GST for small business

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If you follow our information in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

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We will also pay you any interest you are entitled to.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for more recent information on our website at ato.gov.au or contact us.

This publication was current at September 2013.
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ABOUT GST FOR SMALL BUSINESS

This guide explains what you must do to meet your goods and services tax (GST) obligations if you carry on a business and you do any of the following:
- have a GST turnover of $75,000 or more ($150,000 or more for non-profit organisations)
- have a GST turnover of less than $75,000 (less than $150,000 for non-profit organisations) but choose to register for GST
- provide taxi travel.

TERMS WE USE

When we say:
- you, we mean you as a business, for example, a sole trader, a partnership, a trustee of a trust or a superannuation fund, or a company
- business, we mean the GST term enterprise
- annual turnover, we mean your aggregated turnover, that is the amount you use to work out your eligibility for some small business concessions. It includes the turnover of businesses you are connected with
- GST turnover, we mean the turnover figure you use to work out if you need to be registered for GST (see page 6). It does not include the turnover of businesses you are connected with
- sales, we mean the GST term supplies
- purchases, we mean the GST term acquisitions
- payment (made or received), we mean the GST term consideration
- GST credit, we mean the GST term input tax credit
- property, we mean the GST term real property.

Some technical terms used in this guide may be new to you. They are explained in the list of ‘Definitions’ on page 23.

Throughout this guide you will find important notes (look for the symbol) which will help you with key information.

You will also find ‘more information’ boxes (look for the symbol) which will show any further steps you may need to take or supplementary information you may need to refer to.

CHECKLIST FOR BUSINESS

Does your business have a GST turnover of $75,000 or more ($150,000 or more if it is a non-profit organisation) or do you provide taxi travel?

If so, you must:
- register for GST
- work out whether your sales are taxable, GST-free or input taxed
- include GST in the price of your taxable sales
- issue tax invoices for your taxable sales
- obtain tax invoices for your business purchases that have GST included in their price
- work out whether you have any adjustments
- account for GST on a cash or non-cash basis
- report your sales and purchases by lodging activity statements (even if the amount to be reported is zero) and pay GST to us.

You can also claim GST credits for GST included in the price of most business purchases.
**GETTING STARTED**

**WHAT IS GST?**
Goods and services tax (GST) is a broad-based tax of 10% on most goods, services and other items sold or consumed in Australia.

**HOW DOES THE GST SYSTEM WORK?**
Generally, registered businesses:
- include GST in the price of sales to their customers
- claim credits for the GST included in the price of their business purchases.

So while GST is paid at each step in the supply chain, businesses do not actually bear the economic cost of the tax. The cost of GST is borne by the final consumer who cannot claim GST credits.

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**EXAMPLE: Collecting and paying GST on the sale of goods**

A timber merchant sells timber to a furniture manufacturer for $110 (including $10 GST). The manufacturer uses the timber to make a table, which he sells to a furniture retailer for $220 (including $20 GST). The retailer then sells the table to a consumer for $330 (including $30 GST).

<table>
<thead>
<tr>
<th>Raw materials</th>
<th>Net GST to pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Timber merchant sells timber for $110, including $10 GST</td>
<td>GST on sale $10, Assume no GST credit $0, Net GST to pay $10 Timber merchant pays $10 GST to us</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Production</th>
<th>Net GST to pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. Furniture manufacturer sells table for $220, including $20 GST</td>
<td>GST on sale $20, less GST credit $10, Net GST to pay $10 Manufacturer pays $10 GST to us</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Distribution</th>
<th>Net GST to pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>C. Retailer sells table for $330, including $30 GST</td>
<td>GST on sale $30, less GST credit $20, Net GST to pay $10 Retailer pays $10 GST to us</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Retail</th>
<th>GST to pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>D. Consumer pays $330 (including $30 GST) to the retailer</td>
<td>$30 total GST paid to us</td>
</tr>
</tbody>
</table>

---
EXAMPLE: Offsetting GST credits

You are registered for GST and charge three customers a total of $20,790 (including $1,890 GST) for services provided in the March quarter (January, February and March).

For the same quarter, you can claim a GST credit of $500 for the GST included in the $5,500 you paid for business purchases (including paper, electricity, postage and phone services).

Rather than paying $1,890 GST to us, you offset the $500 GST credit (that is, the GST included in the prices you paid for your business expenses in the quarter) against the $1,890 GST to be paid on your sales for the quarter. You then pay a net amount of $1,390 to us.

<table>
<thead>
<tr>
<th>Sales</th>
<th>Sale price</th>
<th>GST to be paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Printing services to ZPB Pty Ltd</td>
<td>$550 (including $50 GST)</td>
<td>$50</td>
</tr>
<tr>
<td>B. Printing services to PXF Pty Ltd</td>
<td>$19,800 (including $1,800 GST)</td>
<td>$1,800</td>
</tr>
<tr>
<td>C. Photocopying services to Mr and Mrs Smith</td>
<td>$440 (including $40 GST)</td>
<td>$40</td>
</tr>
</tbody>
</table>

| GST on sales | $1,890 |

<table>
<thead>
<tr>
<th>Purchases</th>
<th>Purchase price</th>
<th>GST credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper, electricity, postage, phone</td>
<td>$5,500 (including $500 GST)</td>
<td>$500</td>
</tr>
</tbody>
</table>

| Net GST you pay to us | $1,390 |

A. and B. Both ZPB Pty Ltd and PXF Pty Ltd are registered for GST and can claim a credit of $50 and $1,800 respectively for the GST included in the price they pay for your services.

C. As consumers, Mr and Mrs Smith cannot claim a GST credit for the GST included in the $440 they pay you.
WHO MUST REGISTER?
If you carry on a business, you must register for GST if your GST turnover is at, or above the GST turnover threshold, that is, it is $75,000 or more ($150,000 or more for non-profit organisations).

You must also register for GST if you provide taxi travel as part of your business, regardless of your GST turnover. Taxi travel means transporting passengers by taxi or limousine for fares.

For more information about your GST obligations if you provide taxi travel, refer to:
- Completing your activity statement – instructions for taxi drivers (NAT 11368)
- Activity statement payment cards – factsheet for the taxi industry
- Taxi driver takings and expenses worksheet (NAT 14099).

WORKING OUT YOUR GST TURNOVER
Your GST turnover is your gross business income (not your profit), excluding any:
- GST included in sales to your customers
- sales that are not for payment and are not taxable supplies (for example, some supplies to associates)
- sales not connected with a business that you carry on
- input taxed sales you make
- sales not connected with Australia.

If you are not registered for GST, you must check each month to see whether you have reached the GST turnover threshold. If you reach the threshold, you must register for GST within 21 days.

You reach the GST turnover threshold if either:
- your turnover for the current month and the previous 11 months is $75,000 ($150,000 for non-profit organisations) or more – current GST turnover
- your turnover for the current month and the next 11 months is likely to be $75,000 ($150,000 for non-profit organisations) or more – projected GST turnover.

However, if your current GST turnover reaches or exceeds the GST turnover threshold, but we are satisfied that your projected turnover will be below the threshold, you do not have to register for GST.

In working out your projected GST turnover, you do not include amounts you received for the sale of a business asset (such as the sales of a capital asset) or for any sale you made, or are likely to make, solely as a consequence of ceasing or substantially and permanently reducing the size of your business.

If you are a member of a GST group, your turnover includes the turnover of the other group members (except supplies made from one member of the group to another member of the group).

If you do not register for GST and you are required to do so, you may have to pay GST on the sales you have made since the date you became required to register – even if you did not include GST in the price of those sales. Not only will you be out of pocket for the amount of GST, but you may have to pay penalties and interest.
HOW TO REGISTER
You must complete an application to register for GST. You can use the same application to register for an Australian business number (ABN) if you do not already have one. You need an ABN to be part of the GST system. Your ABN will also be your GST registration number.

You can register by:
- visiting business.gov.au
- phoning 13 28 66 to obtain the appropriate form
  - ABN registration for individuals (sole traders) (NAT 2938)
  - ABN registration for companies, partnerships, trusts and other organisations (NAT 2939)
- asking your tax agent or BAS agent.

After you register, we will notify you in writing of your registration details, including the date your registration is effective from and your ABN. You will receive your ABN immediately if you register online as long as you are able to provide all the information we ask for and have proof of your identity.

WHAT DOES BEING REGISTERED FOR GST MEAN?
If you are registered or required to be registered for GST, you include GST in the price of most goods and services you sell. See pages 8 and 12 for when you do and do not have to include GST.

You must complete an activity statement every month or quarter, or an annual GST return to:
- report and pay the GST on your sales
- claim credits for any GST included in the price of your business purchases (provided you have a tax invoice and you are entitled to claim a GST credit).

The reporting period you use is called a tax period. See ‘When to report and pay GST’ on page 22 for the type of tax period that applies to you.

If you are not registered or required to be registered for GST, you do not include GST in the price of your sales and you cannot claim credits for any GST included in the price of your purchases, even if they are for your business. But if you can claim the business expense as an income tax deduction, you can claim the entire expense, including GST, on your income tax return.

GST GROUPS
Two or more related businesses may form a GST group, provided they satisfy certain membership requirements.

GST groups are treated as a single entity. Generally, transactions between group members are ignored for GST purposes. As a result, you do not have to pay GST and you cannot claim GST credits on these transactions.

One business, known as the ‘representative member’, manages the group’s GST affairs. The representative member is responsible for the GST payable and can claim the GST credits on transactions undertaken by group members (except transactions between group members).

The representative member is the only group member who must complete the GST part of an activity statement. In doing this, the representative member will effectively be accounting for the group’s total GST liability.

For more information about GST groups:
- phone us on 13 28 66
- refer to GST groups.
This section describes the three types of sales you can make for GST purposes:
- taxable sales
- GST-free sales
- input taxed sales.

**TAXABLE SALES**
You must pay GST on taxable sales that you make. You can claim GST credits for purchases you used to make these taxable sales.

You make a taxable sale if you are registered or required to be registered for GST and:
- you make the sale for payment
- you make the sale in the course of operating your business
- the sale is connected with Australia.

A sale is not a taxable sale if it is a GST-free or input taxed sale.

Some sales may be partly taxable and partly GST-free or input taxed. This is where a taxable sale can be separated into identifiable parts and one or more of those parts are GST-free or input taxed. These sales are called mixed supplies.

If you are registered or required to be registered for GST, sales of business assets such as office equipment and motor vehicles are usually taxable sales. GST also applies to business assets you trade in or otherwise dispose of by transferring ownership.

For more information about GST and the disposal of business assets, refer to GST and the disposal of capital assets.

**Sales for payment**
For a sale to be taxable, it must be made for payment. This is usually monetary, but can be some other form of payment, such as:
- goods or services provided instead of money, as in barter transactions
- payment in the form of refraining from doing something.

**EXAMPLE: Non-monetary payment**
A plumber who is registered for GST installs an electrician’s new spa.

The electrician is also registered for GST and wires the plumber’s new shed as payment for installing the spa.

Although no money changes hands, the:
- plumber must pay GST on the value of the spa installation they provided
- electrician must pay GST on the value of the electrical wiring service for the shed.

**Sales in the course of operating your business**
This usually means that you provide the goods or services as part of conducting your business. It includes all sales of business assets, including items such as motor vehicles and office plant and equipment. It also includes things done in the course of setting up, or winding down your business.

**EXAMPLE**
If your business provides electrical services and sells some electrical cable left over from a job for its copper content, the sale is part of your business activities. By contrast, if you decide to sell a private vehicle that is not used in the business, the sale is private.

**Sales connected with Australia**
A sale of goods is connected with Australia if the goods are any of the following:
- delivered or made available in Australia to the purchaser
- removed from Australia
- brought to Australia, provided the seller either imports the goods into Australia or installs or assembles the goods in Australia.

A sale of property is connected with Australia if the property is in Australia. For GST purposes, property includes:
- land
- land and buildings
- interest in land
- rights over land
- a licence to occupy land.

A sale of something other than goods or property is connected with Australia if any of the following apply:
- the thing is done in Australia
- the seller makes the sale through a business they carry on in Australia
- the sale is of a right to purchase something that would be connected with Australia.
GST-FREE SALES
You do not include GST in the price of things you sell that are GST-free, but you can still claim credits for the GST included in the price of your taxable purchases you use to make these GST-free sales.

Things that are GST-free include:
- most basic food
- some education courses, course materials and related excursions or field trips
- some medical, health and care services
- some medical aids and appliances
- some medicines
- some exports
- some childcare
- some religious services and charitable activities
- supplying accommodation and meals to residents of retirement villages by certain operators
- cars for use by people with a disability, as long as certain requirements are met
- water, sewerage and drainage
- supplies of ‘going concerns’
- international transport and related matters
- precious metals
- supplies through inward duty-free shops
- grants of land by government
- farmland
- international mail.

EXAMPLE: GST-free sales
A farmer grows potatoes and sells them at the produce markets. The potatoes are GST-free as basic food so the farmer does not include GST in their price. The farmer can claim GST credits for the GST included in the price of purchases relating to potato growing, for example, fertiliser, fuel and freight.

For more information about sales connected with Australia, refer to GSTR 2000/31 Goods and services tax: supplies connected with Australia.

For more information about what sales are GST-free in the areas of:
- food, refer to:
  - the GST food guide (NAT 3338), which contains an alphabetical list showing whether general food and drink products are taxable or GST-free
  - GSTD 2002/2 Goods and services tax: what supplies of fruit and vegetable juices are GST-free?
- health, refer to:
  - GST and medical services
  - GST and other health service
  - GST and medical aids and appliances
  - GST and acupuncture, naturopathy and herbal medicine services
  - Application for medical assessment to obtain a car or car parts GST-free (NAT 3417)
- education, refer to:
  - GST for preschool operators (NAT 12579)
  - GSTR 2000/27 Goods and services tax: adult and community education courses; meaning of ‘likely to add to employment related skills’
  - GSTR 2000/30 Goods and services tax: supplies that are GST-free for pre-school, primary and secondary education courses
  - GSTR 2001/1 Goods and services tax: supplies that are GST-free for tertiary education courses
  - GSTR 2002/1 Goods and services tax: supplies that are GST-free as special education courses
  - GSTD 2000/11 Goods and services tax: is the supply of commercial pilot training GST-free as an education course under section 38-85 of the A New Tax System (Goods and Services Tax) Act 1999 (the GST Act)?
  - GSTD 2000/7 Goods and services tax: is the supply of the services of apprentices or trainees by a Group Training Company to host employers under a Group Training Scheme a taxable supply in terms of section 9-5 of the A New Tax System (Goods and Services Tax) Act 1999?
- non-commercial activities of charities, refer to:
  - GST and fundraising dinners or similar functions
  - Endorsement to access charity tax concessions
  - Fundraising (NAT 13095)
  - Tax basics for non-profit organisations (NAT 7966)
  - Volunteers and tax (NAT 4612).
Sale of a business as a going concern
The sale of a business as a going concern is GST-free if:
■ everything for the business’ continued operation is supplied to the buyer
■ the seller carries on the business until the day it is sold
■ the buyer is registered or required to be registered for GST
■ the sale is for payment
■ before the sale, the buyer and seller agree in writing that the sale is of a going concern.

EXAMPLE: Selling a business
You are registered for GST and you sell your florist business. The sale includes the shop, delivery vehicle, stock, equipment and all the other things necessary to continue operating the business. You continue to operate the business until the buyer takes over. The buyer is registered for GST, and you and the buyer have agreed in writing that the sale is of a going concern. This is a GST-free sale.

For more information about the sale of a going concern, refer to:
■ Sale of a business as a going concern – checklist
■ GSTR 2002/5 Goods and services tax: when is a ‘supply of a going concern’ GST-free?

INPUT TAXED SALES
You do not include GST in the price of input taxed sales you make and you cannot claim GST credits for purchases that you use to make input taxed sales.
The two most common input taxed sales for small businesses are:
■ financial supplies
■ renting or selling certain supplies of residential premises.

Financial supplies
You generally make a financial supply when you do any of the following:
■ lend or borrow money
■ grant credit to a customer
■ buy or sell shares or other securities
■ create, transfer, assign or receive an interest in, or a right under, a superannuation fund
■ provide or receive credit under a hire purchase agreement if the credit is provided for a separate charge that is disclosed to the purchaser.

In special cases, you may be entitled to claim a GST credit for a purchase that relates to making a financial supply if one of the following applies:
■ you do not exceed the financial acquisitions threshold (see page 23)
■ your purchase relates to an amount you borrowed and used to make a non-input taxed sale
■ your purchase qualifies as a reduced credit acquisition – you will be entitled to a reduced GST credit (see page 24).

EXAMPLE
Bill’s Department Store sells a fridge to Louise for $1,100 (including $100 GST). Bill’s Department Store sells the fridge to Louise on credit and charges interest on the credit.
As providing credit is a financial supply, Bill’s Department Store does not include GST on the amount of interest it charges to Louise.
In total, Louise pays Bill’s $1,165, made up of:
■ the purchase price of $1,100
■ interest of $65.
Bill’s Department Store must pay $100 to us, as this was the amount of GST included in the price of the goods.
Bill’s Department Store can only claim GST credits for purchases it used to provide the credit, if either of the following apply:
■ the store’s turnover does not exceed the financial acquisitions threshold
■ the purchases that related to providing the credit are reduced credit acquisitions (in which case Bill’s Department Store will be entitled to a reduced input tax credit of 75% of the GST payable on the supply of the acquisition).

For more information about GST and making financial supplies, refer to:
■ Financial services – questions and answers
■ GSTR 2006/3 Goods and services tax: determining the extent of creditable purpose for providers of financial supplies
■ GSTR 2002/2 Goods and services tax: GST treatment of financial supplies and related supplies and acquisitions (an addendum exists for this ruling)
■ GSTR 2003/9 Goods and services tax: financial acquisitions threshold
■ GSTR 2004/1 Goods and services tax: reduced credit acquisitions.
Residential premises
If you rent out a residential premises for residential accommodation (that is, not a commercial residential premises), you do not include GST in the price of the rent. You also cannot claim credits for the GST included in any costs relating to the rental, such as agent's commission or repairs and maintenance on the premises.

In contrast, supplying commercial premises is taxable. If you are registered or required to be registered for GST and rent out a factory or shop, you must include GST in the rent you charge.

If you carry on your business from rented commercial premises, GST is included in your rent and you can generally claim a credit for that GST because it is a business expense.

For more information about GST and property, refer to:
- GST and property
- GST and the margin scheme
- GSTR 2003/3 Goods and services tax: when is a sale of real property a sale of new residential premises? (an erratum exists for this ruling)
- GSTR 2000/21 Goods and services tax: the margin scheme for supplies of real property held prior to 1 July 2000 (an erratum and addendum exist for this ruling)
- GSTR 2006/7 Goods and services tax: how the margin scheme applies to a supply of real property made on or after 1 December 2005 that was acquired or held before 1 July 2000
- GSTR 2006/8 Goods and services tax: the margin scheme for supplies of real property acquired on or after 1 July 2000
- GSTR 2009/4 Goods and services tax: new residential premises and adjustments for changes in extent of creditable purpose
- GSTR 2012/5 Goods and services tax: residential premises
- GSTR 2012/6 Goods and services tax: commercial residential premises
- GSTR 2012/7 Goods and services tax: long-term accommodation in commercial residential premises.
ISSUING AND OBTAINING TAX INVOICES

This section explains:
■ issuing tax invoices for your taxable sales
■ tax invoice requirements
■ when you need a tax invoice for your purchases.

ISSUING TAX INVOICES
If you make taxable sales, your GST-registered customers and clients will need tax invoices from you to claim their GST credits for purchases of more than $82.50 (including GST). If a customer or client asks you for a tax invoice, you must provide one within 28 days after the day they ask you for it. You must be registered for GST to issue a tax invoice.

REQUIREMENTS OF A TAX INVOICE
Tax invoices you issue or receive must include certain information. The information required differs depending on the price of the sale. Tax invoices for sales of $1,000 or more require more information than tax invoices for sales of less than $1,000.

Sales of less than $1,000
Tax invoices for taxable sales that total less than $1,000 must include enough information to enable the following to be clearly ascertained:
1. that the document is intended as a tax invoice
2. the seller’s identity
3. the seller’s Australian business number (ABN)
4. the date the tax invoice was issued
5. a brief description of the items sold, including the quantity (if applicable) and the price of what is sold
6. the GST amount (if any) payable in relation to the sale – this can be shown separately or, if the GST to be paid is exactly one-eleventh of the total price, as a statement such as ‘Total price includes GST’
7. the extent that each sale to which the document relates is a taxable sale.

EXAMPLE
Windows to Fit Pty Ltd sells window frames to a customer for $825 (including GST). Windows to Fit Pty Ltd issued the following tax invoice:

1. Tax invoice
2. Windows to Fit Pty Ltd
   ABN: 32 123 456 789
   15 Burshag Road
   Festler NSW 2755
3. Date: 1 August 2010
4. To: Building Company
   254 Burshag Road
   Festler NSW 2755

<table>
<thead>
<tr>
<th>Description of supply</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Window frames</td>
<td>$825</td>
</tr>
</tbody>
</table>

TOTAL PRICE INCLUDING GST $825

This sample tax invoice satisfies requirement 7 from the list above – that is, to show the extent that each sale is a taxable sale. The sale is clearly identified as being fully taxable.
Sales of $1,000 or more

Tax invoices for taxable sales that total $1,000 or more must include enough information to enable the following to be clearly ascertained:

1. that the document is intended as a tax invoice
2. the seller's identity
3. the seller's ABN
4. the date the tax invoice was issued
5. the buyer's identity or ABN
6. a brief description of the items sold, including the quantity (if applicable) and the price of what is sold
7. the GST amount (if any) payable in relation to the sale – this can be shown separately, or, if the GST to be paid is exactly one-eleventh of the total price, a statement such as ’The total price includes GST’
8. the extent that each sale to which the document relates is a taxable sale.

EXAMPLE

Windows to Fit Pty Ltd sells window frames to a building company for $8,250 (including GST). Windows to Fit Pty Ltd issues the following tax invoice to the building company:

Tax invoice

Windows to Fit Pty Ltd 15 Burshag Road
ABN: 32 123 456 789 Festler NSW 2755
Date: 1 August 2010
To: Building Company 254 Burshag Road
Festler NSW 2755

<table>
<thead>
<tr>
<th>Qty</th>
<th>Description of supply</th>
<th>Unit price</th>
<th>GST</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>Window frames</td>
<td>$165</td>
<td>$15</td>
<td>$8,250</td>
</tr>
<tr>
<td>10</td>
<td>Deadlocks</td>
<td>$40</td>
<td>$4</td>
<td>$440</td>
</tr>
</tbody>
</table>

TOTAL AMOUNT PAYABLE $8,690

The total price includes GST

For more information about tax invoices, refer to:
- Valid tax invoices and GST credits
- GSTR 2013/1 Goods and services tax: tax invoices
- GSTR 2000/34 Goods and services tax: what is an invoice for the purposes of the A New Tax System (Goods and Services Tax) Act 1999 (GST Act)?

Special rules apply to tax invoices for transactions carried out through agents. For more information refer to GSTR 2000/37 Goods and services tax: agency relationships and the application of the law.
Taxable and non-taxable sales (mixed supplies)
If the tax invoice is for a taxable sale and either a GST-free or input taxed sale, you must be able to clearly ascertain the following information from the tax invoice:
- each taxable sale
- the amount of GST to be paid (for the taxable sales)
- the amount to be paid for the total sale.

For more information about tax invoices and mixed supplies, refer to GSTR 2001/8 Goods and services tax: apportioning the consideration for a supply that includes taxable and non-taxable parts.

Tax invoices that are missing information
If you receive a document from a seller that is missing certain information, you may still be able to treat that document as a tax invoice if the missing information can be obtained from other documents issued by the seller.

Voluntary standards for tax invoices
Voluntary standards for tax invoices have been developed in consultation with small business. These standards were developed to address concerns about the lack of consistency in invoice formats.

For more information about voluntary standards for tax invoices, refer to:
- How to set out tax invoices and invoices
- Request for review of tax invoice decision (NAT 12381).

WHEN YOU NEED A TAX INVOICE
You must have a tax invoice to claim a GST credit for purchases that cost more than $82.50 (including GST).

If you do not have a tax invoice, you must wait until you receive one from your supplier before you claim the GST credit, even if this is in a later reporting period. In most cases, suppliers issue tax invoices. However, in special cases, recipients of a sale may issue tax invoices. These are known as recipient created tax invoices.

For more information about recipient created tax invoices, refer to:
- Recipient created tax invoices
- GSTR 2000/10 Goods and services tax: recipient created tax invoices.

To claim a GST credit for purchases that cost $82.50 or less (including GST), you must have one of the following:
- a tax invoice
- a cash register docket
- a receipt
- an invoice.

Not a valid tax invoice?
If your supplier gives you a document that does not meet the requirements of a tax invoice, you must not assume it is for a taxable sale. We recommend you contact the seller to confirm that it is a taxable sale and obtain a correct tax invoice.

If you are unable to obtain a valid tax invoice, contact us for further advice on 13 28 66.
Claiming GST Credits

This section explains:
- when you can claim GST credits
- when you cannot claim GST credits
- GST credits and income tax deductions
- special rules for claiming GST credits.

When you can claim GST credits
You can claim GST credits for the GST included in a purchase you make if you are registered for GST and:
- you intend to use your purchase solely or partly in carrying on your business
- the price includes GST
- you provide, or are liable to provide payment for the item you purchased
- you have a tax invoice from your supplier.

You can work out the amount of GST that has been included in the price of a purchase using the following formula:

\[ \text{The GST inclusive price of the good or service} \times \frac{1}{11} = \text{the GST included in the price of the purchase.} \]

For more information about claiming GST credits, refer to:
- GST credits for business
- Common errors when claiming GST credits.

When you cannot claim GST credits
You cannot claim a GST credit for purchases made to make input taxed sales.

There are other purchases you cannot claim a GST credit for, even though GST is included in the price. These include:
- land purchases under the margin scheme
- some purchases that you cannot claim as an income tax deduction, for example entertainment expenses.

You cannot claim a GST credit for a part of a purchase that you intend to use for either of the following:
- to make input taxed sales
- for private purposes, unless you have made an annual private apportionment election.

Purchases that relate to making input taxed sales
You cannot claim a GST credit for any portion of a purchase you use to make input taxed sales.

There are some exceptions to this rule. For more information see page 10.

Example
Linda is registered for GST. She purchases an item for $11,000 (including $1,000 GST).

Linda holds a valid tax invoice for the purchase.

Linda intends to use the item purchased partly to make taxable sales (40%) and partly to make input taxed sales (60%).

Linda is only entitled to claim a GST credit for the portion of the item she uses to make taxable sales, that is $400 (40% \times $1,000).

Purchases that relate to private use
If you purchase goods or services that you use for both business and private use, you can only claim a GST credit for the part of the purchase relating to your intended business use.

If you later find that your actual use of the goods or services you purchased differs from your intended business use, you may need to adjust the amount of GST credits you have claimed.

For more information about adjustments, see page 18.

Special rules apply if you have made an annual private apportionment election.

Example: Separating business and private use
You buy a computer for $3,300 (including $300 GST).

You intend to use the computer 60% of the time for business and 40% for private purposes. You can only claim a GST credit for the portion of your purchase that relates to your intended business use. This means you can claim $180 (60% of $300) as a GST credit.

If you later find that your actual use of the computer differs from your intended use, you may have to make an adjustment.
**Annual private apportionment**
By making an ‘annual private apportionment election’ you are choosing to account for the private portion of your business purchases once a year rather than each time you lodge an activity statement. This means you can generally, claim a GST credit for the total amount of GST included in the price of your business-related purchases.

You can make an annual private apportionment election if both of the following apply:
- your small business’ annual turnover is less than $2 million or your enterprise’s GST turnover is $2 million or less
- you have not elected to pay GST by instalments or report GST annually.

You must re-assess your eligibility to use annual private apportionment on 31 July each year.

Annual private apportionment applies to all purchases that are made partly for business and partly for private purposes, unless either:
- the business portion of the purchase relates solely to making input taxed sales
- any part of the purchase is a reduced credit acquisition (see page 24).

You must make an adjustment in a later activity statement to account for the private portion of the purchase relating to private use. You can make the adjustment in any activity statement up to the one that covers the due date for lodging your income tax return. This means you can apportion for private use for both GST and income tax purposes at the same time.

**Motor vehicles**
In most cases you can claim a GST credit for the purchase of a car that is used for your business. However, if you purchase a car and the price exceeds the car limit, generally the maximum amount of GST credit you can claim is one-eleventh of that limit.

For more information about the car limit, GST and motor vehicles, refer to:
- Luxury car tax
- GST and motor vehicles
- Hire purchase, leasing and GST
- GST and LCT on cars you buy – people with disabilities
- GST and the sale of reconditioned car parts
- GST and motor vehicle trade-ins for charities.

**GST CREDITS AND INCOME TAX DEDUCTIONS**
If you can claim an income tax deduction for a business purchase, you claim the amount of the purchase less any GST credit you are entitled to claim. If you cannot claim a GST credit for the purchase, you can claim the full cost of the purchase, including GST, as a deduction on your income tax return.

**EXAMPLE: GST credits and income tax deductions**
Alice, a GST-registered computer repairer, buys some stationery for her business. She pays $22 (including $2 GST). Alice can claim a GST credit of $2 on her activity statement and $20 as an income tax deduction on her income tax return.

If Alice was not registered or required to be registered for GST, she could not claim a credit for the $2 GST, but she could claim the full $22 as an income tax deduction on her income tax return.

For capital items, such as some machinery, you may be entitled to an income tax deduction for the item’s decline in value (depreciation). When working out decline in value you must use the cost of the item, less any GST credits you have claimed.

**EXAMPLE: Calculating decline in value**
John is registered for GST and buys a new photocopier for his business. The seller is registered for GST and charges John $1,155 (including $105 GST). If John has a tax invoice for the purchase, he can claim a GST credit of $105 on his activity statement. John works out the decline in value using a cost of $1,050 (that is, $1,155 – $105 GST).
SPECIAL RULES FOR CLAIMING GST CREDITS

Pre-establishment costs
A special GST rule allows you to claim GST credits for the GST included in the price of some purchases you make before your company comes into existence. The rule covers costs such as set-up fees, business registration, trading stock and other things such as business premises.

For this rule to apply, the:

■ purchase must be for the purpose of bringing the company into existence or for the purpose of a company carrying on a business after it comes into existence
■ purchase must not be used to make input taxed sales or for private purposes
■ company must come into existence and be registered no more than six months after the purchase
■ purchaser must become a member, officer or employee of the company
■ company must have fully reimbursed the purchaser for the cost of the purchase
■ company must not be entitled to a GST credit if it later purchases the thing from the purchaser
■ purchaser must not be able to claim a GST credit for the purchase.

Second-hand goods
Under a special GST rule, provided you meet certain conditions, you can generally claim a GST credit for any second-hand goods you buy from unregistered businesses for the purposes of sale or exchange (even though GST is not included in the price of the goods).

Other special rules
There are other special rules about claiming GST credits. They relate to:

■ periodic or progressive supplies, such as lease payments or service contracts
■ purchases made with corporate credit cards
■ purchases of land under standard land contracts
■ supplies of gas and electricity by public utility providers
■ lay-by purchases.

For more information about these special rules, refer to:

■ GSTR 2000/35 Goods and services tax: Division 156 – supplies and acquisitions made on a progressive or periodic basis
■ GSTR 2000/26 Goods and services tax: corporate card statements – entitlement to an input tax credit without a tax invoice
■ GSTR 2000/28 Goods and services tax: attributing GST payable or an input tax credit arising from a sale of land under a standard land contract
■ GSTR 2000/12 Goods and services tax: attributing GST payable and input tax credits for supplies and acquisitions under lay-by sale agreements
■ GSTR 2000/32 Goods and services tax: attributing GST payable on supplies of gas and electricity made by public utility providers.
This section explains:
- adjustments
- how and when to make adjustments
- adjustment notes.

WHAT AN ADJUSTMENT IS
From time to time, you may need to change your net GST liability for a reporting period. These changes are called adjustments.

There are two types of adjustments:
- increasing adjustments, which increase your net GST liability
- decreasing adjustments, which decrease your net GST liability.

WHEN YOU MUST MAKE AN ADJUSTMENT
You will need to make an adjustment if:
- an event occurs that changes the price of a sale or purchase (for example, you provide a rebate to a customer)
- a taxable sale you make, or a purchase for which you can claim a GST credit, is cancelled
- you write-off or recover a bad debt
- your actual use of a purchase for private purposes or to make input taxed sales differs from your intended use (this only applies if the GST-exclusive value of the purchase is more than $1,000)
- you make or receive a third party payment.

There are other circumstances where you may need to make an adjustment.

ADJUSTMENT NOTES FOR CHANGES IN PRICE OR THIRD PARTY PAYMENTS
You must issue an adjustment note to the purchaser if you make a taxable sale and the price of the sale subsequently changes, unless the amount of the adjustment is $75 or less.

EXAMPLE
An adjustment event that discounts the payment for the original sale of the goods or services by $660 results in a decreasing adjustment (GST liability) of $60. As this is below the $75 threshold there is no need to issue an adjustment note. It is not required for attribution purposes either.

Additionally, you must issue a third party adjustment note if you make a third party payment, unless the amount of the third party payment adjustment is $75 or less.

You must issue the adjustment note no more than 28 days after the earlier of the following:
- you receive a request from the purchaser to provide the adjustment note
- the time you became aware of the adjustment where you issued a tax invoice for the original sale.

As a purchaser, you must have an adjustment note before you can make an adjustment for an increase in the price of a purchase you made. As a payer, you must have a third party adjustment note before you make an adjustment for a third party payment.

For more information about adjustment notes, refer to:
- GSTR 2013/2 Goods and services tax: adjustment notes
- GSTR 2000/19 Goods and services tax: making adjustments under Division 19 for adjustment events.
This section explains:
- accounting for GST on a cash basis
- accounting for GST on a non-cash basis
- records you need to keep
- the simplified accounting methods available to food retailers.

ACCOUNTING FOR GST ON A CASH BASIS

Sales
If you account for GST on a cash basis, you account for the GST payable on the sales you make in the same reporting period you receive payment for them. If you receive only part payment for a sale in a reporting period, you only account for the GST that relates to that part of the sale in that reporting period.

Purchases
You claim GST credits for your business purchases in the reporting period you pay for them, provided you have a tax invoice. If you pay only part of the cost of a business purchase in a reporting period and have a tax invoice, you claim only the GST credit for that part of the cost in the reporting period.

You can account on a cash basis if any of the following apply:
- your small business’ annual turnover is less than $2 million
- your enterprise’s GST turnover is $2 million or less
- you account for income tax on a cash basis
- you carry on a kind of enterprise we have agreed can account for GST on a cash basis regardless of your GST turnover
- you are an endorsed charitable institution, trustee of an endorsed charitable fund, gift-deductible entity or government school, regardless of your GST turnover.

EXAMPLE: Accounting for GST on a cash basis


If Joe’s Books reports GST:
- monthly, it would account for the GST in the month the GST is collected, that is, on its January activity statement (due 21 February)
- quarterly, it would account for the GST in the quarter the GST is collected, that is, on its March quarter activity statement (due 28 April).

If Bill’s Bookshop reports GST:
- monthly, it would claim the GST paid as a GST credit for the month it paid for the books, that is, on its January activity statement (due 21 February)
- quarterly, it would claim the GST paid as a GST credit for the quarter it paid for the books, that is, on its March quarter activity statement (due 28 April).

For more information about:
- cash accounting, refer to Cash and non-cash accounting
- accessing GST, other small business concessions, and working out your annual turnover, refer to Concessions for small business entities (NAT 71874)
- how to calculate your GST turnover for GST purposes, see Working out your GST turnover on page 6
- endorsement of charities, refer to Endorsement to access charity tax concessions.

ACCOUNTING FOR GST ON A NON-CASH BASIS

Sales
If you account for GST on a non-cash basis, you account for the full amount of GST payable on a sale you make in the first of either:
- the reporting period you issue an invoice
- the reporting period you receive any part of the payment.
Purchases
You claim a GST credit for a business purchase in the reporting period your supplier issues an invoice or you make any part of the payment for the purchase, whichever happens first. However, you must hold a tax invoice for a purchase in order to claim a GST credit for the purchase.

EXAMPLE: Accounting for GST on a non-cash basis

Mr A Frame, a GST-registered builder, builds some shelves for Ms B Newsworthy, a newsagent, and issued a tax invoice for the work on 15 January. The newsagent pays the invoice on 14 February.

If Mr Frame reports GST:
- monthly, he would account for the GST on his January activity statement (due 21 February), the month he issued the invoice
- quarterly, he would account for the GST on his March quarter activity statement (due 28 April), the quarter he issued the invoice.

If Ms Newsworthy reports GST:
- monthly, she would claim a GST credit on her January activity statement (due 21 February), the month she receives the invoice for the shelves
- quarterly, she would claim a GST credit on her March quarter activity statement (due 28 April), the quarter she receives the invoice for the shelves.

Records you must keep
If you use a manual record-keeping system, you can account for GST by adding a GST amount column to your cash receipts and cash payments books.

If you prefer to keep your records electronically you may also wish to obtain a commercial record-keeping software package.

SIMPLIFIED ACCOUNTING METHODS FOR FOOD RETAILERS
Some small food retailers, such as bakeries, milk bars and convenience stores, make both GST-free and taxable sales. If these businesses do not have adequate point-of-sale equipment, they may find it difficult to account for different types of sales separately. Simplified accounting methods are available to make this easier.

For more information about simplified accounting methods, refer to:
- Simplified GST accounting methods for food retailers (NAT 3185)
- Simpler GST accounting for the food and grocery industry
- Business norms percentage No. 1 – hot bread shops
- Business norms percentage No. 2 – convenience stores that convert food
- Business norms percentage No. 3 – convenience stores that do not convert food
- Business norms percentage No. 4 – fresh fish retailers
- Business norms percentage No. 5 – rural convenience stores
- Business norms percentage No. 6 – pharmacies
- Business norms percentage No. 7 – cake shops
- Business norms percentage No. 8 – health food shops
- Business norms percentage No. 9 – continental delicatessen.
HOW TO REPORT GST AMOUNTS AND CLAIM GST CREDITS

You report GST amounts to us and claim GST credits by lodging an activity statement or an annual GST return.

You can complete and lodge your activity statements electronically.

For more information and to register for this service visit our website at ato.gov.au/onlineservices

If you have no GST amounts to report or claim for a particular reporting period, you must still report this along with any other tax obligations and lodge your activity statement by the due date, signed and dated. If all your tax obligations for a particular reporting period are nil, you can lodge your nil activity statement on our automated phone system by phoning 13 72 26 and selecting “nil activity statement” from the lodgment menu.

For tax periods that commence on or after 1 July 2012, when you lodge your activity statement, the Commissioner will make an assessment of the amount payable or refundable.

There will be no practical difference in how you report your GST liability on your activity statement or pay your GST. The amount of GST you will be liable to pay or be refunded will be determined from the amounts you include on your activity statement (self assessment).

For more information about the self-assessment system that started on 1 July 2012, refer to Self-assessment for indirect taxes – overview.

OPTIONS FOR REPORTING AND PAYING GST

Depending on your GST turnover and other eligibility requirements, you will be able to work out, report and pay GST either:
- monthly
- quarterly
- annually.

Reporting and paying monthly

If you have a GST turnover of $20 million or more, you must report and pay GST monthly and lodge your activity statement electronically.

We may also require some other businesses to report monthly – we notify the businesses that must do this.

All other businesses may report GST monthly if they wish.

Reporting and paying quarterly

If your GST turnover is less than $20 million and we have not told you that you must report GST monthly, you can report and pay GST quarterly.

If you report and pay quarterly, you have three reporting options:

Option 1: work out, report and pay GST quarterly – you may do this electronically

Option 2: work out, report and pay GST quarterly and provide further information annually in an annual GST information report

Option 3: pay a GST instalment amount quarterly and report annually in an annual GST return.

You can only choose option 3 if you meet some eligibility requirements and one of the following applies – your:
- small business’ annual turnover is less than $2 million
- enterprise’s GST turnover is $2 million or less.

Under option 3, each quarter (or twice yearly in special cases) you must pay a GST instalment amount we work out (or you vary).

We will send you an annual GST return to report your total GST liability for the financial year. If the total of the instalments you have paid is more than your total GST liability, we will refund the difference to you. If your actual GST liability is more than the total of your instalments, you must pay the difference to us.

If we work out that you are eligible for option 3, your activity statement will have your instalment amount pre-printed on it.

Reporting and paying annually

If you are voluntarily registered for GST and you have not made an election to pay GST by instalments, you can choose to report and pay or claim a refund of GST annually.

You are considered to be voluntarily registered for GST if your GST turnover is less than $75,000 ($150,000 for non-profit organisations) and you have chosen to be registered for GST. Some entities, such as taxi drivers, are required to be registered regardless of their GST turnover. As these entities are not voluntarily registered, they cannot choose to report and pay GST annually.

When choosing whether to report monthly, quarterly or annually, think about your cash flow and the compliance implications. For example, if you make mainly GST-free sales, you may be entitled to GST refunds and may prefer to choose monthly tax periods. However, if you choose to report monthly, you generally have to do so for at least one year and you may be subject to penalties if you do not comply with your monthly reporting requirements.
WHEN TO REPORT AND PAY GST

Monthly
If you report and pay monthly, the due date for lodging your activity statement and paying any amount you owe on that statement is 21 days after the end of each month.

Quarterly
If you report and pay quarterly, the due dates for lodging your activity statement and paying any amount you owe on that statement (including quarterly instalment amounts) are:

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Due date</th>
</tr>
</thead>
<tbody>
<tr>
<td>September (July, August, September)</td>
<td>28 October</td>
</tr>
<tr>
<td>December (October, November, December)</td>
<td>28 February</td>
</tr>
<tr>
<td>March (January, February, March)</td>
<td>28 April</td>
</tr>
<tr>
<td>June (April, May, June)</td>
<td>28 July</td>
</tr>
</tbody>
</table>

If you are using option 3 (see page 21) and you receive an instalment notice, you may not have to lodge that notice. However, you must pay the instalment amount specified on the notice by the due date.

Annually
If you report annually, the due date for lodging your annual GST return and paying any amount owing on that return is:
- the date your income tax return is due, or
- 28 February following the end of the financial year covered by that return or information report, if you are not required to lodge an income tax return.

You must lodge the original activity statement we sent you, not a copy or a version generated from a commercial software package. If you use a commercial record-keeping package, transfer the information from it to your original statement. We recommend you keep a copy of your original activity statement for your records.

Using a registered tax agent or BAS agent
If you use a tax agent or BAS agent to prepare your activity statements, your agent will advise you when the statements are to be lodged. Contact your agent to work out when they need your information to lodge your forms on time. You are responsible for making sure the necessary information is with your agent in time.

HOW TO PAY GST AMOUNTS
You can pay GST amounts, along with other amounts you must pay us:
- electronically via direct credit, BPAY® or direct debit
- by mailing a cheque or money order to us, or
- by taking your original pre-printed payment advice to any post office and paying by
  - cheque or EFTPOS (from a savings or cheque account only, not a credit card account)
  - cash (up to $3,000).

You pay only the assessed net amount of GST to us, that is, the GST you owe less GST credits plus or minus any adjustments you have.

For information about paying GST by:
- direct credit, BPAY, post office payments or mail
  - phone 1800 815 886
  - email payment@ato.gov.au
- direct debit
  - phone 1800 802 308
  - email eft-information@ato.gov.au

Registered to BPAY Pty Ltd ABN 69 079 137 518
GST for small business

Financial acquisitions threshold
If you make financial sales without exceeding the financial acquisitions threshold – for example, you make both financial and other sales and your financial sales are only a small part of your total sales – you can claim GST credits for your purchases that relate to making those financial sales (providing you have a tax invoice).

For more information refer to GSTR 2003/9 Goods and services tax: financial acquisitions threshold.

Financial sales
Financial sales (supplies) are input taxed. Provided certain requirements are met, examples of financial sales (supplies) include:

- the lending or borrowing of money
- the buying or selling of shares or other securities
- the creation, transfer, assignment or receipt of an interest in, or a right under, a superannuation fund
- the provision or receipt of credit under a hire purchase agreement if the credit is provided for a separate charge that is disclosed to the purchaser.

GST-free sales
Some goods and services are not subject to GST and are sold without GST in their price. These sales are referred to as GST-free sales.

Examples of GST-free sales include basic food, exports, sewerage and water, the sale of a business as a going concern, non-commercial activities of charities and most education and health services.

If you sell GST-free goods or services you are entitled to credits for the GST included in the price of your ‘inputs’ (the goods or services you used to make the goods or services you sold).

See also Input taxed sales and Taxable sales.
GST credits
You can claim a credit for the GST included in the price of goods or services you buy for use in your business, unless you use the purchase to make ‘input taxed sales’.
If you use the purchase partly for private purposes, you will not be able to claim a credit for the full amount of GST, only for the amount that relates to business use.
See also Input taxed sales, Taxable sales and Tax invoice.

GST turnover threshold
GST turnover thresholds are used to work out whether you:
■ must register for GST
■ must report GST monthly
■ can report and pay GST annually
■ can choose to account on a cash basis
■ can make an annual private apportionment election
■ must lodge GST returns and pay GST electronically
■ can choose to pay GST by instalments.

Inputs
Goods or services you use in your business to make the goods or services you sell.

Input tax credits
See GST credits.

Input taxed sales
Some goods and services are sold without GST in their price, even though GST was included in the price of the inputs used to make or supply them. These sales are referred to as input taxed sales.
If you make an input taxed sale you are not entitled to credits for the GST in the price of your ‘inputs’ (the goods or services you used to make the goods or services you sold).
Two of the most common types of input taxed sales are:
■ financial sales (supplies)
■ supplies of residential premises by way of rent or sale.
In special cases, you may be entitled to a GST credit for a purchase that relates to making financial supplies.

Margin scheme
You can choose to use the margin scheme when you make a taxable sale of property. GST to be paid is one-eleventh of the margin for the sale and not the normal one-eleventh of the sale price. However, you cannot use the margin scheme if your sale of the property is ineligible to use the margin scheme, for example, if you purchase the property through a taxable sale where the GST was worked out without applying the margin scheme.
You cannot claim a GST credit for a purchase made under the margin scheme even though you may have paid GST on the margin.

Payment (consideration)
Payment for GST purposes is anything you receive for providing goods, services or any other sale. It is usually money, but can be some other form of payment such as goods or services provided instead of money, for example, as in barter transactions. Payment may also be made by way of refraining from doing something.

Property (real property)
Property includes:
■ an interest or right over land
■ a personal right to call for or be granted any interest in or right over land
■ a licence to occupy land or any other contractual right exercisable over or in relation to land.

Purchase (acquisition)
For GST, a purchase or acquisition includes an acquisition of goods or services such as trading stock, a lease, consumables and importations.

Real property
See Property.

Reduced credit acquisitions
Reduced credit acquisitions are purchases (acquisitions) of some types of things that relate to making input taxed financial supplies. You can claim a reduced GST credit on reduced credit acquisitions.

Sale of a business as a going concern
A business is sold as a going concern if:
■ all of the things required for the continued operation of the enterprise are supplied to the buyer
■ the supplier carries on the enterprise until it is sold.
Sales (supplies)
For GST, a sale or supply includes:
■ a sale of goods or services
■ a lease of premises
■ hire of equipment
■ providing advice
■ exporting goods.
A sale will be:
■ taxable
■ input taxed
■ GST-free.

Self assessment
Self assessment for indirect taxes commenced on 1 July 2012. When you lodge an activity statement for tax periods that commence on or after that date, you will still need to include the indirect tax payable amounts and any credits that make up your net amount. The Commissioner is taken to have made an assessment based on that net amount on the day you lodge the return. Your return is treated as a notice of assessment signed by the Commissioner and issued on the day the return is lodged.

Tax invoice
A tax invoice is a document generally issued by the seller. It shows the price of a sale, indicating whether it includes GST and may show the amount of GST. You must have a tax invoice before you can claim a GST credit on your activity statement for purchases of more than $82.50 (including GST).

Tax period
For GST purposes a tax period may be a month, a quarter or a year and refers to how frequently you lodge your activity statement (see When to report and pay GST on page 22).

Supplies
See Sales.

Taxable sales
The sale of goods and services that are subject to GST (that is, things that must have GST included in their price) are referred to as ‘taxable sales’.

You make a taxable sale if you are registered or required to be registered for GST and:
■ you make the sale for payment
■ you make the sale in the course or furtherance of a business (enterprise) you carry on
■ the sale is connected with Australia.

If you make a taxable sale you must include GST in your price and you are entitled to claim credits for the GST in the price of your ‘inputs’ (the goods or services you used to make the goods or services you sold).

See also GST-free sales, Input taxed sales.
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MORE INFORMATION

For more information about GST for small business:

- visit ato.gov.au – download publications, rulings and other general tax information
- visit business.gov.au – this is an interactive service that can be used to register for an ABN and GST, or to apply for a tax file number.
- phone 13 28 66 – for information including GST rulings, ABN, pay as you go (PAYG) instalments, deductions from employees’ wages, business deductions, preparation of activity statements, account information for activity statement lodging and payment, wine equalisation tax, luxury car tax, fringe benefits tax and information for non-profit organisations.

For more information about:

- superannuation, phone 13 10 20
- personal tax, phone 13 28 61
- seminars for small business which include sessions on GST, PAYG, activity statements and record keeping
  - visit ato.gov.au/seminars
  - phone 1300 661 104
- seminars for your business group – experienced tax officers can deliver a variety of informative, personalised and practical tax presentations and workshops to groups of 10 or more
  - phone 1300 130 282
  - email speakersandseminars@ato.gov.au
- visit ato.gov.au/smallbusinesssupport for information about small business
- you can subscribe to a monthly newsletter designed to provide information specifically for small business – to subscribe, email us at freehelp@ato.gov.au
- visits to businesses – personalised, specialist visits from one of our field officers, phone 13 28 66.

If you do not speak English well and need help from us, phone the Translating and Interpreting Service on 13 14 50.

If you are deaf, or have a hearing or speech impairment, phone us through the National Relay Service (NRS) on the numbers listed below:

- TTY users, phone 13 36 77 and ask for the ATO number you need
- Speak and Listen (speech-to-speech relay) users, phone 1300 555 727 and ask for the ATO number you need
- internet relay users, connect to the NRS on relayservice.com.au and ask for the ATO number you need.