GSTR 2012/7EC - Compendium

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This edited version of the Compendium of Comments is not intended to be relied upon. It provides no protection from primary tax, penalties, interest or sanctions for non-compliance with the law.

Ruling Compendium – GSTR 2012/7

This is a compendium of responses to the issues raised by external parties to draft GSTR 2011/D2 and GSTR 2012/D1 – *Goods and services tax: residential premises and commercial residential premises* that are applicable to GSTR 2012/7 *Goods and services tax: long term accommodation in commercial residential premises*.

This compendium of comments has been edited to maintain the anonymity of entities that commented on the draft ruling. Paragraph or example references under 'issue raised' are to GSTR 2011/D2 or GSTR 2012/D1 as applicable. Paragraph or example references under 'ATO Response/Action taken' are to GSTR 2012/7 unless otherwise indicated.

Summary of issues raised and responses

GSTR 2011/D2

Issue No.	Issue raised	ATO Response/Action taken
1	With respect to paragraph 271, I cannot see where you get 5.5%. In reference to Example 22 (paragraph 103 – 104), the normal price is $100 a week; the reduced valuation is $50 a week; the GST of 10% is $5.00 a week; Florinda charges the client $105 a week; the 1/11 does not apply in situations like this; Florinda should send $5.00 to the ATO; the GST is 4.76% of the price charged to the client.	The reference to the reduction in price by 50% equating to a rate of GST of 5.5% has not been retained in the Ruling. The non-modified price of the supply in Example 2 is $110. We do not agree that the GST payable in the example is $5.00 rather than $5.50 as the value of the supply is 50% of what would be the price of the supply if Division 87 did not apply. See paragraphs 28 – 29 of the Ruling.
2	Would it be helpful to give commercial residential premises operators a short cut by saying the GST is 1/11th for the first 27 days, and 5.213% of the total charge after that date (so they don't use 5.5% by mistake)? In Example 22, 5.50 divided by 105.50 equals 5.213%	The reference to the reduction in price by 50% equating to a rate of GST of 5.5% has not been retained in the Ruling.

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Summary of issues raised and responses

GSTR 2012/D1

Issue No.	Issue raised	ATO Response/Action taken
1	The ruling is over 82 pages, it is complex and difficult to understand.	GSTR 2012/D1 has been broken up into four products: • GSTR 2012/5 *Goods and services tax: residential premises*; • GSTR 2012/6 *Goods and services tax: commercial residential premises*; and • GSTR 2012/7 *Goods and services tax: long-term accommodation in commercial residential premises* • GSTD 2012/11 *Goods and services tax: have new residential premises been used for residential accommodation before 2 December 1998 for the purposes of paragraph 40-65(2)(b) of the A New Tax System (Goods and Services Tax) Act 1999 where the premises were only operated as commercial residential premises before that date?*