

GSTB 2003/1W - How to calculate input tax credits and bad debt adjustments when a dividend is paid to creditors



Notice of Withdrawal

Goods and Services Tax Bulletin

How to calculate input tax credits and bad debt adjustments when a dividend is paid to creditors

Goods and Services Tax Bulletin GSTB 2003/1 is withdrawn with effect from today and replaced by law administration practice statement PS LA 2012/1 (GA).

1. PS LA 2012/1 (GA) sets out formulae that representatives of incapacitated entities are able to use to calculate the adjustments in relation to previously claimed GST credits in instances where a dividend of less than 100 cents in the dollar is paid to creditors.
2. PS LA 2012/1 (GA) confirms current industry practices and the Australia Taxation Office's current administrative approach. Relevantly, PS LA 2012/1 (GA) confirms that the formulae previously set out in GSTB 2003/1 about the former provisions in Division 147 of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act) that applied to representatives of incapacitated entities, will continue to apply under the new provisions in Division 58 of the GST Act.
3. In accordance with practice statement PS LA 1998/1 it is mandatory for tax officers to follow practice statements relevant to particular tasks that they are performing.

Commissioner of Taxation

28 March 2012

ATO references

NO: 1-3RLERZA

ISSN: 1443-5160

ATOlaw topic: Goods and Services Tax -- General rules and concepts -- adjustments for bad debts

Goods and Services Tax -- General rules and concepts -- entitlement to input tax credits