

FUND 2016/31 - Explanatory statement -



Explanatory Statement

Goods and Services Tax: Frequency of Fund-raising Events Determination (No. 31) 2016

General outline of determination

1. This determination is made under subsection 40-165(4) of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act).
2. This determination sets out the maximum number of fund-raising events that endorsed charities, gift-deductible entities and government schools may hold before they are no longer eligible to elect to treat supplies from such events as input taxed.
3. The determination is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

Date of effect

4. The determination commences on the day after registration.

What is this determination about

5. Section 40-160 of the GST Act sets out the requirements, which when met, allow an endorsed charity, a gift deductible entity and a government school to choose to treat all supplies made in connection with certain fund-raising events as input taxed.
6. Subsection 40-165(1) of the GST Act provides that a fund-raising event will not be eligible for an election under section 40-160 if it forms "any part of a series or regular run of like or similar events". Subsection 40-165(4) of the GST Act provides that the Commissioner may determine the frequency with which fund-raising events may be held without forming any part of a series or regular run of like events.
7. The determination sets out that the maximum number of fund-raising events is fifteen in any financial year for the purposes of subsection 40-165(1) of the GST Act.
8. The terms endorsed charity, gift deductible entity, government school, fund-raising events have the same meaning as the GST Act.

What is the effect of this determination

9. This determination allows an endorsed charity, gift deductible entity and government school to hold up to fifteen fund-raising events in a financial year before it fails to satisfy the law and is unable to choose to treat any of the supplies for any such events during the year as input taxed.

10. Compliance cost impact: minor- there will be no or minimal impacts for both implementation and ongoing compliance costs. The legislative instrument is minor or machinery in nature.

Background

11. This determination replaces *A New Tax System (Goods and Services Tax) Frequency of Fund-raising Events Determination (No. 1) 2001* (the previous determination) - F2005B01993. The replaced instrument is repealed on commencement of this instrument.

Consultation:

12. Section 18 of the *Legislative Instruments Act 2003* specifically provides for circumstances where consultation may not be necessary or appropriate. One of those circumstances is where the instrument is considered minor or machinery in nature, and does not substantially change the law.
13. There is no substantive change from the previous determination therefore the determination is considered minor or machinery in nature. As such, no consultation has been undertaken in the development of this determination.

Legislative references:

A New Tax System (Goods and Services Tax) Act 1999

Legislative Instruments Act 2003

Human Rights (Parliamentary Scrutiny) Act 2011

Timothy Dyce
Deputy Commissioner of Taxation
24 February 2016

Statement of Compatibility with Human Rights

This statement is prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

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This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

This Legislative Instrument sets out the maximum number of fund-raising events that an endorsed charity, a gift-deductible entity or a government school is entitled to conduct before it is no longer entitled to choose to treat supplies made in such events as input taxed for the purposes of the *A New Tax System (Goods and Services Tax) Act 1999*. The maximum number is determined to be fifteen in a financial year.

Human rights implications

This Legislative Instrument does not engage any of the applicable rights or freedoms as it is considered to be minor or machinery in nature and does not substantially change the law.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.