



## In detail

Detailed information about goods and services tax (GST).

### Managing GST in your business



Detailed information about managing GST in your business.

### Your industry



Detailed information about GST and your industry.

### Rules for specific transactions



Detailed information about GST and rules for specific transactions.

### Indirect tax private rulings and end dates



An end date specifies when a private ruling ceases to apply and you can no longer rely on it.

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Detailed information about GST issues registers.

### Definitions



Learn the definitions for goods and services tax (GST) including terms which have a specific meaning in GST law.

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## Indirect tax private rulings and end dates

An end date specifies when a private ruling ceases to apply and you can no longer rely on it.

19 February 2020

Indirect tax private rulings may have an end date. Also known as a sunset date, the end date specifies when a private ruling ceases to apply and you can no longer rely on the private ruling.

We apply a sunset date for indirect tax private rulings where either:

- it is highly likely that the circumstances will change
- there is a complex technical issue where the legal position is unsettled.

The inclusion of a sunset date in an indirect tax private ruling means:

- we can provide indirect tax private rulings in more situations where you may need certainty for a specific period of time
- you will have an opportunity at the time of lodging a subsequent indirect tax private ruling application to self-assess whether the scheme or facts have been implemented in accordance with the original private ruling issued (that is, improved tax governance)
- we have the opportunity to enhance our relationship with you through a greater level of engagement.

An indirect tax private ruling will usually specify the time it begins to apply and the time it ceases to apply. Normally, a private ruling will be for a period specified by the applicant in their private ruling application. If it does not specify an end date we will contact you to discuss the periods the private ruling application applies to prior to issuing the ruling.

## The status of GST private rulings

You can rely on the ruling for the period specified unless:

- it is overridden by a later public or private ruling
- there is a change in the law, which affects the way the subject of your original ruling is treated
- your factual circumstances have changed
- you have suppressed or misstated a material fact.

If you need to clarify the position of your GST private ruling, you can:

- write to us at:

**Australian Taxation Office**  
**PO Box 3524**  
**ALBURY NSW 2640**

- send us a fax on **1300 139 031**.

## More information

For further information, refer to:

- Private rulings
- Applying for a private ruling

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## GST definitions

Learn the definitions for goods and services tax (GST) including terms which have a specific meaning in GST law.

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## Acquisition

See [Purchase \(acquisition\)](#).

## Activity statement

Activity statements are used to report your business tax entitlements and obligations for a reporting period. This includes:

- GST
- pay as you go (PAYG) instalments
- PAYG withholdings
- fringe benefits tax instalments.

## Aggregated turnover

Aggregated turnover is your business turnover plus the turnover of closely associated entities.


## AUSid

An AUSid is a secure login credential that non-residents use to access Australian Government online services.

## Australia

When we say 'Australia', we mean the term [Indirect tax zone](#).

## Australian business number

An Australian business number (ABN) is a publicly available identifier for your dealings with us and other government departments and agencies. It's shown in the Australian Business Register (ABR), which enables you to search for an ABN using the [ABN Lookup](#)  tool.

## Australian consumer

Two elements must be met for a purchaser to be an Australian consumer of imported services and digital products. They are the:

- residency element

- consumer element.

You can work out the purchaser's residency by:

- using information about the purchaser from your business systems
- taking reasonable steps to get information about the purchaser.

After confirming the purchaser is an Australian resident, you need to work out if they're a consumer. A purchaser is a consumer if they are:

- not a business registered for Australian GST
- registered for Australian GST but don't purchase the imported services or digital products to use in their business.


You can treat a supply as not made to an Australian consumer if you have:

- gathered enough evidence
- reasonably believe the purchaser isn't an Australian consumer.

See *GSTR 2017/1 Goods and services tax: making cross-border supplies to Australian consumers*.

## Australian GST-registered business

Australian GST-registered businesses can be identified by:

- providing their Australian business number (ABN)
- searching their ABN on the [ABN Lookup](#)  tool
- telling you they are registered for GST.

Businesses can integrate ABN Lookup validation into their system.

See *GSTR 2017/1: Goods and services tax: making cross-border supplies to Australian consumers*.

## Australian reference number (ARN)

When you register in the simplified GST system, you are electing to be a limited registration entity (LRE). You will be provided with an Australian reference number (ARN).

We will send you your ARN on completion of your registration. This is your unique 12-digit identifier (for example, 12 345 678 9012) used to identify you in our systems. You will need to use your ARN as an identifier on invoices and customs documentation for low value goods. If you wish to discuss your simplified GST account with us, we will ask you for your ARN as one of the steps in identifying you.

## **Business activity statement (BAS)**

Business activity statements are used to report your business tax entitlements for a reporting period.

See [Activity statement](#).

## **Business asset**

A business asset is something used for your business, for example, manufacturing equipment, a delivery van or office computer. Intangible items, such as goodwill, may also be business assets.

You generally incur a GST liability when you sell a business asset.

## **Business (enterprise)**

An enterprise includes a business as well as:

- commercial activities
- activities of entities such as charities
- deductible gift recipients
- religious and government organisations
- certain non-profit organisations.

It doesn't include:

- private recreational pursuits and hobbies
- activities carried on as an employee, labour-hire worker, director or office holder
- activities carried on by individuals (other than trustees of charitable funds) or partnerships (all or most of the partners are individuals) without a reasonable expectation of profit.

See MT 2006/1 *The New Tax System: the meaning of entity carrying on an enterprise for the purposes of entitlement to an Australian business number*.

## Consideration

See [Payment \(consideration\)](#).

## Consumer

Consumers are:

- **not** registered for Australian GST
- registered for Australian GST but don't purchase goods for business use.

GST doesn't apply to sales of low value imported goods if you have both:

- your customer's Australian business number (ABN)
- a statement or other information saying they are registered for GST.

## Enterprise

See [Business \(enterprise\)](#).

## Financial acquisition

A financial acquisition is an acquisition relating to making a [financial supply](#) (other than a borrowing).

## Financial acquisitions threshold

The purpose of the financial acquisitions threshold is to allow entities that make relatively small amounts of financial supplies (compared to their taxable supplies or GST-free supplies) to claim full GST credits relating to those financial acquisitions.

If you make financial supplies without exceeding the financial acquisitions threshold you can claim GST credits for your purchases related to making those financial supplies (providing you have a tax

invoice). For example, you make both financial supplies and other sales and your financial supplies are only a small part of your total sales.

See *GSTR 2003/9 Goods and services tax: financial acquisitions threshold*.

## Financial supplies

Financial supplies are input taxed provided certain requirements are met. A financial supply is the provision, acquisition or disposal of an interest listed in the GST regulations.

Examples include:

- lending or borrowing money
- buying or selling shares or other securities
- creating, transferring, assigning or receiving an interest in, or a right under a super fund.

See [Input-taxed sales](#).

## Government related entity

A government related entity (GRE) includes government departments, government owned corporations and statutory bodies.

## GST credits (input tax credits)

You can claim a credit for GST included in the price of goods or services (the inputs) you buy for use in your business, unless you use the purchase to make input-taxed sales.

If you use a purchase for both business and private purposes, you can only claim a credit for the amount of GST relating to the business use.

For more information, see:

- [Input-taxed sales](#)
- [Taxable sales](#)
- [Tax invoice](#)

## GST-free sales

Some goods and services aren't 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
- most education and health services.

If you sell GST-free goods or services, you can claim the GST included in the price of your inputs (the goods or services used to make the goods or services sold).

The term GST-free is similar to:

- zero rated (in other countries with VAT/GST systems)
- exempt (in countries with sales tax systems).

For more information see:

- GST-free sales
- [Input-taxed sales](#)
- [Taxable sales](#)

## **GST turnover**

GST turnover is mainly the turnover figure you use to work out if you need to be registered for GST.

GST turnover is also used for other administrative decisions within the GST Act and other tax laws.

GST turnover is generally the total of the sales you have made (or are likely to make) in a 12 month period.

See [Working out your GST turnover](#).

## **GST turnover threshold**

GST turnover thresholds are used to work out if 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.

See [Working out your GST turnover](#).

## **Imported services and digital products**

Imported services and digital products are also known as inbound intangible consumer supplies.

Examples of imported services and digital products include:

- supplies of digital content such as e-books, movies, TV shows, music and online newspaper subscriptions
- online supplies of games, apps, software and software maintenance
- webinars or distance learning courses
- insurance services
- gambling services
- online dating services
- booking services for events or places within Australia (such as hotel accommodation or sports events)
- website design or publishing services
- professional association services (for example membership fees)
- legal, accounting, architectural or consultancy services.

See [GST on imported services and digital products](#).

## **Inbound intangible consumer sale (supply)**

Inbound intangible consumer supply means sales of anything other than goods or real property to an Australian consumer (for example,

digital products and other services) that are:

- made to an Australian consumer
- not wholly done in Australia or through an enterprise (business) run in Australia.

## Indirect tax zone

Indirect tax zone means Australia. It doesn't include external territories and certain offshore areas.

The goods and services tax (GST), the wine equalisation tax (WET) and the luxury car tax (LCT) operate in the indirect tax zone. These taxes don't apply to Australian external territories and certain offshore areas.

For more information, see:

- *GSTR 2006/9 Goods and services tax: supplies*
- *GSTR 2018/1 Goods and services tax: supplies of real property connected with the indirect tax zone (Australia)*
- *GSTR 2018/2 Goods and services tax: supplies of goods connected with the indirect tax zone (Australia)*
- *GSTR 2019/1 Goods and services tax: supply of anything other than goods or real property connected with the indirect tax zone (Australia).*

## Inputs

The goods or services used in a business to make goods or services sold are referred to as 'inputs'.

### Input tax credits

See [GST credits \(input tax credits\)](#).

## 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're not entitled to credits for the GST in the price of your inputs (the goods or services used to make the goods or services sold).

Two of the most common types of input-taxed sales are:

- financial sales (supplies)
- supplies of residential premises for rent or sale.

In special cases, you may be entitled to a GST credit for a purchase relating to making financial supplies.

See [Financial supplies](#).

## Limited registration entity (LRE)

Non-residents may choose to be a limited registration entity (LRE) for GST purposes if they make, or intend to make, one or more:

- inbound intangible consumer sale
- offshore supplies of low value imported goods.

LREs aren't entitled to GST credits for purchases and must lodge online GST returns quarterly.

## Low value imported goods (LVIG)

Low value goods are goods (except for tobacco products or alcoholic beverages) with a customs value of A\$1,000 or less when the price is first agreed with the customer.

For more information, see:

- GST on low value imported goods
- Exception for multiple goods that total over A\$1,000.

## Margin scheme

The margin scheme is an option that can be used when making a taxable sale of property.

You can't claim GST credits for purchases made under the margin scheme even if you have paid GST on the margin.

See GST and the margin scheme.

## **Merchant**

The term 'merchant' means a seller of goods. We also use the term 'supplier' because, for GST purposes, an electronic distribution platform operator or re-deliverer can be treated as the supplier.

We generally use 'merchant' in relation to low value imported goods.

## **Non-resident entity**

A non-resident entity is not a resident of Australia for Australian income tax purposes.

## **Payment (consideration)**

Payment for GST purposes is anything you receive for providing goods, services or anything else. Payment is usually money but can be in the form of other goods or services such as 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.

See [Property \(real property\)](#).

## **Purchase (acquisition)**

For GST, a purchase or acquisition includes the acquisition of goods or services such as:

- trading stock
- a lease

- consumables
- imports.

## Real property

See [Property \(real property\)](#).

## Recipient-created tax invoices (RCTI)

In most cases, tax invoices are issued by suppliers.

In some cases, purchasers or recipients (rather than suppliers) of the goods or services, may issue a tax invoice. This is known as a recipient-created tax invoice (RCTI).

See [Recipient-created tax invoices](#).

## Re-deliverers

A re-deliverer (forwarder) acts as a go-between when overseas merchants don't normally ship goods to Australia. They collect, accept delivery of, or purchase overseas goods on behalf of consumers based in Australia.

You are a re-deliverer if you assist in getting goods to Australia by providing:

- an offshore mailbox service with an address outside Australia where goods are delivered
- a shopping service that buys or helps to buy goods outside Australia as an agent of a recipient.

If a merchant or EDP operator assists in getting goods to Australia, they are responsible for GST instead of you.

Transporters aren't usually re-deliverers.

If you buy and resell goods, you are a merchant not a re-deliverer.

## Reduced-credit acquisitions

Reduced-credit acquisitions are purchases (acquisitions) of some things relating to making input-taxed financial supplies.

You can claim reduced GST credits on reduced-credit acquisitions. The reduced GST credit is generally 75% of the full GST credit that you would otherwise be entitled to.

In some instances, related to recognised trust schemes, the reduced credit is 55% of the full GST credit.

## **Sale of a business as a going concern**

A business is sold as a going concern if:

- all things required for continuing operating the enterprise are supplied to the buyer
- the supplier carries on the enterprise until it's sold.

For more information see:

- **Sale of a business as a going concern**
- *GSTR 2002/5 Goods and services tax: when is a 'supply of a going concern' GST-free?*

## **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 can be any of the following:

- taxable
- input-taxed
- GST-free.

See *GSTR 2006/9 Goods and services tax: supplies*.

## **Self-assessment**

The self-assessment system for indirect taxes began on 1 July 2012. When lodging activity statements or GST return for tax periods that begin on or after that date, you must include the indirect tax payable amounts and any credits that make up your net amount.

We make an assessment based on the net amount on the day you lodge the return is treated as a notice of assessment.

See [Guide to self-assessment for indirect taxes](#).

## Supplies

See [Sales \(supplies\)](#).

## Taxable sales

Sales of goods and services 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 sales for payment
- you make sales in the course of a business (enterprise)
- the sale is connected with Australia.

When making taxable sales you must include GST in the price. You're entitled to claim credits for the GST in the price of your inputs (the goods or services used to make the goods or services you sold).

For more information, see:

- [GST-free sales](#)
- [Input-taxed sales](#)

## Taxi travel

Travel that involves making a car (that is, a taxi or limousine) available for public hire for passengers at their direction for payment (a fare). Ride-sourcing services fall within the meaning of 'taxi travel.'

'Taxi' can be defined as a vehicle available for hire by the public which again transports a passenger at their direction for payment (a fare).

'Limousine' can be defined as a luxurious motor vehicle available for hire by the public which again transports a passenger at their direction for payment (a fare).

For more information, see:

- GST and taxis
- Ride-sourcing

## Tax invoice

A tax invoice is a document generally issued by the seller. It shows the price of a sale and indicates if it includes GST and may show the amount of GST.

You must have a tax invoice before claiming GST credits on your activity statements for purchases of more than \$82.50 (including GST).

For more information see:

- Tax invoices
- GSTR 2013/1 *Goods and services tax: tax invoices*
- GSTR 2001/7 *Goods and services tax: meaning of GST turnover, including the effect of section 188-25 on projected GST turnover.*

## 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 statements.

## You

When we refer to 'you', we mean you as a business.

For example:

- sole trader
- partnership
- trustee (of a trust or a super fund)
- company.

## **Our commitment to you**

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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