Retirement villages and tax

How income tax and GST apply if you're a retirement village operator.

Retirement villages and occupancy arrangements

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How GST and income tax apply when you acquire or construct a retirement village, including through shares or units.

Operating a retirement village

How GST and income tax apply when you operate a retirement village, including independent living units.

Selling a retirement village

How GST and income tax applies if you, as a retirement village operator, are selling a retirement village.

More detailed guidance for retirement village operators

See our Rulings and other guidance to help you work out your retirement village tax obligations.

QC 103457

Retirement villages and occupancy arrangements

What a retirement village is and the different occupancy arrangements that may apply.

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What is a retirement village

A retirement village is accommodation:

- intended for people who are 55 years or older
- that may be independent living units, **serviced apartments**, care facilities or a combination of these
- providing services and communal facilities to residents
- operated by government, commercial businesses or as a charitable retirement village by a charitable body.

Retirement villages don't include **residential care as defined in aged care legislation** or commercial residential property.

Types of occupancy arrangements

Retirement village contracts aren't the same as ordinary residential property contracts. A retirement village contract is normally terminated on the death of a resident or when the resident leaves the village, for example, to go to an aged care facility.

Retirement villages offer several different contractual arrangements to residents. The most common types of contracts are:

- long-term leases or licences
- periodic leases
- long-term loan leases or licences
- special share or unit classes
- strata title schemes
- purple titles (tenancy in common).

Long-term leases or licences

A long-term lease in a retirement village will typically be a lease or licence to live in a retirement village for a period of more than 49 years.

The lease doesn't amount to ownership of the unit or part of the property but is registered on the title deeds of the retirement village.

The contracts are commonly known as lease premium arrangements.

Entry

Commonly in a leasehold situation, an incoming resident pays an entry contribution close to the market value of the dwelling. In return they're given:

- a long-term lease on that unit
- the right to use the communal facilities in the retirement village.

Upkeep

The residents pay for the upkeep of the communal facilities. This may occur on a continuing basis through a regular fee or levy. The communal facilities remain your property as the operator of the retirement village.

Termination

Depending on the contractual agreements, on termination of the lease the outgoing resident or beneficiaries may be entitled to a lease termination payment. This might be higher than the entry contribution due to capital growth (if there is any entitlement to capital growth or appreciation). Deferred management, refurbishment and other fees (commonly referred to as exit fees) are charged either on the incoming or outgoing price of the dwelling.

Periodic leases

Another form of lease is the prepaid or periodic rental lease, where a resident pays a period of rent in advance.

Entry

Residents with this kind of lease pay a fortnightly or monthly instalment that includes rent and a service fee. The rent is usually calculated in line with government pensions and rent assistance payments. Entry may be subject to a means test for the incoming resident.

Termination

If the lease is terminated before the stipulated years are up, the resident may get a refund for the time remaining.

Long-term loan leases or licences

Entry

As the operator, you offer the resident the right to live in a village, subject to the resident making an interest-free loan approximately equal to the market value of the independent living unit. In return, the resident is given:

- a licence to occupy a unit within the village, and
- the right to share in the use of the communal facilities in the village.

Upkeep

The residents pay for the upkeep of the communal facilities, on a continuing basis, through a regular fee or levy.

Termination

On termination of the licence, you refund the loan to the resident or nominated beneficiary. The amount repayable may be reduced by the retention of part of the loan amount as an exit fee.

Special share or unit classes

Entry

As the village operator, you issue the incoming resident with a special class of share in a company or unit in a trust. They have rights attached to it to occupy a unit, often for 99 years. The resident pays an amount approximately equal to the market value of the unit to acquire the share.

Upkeep

The residents may pay for the upkeep of the communal facilities, on a continuing basis, through a regular fee or levy.

Termination

When the resident leaves the retirement village, the share or unit is redeemed or bought back by the operator.

Strata title schemes

Entry

Residents with strata title to their units are owners and have a separate certificate of title. They may either:

- share as tenants-in-common in the ownership of the communal facilities, or
- be granted rights to the use of communal facilities.

Upkeep

The residents may pay for the upkeep of the communal facilities, on a continuing basis, through a regular fee or levy.

Termination

When the resident leaves the retirement village, the tax consequences depend on the resident's personal circumstances.

Purple titles (tenancy in common)

Entry

Each resident purchases an equal undivided share or 'purple title' in the retirement village. This means every co-owner would have an equal interest in every unit in the village. A resident would then be granted an exclusive use of one of the units in the village. In this way, each resident can occupy a residence to the exclusion of the other co-owners of the village. They don't own the unit, but they do own a share in the whole property.

Upkeep

The residents may pay for the upkeep of the communal facilities, on a continuing basis through a regular fee or levy.

Termination

When the resident leaves the retirement village, the tax consequences depend on the resident's personal circumstances.

Tax obligations for your retirement village

Learn about how GST and income tax apply when:

- acquiring or constructing a retirement village
- operating a retirement village, including selling individual units or apartments
- Selling a retirement village.

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Acquiring or constructing a retirement village

How GST and income tax apply when you acquire or construct a retirement village, including through shares or units.

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Tax when acquiring a retirement village

How GST and income tax apply depends on whether you are:

- purchasing a new or established retirement village
- acquiring a retirement village through shares or units.

Purchasing a new or established retirement village

If you acquire a new or established retirement village, there may be taxable, GST-free and input tax supplies. As a purchaser, you will need to determine whether you are eligible to claim any **GST credits** on the acquisition.

You can't claim GST credits for some purchases, including those:

- with a private or domestic purpose
- for making an input-taxed supply (such as those associated with providing residential accommodation)
- for real property purchased under the margin scheme
- where the time limit for claiming a GST credit for the purchase has ended.

Purchasing a retirement village as a going concern

If you purchase a retirement village as a GST-free supply of a going concern, you will have an increasing adjustment for GST if you plan to make input taxed supplies through the village. An example is if you lease accommodation to residents of the retirement village.

If your purchase it as a GST-free supply of a going concern, you may later have to make increasing or decreasing adjustments if the proportion of input-taxed, GST-free and taxable supplies you make through the retirement village changes over time.

Our Rulings about GST adjustments for change in creditable purpose will help you do this.

Refer to our guidance on:

- GST-free supply of a going concern
- Loan-lease arrangements
- GST and buying or selling

Acquiring a retirement village through shares or units

You may acquire ownership of a retirement village through shares in a company or units in a trust that owns the retirement village (for example, a company or trust). If so:

- the supply to you of those shares or units will be an input taxed supply (meaning there is no GST included in the price you pay)
- you generally can't claim GST credits for the GST included in the price you paid for anything you purchased to make those supplies.

See our helpful Rulings about GST on supplies and acquisitions.

Constructing a retirement village

As a retirement village operator, you may:

- construct a retirement village yourselves
- contract a builder to construct a retirement village on your behalf.

Your decisions during the acquisition and construction stage may affect your ongoing GST and income tax obligations as the retirement village operator.

GST included in price

When constructing a retirement village, you will make acquisitions that may include GST in the price, such as land, materials and services.

Claiming GST credits

The extent to which you can claim GST credits for these acquisitions will depend on the supplies you intend to make.

Generally, if you lease accommodation to residents, you're making input taxed supplies. Therefore, you can't claim GST credits on acquisitions made to construct a retirement village.

Some GST credits may be available if you:

- intend to make other GST-free or taxable supplies as part of a retirement village operation, such as providing
  - residential care in a serviced apartment
  - commercial operations such as restaurant or medical suites
- are an endorsed charity.

As the operator, you'll need to determine the extent to which acquisitions related to making those supplies require apportionment.

Methods to identify, capture and report GST

You'll need to apply an appropriate methodology to identify, capture and report GST on acquisitions that don't relate to input taxed supplies. This is because you can claim this GST on your BAS as a GST credit, subject to all the other normal rules for claiming GST credits.

If your retirement village is under a loan-lease arrangement, we detail the apportionment methodology you must use in our guidance on loan-lease arrangements.

GST and change in the use of the retirement village

If there's been a change in the use of the retirement village from your original intention, it's called a change in creditable purpose. You may need to make a GST adjustment on your BAS if your actual use of the retirement village is different to your intended use. We have useful Rulings about GST adjustments for change in creditable purpose.

Income tax when constructing a retirement village

If you're an operator who develops and constructs a retirement village for the purpose of carrying on a business, you're acquiring profit-yielding assets. These costs are capital in nature.

Construction costs are likely to be capital works. You may be able to claim deductions for these costs, subject to capital works deductions provisions. See our **guidance on income tax deductions for capital expenditure.**

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Operating a retirement village

How GST and income tax apply when you operate a retirement village, including independent living units.

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On this page

Tax and entry payments

The entry payments received by retirement village operators are commonly referred to as ingoing contributions, interest free loans or refundable deposits.

GST on entry payments

If you provide accommodation in a retirement village, entry payments received will normally not be subject to GST.

Income tax on entry payments

The income tax treatment of ingoing contributions depends on the legal substance of the agreement between you, as the operator, and the resident or village owner and the resident.

If the residency contract is a:

- long-term lease or licence or lease premium, the ingoing contribution is your ordinary income as income from carrying on a business
- loan or lease arrangement or special share or unit class arrangements, the ingoing contribution is treated as receipt of non-assessable capital for income tax purposes.

Take care when considering the income tax treatments of ingoing contribution amounts. The important part is not what you call the arrangement. Instead, it is the legal substance of the arrangements. That is, the rights and obligations of each party determines the treatment of the entry payments.

See Main Ruling about income tax and retirement villages for more information about income tax and entry payments.

Tax and leased independent living units

Tax applies to leased independent living units excluding serviced apartments.

GST on leased independent living units

Accommodation

If you provide accommodation in an independent living unit to a resident of a retirement village, GST isn't charged. You can't claim GST credits.

Maintenance fees

If you charge residents ongoing maintenance fees for maintenance and services that are integral, ancillary or incidental to the lease, the maintenance fees are for the input taxed supply of the unit. GST isn't charged and you can't claim GST credits.

The maintenance fee can incorporate maintenance and upkeep of other taxable or GST-free services. Examples are commercial kitchens, hairdressing salons and on-site medical suites. In that case a portion of the fee may be treated as consideration for a taxable or GST-free supply.

See our industry partnership notes on GST and maintenance fees and input taxed and taxable supplies.

Making both input taxed and other supplies

If you make a mixture of input taxed and other supplies, you will need to determine the extent to which acquisitions relate to the making of supplies that are input taxed. This is called apportionment. It may relate to the maintenance charge or general services charge.

You need to apply an appropriate methodology to identify, capture and report GST on acquisitions that don't relate to input taxed supplies. This is because you can claim this GST on your BAS as an input tax credit, subject to all the other normal rules for claiming GST credits. For example, supplies of hairdressing services and upkeep of commercial kitchen are subject to the normal rules and these are considered taxable supplies.

See our industry partnership notes on input taxed and taxable supplies.

Change in use

When there's been a change in the use of the retirement village from your original intention, it's called a change in creditable purpose. You may need to make a GST adjustment on your BAS if your actual use of the retirement village is different to your intended use.

Our Rulings about GST adjustments for change in creditable purpose will help you do this.

Compliance issues

We have issued Taxpayer Alert TA 2010/7 GST – *Retirement Village operators who on-sell services to residents in an attempt to claim greater input tax credits* about on-selling services and incorrectly claiming input tax credits.

Also, we recommend you add a review of your GST apportionment calculation as part of your year-end tax compliance check list.

Income tax on independent living units

The following amounts are considered ordinary income:

- amounts received as periodic rent for leasing independent living units
- periodic payments for the upkeep or maintenance of units or communal facilities.

Our **main ruling about income tax and retirement villages** can help you in calculating these amounts.

Tax on exit payments

GST on exit payments

When a resident leaves an independent living unit, payments received (including deferred management fees) are generally treated as related to the lease of the unit. GST isn't charged and you can't claim GST credits. This also applies where an exit payment consists of a capital appreciation or depreciation amount.

See our **guidance on GST and exit payments**.

Income tax on exit payments

Similar to entry payments, the income tax treatment of exit payment amounts depends on the legal substance of the relationship between you, as the operator, and the resident.

Lease or licence or lease premium arrangements

Exit payments for lease or licence or lease premium arrangements are usually calculated by reference to the value of the independent living unit. You can deduct these exit payments under the general deduction provisions.

Repayments of interest-free loan arrangements

Exit payments that are repayments of interest-free loan arrangements are non-deductible payments of capital, similar to any commercial loan repayment.

Tax and deferred management fees

In many retirement village residency contracts, there are provisions called deferred management fees. Deferred management fees:

- accrue during the resident’s tenancy
- are payable to you by the exiting resident or their estate at the end of the tenancy.

These amounts are often calculated by reference to the length of the tenancy and to one or both the entry and exit payment amounts.

These deferred management fees are not assessable income as they accrue. They are not derived as business income until there is a collectable debt, which arises at the end of the tenancy. The entire deferred management fee usually is your ordinary income at the end of the tenancy.

Deferred management fees are usually offset against any other payments or repayments. This doesn't change the tax treatment of each individual component. Our **main ruling about income tax and retirement villages** has more information.

Capital appreciation payments

Some retirement village residency contracts grant the exiting resident a payment. This represents some or all of the increase in the market value of their independent living unit during their tenancy. It is commonly called a 'capital appreciation payment'.

You may be able to deduct these capital appreciation payments under the general deduction provisions.

Similar to deferred management fees, capital appreciation payments are usually offset against other obligations of both parties. This also does not affect the tax treatment of each part of the overall payment.

Our **main Ruling about income tax and retirement villages** discusses the tax treatment and our compliance approach on capital growth payments made to exiting residents. See additional **guidance on making capital growth payments to exiting residents.**

Tax and strata titled independent living units

Tax issues for strata titled independent living units include:

- GST on leased independent living units
- Income tax on independent living units

- Tax on exit payments

GST when selling a new property

You are selling if both of the following apply:

- You sell the free-hold title of an independent living unit for the first time since it was constructed, and
- It's not been used solely for leasing for at least 5 years.

If you're selling a new property, you're liable for GST and can claim GST credits on acquisitions you make relating to the sale.

GST for later sales

If it's a later sale of the unit (usually made by an existing resident to an incoming resident), GST isn't included in the price and you can't claim GST credits.

Ongoing maintenance fees relating to communal areas

If you charge residents fees that are not related to the strata titled unit and you're registered for GST, or required to be registered, then you:

- are liable for GST on the service you charge
- can claim GST credits on purchases made relating to those services.

See our **guidance on GST and communal facilities**.

Income tax on strata titled independent living units

The income tax treatments for the sale by the owner or developer of strata title independent living units are governed by the trading stock provisions. Our **main Ruling about income tax and retirement villages** has more information.

Tax and serviced apartments

GST on serviced apartments

Meaning of a serviced apartment

For GST purposes, a serviced apartment in a retirement village is different to a serviced apartment providing short-term rental accommodation. The GST law states that a supply of services is GST-free if the services are provided to one or more aged or disabled people in a residential setting. Where the operator provides meals and heavy laundry, for these to be GST-free there must be 'in force' a written agreement with all residents of the serviced apartment.

Serviced apartments are also different to an independent living unit. For the purposes of the GST law, a detached house, row or terrace house, townhouse or villa unit are all excluded from being a serviced apartment in a retirement village.

Selling a serviced apartment

If you sell a serviced apartment in a retirement village, GST isn't included in the price. You can claim GST credits when all of the following apply:

- It's designed to be occupied by aged residents who need either assistance in daily living activities or nursing services.
- At least one responsible person in reasonable proximity and continuously on call to provide emergency assistance to the residents.
- It's part of a single complex of apartments and is accessible from a common corridor linking the apartment to the other apartments in the complex.
- There's a communal dining facility in the retirement village for the residents to use.

If you supply a serviced apartment in a retirement village by lease, hire, licence or freehold:

- GST isn't included in the price
- you can claim GST credits if you
  - supply it to a resident who needs help with daily living activities or nursing services
  - provide necessary care services and other services (such as, meals, heavy laundry and cleaning) that meet the GST-free requirements set out below.

Necessary care services and other services

GST isn't charged and you can claim GST credits for necessary care services and other services if both of the following apply:

- The services are all of the following
  - provided to an aged or disabled person in a residential setting (which, for these purposes, includes a resident of a service apartment in a retirement village)
  - covered by Schedule 1 to the Quality of Care Principles (made under section 96-1 of the *Aged Care Act 1997*)
  - daily living activities assistance or nursing services that you provide to the residents in the apartment that require them.
- There is a written agreement to provide all daily meals and heavy laundry services to the resident of the apartment.

For more information, see our **Ruling on GST treatment of care services and accommodation.**

Independent living units

An independent living unit in a retirement village is generally:

- described as a unit, villa unit, town house or something similar
- designed for retirees who can live independently within a retirement village.

The unit can have one or more bedrooms and can be:

- in a multi-storey building or complex
- a terrace house
- semi-detached (for example, a duplex)
- stand-alone or fully detached.

Tax and other contributions

Taxation Ruling TR 2002/14 *Income tax: taxation of retirement village operators* has extensive and detailed guidance on the income tax treatment of various types of contributions received from residents. For more information, see **Main Ruling about income tax and retirement villages.**

GST if you're a charitable retirement village

If you, as operator, are an endorsed charity, the supply is GST-free where you make a supply to a resident of the retirement village of:

- accommodation in the retirement village
- services related to the supply of accommodation
- meals to residents of the retirement village.

The endorsed charity is entitled to claim GST credits for any creditable purchases you make related to these supplies. See our **industry partnership notes** on GST and maintenance fees and input taxed and taxable supplies, including Scenic retirement village – example C.

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Selling a retirement village

How GST and income tax applies if you, as a retirement village operator, are selling a retirement village.

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Selling units and apartments

To find out about GST and income tax when selling individual units or apartments, rather than the whole retirement village, see **Operating a retirement village**.

Sale of share or units in an entity

If you sell a retirement village through the disposal of shares or units (financial supplies) in an entity that owns the retirement village, you:

- don't pay GST on those financial supplies
- can't generally claim GST credits for the GST included in the price you paid for anything you acquired to make those supplies.

In special cases you may be entitled to claim GST credits for acquisitions that you use to make a financial supply if any of the following applies:

- You do not exceed the **financial acquisition threshold**.
- Your acquisition relates to an amount you borrowed and used to make a non-input-taxed supply.
- Your acquisition qualifies as a reduced credit acquisition (you will be entitled to a reduced input tax credit).

You can also see our **Rulings about GST on supplies and acquisitions** to work out if you can or can't claim GST credits.

Sale as a going concern

No GST is payable on the sale of a going concern if it meets specific conditions. However, the purchaser may have an **increasing adjustment for GST** if they plan to make any supplies through the village that are neither taxable nor GST-free.

See our useful:

- **guidance on GST-free supply of a going concern**
- **guidance on loan lease arrangements**
- **Rulings about GST adjustments for change in creditable purpose**
- **guidance on GST and buying or selling**.

Disposal of a retirement village

The supply of a retirement village consists of the supply of:

- real property rights
- other things that go to make up the retirement village enterprise.

GST when you dispose of a retirement village

When you sell a retirement village, your GST situation depends on:

- whether you're selling new residential premises, existing residential premises, serviced apartments, commercial operations or a combination of these
- your type of lease arrangement with residents, if any
- whether you're a charitable retirement village.

GST when selling only existing residential property

Existing residential property is residential property that is not new residential property. To the extent you are supplying existing residential premises, there will be no GST on the sale and no GST credits on any of the expenses incurred on the sale.

GST when selling a mixture of supplies

If there is a mixture of supplies made, such as new residential premises, commercial operations and existing residential premises, then some GST may be payable. An apportionment may be required to calculate both the GST payable and GST credits available.

GST and loan-lease arrangements

For loan-lease arrangements, you hold a number of ingoing contributions that are due for repayment to residents when a lease is terminated. On the sale of the retirement village, you as the seller receive a benefit by being relieved of your obligation to repay any ongoing contributions from the residents. This benefit should be recognised in any apportionment of GST payable or GST credits claimed. We refer to this benefit as the 'repayment benefit'. We detail the apportionment methodology you must use including the repayment benefit in our guidance on loan lease arrangements.

Income tax when you dispose of a retirement village

In most cases, selling a retirement village is the realisation of capital assets of the owner for income tax purposes. This may include the sale of the:

- operating village business and its goodwill
- land and buildings
- plant and equipment.

Each of the assets is likely to have different income tax treatments.

If you acquired a retirement village before 19 April 2000 (or it was under construction as at 19 April 2000), you may be allowed continued reliance of an old Ruling **TR 94/24 (W)** *Income tax: taxation amounts received by retirement village owners from incoming residents* to bring forward deductions for acquiring or developing the village.

If you dispose of a retirement and you used this reliance on TR 94/24, the entire proceeds from the disposal of the village are ordinary income rather than the proceeds on the sale of a capital asset. Our **main Ruling about income tax and retirement villages** has information on the transitional rules.

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More detailed guidance for retirement village operators

See our Rulings and other guidance to help you work out your retirement village tax obligations.

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> [Rulings about GST adjustments for change in creditable purpose]()
>
> [Industry partnership notes]()
>
> [Guidance on income tax deductions for capital expenditure]()

Residential care as defined in aged care legislation

Retirement villages don't include residential care, within the meaning of the *Aged Care Act 1997*, by an approved provider (within the meaning of the *Aged Care Quality and Safety Commission Act 2018*).

Main Ruling about income tax and retirement villages

Our Taxation Ruling TR 2002/14 – *Income tax: taxation of retirement village operators* provides comprehensive advice on the application of income tax to retirement village operators.

Guidance on buying, selling and leasing arrangements

Guidance on GST and buying or selling

We have an addendum for purchasers and vendors: GSTR 2004/9 – *Goods and services tax: GST consequences of the assumption of vendor liabilities by the purchaser of an enterprise* – GSTR 2004/9A2 Addendum.

Guidance on loan-lease arrangements

Our published Ruling is Goods and Services Tax Ruling GSTR 2011/1 – *Goods and services tax: development, lease and disposal of a retirement village tenanted under a 'loan-lease' arrangement*.

Guidance on sales of new residential premises

See Goods and Services Tax Ruling GSTR 2003/3 – *Goods and services tax: when is a sale of real property a sale of new residential* *premises?*

Guidance on GST-free supply of a going concern

Our published Ruling is Goods and Services Tax Ruling **GSTR 2002/5** – *Goods and services tax: when is a 'supply of a going concern' GST-free?*

Guidance on GST and exit payments

See:

- Goods and Services Tax Ruling **GSTR 2012/4** – *Goods and services tax: GST treatment of fees and charges payable on exit by residents of a retirement village operated on a leasehold or licence basis*.
- Goods and Services Tax Ruling GSTR 2006/4 – *Goods and services tax: determining the extent of creditable purpose for claiming input tax credits and for making adjustments for changes in extent of creditable purpose*.

Guidance on making capital growth payments to exiting residents

See Practical Compliance Guideline **PCG 2016/15** – *Effects of the Addendum to Taxation Ruling 2002/14* for guidance on making capital growth payments to exiting residents.

Guidance on supplies, acquisition and services

Rulings about GST on supplies and acquisitions

Our guidance on financial supplies and related supplies and acquisitions includes:

- Goods and Services Tax Ruling **GSTR 2002/2** – *Goods and services tax: GST treatment of financial supplies and related supplies and acquisitions*
- Goods and Services Tax Ruling **GSTR 2003/9** – *Goods and services tax: financial acquisitions threshold*
- Goods and Services Tax Ruling **GSTR 2004/1** – *Goods and services tax: reduced credit acquisitions*.

Guidance on GST and communal facilities

See GSTR 2007/1 – *Goods and services tax: when retirement village premises include communal facilities for use by the residents of the premises*.

Ruling on GST treatment of care services and accommodation

Work out if you can or can't claim GST credits – Goods and Services Tax Ruling GSTR 2012/3 – *Goods and services tax: GST treatment of care services and accommodation in retirement villages and privately funded nursing homes and hostels*.

Alert about on-selling services and input tax credits

We have issued this alert– Taxpayer Alert TA 2010/7 *GST - Retirement Village operators who on-sell services to residents in an attempt to claim greater input tax credits*.

Rulings about GST adjustments for change in creditable purpose

Our Rulings on GST adjustments for change in creditable purpose include:

- Goods and Services Tax Ruling GSTR 2006/4 – *Goods and services tax: determining the extent of creditable purpose for claiming input tax credits and for making adjustments for changes in extent of creditable purpose*
- Goods and Services Tax Ruling GSTR 2000/24 – *Goods and services tax: Division 129 – making adjustments for changes in extent of creditable purpose*.
- Goods and Services Tax Ruling GSTR 2009/4 *Goods and services tax: new residential premises and adjustments for changes in extent of creditable purpose*.

Industry partnership notes

GST and maintenance fees

We have issued **Goods and Services Tax Industry Issues: Retirement Villages Industry Partnership: GST treatment for maintenance fees.**

Input taxed and taxable supplies

We have issued useful examples about input taxed and taxable supplies in *Goods and Services Tax Industry Issues: Retirement Villages Industry Partnership*:

- Green Acres – example A
- St Nicks Retirement Village – example B
- Scenic Retirement Village – example C.

Issues register

Our issue register is GST issues registers: Retirement villages industry partnership: Retirement Villages Industry Partnership – issues register.

Guidance on income tax deductions for capital expenditure

For guidance on income tax deductions for capital expenditure, see:

- the provisions in **Division 43** of the *Income Tax Assessment Act 1997*
- Taxation Ruling TR 97/25 *Income tax: property development: deduction for capital expenditure on construction of income producing capital works, including buildings and structural improvements*.

QC 103462

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

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