PS LA 2008/9 - GST 'revenue neutral' corrections

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Australian Government
Australian Taxation Office

Practice Statement Law Administration

PS LA 2008/9

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This law administration practice statement is issued under the authority of the Commissioner and must be read in conjunction with Law Administration Practice Statement PS LA 1998/1. ATO personnel, including non ongoing staff and relevant contractors, must comply with this law administration practice statement, unless doing so creates unintended consequences or is considered incorrect. Where this occurs, ATO personnel must follow their business line's escalation process.

SUBJECT: **GST 'revenue neutral' corrections**

PURPOSE: **To outline the ATO policy on remission of general interest charge imposed for the shortfall period on corrections of transactions where the correction involves equal and offsetting primary GST amounts[1]**

TABLE OF CONTENTS **Paragraph**

[1] 'Primary GST amounts' are the GST payable and the input tax credit claimable for a transaction.

BACKGROUND

1. The GST is a multi-stage value added tax. The distinction from a retail or wholesale sales tax, which is imposed only once in the supply chain, is both deliberate and significant.

2. Each business in the supply chain is responsible for collection of GST, and credits for inputs can generally be claimed only when holding a valid tax invoice. These features are inherent parts of a system that imposes a value added tax at the enterprise level.[2]

3. The amounts of GST and credits for inputs are attributable to a particular tax period and are offset against each other to produce a net amount for the period. Where the amount of GST exceeds the credits, the net amount is payable to the Commissioner by a certain date[3] and if it remains unpaid after the due date, liability for a general interest charge (GIC) similarly arises automatically,[4] although the law allows the Commissioner to remit GIC in certain circumstances (see paragraphs 22 to 24 of this practice statement).

4. There is no authority for the Commissioner in the administration of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act) to overlook the incorrect GST treatment of business to business transactions on the basis that the overall effect of the transactions is revenue neutral. To do so would conflict with the structure of the tax and undermine its integrity.

5. Nor is there anything in the law which expressly requires the Commissioner to take a more lenient approach to the remission of GIC where an error is made in relation to business to business transactions.

6. When an error in an activity statement is detected, it must be corrected through revision or amendment of the activity statement for the period in which the original transaction is attributable, or for incorrectly claimed input tax credits (ITCs) in the period in which they were accounted for (unless conditions in GSTE 2013/1 *Goods and Services Tax: Correcting GST Errors Determination 2013* are met allowing for correction on a later activity statement).

[2] See *Sterling Guardian Pty Ltd v. FCT* [2006] FCAFC 12.
[3] Divisions 33, 151 and 162 of the GST Act.
[4] Section 105-80 of Schedule 1 to the *Taxation Administration Act 1953.*

7. Where a correction is made by revising or amending an activity statement and the correction leads to an increased amount of GST being payable or a reduction in the amount of ITC claimable, GIC is imposed on this amount for the period from the due date of the original activity statement to the date the revision or amendment was made. For the purposes of this practice statement, this period is referred to as the 'shortfall period'. GIC will continue to accrue from this date until the debt is paid.

8. If a correction increasing the GST for one party also gives rise to an entitlement to an ITC equal to that increased GST, or where the correction involves equal and offsetting GST or ITCs for the same transaction, the correction is often described as 'revenue neutral' in terms of primary GST amounts. The term 'revenue neutral' is adopted for the purposes of this practice statement. However, in using the term in this practice statement, it should be remembered that the GST legislation does not in itself recognise the concept of 'revenue neutrality'. That is, the net result of a transaction is not a factor in determining liability to GST or entitlement to an ITC.

9. Many corrections involve a time delay between the due date for the liability and the date on which the transaction results in a decreased net amount for the other party. An increased GST liability resulting from correcting an error is payable from the due date of the activity statement for the tax period in which the amount would have been attributable. An ITC is only attributable to a tax period when a valid tax invoice (or adjustment note) for the transaction is held, which is generally subsequent to the correction being made.

10. Still, when the practical effect of correcting an error is 'revenue neutral' for primary GST amounts, consideration will be given to the remission of GIC for the shortfall period.

11. The effect of differing activity statement lodgment cycles or accounting bases (cash or accrual) for the parties to the transaction are not considered in determining if a correction is a GST 'revenue neutral' correction. This approach accepts that the resulting 'timing' differences can work either way and could balance each other out over time.

12. If the increased GST payable and entitlement to ITCs resulting from a correction are not equal, the correction cannot be a GST 'revenue neutral' correction.

General Interest Charge

13. Interest charges for late payment of tax are imposed to:

    (i) compensate the revenue for the lost 'time value' of tax amounts not remitted by the due date[5]

    (ii) provide an incentive for prompt payment of liabilities[6]

    (iii) discourage the use of the ATO as a source of finance, [7] and

    (iv) ensure that no advantage is received by taxpayers who do not comply with their obligations compared to those who do.[8]

[5] Second Reading Speech for Taxation Laws Amendment (Self Assessment) Bill 1992 – Hon. Peter Baldwin MP (Minister assisting the Treasurer).
[6] Supplementary Explanatory Memorandum to Taxation Laws Amendment Bill (No. 3) 2001 – paragraph 4.6.
[7] Explanatory Memorandum to Tax Laws Amendment (Improvements to Self Assessment) Bill (No. 1) 2005 – 'Summary of regulation impact statement' and paragraphs 2.19 and 4.15; Second Reading Speech for Taxation Laws Amendment (Self Assessment) Bill 1992 – Hon. Peter Baldwin MP (Minister assisting the Treasurer).
[8] See Explanatory Memorandum, to Tax Laws Amendment (Improvements to Self Assessment) Bill (No. 1) 2005, at paragraph 2.18; See paragraph 1 of PS LA 2006/8; See paragraph 25 of PS LA 2011/12.

14. The GIC rate is worked out by adding the uplift factor (currently 7 percentage points) to the base interest rate. The base interest rate is determined by the average yield of 90-day Bank Accepted Bills for the relevant month.[9]

What are GST 'revenue neutral' corrections?

15. A number of situations have been identified where the corrections of errors have a neutral effect on primary GST. These are:

    (i) where a supplier fails to include GST in the price of a taxable supply and that supply is made to a recipient who would have been entitled to claim a full ITC if they were issued with a valid tax invoice

    (ii) where the wrong entity accounts for the GST or claims an ITC. This may occur with associated entities, under a joint venture or similar type of 'partnership' arrangement, or an agency arrangement

    (iii) where entities transact with each other as if they were members of a GST group when they are not members of the same group (for example, because one is not eligible to be a member of the group), and

    (iv) where a transaction has taken place (involving equal and offsetting primary GST amounts), but the Commissioner declines to exercise his discretion to treat a document as a tax invoice or adjustment note under subsections 29-70(1B) and 29-75(1) of the GST Act.

SCOPE

16. This practice statement is limited to corrections that have a neutral effect on primary GST amounts. These corrections must relate to taxable supplies and creditable acquisitions in accordance with the provisions of the GST Act. The practice statement is applicable to corrections regardless of whether the corrections arise from the taxpayer's own initiative, because its error is identified by another party to the transaction, or because its error is identified through an ATO audit.

17. This practice statement only applies to GIC that accrues on a shortfall amount during the shortfall period. The shortfall period is the period between when the shortfall would originally have been due for payment and when the shortfall is corrected. It is not applicable to remission of GIC for late payment after the shortfall period. Guidelines for remission of GIC for late payment are contained in PS LA 2011/12.

18. This practice statement does not concern the application of administrative penalties to the taxpayer.

19. This practice statement does *not* apply to transactions that fall within the scope of the policy in Law Administration Practice Statement PS LA 2013/3 (GA) *Treatment of input tax credits claimed by a recipient of a non taxable supply where the Commissioner has the discretion to give a refund of the overpaid GST to the supplier due to the operation of section 105-65 of Schedule 1 to the Taxation Administration Act 1953*. This policy relates to circumstances where the Commissioner will use his powers of general administration to allow a recipient to retain an input tax credit that it has claimed where a transaction was incorrectly treated by a supplier as giving rise to a taxable supply.

[9] Subsection 8AAD(2) of the *Taxation Administration Act 1953*.

20. This practice statement does *not* apply to subparagraph 15(iv) of this practice statement that is, GST 'revenue neutral' corrections where the Commissioner declines to exercise his discretion to treat a document as a tax invoice or adjustment note under subsections 29-70(1B) and 29-75(1) of the GST Act. PS LA 2011/12 outlines the Commissioner's policy in respect of the GIC .

21. The practice statement is not applicable to circumstances where the effect of the transaction is not revenue neutral because a party is entitled to a refund which is less than the GST payable by the other party. This may be the case, for example, when the recipient of a supply that is incorrectly treated as non-taxable has made an acquisition that is only partially creditable. The exclusion of such transactions from this practice statement should not be regarded as precluding remission in these circumstances. Remission may be considered in accordance with PS LA 2006/8 and PS LA 2011/12.

STATEMENT

GIC remission guidelines

22. The Commissioner may remit all or part of the GIC under section 8AAG of the *Taxation Administration Act 1953* (TAA). In particular, subsections 8AAG (2), (3), (4) and (5) of the TAA. Subsection 8AAG(3) of the TAA requires that the Commissioner is satisfied that the shortfall did not arise as a result of an act or omission of the person.

23. Subsections 8AAG(4) and (5) of the TAA both allow remission if certain criteria are met and, in the circumstances that the Commissioner is satisfied that it is fair and reasonable to do so. The question of whether it is fair and reasonable to remit should be considered not only from the perspective of the taxpayer, but also from the perspective of the broader community. It may not be fair and reasonable to remit GIC, if remission provides the taxpayer with an advantage over others who meet their responsibilities in full.[10]

24. Paragraph 8AAG(5)(b) of the TAA also allows remission if the Commissioner is satisfied that 'it is otherwise appropriate to do so'. This allows a broader discretion to remit than the other provisions of section 8AAG of the TAA. Before exercising the Commissioner's discretion to remit GIC under paragraph 8AAG(5)(b) of the TAA, reference should be made to paragraphs 48 to 55 in PS LA 2011/12.

25. The following paragraphs set out circumstances in which the Commissioner may remit part or all of the GIC imposed for the shortfall period in relation to GST 'revenue neutral' corrections. They are not intended to limit the Commissioner in his discretion to remit interest charges if he is satisfied that it is fair and reasonable, or otherwise appropriate, to do so in accordance with section 8AAG of the TAA.

26. It is not possible to anticipate all the circumstances in which the discretion to remit GIC may or may not be exercised. The examples in the following paragraphs are illustrative of *some* situations in which full or partial remission of GIC is appropriate. Other circumstances will arise for which full or partial remission is also appropriate. The exercise of the discretion must not be approached in a rigid or inflexible way. Each case must be considered on its merits and administrative law principles must be observed.

[10] See subparagraph 13(iv) of this practice statement; paragraph 43 of PS LA 2011/12.

Situations in which partial remission of GIC for the shortfall period may be appropriate

27. Where a GST 'revenue neutral' correction is made, the Commissioner may partially remit the GIC payable in respect of the underpaid GST.

28. In general, the appropriate amount of GIC to be remitted in such a case is an amount equivalent to the prevailing uplift factor. This means that the amount of GIC for the shortfall period payable in such a case will be equivalent to the prevailing base interest rate. This approach recognises that the imposition of some (but not all) of the GIC may be appropriate taking into account the purposes of the GIC (see paragraph 13 of this practice statement) and the structural integrity of the GST as a multi-stage value added tax.

29. The criterion for such partial remission is that another entity is entitled to an equal and corresponding reduction in their net amount.

Example 1 – GIC for the shortfall period is remitted to base rate

30. Amity (annual turnover of $36M) makes a supply to an arm's length party, Bunya, for the price of $100,000 for the monthly period ending 31 March 2009. The supply should have been subject to GST, however Amity misinterpreted the legislation and treated the supply as 'non-taxable'. As a consequence, the invoice issued by Amity for the supply does not show an amount of GST, nor does it state that the supply is 'GST-inclusive'.

31. Amity realises in October 2009 that it has made an error and re-invoices Bunya for $110,000, including $10,000 on account of GST. Bunya pays Amity the additional $10,000. Bunya is then able to claim an ITC for $10,000 in their October 2009 activity statement. Amity lodges a revised March 2009 activity statement on 27 November 2009.

32. Once the revision is made, GIC is imposed for the period from 21 April 2009 (the due date for the March activity statement) until the outstanding GST amount is paid. Amity requests that the Commissioner partially remit the GIC based upon the transaction being a GST 'revenue neutral' correction. [11] Amity informs the Commissioner that it has taken steps to correct its error for future taxable supplies. The Commissioner remits the GIC to the base rate for the shortfall period (that is, 21 April 2009 until 26 November 2009). GIC incurred for late payment after this date is not considered for remission under this practice statement.[12]

33. The taxpayer's compliance record will not generally be a relevant factor in determining whether partial remission of GIC is warranted. However, it may be relevant to the imposition of shortfall penalties and, if shortfall penalties are imposed, whether they should be remitted. The application of shortfall penalties is not covered by this practice statement. In considering shortfall penalties, ATO personnel should have regard to Law Administration Practice Statement PS LA 2012/5 *Administration of penalties for making false or misleading statements that result in shortfall amounts*. Repeated non-compliance may also be relevant to the imposition of penalties for failure to keep or retain records. In this regard, ATO personnel should consider Law Administration Practice Statement PS LA 2005/2 *Penalty for failure to keep or retain records*.

[11] Amity may wish to seek full remission of GIC if it can demonstrate that it meets the criteria in paragraph 34 of this practice statement.
[12] Refer to PS LA 2011/12.

Situations in which full remission of GIC for the shortfall period may be appropriate

34. It may be fair and reasonable to remit GIC in full where an entity can demonstrate that they received no advantage over other entities which correctly accounted for GST.

No comparative benefit has been derived from the error

35. Where the taxpayer seeking remission obtains no benefit from the error as compared to a fully compliant taxpayer, full remission of the GIC for the shortfall period may be considered. Hence, a supplier who fails to include GST in the price of a taxable supply should not receive any comparative benefit over those suppliers who fulfil the requirements of the legislation by correctly including GST.

36. Not including GST in the price of a supply may provide an advantage to a supplier by effectively reducing the price by $1/11^{th}$. On the other hand, it is recognised that in some contexts businesses deal with each other by reference to GST-exclusive prices and therefore purchasing decisions are not influenced by whether the supply is regarded as a taxable supply. Furthermore, there can be factors other than price that influence a purchasing decision.

37. When considering whether a benefit has been obtained, it is the situation at the time of the error that is to be assessed, not the situation that results from the correction. That is, factors such as an inability by the supplier to recover an increased amount for the GST, resulting from the correction, will not be considered.

38. The Commissioner will consider a full remission of GIC for the shortfall period in relation to the underpaid GST where the condition in paragraph 29 of this practice statement and the following condition is met:

- the supplier must demonstrate that they received no advantage compared to suppliers who correctly included GST in the price of their supplies.

Example 2 – GIC for the shortfall period is remitted in full where no comparative advantage has been derived from the error

39. Ekibin (annual turnover of $650M) makes a supply to a wholly owned subsidiary, Forestdale, for the price of $700,000 for the monthly period ending 28 February 2009. Ekibin had incorrectly assumed that it and Forestdale were grouped for GST purposes. GST should have been charged on the supply, however, the invoice issued by Ekibin for the supply does not show an amount of GST, nor does it state that the supply is 'GST-inclusive'. Ekibin discovers the error and revises its February 2009 activity statement on 25 June 2009. On 9 July 2009, Ekibin pays the GST of $70,000 resulting from the revision. Ekibin re-invoices Forestdale for the full $770,000 and Forestdale pays Ekibin the increased price amount. Forestdale then claims an ITC for $70,000 in the June 2009 period.

40. GIC is imposed on Ekibin for the period from 23 March 2009 (the due date for the February activity statement) to 8 July 2009. Ekibin requests that the Commissioner remit the GIC based upon the transaction being a GST 'revenue neutral' correction and no comparative benefit being derived from the error. Ekibin and Forestdale have since notified the Commissioner of the formation of a GST group.

41. In considering the remission request, the Commissioner determines that the entities were non-arm's length and that in practice, Ekibin was not competing with other parties for the provision of services to Forestdale. Consequently, the Commissioner accepts that 'no comparative advantage' was obtained by Ekibin at the time of the original transaction and grants full remission of the GIC for the shortfall period, that is, 23 March 2009 to 24 June 2009.

Example 3 – GIC for the shortfall period is remitted to the base rate where a comparative advantage may have been derived from the error

42. Carina (annual turnover of $3M) makes a supply to an arm's length party, Darra, for the price of $60,000 for the monthly period ending 30 April 2010. GST should have been charged on the supply, however, the invoice issued by Carina for the supply does not show an amount of GST, nor does it state that the supply is 'GST-inclusive'. When this error is detected in September 2010 Carina revises the April 2010 activity statement and pays GST of $5,454 on the same day, 24 September 2010. Carina had failed to secure an increased price from Darra. Carina re-invoices Darra to show a GST-inclusive price of $60,000. Darra then claims an ITC for $5,454 in the September 2010 period.

43. Once the revision is made, GIC is imposed for the period from 21 May 2010 (the due date for the April activity statement) to 23 September 2010. Carina requests that the Commissioner remit the GIC based upon the transaction being a GST 'revenue neutral' correction and that no comparative advantage was derived from the error, contending it was disadvantaged by the correction.

44. The Commissioner remits the GIC to the base rate for the shortfall period, that is, 21 May to 23 September 2010. Full remission of GIC is not granted as the 'no comparative advantage' test is not satisfied. When the transaction was entered into, not charging GST might have allowed Carina to charge a lower price than competitors and this may have been a factor in Carina securing the supply.

Example 4 – GIC for the shortfall period is remitted in full where there is no comparative advantage

45. Camille wishes to provide motivational training to her employees to assist with her business. She puts the training services out for tender. The tenderer is required to specify the GST-exclusive price they will charge for the training. Rohin specifies a GST-exclusive price of $100,000 and is the successful tenderer.

46. When Rohin invoices for the work in August 2008 he does not charge GST, because he mistakenly concludes that his services are a GST-free educational supply.

47. Camille later queries the GST-free treatment. Rohin seeks advice and finds out in October 2008 that the supply of training was in fact a taxable supply.

48. Rohin issues a tax invoice to Camille for $110,000, including $10,000 for GST. He submits a revised August 2008 activity statement and pays $10,000 of GST on 31 October 2008.

49. Rohin has received no comparative advantage. Because the potential suppliers of the motivational training quoted their prices on a GST-exclusive basis, and Rohin was selected as the successful tenderer on the basis of his GST-exclusive price, Rohin did not obtain a competitive advantage. Accordingly, the Commissioner remits the GIC in full for the shortfall period.

Example 5 – GIC for the shortfall period is remitted in full where there is no comparative advantage

50. Stretton, a monthly remitter, has a licensing agreement granting it the exclusive Australian rights for the importation, sale and servicing of specialised equipment manufactured overseas. Stretton imports equipment and sells some of it to Tennyson in September 2007. Tennyson uses the equipment in its operations. GST should have been charged on the supply but was not. This error is detected in November 2009. On 4 December 2009, Stretton revises its September 2007 activity statement and pays the additional amount of GST to the Commissioner.

51. Tennyson pays the additional GST when Stretton issues a valid tax invoice for the supply in November 2009. Tennyson claims an ITC for this amount on its November 2009 activity statement (Tennyson had not claimed the ITC at the time of the original transaction).

52. GIC is imposed on Stretton for the period from 22 October 2007 (the due date for the September activity statement) to 3 December 2009. Stretton requests that the Commissioner remit the GIC based on the transaction being a GST 'revenue neutral' correction and that no comparative benefit was derived from the error.

53. In the circumstances of the particular case, the Commissioner accepts that there was no comparative advantage. Stretton was the only supplier from whom Tennyson could make the acquisition. Stretton's misclassification of the supply as non-taxable did not influence the purchasing decision. Therefore, the Commissioner remits GIC in full on the basis that Stretton received no comparative advantage at the time of the original error.

GST in a transaction has been accounted for in the correct period but by the wrong entity

54. If the wrong entity has otherwise correctly accounted for the GST in a transaction and in the correct period, the revenue has not suffered a 'time value' loss related to the amount. Although the entity correctly liable for the GST has not met its obligations, the Commissioner has been in receipt of the correct GST payable from the correct due date.

55. The Commissioner will consider a full remission of GIC for the shortfall period in relation to the underpaid GST by the correctly liable entity where the condition in paragraph 29 of this practice statement and the following condition is met:

    - the supplier must demonstrate that the correct amount of GST was included in an activity statement for the correct period by the wrong entity.

Example 6 – GIC for the shortfall period is remitted in full where the GST in the transaction has been accounted for in the correct period albeit by the wrong entity

56. Grange and Hendra engage in a GST joint venture under Division 51 of the GST Act. Grange, a monthly remitter, is both the joint venture operator and a participant, Hendra is a participant. Grange makes a taxable supply on behalf of Hendra under the joint venture to Ithaca in the monthly period ending 31 March 2007. An error occurs and Hendra includes the GST related to the supply on its activity statement for that period and pays the GST. When the error is detected in August 2009, Grange (as the joint venture operator) revises the March 2007 activity statement for the joint venture operations to include the GST associated with the supply.

57. Once the revision is made, GIC is imposed on Grange in its role as joint venture operator, for the period from 23 April 2007 (the due date of its March activity statement) until the day before the outstanding GST amount was paid. Grange requests that the Commissioner remit the GIC based on the transaction being a GST 'revenue neutral' correction. Grange states that internal control processes for both itself and Hendra have been strengthened to prevent the error reoccurring. Grange explains that the GST relating to the original transaction was included in the March 2007 activity statement for Hendra. Evidence of this is included in the remission request.

58. The Commissioner accepts that the correct amount of GST was paid in relation to the transaction in the correct period, but by the wrong entity. The Commissioner allows full remission of the GIC for the shortfall period.

ITC for a transaction has been claimed but by the wrong entity

59. If the wrong entity has otherwise correctly claimed the ITC for a transaction and the recipient has not, then the revenue has not suffered a 'time value' loss in relation to the amount.

60. The Commissioner will consider a full remission of GIC for the shortfall period applicable to the amount of ITC overclaimed by the wrong entity where the condition in paragraph 29 of this practice statement and the following condition is met:

- the entity who incorrectly claimed the ITC demonstrates that the recipient has not included the ITC in a previous activity statement.

Example 7 – GIC for the shortfall period is remitted in full where the ITC has been claimed by the wrong entity and the recipient has not included the ITC in a previous activity statement

61. Kedron, a monthly remitter makes a $55,000 creditable acquisition from an unrelated party in November 2006. In June 2009, an ATO audit of Kedron's GST affairs reveals that the $5,000 ITC in relation to this supply was claimed by Kedron Services Trust, rather than by Kedron. The audit establishes that Kedron has not made any claim for ITCs in relation to the same supply.

62. A notice of assessment for $5,000 issues to Kedron Services Trust on 2 July 2009. This amount is paid on 10 July 2009. GIC is imposed for the period 21 December 2006 until 9 July 2009.

63. Kedron Services Trust requests that the Commissioner remit the GIC based upon the transaction being a GST 'revenue neutral' correction. Kedron Services Trust informs the Commissioner of the steps it has taken to ensure the correct identification of the recipient for future ITC claims. The Commissioner remits the GIC in full for the shortfall period (21 December 2006 to 1 July 2009). GIC that has accrued on the shortfall amount from 2 July 2009 to 9 July 2009 is not remitted under this practice statement.

Correction of the errors

64. Notwithstanding a GST 'revenue neutral' correction, an entity that has made a taxable supply and has failed to account for an amount of GST on that supply, in the correct tax period, is required to pay that amount to the Commissioner. The amount to be paid is one-eleventh of the price of the supply.

65. A GST-registered entity that is the recipient of the taxable supply is accordingly entitled to claim as an ITC one-eleventh of the price, provided that the acquisition is a creditable acquisition and the entity holds a valid tax invoice for the supply.

66. The supplier must revise their activity statement to include the underpaid GST for the tax periods in which the error occurred. The recipient can claim the ITC in the first tax period when a tax invoice is held.

Requesting remission

67. Requests for remission of GIC for the shortfall period should indicate that the request is in respect of a GST 'revenue neutral' correction and provide evidence to satisfy all of the conditions set out in the relevant paragraphs.

68. The remission request should outline the action taken to remedy the error in respect of future transactions.

69. Just because a taxpayer does not meet the criteria for remission set out above, does not mean a request for remission should necessarily be denied. All the relevant circumstances of the taxpayer's case should be taken into account and the request should be considered in accordance with the GIC remission guidelines set out in PS LA 2006/8.

70. Where a decision is made to refuse a request for remission of the GIC (in whole or in part), the entity must be provided with the reasons for the decision in writing by the Commissioner.

Amendment history

Date of amendment	Part	Comment
26 May 2014	Paragraph 3	Removed reference to GST being a 'self-executing system' by 'self-assessment system' which became effective as of 1 July 2012.
	Paragraphs 17, 19, 20, 21, 24, 33 and footnotes 8, 10 & 12	Reference to Chapter 93 of the *ATO Receivables Policy* and PS LAs 2002/12, 2004/11 and 2006/2 updated to refer to their respective replacement products.
7 April 2014	Contact details	Updated.
27 June 2013	Paragraphs 6 and 7 and other references	Updated for the release of GSTE 2013/1 *Goods and Services Tax: Correcting GST Errors Determination 2013* and the guide Correcting GST errors
1 July 2010	Paragraphs 15, 20, 40 and 56	Updated to reflect changes to the *A New Tax System (Goods and Services Tax) Act 1999* under the *Tax Laws Amendment (2010 GST Administration Measures No. 2) Act 2010*.
11 September 2008	Paragraphs 17, 21 and 24; footnotes 9, 11 and 13, and references section	References to PS LA 2006/11 removed. Link to the ATO Receivables Policy added.

Subject references	General Interest Charge GIC remission GST 'revenue neutral' corrections GST wash transactions
Legislative references	ANTS(GST)A 1999 ANTS(GST)A 1999 Div 51 ANTS(GST)A 1999 29-70(1) ANTS(GST)A 1999 29-75(1) TAA 1953 8AAD(2) TAA 1953 8AAG TAA 1953 8AAG(2) TAA 1953 8AAG(3) TAA 1953 8AAG(4) TAA 1953 8AAG(5) TAA 1953 8AAG(5)(b) TAA 1953 Sch 1 105-80
Related practice statements	PS LA 1998/1 PS LA 2005/2 PS LA 2006/8 PS LA 2011/12 PS LA 2012/5 PS LA 2013/3 (GA)
Case references	Sterling Guardian Pty Ltd v. FCT [2006] FCAFC 12 Platypus Leasing Inc v. FCT (No. 3) [2005] NSWSC 388
Other references	GSTE 2013/1 Goods and Services Tax: Correcting Errors Determination 2013 Second Reading Speech for Taxation Laws Amendment (Self Assessment) Bill 1992, Hon. Peter Baldwin MP (Minister assisting the Treasurer) Supplementary Explanatory Memorandum to Taxation Laws Amendment Bill (No. 3) 2001 Explanatory Memorandum to Tax Laws Amendment (Improvements to Self Assessment) Bill (No. 1) 2005
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