

GSTR 2000/26A - Addendum - Goods and services tax: corporate card statements - entitlement to an input tax credit without a tax invoice

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Addendum

Goods and Services Tax Ruling

Goods and services tax: corporate card statements – entitlement to an input tax credit without a tax invoice

This Addendum amends Goods and Services Tax Ruling GSTR 2000/26 as a result of the termination of the waiver of tax invoice determination appended to the Ruling, and the issue of a new legislative determination. The new legislative determination reflects the extension of the 30 June 2004 deadline for a concession contained in paragraph 6 of the original determination. The deadline is extended to 30 June 2006.

This Addendum appends the new legislative determination to the Ruling (in Schedule 2); updates references to Bills that have since been enacted, legislative determinations that have since issued, and draft Rulings that have since been finalised; and clarifies the meaning of the term 'corporate card'.

GSTR 2000/26 is amended as follows:

1. Paragraph 1

Omit paragraph 1 and substitute:

This Ruling explains two determinations that the Commissioner has made under subsection 29-10(3) of the *A New Tax System (Goods and Services Tax) Act 1999* ('the GST Act'). The determinations are appended to this ruling as Schedule 1 and Schedule 2; and set out the circumstances in which a registered entity that holds a corporate card statement (issued by certain organisations) can claim an input tax credit for a creditable acquisition without holding a tax invoice for that acquisition. The relevant organisations are listed in the citations contained in the determinations.¹

2. Footnote 1

Omit footnote 1 and substitute:

Schedule 1 is the determination issued on 28 June 2000 that contains the 30 June 2004 deadline and that has been terminated as at 30 June 2004. Schedule 2 is the determination that contains the new 30 June 2006 deadline and that commences from 1 July 2004.

3. Paragraph 2

In paragraph 2, omit 'the determination' and substitute 'either determination'.

4. Paragraph 3

In paragraph 3, omit 'the determination' where it occurs and substitute 'either determination'.

5. Footnote 15 (paragraph 16)

Omit footnote 15 and substitute:

Copies of the determinations are attached in Schedule 1 and Schedule 2 to this Ruling.

6. Paragraph 22

In paragraph 22, omit '2004' and substitute '2006'.

7. Footnote 17 (paragraph 27)

Omit footnote 17 and substitute:

Subsection 284-75(1) in Schedule 1 to the *Taxation Administration Act 1953*.

8. Paragraph 31

At the end of paragraph 31, add:

The term 'corporate card' is defined in paragraph 85 and is not necessarily restricted to cards referred to in the market place as 'corporate cards'. Cards referred to by card issuers as commercial cards, business cards, purchasing or procurement cards and fuel cards can also be 'corporate cards' – provided they fall within the definition in paragraph 85

9. Paragraph 58

In paragraph 58, omit 'GST Draft Ruling GSTR 2000/D17 entitled 'GST and how it applies to supplies of fringe benefits',' and substitute 'GSTR 2001/3 (about GST and how it applies to supplies of fringe benefits)'.

10. Paragraph 68

In paragraph 68, omit '2004' and substitute '2006'.

11. Footnote 27 (paragraph 69)

Omit footnote 27 and substitute:

Subsection 284-75(1) in Schedule 1 to the *Taxation Administration Act 1953*.

12. Paragraph 76

In paragraph 76 omit 'the proposed determination,' and substitute 'the determination in Schedule 2 to this Ruling'.

13. References (page 21)

Insert new heading '*Other References*' and under the heading insert the following list of legislative determinations:

Waiver of tax invoice determinations:

A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 3) 2004 – members of Retail Decisions Pty Ltd

A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 4) 2004 – corporate account holder of Cabcharge Australia Limited

A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 5) 2004 – Business Travel Account Holder of American Express International Inc.

A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 6) 2004 – Corporate Purchasing Account Holder of American Express International Inc.

A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 7) 2004 – American Express International Inc. KR 1025 Electronic Data Feed

A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 8) 2004 – Corporate Account Holder of Qantas Charge Card Qantas Airways Limited

A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 9) 2004 – members of Custom Service Leasing Limited

Waiver of adjustment note determinations:

A New Tax System (Goods and Services Tax) Waiver of Adjustment Note Requirement Determination (No. 2) 2004 – Business Travel Account Holder of American Express International Inc.

A New Tax System (Goods and Services Tax) Waiver of Adjustment Note Requirement Determination (No. 3) 2004 – Corporate Purchasing Account Holder of American Express International Inc.

A New Tax System (Goods and Services Tax) Waiver of Adjustment Note Requirement Determination (No. 4) 2004 – Corporate Card members of American Express International Inc.

A New Tax System (Goods and Services Tax) Waiver of Adjustment Note Requirement Determination (No. 5) 2004 – American Express International Inc. KR 1025 Electronic Data Feed

14. Legislative References

Omit 'TAA 46/284' and substitute 'TAA 1953 284-75'.

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15. New Schedule 2

After Schedule 1 append as Schedule 2 the *A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 2) 2004 – members of Visa International, American Express International, Diners Club International, MasterCard International, Motorcharge Ltd, and Fleet Systems Pty Ltd.* .

This Addendum applies on and from 1 July 2004 (the date of commencement of the determination in Schedule 2).

Commissioner of Taxation

21 July 2004

ATO references

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Schedule 2**COMMONWEALTH OF AUSTRALIA****A NEW TAX SYSTEM (GOODS AND SERVICES TAX) ACT 1999****DETERMINATION**

I, Anthony Long, in the exercise of the powers and functions conferred upon me by delegation from the Commissioner of Taxation pursuant to section 8 of the *Taxation Administration Act 1953* (Cth), do hereby determine under subsection 29-10(3) of the *A New Tax System (Goods and Services Tax) Act 1999*:

Citation

1. This determination is the *A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 2) 2004 – members of Visa International, American Express International, Diners Club International, MasterCard International, Motorcharge Ltd, and Fleet Systems Pty Ltd*.

Commencement and application

2. (1) This determination commences on 1 July 2004.
- (2) This determination terminates the *A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 3) 2000 – members of VISA INTERNATIONAL, AMERICAN EXPRESS INTERNATIONAL, DINERS CLUB INTERNATIONAL, MASTERCARD INTERNATIONAL, AUSTRALIAN CARD SERVICES PTY LTD, MOTORCHARGE LTD AND FLEET SYSTEMS PTY LIMITED* (the 'predecessor determination').
- (3) This determination does not revoke or vary any other previous determination made by the Commissioner or a delegate of the Commissioner.
- (4) This determination applies in relation to net amounts for tax periods starting on or after 1 July 2004.
- (5) The predecessor determination ceases to apply in relation to net amounts for tax periods starting on or after 1 July 2004.

Circumstances where the requirement for a tax invoice does not apply

3. The circumstance set out in the following paragraphs is the circumstance of a kind in which the requirement for a tax invoice under subsection 29-10(3) of the Act does not apply.

4. A member of a corporate card provider will not be required to hold a tax invoice for a creditable acquisition purchased with the corporate card in order to attribute an input tax credit on the acquisition to a tax period provided that at the time the member gives its GST return/Business Activity Statement ('BAS') for the tax period to the Commissioner:

- (a) the member holds a corporate card statement produced by the corporate card provider that includes the following details:
 - (i) the member's name;
 - (ii) the name(s) of the person(s) who uses the corporate card to purchase the creditable acquisition or, in the case of fuel cards, the vehicle identifier;
 - (iii) the member's Australian Business Number ('ABN') or address;
 - (iv) for each acquisition for which the member may claim an input tax credit the statement has:
 - the date the member purchased the acquisition;
 - the supplier's name;
 - the supplier's ABN;
 - the supplier's Branch Registration Number (where applicable);
 - a brief description of the acquisition or, if that is not available, a description of the supplier's industry;
 - the amount of GST paid; and
 - the total amount paid;
- (b) the member has an effectively regulated corporate policy for making adjustments for expenditure on the corporate card that is of a private or domestic nature and were not made in connection with carrying on the member's enterprise;
- (c) the member has supplementary documentation supporting each acquisition on the statement that has a private or domestic component and the documentary

evidence clearly identifies the creditable and non-creditable components of the acquisition; and

- (d) The corporate card provider meets the conditions set out in paragraph 5 and 6.

5. The corporate card provider must provide the date each supply on the statement was purchased.

6. Where all the information on the statement is not provided by the merchant to the corporate card provider/acquirer, the latter may, until 30 June 2006, separately obtain the supplier's ABN and GST registration status and then calculate the amount of GST on the supply provided the corporate card provider/acquirer:

- (a) has obtained a signed statement from each merchant that states:
- (i) the merchant's ABN and Branch Registration Number (where applicable);
 - (ii) whether or not the merchant is registered for GST;
 - (iii) the type of supply or supplies (that is, taxable, GST-free and/or input taxed) the merchant provides;
 - (iv) where the merchant only provides taxable supplies, whether or not GST is calculated at 1/11th of the price for all the taxable supplies the merchant provides; and
 - (v) provides the corporate card provider/acquirer with an undertaking that it will be notified:
 - when they cease to be registered for GST; or
 - when they cease to make only taxable supplies where the GST is calculated at 1/11th of the price;
- (b) retains the signed statement for at least 5 years after the merchant ceases their association with the corporate card provider;
- (c) clearly identify each supply in the statement that may be a GST-free, input taxed or mixed supply;
- (d) clearly identify each supply where GST may not be 1/11th of the price;
- (e) where a supply has been identified as being a supply that may be a GST-free, input taxed or a supply where GST may not be 1/11th of the price, advise the entity to obtain a tax invoice before attributing an input tax credit to a tax period; and

- (f) where the corporate card provider/acquirer has obtained information that the merchant is not registered, or ceases to be registered for GST, the corporate card provider and acquirer must not calculate an amount of GST for supplies from that merchant. Instead, the corporate card provider must state that the amount of GST included in the price of the supply is \$nil.

Situations where a tax invoice is still required

7. The member will still need to obtain a tax invoice before attributing input tax credits to a tax period for a supply on the corporate card statement where:

- (a) the corporate card statement indicates that the supply may be a mixed supply or a taxable supply where GST is not 1/11th of the price; or
- (b) where there is an error on the corporate card statement in relation to the supply.

Definitions

8. The following expressions are defined for the purposes of this determination:

the Act means the *A New Tax System (Goods and Services Tax) Act 1999*.

Corporate card provider is any one of the following credit or charge card providers:

- financial institutions that issue VISA International corporate cards;
- American Express International;
- Diners Club International;
- financial institutions that issue MasterCard International corporate cards;
- Motorcharge Ltd; and
- Fleet Systems Pty Limited.

Person(s) who uses the corporate card includes a partner, sole trader, director or employee of an entity.

Corporate card statement is a statement of liability that is issued by a corporate card provider to one of its clients.

Corporate card is a card that is issued to and in the name of an entity and is used to purchase goods and services for commercial purposes.

Acquirer is a financial institution that signs a merchant and is responsible for settlement to the merchant of card transactions processed through that merchant.

Member is the registered entity that is a corporate holder of the corporate card.

Mixed supply is a supply of 1 or more taxable supplies and any one of the following supplies:

- a supply that is GST-free or input taxed;
- a supply that was made before 1 July 2000.

Other expressions in this determination have the same meaning as in the Act.

Dated this 9th day of July 2004.

Anthony Long
ASSISTANT DEPUTY COMMISSIONER OF TAXATION
Goods and Services Tax (Financial Supplies & Insurance)