>The person to whom the authorisation was granted.</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
## Importations without entry for home consumption

<table>
<thead>
<tr>
<th>Item</th>
<th>Topic</th>
<th>Circumstance</th>
<th>Importer</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Low value consignments by post</td>
<td>Goods of a kind referred to in paragraph 68(1)(e) of the <em>Customs Act 1901</em> are delivered into home consumption in accordance with an authorisation under section 71 of that Act.</td>
<td>The person to whom the authorisation was granted.</td>
</tr>
<tr>
<td>3</td>
<td>Other low value consignments</td>
<td>Goods of a kind referred to in paragraph 68(1)(f) of the <em>Customs Act 1901</em> are delivered into home consumption in accordance with an authorisation under section 71 of that Act.</td>
<td>The person to whom the authorisation was granted.</td>
</tr>
<tr>
<td>4</td>
<td>Other goods exempt from entry</td>
<td>Goods of a kind referred to in paragraph 68(1)(i) of the <em>Customs Act 1901</em> are delivered into home consumption in accordance with an authorisation under section 71 of that Act.</td>
<td>The person to whom the authorisation was granted.</td>
</tr>
<tr>
<td>5</td>
<td>Like customable goods</td>
<td>Goods are delivered into home consumption in accordance with a permission granted under section 69 of the <em>Customs Act 1901</em>.</td>
<td>The person to whom the permission was granted.</td>
</tr>
<tr>
<td>6</td>
<td>Special clearance goods</td>
<td>Goods are delivered into home consumption in accordance with a permission granted under section 70 of the <em>Customs Act 1901</em>.</td>
<td>The person to whom the permission was granted.</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
### Section 114-5

<table>
<thead>
<tr>
<th>Item</th>
<th>Topic</th>
<th>Circumstance</th>
<th>Importer</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Sale or disposal of goods by Customs</td>
<td>Goods are sold or disposed of under section 72, 87, 96, 206 or 207 of the <em>Customs Act 1901.</em></td>
<td>The person who was the owner (within the meaning of the <em>Customs Act 1901</em>) of the goods immediately before the sale or disposal.</td>
</tr>
<tr>
<td>8</td>
<td>Goods released on security</td>
<td>Goods are released under section 208 of the <em>Customs Act 1901.</em></td>
<td>The person to whom the goods are released.</td>
</tr>
<tr>
<td>9</td>
<td>Goods delivered under a court order</td>
<td>Goods are delivered to a person under a court order made: (a) in an action under the <em>Customs Act 1901</em> for condemnation or recovery of the goods; or (b) in an action for a declaration that the goods are not forfeited under the <em>Customs Act 1901.</em></td>
<td>The person to whom the goods are delivered.</td>
</tr>
<tr>
<td>10</td>
<td>Return of seized goods</td>
<td>Goods that have been seized under section 203 of the <em>Customs Act 1901</em> are delivered to a person on the basis that they are not forfeited goods.</td>
<td>The person to whom the goods are delivered.</td>
</tr>
<tr>
<td>11</td>
<td>Impounded goods that cease to be forfeited</td>
<td>Delivery of the goods is authorised under subsection 209(6) of the <em>Customs Act 1901.</em></td>
<td>The person to whom the goods are delivered, or are to be delivered.</td>
</tr>
<tr>
<td>12</td>
<td>Goods for public exhibition, testing etc.</td>
<td>Goods are taken out of a warehouse under a permission granted under section 97 of the <em>Customs Act 1901.</em></td>
<td>The person to whom the permission is granted.</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
### Importations without entry for home consumption

<table>
<thead>
<tr>
<th>Item</th>
<th>Topic</th>
<th>Circumstance</th>
<th>Importer</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Inwards duty free shops</td>
<td>Goods that are &quot;airport shop goods purchased from an &quot;inwards duty free shop by a &quot;relevant traveller are removed from a &quot;customs clearance area.</td>
<td>The relevant traveller.</td>
</tr>
<tr>
<td>14</td>
<td>COMPILE contingency arrangements</td>
<td>Goods are taken into home consumption in accordance with a permission granted under section 77D of the <em>Customs Act 1901</em></td>
<td>The person to whom the permission is granted.</td>
</tr>
<tr>
<td>15</td>
<td>Installations and goods on installations</td>
<td>Goods are deemed by section 49B of the <em>Customs Act 1901</em> to be imported into Australia.</td>
<td>The person who is the owner (within the meaning of the <em>Customs Act 1901</em>) of the goods when they are deemed to be so imported.</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
Chapter 4 The special rules  
Part 4-3 Special rules mainly about importations  
Division 117 Importations of goods that were exported for repair or renovation  

Section 117-1  

Division 117—Importations of goods that were exported for repair or renovation  

117-1 What this Division is about  

Taxable importations of goods that were exported for repair or renovation are given a lower value than would otherwise apply, so that the GST only applies to the value of the repair or renovation, 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 value of the repair or renovation; and  

(b) the amount paid or payable:  

(i) to transport the goods to 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 (other than the amount of GST payable on the importation).  

(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  

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 117-10

117-10 The value of repairs and renovations

(1) The value of a repair or renovation of goods that have been *imported is the *customs value of the repair or renovation if:
(a) *customs duty has or will become payable on the importation; and
(b) that duty is calculated solely by reference to the customs value of the repair or renovation.

(2) The value of a repair or renovation of goods that have been *imported is as follows if *customs duty has or will become payable on the importation and paragraph (1)(b) does not apply:

\[
\text{Notional customs value} + \frac{\text{Customs duty} \times \text{Notional customs value}}{\text{Customs value of the goods}}
\]

where:

*notional customs value* is the amount that would have been the *customs value of the repair or renovation if paragraph (1)(b) had applied.

(3) If *customs duty has not, and will not, become payable on an *importation of goods, the value of a repair or renovation of the goods is the amount that would have been the *customs value of the repair or renovation if:
(a) customs duty had or would have become payable on the importation; and
(b) that duty were calculated solely by reference to the customs value of the repair or renovation.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
Chapter 4  The special rules
Part 4-4  Special rules mainly about net amounts and adjustments
Division 123  Diesel fuel credits

Section 123-1

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—Diesel fuel credits

Table of Subdivisions

123-A  General
123-B  Amounts of diesel fuel credits
123-C  Adjustments relating to diesel fuel credits

123-1  What this Division is about

Diesel fuel credits allow you to reduce your net amounts to offset fully or partially the customs duty or excise duty included in the price of diesel fuel or like fuel you use in carrying on your enterprise.

Subdivision 123-A—General

123-5  Effect of diesel fuel credits on net amounts

(1) Your *net amount for a tax period is reduced by subtracting the sum of all of the amounts of *diesel fuel credits (if any) you have that are attributable to that period.

(2) This section has effect despite sections 17-5 (which is about net amounts).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
123-10 How diesel fuel credits arise

(1) You have a **diesel fuel credit** if:
    (a) you are *registered or *required to be registered; and
    (b) you acquire *diesel or like fuel for *creditable diesel fuel consumption; and
    (c) you provide, or are liable to provide, *consideration for the acquisition.

(2) You also have a **diesel fuel credit** if:
    (a) you are *registered or *required to be registered; and
    (b) you import *diesel or like fuel for *creditable diesel fuel consumption.

123-15 Meaning of *creditable diesel fuel consumption*

**Creditable diesel fuel consumption** is

    (a) any consumption of *diesel or like fuel in *carrying on your *enterprise, other than consumption by a *transport vehicle on a public road or consumption in transport by rail; or
    (b) any consumption of *diesel fuel, in *carrying on your *enterprise:
        (i) by a *transport vehicle on a public road, other than by a vehicle that has a gross vehicle weight not exceeding 3.5 tonnes; or
        (ii) in transport by rail.

123-20 Attribution of diesel fuel credits

(1) A *diesel fuel credit that you have for an acquisition of *diesel or like fuel that you make is attributable to the same tax period, or tax periods, applying to you as the tax period or tax periods to which:
    (a) if the acquisition is a *creditable acquisition—the creditable acquisition is attributable; or

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*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(b) if the acquisition is not a creditable acquisition—the acquisition would be attributable if it were a creditable acquisition.

For the basic rules on attribution of creditable acquisitions, see section 29-10.

(2) A diesel fuel credit that you have for an importation of diesel or like fuel that you make is attributable to the same tax period, or tax periods, applying to you as the tax period or tax periods to which:

(a) if the importation is a creditable importation—the creditable importation is attributable; or

(b) if the importation is not a creditable importation—the importation would be attributable if it were a creditable importation.

For the basic rules on attribution of creditable importations, see section 29-15.

Subdivision 123-B—Amounts of diesel fuel credits

123-40 Amounts of diesel fuel credits

This table sets out the amount of the diesel fuel credit if you acquire or import diesel or like fuel for creditable diesel fuel consumption.

<table>
<thead>
<tr>
<th>Item</th>
<th>In this case ...</th>
<th>The amount of the diesel fuel credit is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>You acquire or import the diesel or like fuel for creditable diesel fuel consumption, but not for consumption in reduced credit land transport</td>
<td>Amount of diesel or like fuel × Duty rate</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
### The amount of a diesel fuel credit

<table>
<thead>
<tr>
<th>Item</th>
<th>In this case ...</th>
<th>The amount of the diesel fuel credit is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>You acquire or import the diesel or like fuel for consumption in reduced credit land transport, and not for any other creditable diesel fuel consumption</td>
<td>Amount of diesel or like fuel × Reduced rate</td>
</tr>
<tr>
<td>3</td>
<td>You acquire or import the diesel or like fuel for creditable diesel fuel consumption, part of which is for consumption in reduced credit land transport</td>
<td>the sum of: Full credit × 80% − Reduced credit land transport use and: Reduced credit × Reduced credit land transport use</td>
</tr>
</tbody>
</table>

where:

- **amount of diesel or like fuel** is the number of litres of "diesel or like fuel you acquired or imported.
- **duty rate** is:
  - (a) in respect of an acquisition of "diesel or like fuel—the rate of *excise duty that would be payable under the Excise Tariff Act 1921 on the diesel or like fuel if it were entered for home consumption (within the meaning of the Excise Act 1901); or  
  - (b) in respect of an importation of diesel or like fuel—the rate of *customs duty that would be payable under the Customs Tariff Act 1995 on the diesel or like fuel if it were entered for home consumption (within the meaning of the Customs Act 1901); on the 1 April or 1 October last occurring before the end of the tax period to which the acquisition is attributable.

---

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
full credit is what would be the amount of the *diesel fuel credit if item 1 of the table applied to the acquisition.

reduced credit is what would be the amount of the *diesel fuel credit if item 2 of the table applied to the acquisition.

reduced credit land transport use is the extent to which the diesel or like fuel is acquired or imported for consumption in "reduced credit land transport in "carrying on your enterprise, expressed as a percentage of the total consumption for which the acquisition or importation was made.

reduced rate is the "excise rate, reduced by 18 cents per litre.

123-45 Reductions in amounts of diesel fuel credits—acquisitions

(1) What would be the amount of the *diesel fuel credit under section 123-40 for an acquisition of *diesel or like fuel is reduced under this section if one or both of the following apply:

(a) you make the acquisition only partly for *creditable diesel fuel consumption;

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

(2) The amount of the *diesel fuel credit for such an acquisition is as follows:

\[
\text{Diesel fuel credit} \times \frac{\text{Extent of creditable diesel fuel consumption}}{\text{Extent of consideration}}
\]

where:

*diesel fuel credit is what would have been the amount of the *diesel fuel credit for the acquisition if you had made it solely for *creditable diesel fuel consumption and you had provided, or had been liable to provide, all of the *consideration for the acquisition.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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 diesel fuel consumption is the extent to which you acquire the *diesel or like fuel for *creditable diesel fuel consumption, expressed as a percentage of the total consumption for which you make the acquisition.

(3) For the purpose of working out the extent of the *consideration, so far as the consideration is not expressed as an amount of *money, have regard to the *GST inclusive market value of the consideration.

123-50 Reductions in amounts of diesel fuel credits—importations

(1) What would be the amount of the *diesel fuel credit under section 123-40 for an importation of *diesel or like fuel is reduced under this section if you make the acquisition only partly for *creditable diesel fuel consumption.

(2) The amount of the *diesel fuel credit for such an importation is as follows:

\[
diesel fuel credit \times \text{Extent of creditable diesel fuel consumption}
\]

where:

diesel fuel credit is what would have been the amount of the *diesel fuel credit for the importation if you had made it solely for *creditable diesel fuel consumption and you had provided, or had been liable to provide, all of the *consideration for the importation.

extent of creditable diesel fuel consumption is the extent to which you import the *diesel or like fuel for *creditable diesel fuel consumption, expressed as a percentage of the total consumption for which you make the importation.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 123-55

123-55 Meaning of reduced credit land transport etc.

(1) Reduced credit land transport is:

(a) use of a public road by a *transport vehicle that has a *gross vehicle weight exceeding 3.5 tonnes; or

(b) transport by rail, other than *transport for beneficiation of minerals or ores.

(2) Transport for beneficiation of minerals or ores is:

(a) transport of *minerals or ores from the mining site of the minerals or ores to another place where they are beneficiated as an integral part of operations for their recovery; or

(b) the return journey from that other place to the mining site of the vehicles or equipment used in transporting the minerals or ores if it is undertaken for the purpose of:

(i) repeating a journey referred to in paragraph (a); or

(ii) backloading of raw materials or consumables for use in *mining operations.

(3) Mining operations are:

(a) exploration or prospecting for *minerals; or

(b) the removal of overburden and other activities undertaken in the preparation of a site to enable mining for minerals to commence; or

(c) operations for the recovery of minerals, being:

(i) mining for those minerals including the recovery of salts by evaporation; or

(ii) the beneficiation of those minerals, or of ores bearing those minerals;

but do not include anything done in relation to a mineral after *operations cease for the recovery of the mineral.

(4) Operations cease for the recovery of a *mineral:

(a) when the *process of beneficiation ceases; or

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(b) in the absence of a beneficiation process—when the mineral, or ores bearing the mineral:
   (i) are first stockpiled or otherwise stored at the place at which the mining operation is carried on; or
   (ii) if subparagraph (i) does not apply—are removed from the ore body or deposit.

(5) The process of beneficiation ceases, for ores bearing manganese *minerals, when manganese-mineral concentrates are last deposited in a holding bin, or in a stockpile, at the place where the concentration is carried on, before transportation of those concentrates.

(6) In determining whether a particular process to which a *mineral, or ores bearing a mineral, are subjected constitutes beneficiation of that mineral or those ores:
   (a) regard is to be had to the nature of the technical process involved; but
   (b) no regard is to be had to any market considerations that might affect the decision to subject that mineral or those ores to that process.

Subdivision 123-C—Adjustments relating to diesel fuel credits

123-70 When adjustments arise

(1) You have an adjustment if:
   (a) you are *registered or *required to be registered; and
   (b) you acquired or imported *diesel or like fuel, whether or not for *creditable diesel fuel consumption; and
   (c) one or more of the circumstances referred to in subsection (2) occurs; and

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 4  The special rules
Part 4-4  Special rules mainly about net amounts and adjustments
Division 123  Diesel fuel credits

Section 123-75

(d) the amount of the *diesel fuel credit for the acquisition or importation would have been different if that circumstance, or those circumstances, had been taken into account.

(2) These are the circumstances:

(a) the extent (if any) to which you consume the *diesel or like fuel for *creditable diesel fuel consumption differs from the extent (if any) to which you acquired or imported the diesel or like fuel for creditable diesel fuel consumption;

(b) the extent (if any) to which you consume the *diesel or like fuel in *reduced credit land transport differs from the extent (if any) to which you acquired the diesel or like fuel for consumption in reduced credit land transport;

(c) in the case of an acquisition of diesel or like fuel—there is a change in the extent (if any) to which you provide, or are liable to provide, the *consideration for the acquisition.

123-75 Decreasing adjustments

(1) The adjustment is a decreasing adjustment if the amount of the *diesel fuel credit for the acquisition or importation would have been greater if that circumstance, or those circumstances, had been taken into account.

(2) The amount of the *decreasing adjustment is an amount equal to the amount by which the *diesel fuel credit would have been greater.

123-80 Increasing adjustments

(1) The adjustment is an increasing adjustment if the amount of the *diesel fuel credit for the acquisition or importation would have been less if that circumstance, or those circumstances, had been taken into account.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(2) The amount of the *increasing adjustment is an amount equal to the
amount by which the *diesel fuel credit would have been less.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 4  The special rules
Part 4-4  Special rules mainly about net amounts and adjustments
Division 126  Gambling

Section 126-1

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:

\[
\text{Global GST amount} + \text{Other GST} - \text{Input tax credits}
\]

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(3) This section has effect despite section 17-5 (which is about net amounts).

126-10 Global GST amounts

(1) Your global GST amount for a tax period is as follows:

\[
\text{Global GST amount} = \frac{\text{Total amount wagered} - \text{Total monetary prizes}}{11}
\]

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 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, took 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 total amounts wagered.

(3) 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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
Chapter 4  The special rules  
Part 4-4  Special rules mainly about net amounts and adjustments  
Division 126  Gambling  

Section 126-20  

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).  

126-35  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  

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.  

(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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
Chapter 4  The special rules
Part 4-4  Special rules mainly about net amounts and adjustments
Division 129  Changes in the extent of creditable purpose

Section 129-1

Division 129—Changes in the extent of creditable purpose

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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:

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
The special rules  
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(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 your "annual turnover of financial supplies does not exceed either:

(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).

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—ends 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) However:

(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

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.

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(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*.

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 by disposal by way of a *taxable supply or a supply that would have been a taxable supply had it not been *GST-free under Subdivision 38-H); 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 *adjustment period to end after the disposal, loss, theft, destruction or expiry is the last adjustment period for the acquisition or importation in question.

(2) Despite sections 129-20, if:

(a) you dispose of a thing acquired or imported; and

(b) the disposal is by way of a *taxable supply (or a supply that would have been a taxable supply had it not been *GST-free under Subdivision 105-H);

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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.

### 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:

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(a) the application relates to making supplies that are *input taxed; or
(b) the application is of a private or domestic nature.

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:

\[
\text{Increasing adjustment} = \text{Full input tax credit} \times \frac{\text{* Intended or former application}}{-\text{* Actual application}}
\]

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
Section 129-75

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:

\[
\text{Decreasing adjustment} = \frac{\text{Full input tax credit} \times \text{Actual application}}{\text{*Intended or former application}}
\]

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 adjustments under Division 19

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.

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*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 4  The special rules
Part 4-4  Special rules mainly about net amounts and adjustments
Division 132  Supplies of things acquired or imported to make supplies

Section 132-1

1

Division 132—Supplies of things acquired or imported to make supplies

132-1  What this Division is about

You may have an adjustment if you make a supply of something that you earlier acquired or imported to make supplies. This is to ensure that your entitlement for an input tax credit was correctly worked out.

132-5  Adjustments for supplies of things used to make supplies

(1) You have an *adjustment under this Division if:

(a) you make a tax*able 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-H); and

(b) the supply is a supply by way of sale; and

(c) the *consideration for the supply is $50,000 or more; and

(d) your acquisition or importation of the thing related solely or partly to making supplies; and

(e) your *actual input tax credit amount for the thing differs from your *adjusted input tax credit amount for the thing.

(2) Your actual input tax credit amount for the thing is as follows:

\[
\frac{1}{11} \times \text{Cost} \times \text{Final application}
\]

where:

\text{cost} is:

(a) if the *price of the supply is less than the *consideration you provided or were liable to provide for the acquisition, or the

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 4

Special rules mainly about net amounts and adjustments

Part 4-4

Supplies of things acquired or imported to make supplies

Division 132

Section 132-10

1. The cost to you of acquiring or producing the thing imported, whichever is applicable—the difference between that consideration or cost and that price; or
2. (b) if that price is more than or equal to that consideration or cost—that consideration or cost.

final application is what would be the *actual application of the thing for the tax period to which the supply is attributable (or would be attributable if it were a *taxable supply) if that tax period were an *adjustment period.

3. (3) Your adjusted input tax credit amount for the thing is:
   (a) the amount of any input tax credit that was attributable to a tax period in respect of the acquisition; plus
   (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; minus
   (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.

132-10 Increasing adjustments

1. (1) The adjustment is an increasing adjustment if your *actual input tax credit amount for the thing is less than your *adjusted input tax credit amount for the thing.

2. (2) The amount of the *increasing adjustment is the difference between the *adjusted input tax credit amount and the *actual input tax credit amount.

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*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
132-15 Decreasing adjustments

(1) The adjustment is a decreasing adjustment if your *actual input tax credit amount for the thing is more than your *adjusted input tax credit amount for the thing.

(2) The amount of the *decreasing adjustment is the difference between the *actual input tax credit amount and the *adjusted input tax credit amount.

132-20 Attribution of adjustments under this Division

(1) An *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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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 of input taxed supplies (if any) that will be made in running the concern. 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; and

(b) you intend that some, but not all, of the supplies made through the *enterprise to which the supply relates will be supplies that are *input taxed.

(2) The amount of the increasing adjustment is as follows:

\[
\frac{1}{11} \times \text{Price of the *supply of the going concern} \times \text{Proportion of input taxed supplies}
\]

where:

proportion of input taxed supplies is the proportion of all the supplies made through the *enterprise that you intend will be supplies that are *input taxed, expressed as a percentage worked out on the basis of the *prices of those supplies.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
135-10 Later adjustments for supplies of going concerns

(1) If you are the *recipient of a *supply of a going concern, 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 *input taxed; and

(b) the proportion of all the supplies made through the *enterprise that are supplies that are *input taxed; 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, whether or not it is a supply in respect of which you have had an *increasing adjustment under section 135-5.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 138-1

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:

\[ \frac{1}{11} \times \text{*Actual application of the thing} \times \text{Applicable value} \]

where:

\text{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

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 4  The special rules
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Section 138-10

(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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 138-20

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.

138-20 Application of Division 129

This Division does not affect the operation of Division 129 (which
is about changes in the extent of creditable purpose).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 4  The special rules
Part 4-5  Special rules mainly about registration
Division 144  Taxis

Section 144-1

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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
**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.

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*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
Section 147-15

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 Adjustments

(1) Any *adjustment relating to a supply, acquisition or importation
that:
   (a) an *incapacitated entity had before a *representative of an
   *incapacitated entity was appointed; and
   (b) was not attributable to a tax period applying to the
   incapacitated entity that ended before that appointment;
   is to be treated as if:
   (c) the incapacitated entity did not have the adjustment; and
   (d) the representative had the adjustment.

(2) This section has effect despite section 17-10 (which is about the
effect of adjustments on net amounts).

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*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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

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.

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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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.

(3) This section has effect despite section 29-70 (which is about tax
    invoices).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 4  The special rules
Part 4-6  Special rules mainly about tax periods
Division 156  Supplies and acquisitions made on a progressive or periodic basis

Section 156-1

Division 156—Supplies and acquisitions made on a progressive or periodic basis

156-1  What this Division is about

Supplies and acquisitions made on a progressive or periodic 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) on a progressive or periodic basis; and
   (b) for consideration that is to be provided on a progressive or periodic basis;
   is attributable to one or more tax periods as if each progressive or periodic component of the supply were a separate supply.

(2) This section has effect despite section 29-5 (which is about attributing GST on taxable supplies).

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) on a progressive or periodic basis; and
   (b) for consideration that is to be provided on a progressive or periodic basis;
   is attributable to one or more tax periods as if each progressive or periodic component of the acquisition were a separate acquisition.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 156-15

(2) This section has effect despite section 29-10 (which is about attributing input tax credits on creditable acquisitions).

156-15 Progressive or periodic supplies partly connected with Australia

(1) If the whole of a progressive or periodic component of a taxable supply referred to in section 156-5 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) on a progressive or periodic 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.

156-25 Accounting on a cash basis

This Division does not apply if you account on a cash basis.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 159-1

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).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 159-10

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) 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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 159-15

(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.

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;

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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,
Section 159-30

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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 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

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 a 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.

An entity that gets such a benefit from such a scheme must also pay a penalty of twice the amount of any underpayment of GST (or overpayment of a refund) for a tax period. (However, the Commissioner may remit the penalty under the Taxation Administration Act 1953.)

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 4  The special rules
Part 4-7  Special rules mainly about returns, payments and refunds
Division 165  Anti-avoidance

Section 165-5

If the Commissioner makes a declaration negating a benefit an entity gets from a scheme, the Commissioner may also make a declaration altering another entity’s GST or refund in the interests of fairness (for example, to prevent double taxation).

GST or a refund is payable in accordance with the Commissioner’s declaration.

**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) 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) a 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.

*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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 165-15

1

**GST benefit can arise even if no economic alternative**

2

(3) An entity can get a "GST" benefit from a "scheme even if the entity
3
or entities that entered into or carried out the scheme, or a part of
4
the scheme, could not have engaged economically in any activities:
5
(a) of the kind to which this Act applies; and
6
(b) that would produce an effect equivalent (except in terms of
7
this Act) to the effect of the scheme or part of the scheme;
8
other than the activities involved in entering into or carrying out
9
the scheme or part of the scheme.

165-15 Matters to be considered in determining purpose or effect

1

(1) The following matters are to be taken into account under section
2
165-5 in considering an entity’s purpose in entering into or
3
carrying out the "scheme from which the avoider got a "GST
4
benefit, and the effect of the scheme:
5
(a) the manner in which the scheme was entered into or carried
6
out;
7
(b) the form and substance of the scheme, including:
8
(i) the legal rights and obligations involved in the scheme;
9
and
10
(ii) the economic and commercial substance of the scheme;
11
(c) the purpose or object of this Act, the **Customs Act 1901** (so
12
far as it is relevant to this Act) and any relevant provision of
13
this Act or that Act (whether the purpose or object is stated
14
expressly or not);
15
(d) the timing of the scheme;
16
(e) the period over which the scheme was entered into and
17
carried out;
18
(f) the effect that this Act would have in relation to the scheme
19
apart from this Division;

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
The special rules Chapter 4
Special rules mainly about returns, payments and refunds Part 4-7
Anti-avoidance Division 165

Section 165-40

(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;

To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 165-45

(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 find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 165-50

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 4  The special rules
Part 4-7  Special rules mainly about returns, payments and refunds
Division 165  Anti-avoidance

Section 165-55

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Subdivision 165-C—Penalties for getting GST benefits from schemes

165-80 Penalty

(1) The avoider mentioned in section 165-5 must pay the Commonwealth a penalty.

(2) The amount of the penalty is worked out as follows:

**Method statement**

*Step 1.* For each tax period for which a declaration under section 165-40 states as the avoider’s *net amount, an amount exceeding the amount that would be the avoider’s *net amount apart from the statement, work out the excess.

*Step 2.* For each *taxable importation (or event stated by the declaration to be a *taxable importation) for which the declaration states as the amount of GST, an amount exceeding the amount that would be the amount of GST apart from the statement, work out the excess.

*Step 3.* Total all the excesses worked out under Steps 1 and 2.

*Step 4.* Double the total from Step 3.

(3) The penalty is in addition to any payment the avoider must make apart from this section.

(4) Part VI of the *Taxation Administration Act 1953* applies to the penalty in the same way as it applies to penalty an entity is liable to pay under that Part.

Note: That Part deals with remission, notice, payment and recovery of penalty (among other things).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
Section 168-1

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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) If:
   (a) you make a "taxable importation of goods; and
   (b) a security or undertaking has been given under section 162 or 162A of the Customs Act 1901 for the payment of "customs duty on the goods;

   any amount of GST on the importation is not payable while, under subsection 162(3) or 162A(5) of that Act (as the case requires), customs duty is not payable on the goods.

(2) This section has effect despite section 33-15 (which is about payments of amounts of GST on importations).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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) be 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.

(3) Directions under subsection (2) have effect, and must be complied with, despite any other Commonwealth law.

(4) 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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 177-5

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:
   (a) paragraph 38-15(c); or
   (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) paragraph (b) of the definition of primary course in the Dictionary; or
   (b) paragraph (b) of the definition of secondary course in the Dictionary; or
   (c) paragraph (b) of the definition of tertiary course in the Dictionary.

(4) The *Health Minister may make a determination for the purposes of paragraph 38-15(c).

(5) A determination under this section is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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;

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Chapter 6  Interpreting this Act
Part 6-1  Rules for interpreting this Act
Division 182  Rules for interpreting this Act

Section 182-10

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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.

(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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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.
Division 186—Meaning of approved form

186-1 Approved forms

(1) A notice, application or other document is in the approved form if:
   (a) it is in the form approved in writing by the Commissioner in relation to that kind of notice, application or other document;
   and
   (b) it contains the information that the form requires, and such further information as the Commissioner requires;
   (c) it is lodged at the place and in the manner that the Commissioner requires.

(2) The Commissioner may combine in the same approved form more than one notice, application or other document.
Chapter 6  Interpreting this Act
Part 6-2  Meaning of some important concepts
Division 188  Meaning of annual turnover

Section 188-1

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.

<table>
<thead>
<tr>
<th>Turnover thresholds</th>
<th>This turnover threshold ...</th>
<th>Is relevant to working out:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Registration turnover threshold</td>
<td>whether you are required to be registered (see section 23-5).</td>
</tr>
<tr>
<td>2</td>
<td>Tax period turnover threshold</td>
<td>whether tax periods must be monthly (see section 27-15).</td>
</tr>
<tr>
<td>3</td>
<td>Cash accounting turnover threshold</td>
<td>whether you can elect to account on a cash basis (see section 29-40)</td>
</tr>
<tr>
<td>4</td>
<td>Electronic lodgment turnover threshold</td>
<td>whether you must lodge GST returns electronically (see section 31-25); whether you must pay amounts of GST electronically (see section 33-10).</td>
</tr>
</tbody>
</table>

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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:
   (a) the *cash accounting turnover threshold;
   (b) the *electronic lodgment turnover threshold;
   (c) the *registration turnover threshold;
   (d) 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

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 188-20

(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.

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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.

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 Subdivision, work out the value of a supply that is not a *taxable supply in the same way that you would work out the *value of the supply if it were a taxable supply, but without any discount for the amount of GST (if any) payable on the supply.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
For the basic rules on the value of taxable supplies, see Subdivision 9-C.
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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
In this Act, except so far as the contrary intention appears:

- **90% owned group** has the meaning given by section 190-1.

- **ABN** has the meaning given by section 41 of the *A New Tax System (Australian Business Number) Act 1998*.

- **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.

- **actual input tax credit amount** for a thing has the meaning given by subsection 132-5(2).

- **adjusted input tax credit amount** for a thing has the meaning given by subsection 132-5(3).

- **adjustment** means an *increasing adjustment or a *decreasing adjustment.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
**adj**ustment event has the meaning given by section 19-10.

**adj**ustment note means a document that complies with the requirements of subsection 29-75(1) and (if applicable) section 54-50.

**adj**ustment period has the meaning given by Subdivision 129-B.

**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 turnover of financial supplies** means the amount that would be your *current annual turnover*, or your *projected annual turnover* (if that would be greater), if:

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
Section 195-1

(a) the financial supplies that you made, or would be likely to make, during the 12 month period in question were taxable supplies; and
(b) those supplies were the only supplies that you made, or would be likely to make, during that period.

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.

approved form has the meaning given by section 186-1.

approved pathology practitioner means a person who is an approved pathology practitioner for the purposes of the Health Insurance Act 1973.

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 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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
**Australian resident** means a person who is a resident of Australia for the purposes of the "ITAA 1936.

**Australian tax** means a tax (however described) imposed under an "Australian law.

**batch repair process** has the meaning given by section 117-5.

**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 depreciation limit** has the meaning given by section 42-80 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(2).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
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Section 195-1

*Child Care Minister* means the Minister administering the *Child Care Act 1972*.

*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
(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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*

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Section 195-1

connected with Australia, in relation to a supply, has the meaning given by section 9-25.
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 81-5, 99-5 and 102-5.

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 sections 11-5.
Note: This meaning is affected by sections 60-10, 69-5, 72-40, 75-20, 78-10, 90-15 and 93-5.

creditable diesel fuel consumption has the meaning given by section 123-15.

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

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 195-1

(c) in relation to the *application of a thing acquired or imported—has the meaning given by section 129-50.

current annual turnover has the meaning given by section 188-15.

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 New Tax System (Goods and Services Tax Imposition—Customs) Act 1998.

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 for investment purposes.

decreasing adjustment means an amount arising under one of the following provisions:

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<td>6</td>
<td>Section 129-40</td>
<td>Changes in the extent of creditable purpose</td>
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<tr>
<td>7</td>
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*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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Section 195-1

Note: Decreasing adjustments decrease your net amounts.

dental practitioner has the meaning given by subsection 3(1) of the

diesel fuel has the meaning given by the regulations.

diesel fuel credit has the meaning given by section 123-10.

diesel or like fuel means:
(a) diesel fuel; or
(b) such other fuel as is specified in the regulations.

dividend has the meaning given by subsections 6(1), (4) and (5) of
the "ITAA 1936.

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 "English language course for overseas students; or
(h) a "professional or trade course; or
(i) 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

electronic lodgment turnover threshold has the meaning given by
subsection 31-25(4).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 195-1

*electronic payment* means a payment by way of electronic transmission, in an electronic format approved by the Commissioner.

*electronic signature*, in relation to a person, means a unique identification in an electronic form that is approved by the Commissioner for the purposes 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 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 the profession or trade concerned—by that association.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
excisable goods has the meaning given by section 4 of the Excise Act 1901.

excise duty means any duty of excise imposed by that name under a law of the Commonwealth.

excluded insurance transaction has the meaning given by subsection 78-10(3).

exempt entity has the meaning given by section 995-1 of the "ITAA 1997.

explanatory section has the meaning given by section 182-10.

family has the meaning given by section 5 of the Childcare Rebate Act 1993.

farming business has the meaning given by subsection 38-475(2).

Finance Minister means the Minister administering the Financial Management and Accountability Act 1997.

financial institution account means an account maintained by an entity:
(a) with an authorised deposit taking institution within the meaning of the Banking Act 1959; or
(b) with an organisation registered as a permanent building society, or as a credit union, under a "State law or "Territory law;
into which money received on deposit from the entity is paid.

financial supply has the meaning given by section 40-5.

financial year means a period of 12 months beginning on 1 July.

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

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
structure that has means of, or is capable of being readily adapted for, self-propulsion.

*foreign law* has the meaning given by section 995-1 of the "ITAA 1997.

*futures exchange* means:
(a) a body corporate in relation to which an approval under section 1126 of the Corporations Law is in force, or is taken to be in force because of subsection 1126(3) of that Law; 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).

*gift-deductible entity* means 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.

*gross vehicle weight*, in relation to a vehicle, means the road weight specified by the manufacturer of the vehicle as the maximum design weight capacity of the vehicle, or, if there is no such specification, the sum of:
(a) the weight of the vehicle; and
(b) the weight of the maximum load for which the vehicle was designed (including the weight of the driver and a full tank of fuel).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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 1998; or

(b) the A New Tax System (Goods and Services Tax Imposition—Customs) Act 1998; or

(c) the A New Tax System (Goods and Services Tax Imposition—Excise) Act 1998.

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, is \( \frac{10}{11} \) of the *GST inclusive market value of the supply or acquisition.

GST exclusive value:

(a) in relation to an acquisition, means \( \frac{10}{11} \) of the *price of the supply of the thing being acquired; 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:

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
(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 the amount of GST (if any) payable on the supply.

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 1998; 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 return means a return of the kind referred to in Division 31,
that complies with all the requirements of sections 31-15, 31-25
and 31-30.

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.

hire purchase agreement has the meaning given by section 995-1
of the *ITAA 1997.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
hospital treatment has the meaning given by subsection 67(4) of the National Health Act 1953.

import means *import goods into Australia.

importation of goods into Australia has the meaning given by subsection 13-5(2) and section 114-5.

incapacitated entity means:
(a) an individual who is a bankrupt; or
(b) an entity that is in liquidation or receivership.

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:

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<td>9</td>
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</tr>
</tbody>
</table>

Note: Increasing adjustments increase your net amounts.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Section 195-1

1. *individual* means a natural person.

2. *industrial instrument* has the meaning given by section 995-1 of the *ITAA 1997*.

3. *in existence* has the meaning given by section 995-100 of the *ITAA 1997*.

4. *input tax credit* means an entitlement arising under section 11-20 or 15-15.

5. *input taxed* has the meaning given by subsection 9-30(2) and Division 40.

6. *insurance policy* has the meaning given by subsection 78-5(3).

7. *intended or former application of a thing* has the meaning given by section 129-40.

8. *invoice* means a document notifying an obligation to make a payment.

9. *inwards duty free shop* has the same meaning as in section 96B of the *Customs Act 1901*.


12. *joint venture operator*, for a *GST joint venture*, is the *participant* of the joint venture nominated as mentioned in paragraph 51-5(c), or approved as a replacement joint venture operator for the joint venture under paragraph 51-70(1)(c).

13. *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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
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.

live stock has the meaning given by section 995-1 of the *ITAA 1997.

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.

margin, in relation to a *taxable supply of *potential residential land, has the meaning given by subsection 75-10(2).

margin scheme: a *taxable supply of *potential residential land 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

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.


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Section 195-1

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 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*, in relation to a "GST group, means a "company currently approved as one of the companies of the group under section 48-5 or paragraph 48-70(1)(a).

*mineral deposit* means a deposit of "minerals, and includes a deposit of sand or gravel.

*minerals* has the meaning given by section 330-25 of the "ITAA 1997.

*mining operations* has the meaning given by subsection 123-55(3).

*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

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
(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 section 17-5 and 126-5.

**new residential premises** means *residential premises that have not
previously been sold as residential premises and have not
previously been the subject of a *long-term lease.

**non-deductible expense** has the meaning given by subsection
69-5(3).

**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-resident** means an entity that is not an *Australian resident.

**non-taxable importation** has the meaning given by section 13-10
and Division 42.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
operating, in relation to the recovery of a mineral, has the meaning given by subsection 123-55(4).

outwards duty free shop has the same meaning as in section 96A of the Customs Act 1901.

participant, in relation to a *GST joint venture, means a *company 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 section 11-30; or
   (b) in relation to an importation, has the meaning given by section 15-25.

partly creditable land transport has the meaning given by subsection 123-55(1).

partnership has the meaning given by section 995-1 of the *ITAA 1997.

PAYE earner means an employee as defined by section 221A of the *ITAA 1936.

person includes a *company.

potential residential land means land that it is permissible to use for residential purposes, but that does not contain any *residential premises.

precious metal means:
   (a) gold (in any form) of at least 99.5% fineness; or
   (b) silver (in any form) of at least 99.9% fineness; or
   (c) platinum (in any form) of at least 99% fineness; or
   (d) any other substance specified in the regulations of a particular fineness specified in the regulations.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
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.

pre-school course means a course that is delivered:
(a) in accordance with a pre-school curriculum recognised by the education authority of the State or Territory in which the course is delivered; 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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
**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).

**process of beneficiation ceases**, in relation to ores bearing manganese minerals, has the meaning given by subsection 123-55(5).

**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.

**Quality of Care Principles** means the principles made under section 96-1 of the *Aged Care Act 1997*.

**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.

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*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
recipient created tax invoice has the meaning given by subsection 29-70(3).

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 2 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 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 registered under Part 2-5.

registered tax agent means an entity that is registered as a tax agent under Part VIIA (Registration of tax agents) of the "ITAA 1936.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
**registration turnover threshold** has the meaning given by section 23-15.

**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 imported or *excisable goods*—has the same meaning as in section 96B of the *Customs Act 1901*.

**representative** means:
(a) a trustee in bankruptcy; or
(b) a *liquidator*; or
(c) a receiver.

**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 48-7(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 occupied or intended to be occupied as a residence, and includes a *floating home*.

**returnable container** has the meaning given by subsection 93-5(2).
reviewable GST decision has the meaning given by Division 7 of Part VI of the Taxation Administration Act 1953.

satisfies the membership requirements for a *GST group has the meaning given by section 48-10.

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) *live stock that you did not acquire in a supply to you.

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
ship’s stores has the meaning given by section 130C of the Customs Act 1901.

special education course means a course of education that provides special programs designed specifically for children with disabilities or students with disabilities (or both) and that is supplied at:
   (a) a centre conducted by or on behalf of a State or Territory; or
   (b) any other place that is not a school.

State law has the meaning given by section 995-1 of the 1997.

student accommodation has the meaning given by subsection 38-105(3).

Subdivision 38-N 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.

superannuation fund has the meaning given by section 995-1 of the 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 importation has the meaning given by subsection 13-5(1).

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
taxable supply has the meaning given by sections 9-5, 84-5 and 105-5.  
Note: This meaning is also affected by sections 72-5, 78-10, 81-10 and 90-5.  
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 period means a tax period applying to you under Division 27 or section 414-24.  
tax period turnover threshold has the meaning given by subsection 27-15(3).  
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.  
things means anything that can be supplied or imported.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
transport vehicle means a vehicle for transporting passengers or goods.

transport for beneficiation of minerals or ores has the meaning given by subsection 123-55(2).

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.

value:
(a) value of a *taxable importation has the meaning given by sections 13-20, 13-25 and 117-5; and
(b) value of a *taxable supply has the meaning given by sections 9-75, 9-80, 72-10, 72-70, 78-15, 87-10, 90-10, 96-10 and 108-5; and
(c) value of a repair or renovation of goods has the meaning given by section 117-10.

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.

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.

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
Schedule 1—Medical aids and appliances

Note: GST-free supplies of medical aids and appliances are dealt with in section 38-45.

<table>
<thead>
<tr>
<th>Item</th>
<th>Category</th>
<th>Medical aids or appliances</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cardiovascular</td>
<td>heart monitors</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>pacemakers</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>surgical stockings</td>
</tr>
<tr>
<td>4</td>
<td>Communication aids for people with disabilities</td>
<td>communication boards and voice output devices</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>communication cards</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>page turners</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>eye pointing frames</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>software programs specifically designed for people with disabilities</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>printers and scanners specifically designed for software and hardware used by people with disabilities</td>
</tr>
<tr>
<td>10</td>
<td></td>
<td>switches and switch interfaces</td>
</tr>
<tr>
<td>11</td>
<td></td>
<td>mouth/head sticks/pointers</td>
</tr>
<tr>
<td>12</td>
<td></td>
<td>alternative keyboards</td>
</tr>
<tr>
<td>13</td>
<td></td>
<td>electrolarynx replacements</td>
</tr>
<tr>
<td>14</td>
<td></td>
<td>speech amplification/clarification aids</td>
</tr>
<tr>
<td>15</td>
<td>Continence</td>
<td>urine/faecal drainage/collection devices</td>
</tr>
<tr>
<td>16</td>
<td></td>
<td>waterproof covers or mattress protectors</td>
</tr>
<tr>
<td>17</td>
<td></td>
<td>absorbent pads for beds and chairs</td>
</tr>
<tr>
<td>18</td>
<td></td>
<td>disposable/reusable continence pads, pants and nappies required for continence use (excluding nappies for babies, sanitary pads or tampons)</td>
</tr>
<tr>
<td>19</td>
<td></td>
<td>enuresis alarms</td>
</tr>
<tr>
<td>20</td>
<td></td>
<td>incontinence appliances</td>
</tr>
<tr>
<td>21</td>
<td></td>
<td>hospital/medical/continence deodorising products</td>
</tr>
<tr>
<td>22</td>
<td></td>
<td>waterproof protection for beds and chairs</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
## Schedule 1 Medical aids and appliances

<table>
<thead>
<tr>
<th>Item</th>
<th>Medical aids or appliances</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>sterile plastic bags</td>
</tr>
<tr>
<td>24</td>
<td>electric bag emptiers</td>
</tr>
<tr>
<td>25</td>
<td>enemas, suppositories and applicators</td>
</tr>
<tr>
<td>26</td>
<td>urinals and bedpans</td>
</tr>
<tr>
<td>27</td>
<td>penile clamps</td>
</tr>
<tr>
<td>28</td>
<td>customised eating equipment for people with disabilities</td>
</tr>
<tr>
<td></td>
<td>customised toothbrushes for people with disabilities</td>
</tr>
<tr>
<td>29</td>
<td>dentures and artificial teeth</td>
</tr>
<tr>
<td>30</td>
<td>environmental control units designed for the disability of a particular person</td>
</tr>
<tr>
<td>31</td>
<td>computer modifications required for people with disabilities</td>
</tr>
<tr>
<td>32</td>
<td>“medical alert” devices</td>
</tr>
<tr>
<td>33</td>
<td>“medical alert” devices</td>
</tr>
<tr>
<td>34</td>
<td>finger prickers</td>
</tr>
<tr>
<td>35</td>
<td>alcohol skin wipes</td>
</tr>
<tr>
<td>36</td>
<td>test strips</td>
</tr>
<tr>
<td>37</td>
<td>needles and syringes</td>
</tr>
<tr>
<td>38</td>
<td>glucose monitors</td>
</tr>
<tr>
<td>39</td>
<td>home dialysis machines</td>
</tr>
<tr>
<td></td>
<td>enteral nutrition and associated delivery equipment</td>
</tr>
<tr>
<td>40</td>
<td>surgical shoes, boots, braces and irons</td>
</tr>
<tr>
<td>41</td>
<td>orthotics</td>
</tr>
<tr>
<td>42</td>
<td>hearing aids</td>
</tr>
<tr>
<td>43</td>
<td>visual display units specifically designed for deaf people, or for people with a speech impairment, to communicate with others</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
## Medical aids and appliances

<table>
<thead>
<tr>
<th>Item</th>
<th>Category</th>
<th>Medical aids or appliances</th>
</tr>
</thead>
<tbody>
<tr>
<td>45</td>
<td>telephone communication devices specifically designed to allow deaf people to send and receive messages by telephone</td>
<td></td>
</tr>
<tr>
<td>46</td>
<td>batteries specifically designed specifically for use with hearing aids</td>
<td></td>
</tr>
<tr>
<td>47</td>
<td>visual/tactile alerting devices</td>
<td></td>
</tr>
<tr>
<td>48</td>
<td>interactive and broadcast videotext systems</td>
<td></td>
</tr>
<tr>
<td>49</td>
<td>closed caption decoding devices</td>
<td></td>
</tr>
<tr>
<td>50</td>
<td>external processors for cochlear implants</td>
<td></td>
</tr>
<tr>
<td>51</td>
<td>Home modifications for people with disabilities</td>
<td>bidet/bidet toilet attachments</td>
</tr>
<tr>
<td>52</td>
<td>special door fittings relating to the disability of a particular person</td>
<td></td>
</tr>
<tr>
<td>53</td>
<td>Mobility of people with disabilities—motor vehicles</td>
<td>special purpose car seats</td>
</tr>
<tr>
<td>54</td>
<td>car seat harness specifically designed for people with disabilities</td>
<td></td>
</tr>
<tr>
<td>55</td>
<td>wheelchair and occupant restraint</td>
<td></td>
</tr>
<tr>
<td>56</td>
<td>wheelchair ramp</td>
<td></td>
</tr>
<tr>
<td>57</td>
<td>electric/hydraulic wheelchair lifting device</td>
<td></td>
</tr>
<tr>
<td>58</td>
<td>motor vehicle modifications</td>
<td></td>
</tr>
<tr>
<td>59</td>
<td>Mobility of people with disabilities—physical: bedding for people with disabilities</td>
<td>manually operated adjustable beds</td>
</tr>
<tr>
<td>60</td>
<td>electronically operated adjustable beds</td>
<td></td>
</tr>
<tr>
<td>61</td>
<td>hospital-type beds</td>
<td></td>
</tr>
<tr>
<td>62</td>
<td>customised bed rails for people with disabilities</td>
<td></td>
</tr>
<tr>
<td>63</td>
<td>bed cradles</td>
<td></td>
</tr>
<tr>
<td>64</td>
<td>bed restraints</td>
<td></td>
</tr>
<tr>
<td>65</td>
<td>bed poles and sticks</td>
<td></td>
</tr>
<tr>
<td>66</td>
<td>pressure management mattresses and overlays</td>
<td></td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.
## Schedule 1 Medical aids and appliances

<table>
<thead>
<tr>
<th>Item</th>
<th>Category</th>
<th>Medical aids or appliances</th>
</tr>
</thead>
<tbody>
<tr>
<td>67</td>
<td></td>
<td>backrests, leg rests and footboards for bed use</td>
</tr>
<tr>
<td>68</td>
<td>Mobility of people with disabilities—physical: orthoses</td>
<td>spinal orthoses</td>
</tr>
<tr>
<td>69</td>
<td></td>
<td>lower limb orthoses</td>
</tr>
<tr>
<td>70</td>
<td></td>
<td>upper limb orthoses</td>
</tr>
<tr>
<td>71</td>
<td></td>
<td>pressure management garments and lymphoedema pumps</td>
</tr>
<tr>
<td>72</td>
<td></td>
<td>callipers</td>
</tr>
<tr>
<td>73</td>
<td></td>
<td>corsets (surgical)</td>
</tr>
<tr>
<td>74</td>
<td></td>
<td>handsplints and cervical collars</td>
</tr>
<tr>
<td>75</td>
<td></td>
<td>mandibular advancement splints</td>
</tr>
<tr>
<td>76</td>
<td>Mobility of people with disabilities—physical: positioning aids</td>
<td>alternative positional seating corner chairs</td>
</tr>
<tr>
<td>77</td>
<td></td>
<td>alternative positional seating abduction cushions or long leg wedges</td>
</tr>
<tr>
<td>78</td>
<td></td>
<td>alternative positional seating modifications</td>
</tr>
<tr>
<td>79</td>
<td></td>
<td>standing frames</td>
</tr>
<tr>
<td>80</td>
<td></td>
<td>standing frames or tilt table modifications</td>
</tr>
<tr>
<td>81</td>
<td></td>
<td>side lying boards</td>
</tr>
<tr>
<td>82</td>
<td></td>
<td>night-time positioning equipment modifications</td>
</tr>
<tr>
<td>83</td>
<td>Mobility of people with disabilities—physical: prostheses</td>
<td>artificial limbs and associated supplements and aids</td>
</tr>
<tr>
<td>84</td>
<td></td>
<td>mammary</td>
</tr>
<tr>
<td>85</td>
<td>Mobility of people with disabilities—physical: seating aids</td>
<td>postural support seating trays</td>
</tr>
<tr>
<td>86</td>
<td></td>
<td>electrically operated therapeutic lounge/recliner chairs specifically designed for people with disabilities</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
Medical aids and appliances  **Schedule 1**

<table>
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<tr>
<th>Item</th>
<th>Category</th>
<th>Medical aids or appliances</th>
</tr>
</thead>
<tbody>
<tr>
<td>87</td>
<td></td>
<td>cushions specifically designed for people with disabilities</td>
</tr>
<tr>
<td>88</td>
<td>Mobility of people with disabilities—physical: transfer aids</td>
<td>manual, electric, ceiling track or pool hoists specifically designed for people with disabilities</td>
</tr>
<tr>
<td>89</td>
<td></td>
<td>hoist slings</td>
</tr>
<tr>
<td>90</td>
<td></td>
<td>goosenecks</td>
</tr>
<tr>
<td>91</td>
<td></td>
<td>transfer boards</td>
</tr>
<tr>
<td>92</td>
<td></td>
<td>transfer sheets, mats or belts</td>
</tr>
<tr>
<td>93</td>
<td></td>
<td>stairlifts</td>
</tr>
<tr>
<td>94</td>
<td></td>
<td>portable stair climbers</td>
</tr>
<tr>
<td>95</td>
<td>Mobility of people with disabilities—physical: walking aids</td>
<td>monkey rings for people with disabilities</td>
</tr>
<tr>
<td>96</td>
<td></td>
<td>crutches</td>
</tr>
<tr>
<td>97</td>
<td></td>
<td>walking sticks—specialised</td>
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<tr>
<td>98</td>
<td></td>
<td>walking frames—standard adult</td>
</tr>
<tr>
<td>99</td>
<td></td>
<td>walking frames—standard child</td>
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<tr>
<td>100</td>
<td></td>
<td>walking frames—specialised</td>
</tr>
<tr>
<td>101</td>
<td></td>
<td>walking frame modifications</td>
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<td>102</td>
<td></td>
<td>specialised ambulatory orthoses</td>
</tr>
<tr>
<td>103</td>
<td></td>
<td>specialised ambulatory orthosis modifications</td>
</tr>
<tr>
<td>104</td>
<td>Mobility of people with disabilities—physical: wheelchairs and accessories</td>
<td>quardrupod and tripod walking aids</td>
</tr>
<tr>
<td>105</td>
<td></td>
<td>wheelchairs, motorised wheelchairs, scooters, tricycles, spinal carriages and other goods for the carriage of people with disabilities</td>
</tr>
<tr>
<td>106</td>
<td></td>
<td>accessories associated with wheelchairs, motorised wheelchairs, scooters, tricycles, spinal carriages and other goods for the carriage of people with disabilities</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
### Schedule 1  Medical aids and appliances

<table>
<thead>
<tr>
<th>Item</th>
<th>Category</th>
<th>Medical aids or appliances</th>
</tr>
</thead>
<tbody>
<tr>
<td>107</td>
<td></td>
<td>battery chargers for wheelchairs, scooters, tricycles, spinal carriages and other goods for the carriage of people with disabilities</td>
</tr>
<tr>
<td>108</td>
<td></td>
<td>stair-aid apparatuses designed for carrying people with disabilities in wheelchairs up or down stairs</td>
</tr>
<tr>
<td>109</td>
<td>Pain relief delivery systems</td>
<td>syringe drivers</td>
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<tr>
<td>109</td>
<td></td>
<td>patient control analgesia</td>
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<tr>
<td>110</td>
<td></td>
<td>syringe drivers</td>
</tr>
<tr>
<td>111</td>
<td>Personal hygiene for people with disabilities</td>
<td>bathboards or toilet seats for people with disabilities</td>
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<tr>
<td>112</td>
<td></td>
<td>bath supports</td>
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<tr>
<td>113</td>
<td></td>
<td>shower chairs or stools</td>
</tr>
<tr>
<td>114</td>
<td></td>
<td>shower supports</td>
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<tr>
<td>115</td>
<td></td>
<td>shower trolleys</td>
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<tr>
<td>116</td>
<td></td>
<td>mobile shower chairs</td>
</tr>
<tr>
<td>117</td>
<td></td>
<td>commodes</td>
</tr>
<tr>
<td>118</td>
<td></td>
<td>commode cushions</td>
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<tr>
<td>119</td>
<td></td>
<td>commode pans</td>
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<tr>
<td>120</td>
<td></td>
<td>toilet frames</td>
</tr>
<tr>
<td>121</td>
<td></td>
<td>toilet supports</td>
</tr>
<tr>
<td>122</td>
<td></td>
<td>self-help poles</td>
</tr>
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<td>123</td>
<td>Respiratory appliances</td>
<td>ventilators</td>
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<tr>
<td>124</td>
<td></td>
<td>continuous positive airway pressure (CPAP) appliances</td>
</tr>
<tr>
<td>125</td>
<td></td>
<td>respiratory appliance mask assemblies—complete</td>
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<tr>
<td>126</td>
<td></td>
<td>respiratory appliance mask assemblies—components</td>
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<tr>
<td>127</td>
<td></td>
<td>respiratory appliance accessories</td>
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<tr>
<td>128</td>
<td></td>
<td>sleep apnoea machines</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
### Medical aids and appliances

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<tr>
<th>Item</th>
<th>Category</th>
<th>Medical aids or appliances</th>
</tr>
</thead>
<tbody>
<tr>
<td>129</td>
<td>Respiratory appliances—other products for those with breathing difficulties:</td>
<td>peak flow meters</td>
</tr>
<tr>
<td>130</td>
<td></td>
<td>nebulisers</td>
</tr>
<tr>
<td>131</td>
<td></td>
<td>spacers</td>
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<tr>
<td>132</td>
<td></td>
<td>vaporisers</td>
</tr>
<tr>
<td>133</td>
<td></td>
<td>respirators</td>
</tr>
<tr>
<td>134</td>
<td></td>
<td>air pumps</td>
</tr>
<tr>
<td>135</td>
<td></td>
<td>bottled oxygen and associated hardware</td>
</tr>
<tr>
<td>136</td>
<td></td>
<td>oxygen concentrators</td>
</tr>
<tr>
<td>137</td>
<td></td>
<td>breathing monitors</td>
</tr>
<tr>
<td>138</td>
<td></td>
<td>ventilators</td>
</tr>
<tr>
<td>139</td>
<td>Safety helmets specifically designed for people with disabilities</td>
<td>safety helmets specifically designed for people with disabilities</td>
</tr>
<tr>
<td>140</td>
<td>Skin jobst suits</td>
<td>transcutaneous nerve stimulator machines</td>
</tr>
<tr>
<td>141</td>
<td>Stoma stoma products including all bags and related equipment for patients with colostomies and ileostomies</td>
<td>tactile or Braille books, magazines or newspapers</td>
</tr>
<tr>
<td>142</td>
<td>Vision electronic reading aids</td>
<td>talking book machines (and parts) specifically designed for people with a vision impairment</td>
</tr>
<tr>
<td>143</td>
<td></td>
<td>enlarged text computer monitors for people with a visual impairment</td>
</tr>
<tr>
<td>144</td>
<td></td>
<td>Braille note takers</td>
</tr>
<tr>
<td>145</td>
<td></td>
<td>Braille printers and paper</td>
</tr>
<tr>
<td>146</td>
<td></td>
<td>Braille translators (hardware and software)</td>
</tr>
<tr>
<td>147</td>
<td></td>
<td>money identification equipment</td>
</tr>
<tr>
<td>148</td>
<td></td>
<td>auditory/tactile alerting devices</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*
<table>
<thead>
<tr>
<th>Item</th>
<th>Category</th>
<th>Medical aids or appliances</th>
</tr>
</thead>
<tbody>
<tr>
<td>152</td>
<td></td>
<td>sonar canes</td>
</tr>
<tr>
<td>153</td>
<td></td>
<td>reading magnification devices (excluding magnifying glasses)</td>
</tr>
<tr>
<td>154</td>
<td></td>
<td>artificial eyes</td>
</tr>
<tr>
<td>155</td>
<td></td>
<td>lenses for prescription spectacles</td>
</tr>
<tr>
<td>156</td>
<td></td>
<td>prescription contact lenses</td>
</tr>
<tr>
<td>157</td>
<td></td>
<td>ultrasonic sensing devices specifically designed for use by people with a vision impairment</td>
</tr>
<tr>
<td>158</td>
<td></td>
<td>viewscan apparatus specifically designed for use by people with a vision impairment</td>
</tr>
</tbody>
</table>

*To find definitions of asterisked terms, see the Dictionary, starting at section 195-1.*