

WTI 2004/4 -

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. 4) 2004 – corporate account holder of Cabcharge Australia Limited*.

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. 77) 2000 – corporate account holder of CABCHARGE AUSTRALIA 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 Corporate Account Holder of Cabcharge Australia Limited 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 Corporate Account Holder gives its GST return/Business Activity Statement ("BAS") for the tax period to the Commissioner:

- (a) The Corporate Account Holder holds a corporate account statement produced by Cabcharge Australia Limited that includes the following details:
 - (i) The Corporate Account Holder's name;
 - (ii) The name(s) of the person(s) who uses the corporate account to purchase the creditable acquisition;
 - (iii) The Corporate Account Holder's Australian Business Number ('ABN') or address;
 - (iv) For each acquisition for which the Corporate Account Holder may claim an input tax credit the statement has:
 - the date the Corporate Account Holder purchased the acquisition;
 - the supplier's name or driver ID;
 - the supplier's ABN;
 - the supplier's Branch Registration Number (where applicable);
 - the total amount paid; and
 - the total amount of GST paid for the acquisition or acquisitions of taxi travel.
 - (b) The Corporate Account Holder has an effectively regulated corporate policy for making adjustments for expenditure on the corporate account that is of a private or domestic nature and were not made in connection with carrying on the Corporate Account Holder's enterprise;
 - (c) The Corporate Account Holder 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;
 - (d) Cabcharge Australia Limited meets the conditions set out in paragraph 5 and 6 below; and
5. Cabcharge Australia Limited must provide the date each supply on the statement was purchased.
 6. Where all the information required on the statement is not provided by the merchant to Cabcharge Australia Limited/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 Cabcharge Australia Limited/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 (i.e., 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 Cabcharge Australia Limited/the 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 Cabcharge Australia Limited;
 - (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; and
 - (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 Cabcharge Australia Limited/the acquirer has obtained information that the merchant is not registered, or ceases to be registered for GST, Cabcharge Australia Limited and the acquirer must not calculate an amount of GST for supplies from that merchant. Instead, Cabcharge Australia Limited must state that the amount of GST included in the price of the supply is \$nil.
7. Where Cabcharge Australia Limited/the acquirer has failed to establish that the merchant has an ABN, Cabcharge Australia Limited and the acquirer must not calculate an amount of GST for supplies from that merchant. Instead, Cabcharge Australia Limited must state that the amount of GST included in the price of the supply is \$nil.

Situations where a tax invoice is still required

8. The Corporate Account Holder 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 account 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 account statement in relation to the supply.

Definitions

9. 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*.

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

Corporate account statement is a statement of liability that is issued by Cabcharge Australia Limited to one of its clients.

Corporate account is an account 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.

Corporate Account Holder is the registered entity that is a corporate holder of the corporate account.

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.

Merchant means an entity that supplies taxi travel.

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)