

***PAR 2000/1 -***

## COMMONWEALTH OF AUSTRALIA

### *A NEW TAX SYSTEM (GOODS AND SERVICES TAX) ACT 1999*

#### DETERMINATION

Under subsection 29-25(1) of the *A New Tax System (Goods and Services Tax) Act 1999* and subsection 4(1) of the *Acts Interpretation Act 1901*, I make the following determination, being satisfied under paragraph 29-25(2)(e) of the Act that it is necessary to prevent the provisions of Division 29 and Chapter 4 applying in a way that is inappropriate in circumstances involving a supply or acquisition occurring before the supplier or recipient knows the total consideration:

#### *Citation*

1. This Determination is the *A New Tax System (Goods and Services Tax) (Particular Attribution Rules Where Total Consideration Not Known) Determination (No. 1) 2000*.

#### *Commencement*

2. This Determination commences on the date the *A New Tax System (Goods and Services Tax) Act 1999* commences.

#### *Application of Determination*

3. (1) This Determination applies where:
  - (a) you make a taxable supply;
  - (b) you do not know the total consideration for the supply when any consideration is received for the supply or an invoice is issued relating to the supply; and
  - (c) the ascertainment of the total consideration depends on a future event or events that is not entirely within your control;and either:
  - (d) an invoice is issued relating to the supply; or
  - (e) any consideration is received for the supply.
- (2) This Determination applies where:
  - (a) you make a creditable acquisition; and
  - (b) you do not know the total consideration for the acquisition when you provide any consideration for the acquisition or an invoice is issued relating to the acquisition; and

(c) the ascertainment of the total consideration depends on a future event or events that is not entirely within the control of the supplier;

and either:

(d) an invoice is issued relating to the acquisition; or

(e) you provide any consideration for the acquisition.

(3) This Determination applies only if you do not account on a cash basis.

***Particular attribution rule for GST payable on a taxable supply occurring before the supplier knows the total consideration***

4. (1) Where, in a tax period before you know the total consideration, *an invoice is issued* relating to a taxable supply which states an amount of consideration and:

(a) *no consideration is received for the supply in that tax period* - the GST on the supply is attributable to that tax period but only to the extent of the amount of the consideration stated in the invoice; or

(b) *consideration is received for the supply in that tax period* - the GST on the supply is attributable to that tax period but only to the extent:

(i) where the consideration received is less than or equal to the amount of the consideration stated in the invoice - the amount of consideration stated in the invoice; or

(ii) where the consideration received is more than the amount stated in the invoice - the amount of the consideration received.

(2) Where, in a tax period before you know the total consideration, *an invoice is not issued* relating to the supply and:

(a) *consideration is received for the supply in that tax period* - the GST payable on the taxable supply is attributable to that tax period but only to the extent of the consideration received in that tax period; or

(b) *no consideration is received for the supply in that tax period* - none of the GST on the supply is attributable to that tax period

(3) The GST payable on the taxable supply is attributable under subclauses (1) and (2) only to the extent that it has not been attributed to an earlier tax period.

(4) However, the GST payable on the taxable supply is attributable to the tax period in which you first know the total amount of consideration for the taxable supply to the extent that it has not been attributed to an earlier tax period.

***Particular attribution rule for input tax credits arising from a creditable acquisition occurring before the recipient knows the total consideration***

5. (1) Where, in a tax period before you know the total consideration, *an invoice is issued* relating to a creditable acquisition which states an amount of consideration and you:
- (a) *do not provide any of the consideration for the acquisition in that tax period* - the input tax credit for the acquisition is attributable to that tax period but only to the extent of the amount of the amount of the consideration stated on the invoice; or
  - (b) *provide any of the consideration for the acquisition in that tax period* - the input tax credit for the creditable acquisition is attributable to that tax period but only to the extent:
    - (i) where the consideration provided by you is less than or equal to the amount of the consideration stated in the invoice - the amount of the consideration stated in the invoice; or
    - (ii) where the consideration provided by you is more than the amount stated in the invoice - the amount of the consideration provided.
- (2) Where, in a tax period before you know the total consideration, *an invoice is not issued* relating to a creditable acquisition and you:
- (a) *provide any of the consideration for the acquisition in that tax period* - the input tax credit for the creditable acquisition is attributable to that tax period but only to the extent of the consideration that you provided in that tax period; or
  - (b) *provide none of the consideration for the acquisition in that tax period* - none of the input tax credit for the acquisition is attributable to that tax period.
- (3) The input tax credit to which you are entitled is attributable under subclauses (1) and (2) only to the extent that it has not been attributed to an earlier tax period.
- (4) However, the input tax credit to which you are entitled for a creditable acquisition is attributable to the tax period in which you first know the total amount of consideration for the creditable acquisition to the extent it has not been attributed to an earlier tax period.
6. To avoid doubt, this Determination is not intended to override subsection 29-10(3).

***Definitions***

7. (1) The following expression is defined for the purposes of this Determination:

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

- (2) Other expressions in this Determination have the same meaning as in the Act.

Signed this 30<sup>th</sup> day of June 2000  
Marilyn Knight  
Senior Tax Counsel  
Goods and Services Tax Program  
Delegate of the Commissioner