Completing your BAS for GST

How to complete your BAS, correct GST errors and adjust a BAS.

Last updated 14 September 2026

These instructions explain how to complete the GST section of your business activity statement (BAS).

Each BAS is personalised to your business and is based on your GST registration details. It's important to report on the form you receive from us.

Most BAS are lodged online. By lodging online you:

- can use 'Help' buttons for additional information to complete your form
- may be eligible for an additional 2 weeks to lodge and pay your quarterly BAS.

If you choose to use a tax or BAS agent to help you complete and lodge your BAS, check they are registered with the Tax Practitioners Board.

For more information, see:

- GST definitions
- How to lodge your BAS
- Two week lodgment concession – terms and conditions

Choose a method to complete your full BAS

Depending on the method you choose to complete your BAS, you won't need to complete all of the GST labels.

Identify your accounting basis

The amounts you report on your BAS depend on the accounting basis you use.

Instructions for completing your BAS

Use these detailed instructions to help you complete your business activity statement for GST.

Correcting GST errors

Explains when and how businesses can correct GST errors in a

Making adjustments on your BAS

How to make changes to current or past BAS to increase or decrease the amount of GST to be paid.

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Choose a method to complete your full BAS

Depending on the method you choose to complete your BAS, you won't need to complete all of the GST labels.

Last updated 14 September 2026

Calculation worksheet method

The calculation worksheet method is a step-by-step way of calculating the GST on your sales, purchases and importations using our GST calculation worksheet. This involves:

- completing the worksheet using information from your accounts
- making calculations to report your amounts at **1A** (GST on sales) and **1B** (GST on purchases)
- following the instructions on the worksheet to transfer the amounts to the appropriate GST labels on your BAS.

You'll need to complete up to 20 labels on the calculation worksheet to calculate the amounts to be reported at **1A** (GST on sales) and **1B** (GST on purchases). If you use this method, the amounts you report at all labels must take into account both:

- any GST you are liable to pay on sales
- the GST included in the price of purchases and importations that you make.

You must indicate that your amounts include GST by selecting the **Yes** box at **G1** (total sales).

Accounts method

The accounts method is a way of completing your BAS directly from your accounting records. To use this method, your records must be able to do all of the following:

- identify GST amounts for your sales, purchases and importations
- record purchases or importations that were for either private use or making input-taxed sales
- identify GST-free or input-taxed sales.

Add up the relevant GST amounts at the end of each reporting period and report them at the appropriate labels on your BAS.

The amounts you report on your BAS at **G1** (total sales) can be GST-inclusive or GST-exclusive. You need to indicate amounts that include GST by marking either *Yes* or *No* with an 'X' in the box under **G1**.

G1 is the only label where you choose to report GST-exclusive or GST-inclusive amounts. Once you make a choice to report either a GST-exclusive or GST-inclusive amounts, then you also need to complete all other GST labels according to your choice.

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Identify your accounting basis

The amounts you report on your BAS depend on the accounting basis you use.

Last updated 14 September 2026

Accounting on a cash basis

If you account for GST on a cash basis, include your amounts of GST, GST credits, sales, purchases and importations in the BAS for the reporting period in which you received or provided payment or part payment in relation to those amounts.

These may not be the full amount of the sale or purchase price.

We have information on how to complete your BAS for several less common transaction types that may apply to your circumstances.

Accounting on a non-cash basis (accruals)

If you account for GST on a non-cash (accruals) basis, include amounts of GST, GST credits, sales, purchases and importations in the earlier reporting period in which you have:

- received or provided any of the payment in relation to those amounts
- issued or have been issued with an invoice in relation to those amounts.

We have information on how to complete your BAS for several less common transaction types that may apply to your circumstances.

You claim GST credits on importations in the same reporting period you pay the GST to Department of Home Affairs, unless you are using the deferred GST scheme.

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Instructions for completing your BAS

Use these detailed instructions to help you complete your business activity statement for GST.

Last updated 14 September 2026

When completing your BAS, you should:

- check your reporting period
- leave labels **blank** if they don't apply to you, unless otherwise instructed. Don't enter N/A or nil.
- round down to whole dollars (don't show cents)

- don't report negative figures or use symbols such as **+**, **–**, **÷**, **$**.

Work through each step to complete a full reporting method BAS.

If you are using the:

- calculation worksheet method – complete all steps
- accounts method – complete steps 1, 3, 5 and 6.

Step 1: Sales

How to complete labels G1 to G3 of your BAS.

Step 2: Calculating sales using the calculation worksheet

How to complete labels G4 to G9 of your business activity statement.

Step 3: Purchases

How to complete labels G10 and G11 of your business activity statement.

Step 4: Calculating purchases using the calculation worksheet

How to complete labels G12 to G20 of your business activity statement.

Step 5: Summary

How to complete the summary at the end of your BAS.

Step 6: Check

What you should check before lodging your BAS to ensure quick processing.

GST rules for less common transactions

Access information about GST for less common transaction to help you complete your BAS.

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Step 1: Sales

How to complete labels G1 to G3 of your BAS.

Last updated 9 September 2026

G1 total sales

The amount you report can vary depending on the accounting basis you are using to complete your BAS.

If you are using the calculation worksheet method, you report at **G1** total sales, all:

- GST-free sales you make
- input-taxed sales you make
- taxable sales you make (including the GST).

If you are using the accounts method, you report at **G1** total sales all:

- GST-free sales you make
- input-taxed sales you make
- taxable sales you make.

Include the GST on the taxable sales **only if you have chosen to report amounts that include GST**. If you have chosen to report GST-exclusive amounts, don't report the GST component on your taxable sales at **G1**.

You can choose to exclude GST from **G1** only if you are using the accounts method. You must include GST in amounts you report at all labels on your BAS if you are using the calculation worksheet method.

Before completing **G1**:

- check the less common transaction types that apply to your sales
- enter '0' at **G1** if you have no sales in the reporting period.

What to report at G1

At G1, you need to report total amounts for sales, including:

- goods or services you sell or supply
- sales of trading stock
- the sale of business assets, such as office equipment or motor vehicles (including trade-ins) (see GST and the disposal of capital assets)
- the sale, lease or rental of land and buildings, including residential premises (see GST and the disposal of capital assets)
- export sales
- memberships you have provided
- earnings from financial supplies you make, for example, interest from bank accounts or lending money, but not including the loan principal
- goods and services provided in return for government grants and some private sector grants
- cancelled lay-by sales
- forfeited customer security deposits
- employee contributions for fringe benefits you have provided
- sale of a debtor property made to satisfy the debt owed to you (if the debtor otherwise would have had to pay GST on the sale)
- creating, granting, transferring, assigning or surrendering a right (for example, royalties received)
- entry into, or release from, an obligation to
  - do anything
  - refrain from an act

  - tolerate an act or situation (for example, agreeing as part of the sale of your business to not operate a similar business within a certain area)
- providing goods or services in return for sponsorship
- sales of excisable goods in bond
- the GST-inclusive market value of goods and services (or other things) you receive in barter transactions
- the GST-inclusive market value of anything you supply to an associate for no payment or sell to an associate for less than the GST-inclusive market value if
  - your associate is not registered, or required to be registered, for GST
  - your associate has not received the thing either partly or wholly for their business
  - the thing received by your associate relates partly or wholly to making sales that would be input-taxed
  - the thing supplied is partly or wholly of a private or domestic nature.

If your item isn't mentioned in this list, check what to do at other labels. Otherwise, you may need to include it on another type of return.

If you are selling a property, and it is subject to GST at settlement where the purchaser has withheld, you are still required to report this property sale in your BAS. The property sale must be reported in the BAS period in which settlement occurred, For example, if the property settled on the 5 December, you must report the property transaction in the December BAS.

What not to report at G1

Do not report:

- dividends you receive
- donations and gifts you receive
- private sales that are not related to your business, for example, selling your home or furniture from your home
- salary and wages you receive
- government pensions and allowances
- amounts you receive from hobby activities
- trust and partnership distributions you receive
- tax refunds
- receipts for services provided under a pay as you go (PAYG) voluntary agreement – unless it is made to a business that can't fully claim GST credits for the services
- business loans you receive
- the amount on the sale of a luxury car that is the luxury car tax (LCT) paid or payable by you
- taxes, fees and charges you have received that don’t include GST
- amounts received for sales not connected with Australia, unless a special rule makes the sales taxable, GST-free or input taxed
- anything that is constituted by an insured settling a claim under an insurance policy or in settling a claim under a compulsory third-

party scheme (if you are not an operator of such a scheme), for example, if you supply goods to an associate as part of settlement of a claim under an insurance policy.

Remove GST from the amount you report at **G1** if you are using the accounts method and have chosen to show amounts as GST-exclusive.

Export sales

If you've made a GST-free sale of exported goods:

- show the free-on-board value of the export (the value for the Home Affairs purposes) at **G2**
- show the amount received for freight and insurance relating to that export at **G3**, and
- report at **G1** the amount equal to the sum of the amounts shown at **G2** and **G3** for that export.

For more information, see:

- GSTD 2001/2 *Goods and services tax: Is the sale of goods by a lessor on expiry of a lease agreement a separate supply to the lease of the goods?*
- GSTR 2001/6 *Goods and services tax: Non-monetary consideration*
- GSTR 2003/14 *Goods and services tax: The GST implications of transactions between members of a barter scheme conducted by a trade exchange*

Sales of excisable goods in bond

You need to report the sale of excisable goods if the purchaser is either:

- not registered or required to be registered for GST
- registered or required to be registered for GST but the purchase
  - is not wholly or partly for their business
  - is wholly or partly of a private or domestic nature
  - relates wholly or partly to making sales that would be input taxed.

At **G1** report the sale price plus 110% of the excise duty that would have applied if the goods had been entered for home consumption.

Other sales

Special rules may apply at **G1** if you do any of these activities:

- hire purchase sales
- sales made through an agent
- sales made as agent for a non-resident
- coin-operated machine sales
- sales where part of the payment is received before the total payment is known
- sales made under a conditional contract or a contract subject to retention clause.

For more information, see:

- GSTR 2000/37 *Goods and services tax: Agency relationships and the application of the law*

- GSTR 2000/29 *Goods and services tax: Attributing GST payable, input tax credits and adjustments and particular attribution rules made under section 29–25*

G2 Export sales

All amounts reported at **G2** should also have been reported at **G1**.

What to report at G2

At **G2** you need to report the free-on-board value of export goods (that is, the value used for Home Affairs purposes) if the export sale is GST-free because:

- you export the goods from Australia before or within 60 days after the earlier of
  - the day you receive any payment for the sale
  - the day you issue an invoice for the sale before you receive any payment (there are some circumstances where the purchaser can export the goods instead of you)
- you sell goods and the payment was to be provided as instalments under a contract that requires the goods to be exported and you exported them before or within 60 days after the earlier of
  - the day you received any part of the final instalment
  - the day you issue an invoice for the final instalment before receiving any part of the final instalment (there are some circumstances where the purchaser can export the goods instead of you)
- you sell an aircraft or ship that was paid for in instalments under a contract that requires the aircraft or ship to be exported, but only if the purchaser exports it from Australia within 60 days after the earliest day in which at least one of the following occurs
  - you receive any of the final instalment of payment for the sale
  - you issue an invoice for that final instalment
  - you deliver the aircraft or ship to the purchaser or (at the purchaser's request) to another person
- you sell an aircraft or ship, but only if the purchaser exports it from Australia under its own power within 60 days after taking physical possession of it
- you sell a ship, but only if
  - the ship is a new recreational boat
  - you or the purchaser export the ship within 12 months
  - the ship is used only for recreational/non-commercial purposes while it is in Australia
- you sell aircraft or ships stores or spare parts for use, consumption or sale on international flights or voyages, whether or not part of the flight or voyage involves a journey between places in Australia

Report amounts for the:

- sale of goods used in the repair, renovation, modification or treatment of other goods from outside Australia and their destination is outside Australia. The goods must be attached to (or become part of) the other goods or become unusable or worthless as a direct result of being used to repair, renovate, modify or treat the other goods

- sale of goods that satisfy certain criteria and are exported by travellers as accompanied baggage.

What not to report at G2

Don't report:

- GST-free services – unless they relate to the repair, renovation, modification or treatment of goods from overseas and their destination is outside Australia
- freight and insurance to transport the goods outside Australia or other charges imposed outside Australia in the free-on-board value
- international transport of goods or international transport of passengers.

Contact us for information on how to apply to extend the 60-day limit for export of your goods, ships or aircraft (12 months for new recreational boats).

If your item isn't mentioned in this list, check what to do at other labels. Also check the rules for any less common transactions that apply. You may need to include the item on another type of return.

For more information, see:

- GST-free sales and purchases of new recreational boats
- GSTR 2002/6 *Goods and services tax: Exports of goods, items 1 to 4 of the table in Subsection 38-180(1) of the New Tax System (Goods and Services Tax) Act 1999*
- GSTR 2003/4 *Goods and services tax: Stores and spares for international flights and voyages*
- GSTR 2005/2 *Goods and services tax: Supplies of goods and services in the repair, renovation, modification or treatment of goods from outside Australia whose destination is outside Australia*

G3 Other GST-free sales

All amounts reported at **G3** should also have been reported at **G1**.

Food retailers

Food retailers may be eligible to use a simplified accounting method to estimate sales and purchases that are GST-free.

For more information, see:

- GST and food

What to report at G3

At G3, report all GST-free sales you have made, including:

- basic food, including food for human consumption
- most health and education services (see GST and health and Other health services)
- beverages (including water) for human consumption listed in Schedule 2 of *A New Tax System (Goods and Services Tax) Act 1999*
- eligible childcare services
- certain sales by eligible charities, gift deductible entities or government schools where specific conditions are satisfied, including sales for a token amount of payment and raffles and bingo

- sales made to a resident of a retirement village by an eligible charity of accommodation in a retirement village or services relating to the supply of that accommodation and the provision of meals
- religious services provided by religious institutions that are integral to practicing that religion
- sales of going concerns – certain conditions must be satisfied that you and the purchaser have agreed in writing that the sale is of a going concern and you supply all things necessary for the continued operation of the business
- the first sale of precious metal after its refining by or on behalf of the seller, and
  - it was refined by a precious metal refiner
  - the sale was made to a dealer in precious metal
- sales of water (except if it is provided in, or transferred into, containers with a capacity of less than 100 litres)
- certain sewerage services, including emptying of septic tanks and storm water draining
- international transport and mail that meets certain criteria (contact us for more information)
- certain services in arranging international travel.

If your item isn't mentioned in this list, check what to do at other labels. Also check the rules for any less common transactions that apply. You may need to include the item on another type of return.

What not to report at G3

Don't report:

- export amounts – show these at **G2**
- basic food, including food for human consumption that is
  - for consumption on the premises from which it is sold (for example, cafes and restaurants)
  - hot takeaway food
  - a food type listed in Schedule 1 of *A New Tax System (Goods and Services Tax) Act 1999* (certain prepared food, confectionery, savoury snacks, bakery products, ice-cream foods and biscuits) or foods that are a combination of foods where at least one food type in the combination is listed in Schedule 1
- sales of water that is provided in, or transferred into, containers with a capacity of less than 100 litres.

For more information, see GSTR 2002/5 *Goods and services tax: Sale of going concerns.*

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Step 2: Calculating sales using the calculation worksheet

How to complete labels G4 to G9 of your business activity statement.

Last updated 9 September 2026

If you have chosen to use the accounts method, you don't need to complete step 2. Go to step 3.

G4 Input-taxed sales

All amounts reported at **G4** on the worksheet should also have been reported at **G1**.

You don’t report **G4** on your BAS, but you do need to show it in your records as it's used to calculate the amount you report at **1A** on your BAS.

What to report at G4

At G4 report amounts from making input-taxed sales, including:

- financial supplies
- renting or leasing residential premises that are to be used predominantly for residential accommodation (that is, they are not commercial residential premises) as long as the lease is not a long-term lease
- sales of residential premises that are to be used predominantly for residential accommodation (that is, they are not commercial residential premises or new residential premises)

In some circumstances, you may elect for the following sales to be input taxed:

- providing long-term accommodation to an individual in commercial residential premises
- food sales made by school tuckshops and canteens
- sales connected to fundraising events conducted by eligible charities, gift deductible entities and government schools (if certain conditions are satisfied).

If your item isn't mentioned in this list, check what to do at other labels. Also check the rules for any less common transactions that apply. You may need to include the item on another type of return.

What not to report at G4

Don't report:

- long-term leases of residential premises
- new residential premises that were not used for residential accommodation before 2 December 1998, including premises that have been substantially renovated – report these at **G1**.

For more information, see:

- GSTR 2003/10 *Goods and services tax: What is a precious metal for the purposes of GST?*
- GSTB 2001/2 *Accommodation in caravan parks and camping grounds*
- GSTB 2003/2 *Goods and services tax: Long-term accommodation at marinas.*

G5 Subtotal (G2 + G3 + G4)

Add together the amounts you have reported at:

- **G2** (export sales)
- **G3** (other GST-free sales)

- **G4** (input-taxed sales).

This is the total of your GST-free and input-taxed sales.

G6 Total sales subject to GST

At **G6**, subtract the amount at **G5** from the amount at **G1** (total sales). The answer is the total of your taxable sales.

G7 Adjustments

Report any increasing adjustments you have at **G7**.

G8 Total sales subject to GST after adjustments

At **G8**, add the amounts you have reported at **G6** and **G7** (adjustments). The result is the total of your taxable sales after adjustments.

G9 GST on sales

At **G9**, divide **G8** by 11. Transfer this amount to **1A** (GST on sales) on your BAS.

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Step 3: Purchases

How to complete labels G10 and G11 of your business activity statement.

Last updated 9 September 2026

G10 Capital purchases

Capital purchases are 'capital' items you purchase, including:

- business assets you purchase such as machinery, cash registers, computers and cars (these items are also referred to as plant and equipment)
- land and buildings.

These assets can be brand new or second-hand, and may be imported.

Things that **aren't** capital items include:

- trading stock
- normal running expenses such as stationery and repairs
- equipment rentals or leases.

What to report at G10

At **G10** you need to report amounts for capital items, such as:

- machinery and equipment
- cash registers
- office furniture

- computers
- cars.

You also need to report the GST-inclusive market value of any capital item you receive from your associate for no payment or for less than the GST-inclusive market value at **G10**, if any of the following applies:

- you haven't received the thing wholly or partly for your business
- the thing received is wholly or partly of a private or domestic nature
- the thing received relates wholly or partly to making sales that would be input taxed
- if you are specifically entitled to quote an Australian business number (ABN) for the amount paid or payable for a purchase or importation of a car exceeding the car limit for the relevant financial year.

If your item isn't mentioned in this list, check what to do at other labels. Also check the rules for any less common transactions that apply. You may need to include the item on another type of return.

What not to report at G10

Don't report:

- purchases and importations that are not related to your business
- the stamp duty component of any capital purchases
- the amount paid or payable for a purchase or importation of a car that exceeds the car limit for the relevant financial year
- anything that is constituted by an insurer settling a claim under an insurance policy, or by an operator of a compulsory third-party scheme settling a claim under a compulsory third-party scheme (if you are not an operator of such a scheme).

Remove GST from the amount you report at **G10** if you are using the accounts method and have chosen to show your amounts as GST-exclusive.

If you have imported capital items for your business, refer to Purchases and importations with special rules for information about other amounts to report at **G10**.

Purchases for $1,000 or less

G10 (and **G11**) require you to separately report your capital and non-capital purchases.

If you:

- record these purchases separately in your records, use this existing breakdown to fill in the **G10** and **G11** labels
- if you don't record capital and non-capital purchases separately **and** your GST turnover is expected to be less than $1 million then
  - you need to record capital items costing more than $1,000 at **G10** (capital purchases)
  - capital and non-capital items costing $1,000 or less can be recorded at **G11** (non-capital purchases).

G11 Non-capital purchases

Non-capital purchases may include:

- trading stock
- normal running expenses, such as stationery and repairs, equipment rentals or leases.

Also check the rules for any less common transactions that apply.

What to report at G11

At **G11,** you need to report all of your business purchases relevant to the reporting period (other than those reported at **G10**), such as:

- most business purchases, including services and stock bought for resale
- the price of any insurance premiums related to your business (except for third-party motor insurance premiums relating to a period of cover starting before 1 July 2003) less the amount of stamp duty
- purchases paid for by an employee, agent, officer or partner that you have reimbursed in specified circumstances
- capital items costing $1,000 or less that haven't been reported at **G10**
- intangible supplies purchased from off-shore that are of a non-capital nature.

You also need to report the GST-inclusive market value of any non-capital item you receive from your associate for no payment or for less than the GST-inclusive market value, if any of the following apply:

- you haven't received the thing wholly or partly for your business
- the thing received is wholly or partly of a private or domestic nature
- the thing received relates wholly or partly to making supplies that would be input taxed.

If your item isn't mentioned in this list, check what to do at other labels. Also check the rules for any less common transactions that apply. You may need to include the item on another type of return.

For more information, see:

- GSTB 2000/2 *How to claim input tax credits for car expenses*
- GSTB 2001/3 *Simplified calculation of input tax credits for caravan park operators*.

Purchases and importations with special rules

Importations

For non-taxable importations, report at **G10** or **G11** (depending on whether the goods are capital or non-capital items) the amounts you have paid, or are liable to pay, for all of the following:

- the goods imported
- the international transport of the goods to their place of consignment in Australia
- insurance of the goods for that transport.

For taxable importations, report at **G10** or **G11** (depending on whether the goods are capital or non-capital items) any of the following:

- the sum of the following
  - the Customs value of the goods imported

  - the amounts you have paid or are liable to pay for international transport of the goods to their place of consignment in Australia (if not included in the Customs value) insurance on the goods for that transport (if not included in the Customs value)
- any Customs duty you are liable to pay in relation to the importation of the goods, including
  - any wine tax for the local entry of the goods
  - GST on the taxable importations
- the GST you are liable to pay on the imports multiplied by 11.

If you pay additional GST to Department of Home Affairs because it was underpaid on a previous importation of a capital or non-capital item, report the amount of GST paid, multiplied by 11 at **G10** or **G11**. This also applies if the additional GST is deferred under the deferred GST scheme.

Purchases of excisable goods in bond

If you purchase excisable goods in bond, report them at **G10** or **G11** (depending on whether the goods are capital or non-capital items).

Don't report the actual price you paid or are liable to pay for the purchase if any of the following occur – your purchase:

- was not wholly or partly for your business
- relates wholly or partly to making sales that would be input taxed
- is wholly or party of a private or domestic nature.

Instead, you must:

- work out how much GST you are liable to pay on the goods you have purchased
- multiply this amount by 11
- report this amount at **G10** or **G11**.

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Step 4: Calculating purchases using the calculation worksheet

How to complete labels G12 to G20 of your business activity statement.

Last updated 9 September 2026

If you use this method, the amounts you report at all these labels must include GST.

If you are using the accounts method, go to step 5.

G12 Subtotal (G10 + G11)

Add the amounts reported at **G10** (capital purchases) and **G11** (non-capital purchases). The result is the total of your purchases and importations.

G13 Purchases for making input-taxed sales

You don't report **G13** on your BAS, but you need to show it in your records as it's used to calculate the amount that you report at **1B** on your BAS.

All amounts reported at **G13** on the worksheet should also have been reported at **G10** or **G11**.

Also check the rules for any less common transactions that apply.

What to report at G13

At **G13**, you need to report amounts for purchases and importations – for the part or amount that relates to making sales that would be input-taxed sales (see G4 for input-taxed sales)

If you received anything from an associate for no payment, or you paid less than the full GST-inclusive market value, you must:

- work out what portion relates to making sales that would be input taxed
- report the portion of its full GST-inclusive market value at **G13**.

If your item isn't mentioned in this list, check what to do at other labels. Also check the rules for any less common transactions that apply. You may need to include the item on another type of return.

Don't report at **G13** amounts for purchases or importations that relate to making financial supplies – unless you exceed the financial acquisitions threshold.

For more information, see GSTR 2003/9 *Goods and services tax: Financial acquisitions threshold*.

Fringe benefits

You may not be entitled to a GST credit for a purchase or importation that is both:

- provided as a fringe benefit
- wholly or partly relating to making sales that are input taxed.

For purchases and importations that fall into this category, you must do both of the following:

- report the entire purchase price at **G13**, or the entire amount you reported for the importation at **G10** or **G11**
- **not** report an amount in relation to the purchase or importation at **G14** or **G15**.

For more information, see GSTR 2001/3 *Goods and services tax: GST and how it applies to supplies of fringe benefits*.

G14 Purchases without GST in the price

You don't report **G14** on your BAS, but you need to show it in your records as it is used to calculate the amount that you report at **1B** on your BAS.

All amounts reported at **G14** on your worksheet should also have been reported at **G10** or **G11**.

What to report at G14

At **G14**, you need to report amounts for purchases and importations that didn't have GST included in the price. This includes sales that were:

- GST-free or input taxed
- made by an entity not registered for GST
- not connected with Australia (and not taxable)
- non-taxable importations
- intangible supplies purchased from offshore that are not subject to a GST reverse charge.
- payments of Australian taxes, fees and charges where GST was not included in the price charged.

Also check the rules for any less common transactions that apply.

G15 Estimated purchases for private use or not income tax deductible

You don't report **G15** on your BAS, but you need to show it in your records as it's used to calculate the amount you report at **1B** on your BAS.

All amounts reported at **G15** on your worksheet should also have been reported at **G10** or **G11**.

What to report at G15

You need to report amounts for the following purchases or importations at **G15** even if you are an income-tax-exempt entity.

You need to report:

- amounts for purchases and importations of a private or domestic nature – if a purchase or importation was only partly of a private or domestic nature, you must work out the portion that was of private or domestic nature and only report that portion
- anything received from associates for no payment or for less than the GST-inclusive market value – in these cases you must
  - work out what portion of the thing is of a private or domestic nature
  - report that amount of the GST-inclusive market value of the thing at **G15**
- non-income tax deductible purchases or importations, including
  - expenses for maintaining your family
  - penalties
  - uniforms, except compulsory or protective clothing
  - the following expenses except where they are incurred in providing a fringe benefit
    - entertainment expenses
    - travel expenses for relatives
    - recreational club expenses
    - leisure facility or boat expenses
  - expenses you incur under an agreement for providing non-deductible non-cash business benefits (up to the arm's length value of that benefit)
- any part of purchases and importations that are non-deductible for income tax purposes, including expenses for

  - providing meal entertainment – if for fringe benefit tax purposes you use either the 50/50 split method or the 12-week register method to determine the taxable value of meal entertainment fringe benefits
  - entertainment facility leasing – if for fringe benefit tax purposes, you use the 50/50 split method in relation to these expenses
- If you have made valid annual apportionment elections, report your private portions of purchases and importations.

Also check the rules for any less common transactions that apply.

For more information, see GSTR 2001/3 *Goods and services tax: GST and how it applies to supplies of fringe benefits.*

G16 Subtotal (G13 + G14 + G15)

Add the amounts reported at **G13** (purchases for making input-taxed sales), **G14** (purchases without GST in the price) and **G15** (estimated purchases for private use or not income tax deductible).

The result is the portion of your purchases and importations that you **can't** claim a GST credit for.

G17 Total purchases subject to GST

Subtract **G16** from **G12**. The result is the portion of your purchases and importations you can claim a GST credit for.

G18 Adjustments

Report any decreasing adjustments at **G18**.

G19 Total purchases subject to GST after adjustments

Add **G17** (total purchases subject to GST) and **G18** (adjustments).

G20 GST on purchases

Divide **G19** (total purchases subject to GST after adjustments) by 11. Transfer this amount to **1B** (GST on purchases) on your BAS.

QC 17458

Step 5: Summary

How to complete the summary at the end of your BAS.

Last updated 9 September 2026

1A GST on sales or GST instalment

You report at **1A** the total amount of GST (including any adjustments) you are liable to pay us for the reporting period. The amount you report and pay depends on the reporting and paying method you use.

If you are selling a property, and it is subject to GST at settlement where the purchaser has withheld, you are still required to report this property sale in your BAS. The GST on the property sale must be reported at **1A** in the BAS period in which settlement occurred. For example, if the property settled on the 5 December, you must report the property transaction in the December BAS.

For margin scheme property sales subject to GST at settlement where the purchaser has withheld, the GST on the calculated margin must be reported at **1A** in the BAS.

Monthly, quarterly and annually

If you report and pay GST monthly, quarterly or annually, you must complete **1A** on your BAS.

If you have no GST on sales or adjustments for the reporting period, enter '0'.

If you're using the:

- accounts method, take the amount to be shown at **1A** directly from your records
- calculation worksheet method, transfer the amount from G9 on your calculation worksheet.

Quarterly instalments

If you report and pay GST quarterly via the instalments method, you must report at **1A** your GST instalment amount which was pre-filled at **G21**. If you've varied this amount, take the figure from **G23** and report this amount at **1A**.

You must also lodge an annual GST return at the end of the financial year and account for any difference between your total GST instalments for the year and your actual GST liability.

In your annual GST return, you must report the total amount of GST on your sales plus any relevant adjustments at **1A**.

If you're using the:

- accounts method, when completing the Annual GST return, use the amount from your records
- calculation worksheet method, when completing the Annual GST return, transfer the amount from G9 on your calculation worksheet.

1B GST on purchases

Report at **1B** the total amount of GST credits (including adjustments) you are eligible to claim from us. The amount you report depends on the reporting and paying method you use.

Monthly, quarterly and annual reporting methods

If you report and pay GST monthly or quarterly, or use the annual reporting method, you must complete **1B** on your BAS.

If you have no GST on purchases or adjustments for the reporting period, enter '0'.

If you're using the:

- accounts method, use the amount to be shown at **1B** from your records
- calculation worksheet method, transfer the amount from G20 on your calculation worksheet.

Quarterly instalments reporting method

You don’t need to complete **1B** on your quarterly BAS, but you will need to complete this label on your annual GST return at the end of the financial year.

If you're using the:

- accounts method, when completing your Annual GST return, take this amount directly from your records
- calculation worksheet method, when completing your Annual GST return, transfer the amount from G20 on your calculation worksheet.

Don't report at **1B** the GST amount that has been withheld at settlement and paid to us by the purchaser. This will have been allocated to your GST property credits account. Once your BAS is processed, the GST property credit will be transferred from your GST property credits account into your BAS account.

QC 17458

Step 6: Check

What you should check before lodging your BAS to ensure quick processing.

Last updated 9 September 2026

Check your BAS before lodging

Before lodging your BAS, make sure you have:

- filled in the GST labels that apply to you
- checked your calculations are accurate
- checked you have transferred amounts correctly from your records
- put ‘X’ in the relevant box under **G1** to indicate amounts are GST-exclusive or GST-inclusive
- provided your contact phone number.

You may also need to:

- complete any other sections that apply to you and transfer the totals to the summary section
- calculate if you must make a payment or if you are eligible for a refund
- complete the tear-off payment slip on the bottom (if using paper BAS)
- complete the payment or refund details.

You must:

- sign and date your BAS (if using paper BAS)
- lodge your original BAS by the due date
- pay any amounts you owe by the due date.

Record keeping

Keep a copy of your BAS and the records used to prepare it for five years after they are prepared, obtained or the transactions completed, or the period of review, whichever is the later.

The records should be in writing and in English. If they are not in a written they must be in a form that is readily accessible and easily converted into English.

Keep calculation worksheets with your other records used to prepare the BAS.

QC 17458

GST rules for less common transactions

Access information about GST for less common transaction to help you complete your BAS.

Last updated 14 September 2026

There following pages provide information about less common transaction types that may apply to your circumstances:

- GST when conducting gambling activities
- GST and insurance
- GST and the margin scheme
- Reverse charge of GST on things purchased from offshore
- GST – Agent, consignment and progressive transactions
- GST and second-hand goods
- Business norms method
- Sales percentage method
- Snapshot method
- Purchases snapshot method
- GST and taxis
- GST and vouchers
- GST at settlement

For more information, see GSTR 200/29 *Goods and services tax: attributing GST payable, input tax credits and adjustments and particular attribution rules made under section 29-25*.

QC 17458

Correcting GST errors

Explains when and how businesses can correct GST errors in a later business activity statement.

Last updated 14 September 2026

What is a GST error

A GST error is a mistake relating to an amount of GST, a GST credit or a GST adjustment.

How to correct GST errors

You can correct GST errors on a later BAS.

Types of GST errors

There are 2 types of GST errors you can make – a credit error or a debit error.

Completing your BAS to correct GST errors

Provides information on the rules and steps for correcting a GST error.

GST errors that can't be corrected on a later BAS

Reasons why you may not be able to correct a credit or debit error on a later BAS.

Incorrectly charged GST

What to do when you incorrectly charge GST on a sale and include the excess GST in your BAS.

QC 17458

What is a GST error

A GST error is a mistake relating to an amount of GST, a GST credit or a GST adjustment.

Last updated 14 September 2026

About GST errors

A GST error is a mistake you made in working out your GST net amount on your BAS that would if it was the only mistake that you made, result in you reporting or paying:

- too much GST (credit error)
- too little GST (debit error).

A GST error doesn't include an error relating to fuel tax credits, wine equalisation tax (WET) or luxury car tax (LCT).

Example: GST error

While working out the GST net amount for the monthly reporting period ending 30 June, Bronlynn incorrectly reported the GST payable on a GST-inclusive taxable sale of $1,100.

Bronlynn reported and paid the GST as $1,000 when the correct value should have been $100. The GST error is the overpaid GST ($900).

What is not a GST error

The following are **not** included in the definition of a GST error:

- claiming a GST credit on a later BAS
- a GST adjustment
- incorrectly charged GST

Claiming a GST credit on a later BAS

Claiming a GST credit on a later BAS because you failed to claim it in an earlier BAS is not a GST error. If you did not claim a GST credit for a purchase at the time when you were entitled to claim it (for example, you were not aware that you had a tax invoice) you are entitled to claim it on a later BAS.

A 4 year time limit generally applies to GST credit claims.

GST adjustments

You make a GST adjustment if a change occurs that affects the:

- amount of GST payable for a sale
- GST credit you are entitled to for a purchase.

A GST adjustment relates to a reported sale or purchase that was correct at the time of lodgment.

However, it would be a GST error if you:

- overlooked an adjustment
- incorrectly worked out the amount of the adjustment in an earlier tax period.

This type of error could be corrected in a later BAS, subject to the applicable time and value limits.

Incorrectly charged GST

Excess GST is when you incorrectly treat something as taxable and include GST for it in your BAS. However, the excess GST is treated as correctly payable on a taxable sale where you:

- have passed on the excess GST to your customer in the price they paid for the sale
- have not reimbursed the customer.

The passed on excess GST is not an error. It can, however, be recovered through a decreasing adjustment if you have first reimbursed your customer for the passed on excess GST. For more information see Incorrectly charged GST.

QC 17458

How to correct GST errors

You can correct GST errors on a later BAS.

Last updated 14 September 2026

If you make a mistake that fits the definition of a GST error when reporting GST, you can correct it on a later BAS that is lodged within the period of review for the period in which the error was made.

However, you can't correct an error to claim additional GST credits when the 4-year credit time limit for claiming those GST credits has expired.

Generally, it is easier to correct a GST error on a later BAS than to revise an earlier BAS. Revising an earlier BAS can also incur penalties or general interest charge (GIC).

QC 17458

Types of GST errors

There are 2 types of GST errors you can make – a credit error or a debit error.

Last updated 14 September 2026

Credit error

You make a credit error if the calculated GST net amount results in you reporting or paying too much GST for the reporting period.

Examples of common causes of credit errors include:

- reporting a GST sale twice
- overstating the GST on sales due to incorrectly charging GST (for example, reporting a larger figure for GST on sales than the correct amount) and the refund of the overstated GST is not restricted
- omitting or understating a decreasing GST adjustment
- overstating an increasing GST adjustment.

You can correct a credit error on a later BAS if it is within the credit error time limit. Credit errors are not subject to value limits.

For more information, see LI 2023/32 *A New Tax System (Goods and Services Tax) (Correcting GST Errors) Determination 2023*.

Credit error time limit

You can correct a credit error on a later BAS that is lodged within the period of review for the period in which the error was made. The period of review starts on the day you lodge your BAS and ends 4 years and one day later.

If a credit error relates to GST credits, there is an additional time limit. You can't correct an error to claim additional GST credits where the 4-year credit time limit for claiming those GST credits has expired.

Example: 4-year period of review

ABC Ltd, a business that lodges a monthly BAS, made a GST error in the September 2022 reporting period that resulted in an overstatement of the net GST amount. The BAS was lodged and the net amount assessed on 3 October 2022.

ABC Ltd has until 4 October 2026 to lodge a BAS that includes a correction for that GST error.

Debit error

A debit error occurs when the net GST amount you calculate results in you reporting or paying too little GST for the reporting period. Examples of common causes of debit errors include:

- failing to include GST on a taxable sale
- understating the GST on sales (for example, reporting a lesser amount for GST on sales, rather than the correct amount)
- overstating GST credits (for example, claiming GST credits for a purchase twice)
- omitting or understating an increasing GST adjustment
- overstating a decreasing GST adjustment.

You can correct a debit error on a later BAS if the following conditions apply for **each** debit error:

- the debit error is within the debit error time limit
- the net sum of the debit errors is within the debit error value limit
- the debit error is **not** as a result of recklessness or intentional disregard of a GST law.

Debit error time limit

The time limits which apply for the correction of a debit error are from the time the debit error **occurred,** not when it was discovered.

You can only correct a debit error on a later BAS if it is lodged within the debit error time limit that corresponds with your current GST turnover. If your turnover is:

- less than $20 million – the debit error must be corrected on a BAS that is lodged **within 18 months** of the due date of the BAS in which the error was made
- $20 million or more – the debit error must be corrected on a BAS that is lodged **within 12 months** of the due date of the BAS in which the error was made.

If the debit error time limit has expired, you need to revise the period that contains the error (if the period of review has not yet expired).

For more information on GST turnover, see GSTR 2001/7 *Goods and services tax: meaning of GST turnover, including the effect of section 188-25 on projected GST turnover*.

Example: debit error is within the debit error time limit

While preparing its October 2023 BAS, X Pty Ltd (a monthly lodger with current GST turnover below $20 million) discovers a debit error of $5,000 on its September 2022 BAS.

The debit error can only be corrected on a BAS that is lodged within 18 months of the due date for the BAS in which the error was made. The due date for lodging the BAS in which the debit error was made was 21 October 2022. Eighteen months from that date is 21 April 2024.

If the debit error meets all other conditions, X Pty Ltd can correct the $5,000 error on its October 2023 BAS, which it lodges on 21 November 2023, as this is within the 18 months period.

Example: debit error is outside the debit error time limit

Jiesi has a current GST turnover of less than $20 million and lodges her BAS quarterly. She lodges her BAS for the September 2023 quarter late, lodging it on 12 December 2023 instead of by28 October 2023. In preparing the September 2023 BAS she discovers a debit error made on her BAS for the March 2022 quarter.

The debit error can only be corrected on a BAS that is lodged within 18 months of the due date for the March 2022 BAS, which was 28 April 2022. Eighteen months from that date is 28 October 2023.

If Jiesi had lodged the September 2023 BAS by 28 October 2023 (the due date) she could have corrected the March 2022 debit error in the September 2023 BAS. However, as she lodged it late on 12 December 2023, she is outside the debit error time limit to correct the error from the March 2022 quarter the September 2023 BAS.

Jiesi needs to revise her March 2022 BAS to correct the error.

Debit error value limit

You can correct a debit error if the net sum of the debit errors is within the debit error value limit that corresponds with your current GST turnover, as shown in the table below.

The net sum of the debit errors is the sum of any debit errors less the sum of any credit errors that are included on the same BAS.

Debit error value limit

Current GST turnover	Debit error value limit
Less than $20 million	Less than $12,500
$20 million to less than $100 million	Less than $25,000
$100 million to less than $500 million	Less than $50,000
$500 million to less than $1 billion	Less than $100,000
$1 billion and over	Less than $560,000

If the net sum of the debit errors exceeds your debit error value limit, you can:

- correct the debit error or errors up to the value limit in your latest BAS

- revise the balance in the BAS for the period in which the error(s) was made. You can't correct the amount that exceeds the debit error value limit on a subsequent BAS.

Single debit error

If you have a single debit error to correct, you can correct that error on a later BAS (up to the relevant debit error value limit). You will need to revise the period in which the debit error was made for the amount that exceed the debit error value limit.

Example: a debit error that exceeds the debit error value limit

Greg's Garage has a current GST turnover of less than $20 million. When preparing its December 2023 quarterly BAS, Greg's Garage discovered that it made a debit error of $15,000 in working out their net amount on an earlier BAS.

Greg's Garage is within the debit error time limit and corrects the debit error up to the debit error value limit amount of $12,500 on its December 2023 quarterly BAS.

It can't correct the excess amount of $2,500 on its next BAS (the quarter ending 31 March 2024). Greg's Garage must correct the debit error relating to the excess amount of $2,500 by revising the earlier period.

Multiple debit errors

If you have multiple debit errors to correct, you can correct the total amount of the debit errors on a later BAS up to the relevant debit error value limit. For any amounts that exceed the debit error value limit you need to revise the BAS for the earlier periods in which the debit errors were made.

Example: net sum of the debit errors exceeds the debit error value limit

Serge's Auto Pty Ltd has a current GST turnover of $5 million and lodges its BAS quarterly. As part of its year-end review for the 2024 income year (conducted at the end of August 2024), it identifies 2 debit errors, both made in the September 2023 reporting period, of $9,000 and $5,000.

The net sum of the debit errors ($9,000 + $5,000 = $14,000) exceeds the relevant debit error value limit of $12,500. Serge's Auto Pty Ltd can only correct the debit errors up to $12,500 in a later reporting period.

Serge's Auto Pty Ltd decides to correct the first debit error of $9,000 and $3,500 out of the $5,000 of the second debit error in its September 2024 BAS.

The balance of $1,500 from the second debit error must then be corrected in the BAS in which the error was made (September 2023) by increasing the assessed net amount by $1,500.

Alternatively, Serge's Auto Pty Ltd can choose to revise the September 2023 reporting period to increase its assessed net amount by the relevant amount.

Multiple debit and credit errors

If you have multiple debit and credit errors to correct on a later BAS, you offset the sum of the debit errors by the sum of the credit errors to work out the net sum of the debit errors.

You can correct the net sum of the debit errors up to the relevant value limit. For any amounts exceeding the debit error value limit you will need to revise the BAS for the period in which the debit errors were made.

Example: net sum of the debit errors is within the debit error value limit

Mikaela's Tea House has a current GST turnover of $10 million and lodges monthly BAS. On 11 November 2023, while preparing the BAS for the October 2023 period Mikaela discovers the following GST errors.

Summary of Mikaela's Tea House's GST errors

Reporting period	GST error	Debit error	Credit error
December 2020	Double counted taxable sales	–	$10,000
September 2022	Over-claimed GST credits	$13,000	-
December 2022	Clerical error, transcribing error	–	$5,000
March 2023	Didn't report increasing GST adjustment	$6,000	–
Total	–	**$19,000**	**$15,000**

Provided the debit errors meet all the other conditions, Mikaela needs to work out whether the net sum of the debit errors is within the debit error value limit of $12,500.

As she is correcting the 2 credit errors on the same BAS as the debit errors, she calculates that the net sum of the debit errors is $4,000 (that is, $19,000 – $15,000). This is below the relevant debit error value limit ($12,500), so Mikaela's Tea House can correct both of the debit errors (that is, the over-claimed GST credits of $13,000 and the increasing GST adjustment of $6,000) on the October 2023 BAS.

Example: net sum of the debit errors is not within the debit error value limit

While preparing its monthly BAS for the October 2023 reporting period Ozco Ltd discovers 2 GST errors made in working out its net amount for earlier reporting periods. One is a credit error for

$1.5 million and the other a debit error for $2.25 million. Ozco Ltd has a current GST turnover above $1 billion.

The net sum of the net debit errors is $750,000 ($2.25 million debit error less $1.5 million credit error). This exceeds the relevant debit error value limit of $560,000. Ozco Ltd can only correct the debit errors up to a net value of $560,000 in a later reporting period. The remaining $190,000 ($750,000 – $560,000) can't be corrected in a later period.

Ozco Ltd:

- corrects the credit errors and $2.06 million of the debit error on its October 2023 monthly BAS
- will need to revise the earlier period in which the debit error occurred for the excess amount of $190,000.

GST groups

The debit error value limit applies to the entity that lodges the BAS and is liable to pay the GST or is entitled to the GST refund. For example, it applies to the:

- representative member of the GST group (rather than each individual member)
- GST joint operator of a GST joint venture.

Example: GST groups

Danielle Pty Ltd, Joe Pty Ltd and JC Pty Ltd form part of a GST group that has a current GST turnover of less than $20 million. Danielle Pty Ltd is the group representative and lodges the group's BAS on a monthly basis.

On 31 October 2023, the tax agent for the group undertook the yearly reconciliation for the group's BAS and income tax returns for the 2023 financial year. The tax agent noted that all the group members failed to charge GST on one of the products they sell, resulting in a net sum of the debit errors of $15,000.

The relevant debit error value limit for the group is $12,500 (not $12,500 for each entity). Danielle Pty Ltd can:

- correct debit errors up to $12,500 in a later BAS
- will need to revise the BAS that contain the debit errors relating to the $2,500 excess amount over the debit error value limit.

Recklessness or intentional disregard of a GST law

You can't correct a debit error if the error is a result of recklessness or intentional disregard of a GST law.

Recklessness is behaviour that falls significantly short of the standard of care expected of a reasonable person in the same circumstances. It is gross carelessness.

Intentional disregard of the law is something more than reckless disregard of, or indifference to, a tax law. The intention is a critical element. That is, a person must have understood the effect of the law and how it operates and made a deliberate choice to ignore the law.

For more information, see MT 2008/1 *Penalty relating to statements: meaning of reasonable care, recklessness and intentional disregard*.

Example: intentional disregard of a GST law

DD Co is facing a cash flow problem and deliberately under-reports the GST on its sales by $12,500 when lodging its BAS for the current reporting period.

As the debit errors (the under-reporting of GST payable) result from DD Co intentionally disregarding the GST law, the errors can't be corrected on a later BAS.

QC 17458

Completing your BAS to correct GST errors

Provides information on the rules and steps for correcting a GST error.

Last updated 14 September 2026

How to correct a GST error on your BAS

To correct a GST error, you include the correction amount at either labels 1A or 1B. If the net result of the error(s) is that you have paid:

- too little GST, include the amount at **1A**
- too much GST, include the amount at **1B**.

If you correct a GST error on a later BAS, you need to:

- record the reporting period when the error was made
- record the BAS it was corrected on
- keep supporting records and other relevant information to explain the correction.

Example: rules for correcting GST errors

Theo Pty Ltd has a current GST turnover of less than $20 million. While preparing its BAS for the March 2024 quarterly reporting period, it discovers that it failed to claim a GST credit for a purchase it was entitled to claim in the June 2021 reporting period.

Theo Pty Ltd also discovers that it made 2 GST errors in working out its net amount for earlier reporting periods.

The first GST error is a $15,000 debit error made in working out the net amount for the December 2022 reporting period. Theo Pty Ltd lodged its December 2022 BAS on 28 February 2023.

The second GST error is a $7,000 credit error relating to a decreasing GST adjustment. Theo Pty Ltd forgot to take into account the GST adjustment in working out its net amount for the June 2021 reporting period. Theo Pty Ltd lodged its September 2022 BAS on 28 October 2022.

Theo Pty Ltd is not subject to any compliance activity at the time of preparing its BAS for the March 2024 reporting period and has not previously taken the GST errors into account.

As the GST credit that Theo Pty Ltd failed to claim in the June 2021 reporting period doesn't fall within the definition of a GST error, it doesn't need to work out whether conditions for correcting a credit error are satisfied. Theo Pty Ltd can claim the GST credit in the March 2024 reporting period.

Theo Pty Ltd works out whether it can correct the GST errors in its March 2024 quarterly reporting period (that will be lodged before its due date on 28 April 2024) as follows:

Theo Pty Ltd's GST errors

Rules for correcting GST errors	GST error made: $7,000 credit error September 2022 reporting period	GST error made: $15,000 debit error December 2022 reporting period
Does the error relate to an amount of GST, GST credit or GST adjustment?	Yes, GST adjustment error.	Yes, amount of GST.
At time of lodging the later BAS to correct the GST error, do both of the following apply? The GST error: doesn't relate to the subject matter of a compliance activity isn't made in a reporting period that is subject to a compliance activity.	Yes	Yes
Confirm the GST error was not taken into account in working out the net amount for another reporting period?	Yes, it was not taken into account.	Yes, it was not taken into account.
Will the BAS for the later reporting period be lodged during the period of review of the	Yes. The period of review for the September 2022 quarterly period ends on 29 October 2026. The later BAS which corrects the	Yes. The period of review for the December 2022 quarterly period ends on 29 February 2027. The later BAS which corrects the

earlier reporting period?	error will be lodged on or before 28 April 2024.	error will be lodged on or before 28 April 2024.
Will the error be corrected in a BAS that is yet to be lodged?	Yes	Yes
If the GST error was a debit error, was the error caused by recklessness or intentional disregard?	Not applicable, this was a credit error.	No
Are the debit errors corrected within the applicable debit error time limit?	Not applicable, this was a credit error.	Yes. The lodgment for the March 2024 BAS will be done by 28 April 2024. This is within 18 months of the due date for lodgment of the December 2022 BAS (28 February 2023).
Is the net sum of the debit errors within the applicable debit error value limit?	Not applicable, this was a credit error.	Yes. The net sum of the debit errors is $8,000 ($15,000 debit less $7,000 credit). This is below the applicable debit error value limit of $12,500. Theo Pty Ltd can't offset the GST credit it failed to claim in June 2021 as it is not a credit error.

Therefore, in its BAS for the March 2024 quarterly reporting period Theo Pty Ltd can correct both GST errors (the credit error and the debit error) and claim the GST credit that it failed to include in the June 2021 reporting period.

To correct the errors in the March 2024 quarterly reporting period, Theo Pty Ltd adds $8,000 at box **1A**.

QC 17458

GST errors that can't be corrected on a later BAS

Reasons why you may not be able to correct a credit or debit error on a later BAS.

Last updated 14 September 2026

When you can't correct an error on a later BAS

You can't correct a credit or debit error on a later BAS if:

- the GST error relates to or was made in a reporting period that is subject to a compliance activity
- you have corrected the GST error in another reporting period
- you have already lodged the later BAS.

If you are subject to compliance activity

A compliance activity is an examination of your GST affairs done by us and includes:

- reviews
- audits
- verification checks
- record-keeping reviews and audits
- similar activities.

It doesn't include an activity where we have notified you in writing that the activity we are undertaking is not a compliance activity.

Once you receive advice (by phone or in writing) from us about our intention to conduct a compliance activity, you can't correct a GST error that:

- is the subject matter of the compliance activity
- arose in a reporting period that is subject to the compliance activity.

The exception is if we notify you in writing that you can correct the error in a later BAS.

If you find such GST errors, it's in your best interest to voluntarily disclose them to us. If you tell us about your GST error, it will be taken into account when we consider the application of a penalty.

A compliance activity is completed when either:

- you receive a notice of assessment or notice of amended assessment
- we tell you that the examination has been finalised.

Example: GST errors can't be corrected due to compliance activity

In June 2023, we notify Mike's Trading that we are conducting a review of his past property transactions. As a result, Mike undertakes his own review of his property transactions and discovers that he made GST errors in claiming GST credits for purchases in relation to an input-taxed sale of property.

As these GST errors relate to a matter that is specified as being subject to compliance activity, Mike's Trading can't correct these errors in a later BAS.

Mike should voluntarily disclose this error to the contact officer for the review.

Example: GST error can be corrected despite compliance activity

In November 2023 we notified Big Co that we are conducting a general review of its GST affairs for each of the monthly reporting periods ending 31 January 2022 to 28 February 2023.

Big Co also conducts its own review and discovers a GST error made in working out its net amount for the February 2023 reporting period. Big Co discloses the February 2023 GST error to us. After reviewing the disclosure, we notify Big Co in writing that it can choose to correct the error itself.

Although the GST error is made for a reporting period that is subject to compliance activity, we have notified Big Co in writing that the error can be corrected during the compliance activity. Big Co can correct the error in a later BAS, if all other conditions are met.

If you have corrected the GST error in another reporting period

You can't correct a GST error more than once. For example, if you revise the BAS for the earlier period in which the GST error was made, or if you have already corrected the GST error in the BAS for another reporting period, you can't then further correct the error on a later BAS.

This includes where you only partially correct a debit error because the relevant debit error value limit was exceeded. You can't correct the amount that exceeded the debit error value limit on a subsequent BAS.

Revising a later lodged BAS

You can't choose to revise a lodged BAS for a later tax period to correct a GST error from an earlier tax period. You can only correct a GST error in a BAS that you haven’t yet lodged.

For example, if you made an error in your October BAS and have already lodged your February BAS, you can't revise the February BAS to include the correcting information. You'll have to wait until you lodge your April BAS to correct the error.

QC 17458

Incorrectly charged GST

What to do when you incorrectly charge GST on a sale and include the excess GST in your BAS.

Last updated 14 September 2026

Incorrectly charged GST

Excess GST is when you incorrectly treat something as taxable and include GST for it in your BAS.

This may occur where you incorrectly:

- treat something which is not a sale as a taxable sale
- treat a GST-free or input-taxed sale as a taxable sale
- report a higher amount of GST on a BAS due to miscalculating your GST liability.

If you passed on the excess GST to your customer in the price and you have not reimbursed them, under the law the excess GST is treated as correctly payable on a taxable sale. This means we can't refund it to you.

Passed on GST

We consider GST is passed on to the customer for a taxable sale even if you may not have separately recorded adding an additional GST of 10% to the price you charged your customer. Generally, where you have treated a sale as a taxable sale you will have passed on GST.

If you have issued a tax invoice that includes an amount of GST, this is relevant evidence that you have passed on the GST.

While there is a general expectation that excess GST has been passed on to the customer, the particular facts and circumstances of an individual case may be outside the ordinary and demonstrate that excess GST has not been passed on.

If you have not passed on the excess GST to your customer, and you have clear evidence to support this, the excess GST you reported to us will be a GST error. You can correct the GST error on a later BAS, or by revising the earlier BAS where the error was made.

Reimbursing customers

If you have passed on excess GST and you reimburse the customer, you will have a decreasing adjustment that you make to recover the excess GST you included in your earlier BAS. The adjustment is made in the BAS for the reporting period in which you reimbursed the customer. Making GST adjustments is different from correcting GST errors made on an earlier BAS.

If you don't reimburse excess GST, you can't make adjustments to recover the excess GST reported to us. However, you can request us to allow a refund.

If the customer is registered for GST and has claimed a GST credit for their purchase, they will have an increasing adjustment equal to the amount of the reimbursement. The increasing adjustment is made on their BAS in the reporting period in which they received the reimbursement.

There is no requirement in the law for you to reimburse excess GST to your customers. It will be a matter for you and your customers to consider the circumstances and the terms of any sale agreements.

For more information, see GSTR 2015/1 *Goods and services tax: the meaning of the terms 'passed on' and 'reimburse' for the purposes of Division 142 of the A New Tax System (Goods and Services Tax) Act 1999*.

Administration fee for reimbursing customers excess GST

You may choose to charge your customer an administration fee for the cost of processing a reimbursement of excess GST and offset this against the amount you reimburse to your customer. However, you will only be entitled to a full refund of the excess GST from us if both the following occur:

- The administration fee you charge your customer is based on reasonable administration costs incurred in processing the reimbursement of the excess GST.
- The customer agrees to the administration fee.

If these conditions are not met, you will not be entitled to a full refund of the excess GST. You will only be entitled to a refund of the amount of GST actually reimbursed to the customer.

Discretion to refund excess GST not reimbursed to customer

We have the discretion to provide a refund of excess GST not reimbursed to the customer. This discretion applies only in very limited circumstances.

We can't allow a refund of excess GST if we consider refunding the excess GST would give you a windfall gain.

A windfall gain is an unearned or unexpected gain. Where you have passed on the excess GST to your customer in the price you charged, any refund of that excess GST to you will usually result in you receiving a windfall gain.

Requesting the discretion

Your application to request that we exercise our discretion must be in an approved form. Your application **must** include your:

- Australian business number (ABN)
- name or business name
- postal address
- phone number
- explanation of why a refund of excess GST that you did not reimburse your customer would not result in you receiving a windfall gain
- copies of any documents supporting your application
- tax or BAS agent’s full name and registered agent number. If the document is lodged by a registered tax or BAS agent, a signed and dated declaration must be present to show that the
  - document has been prepared in accordance with the information supplied by the entity
  - agent has received a declaration from the entity stating that the information provided to the agent is true and correct
  - agent is authorised by the entity to give us the document
- signed and dated declaration as follows
  - I declare that all the information I have given in this letter, including any attachments, is true and correct
  - your signature
  - the date.

Additional information required

To decide whether the discretion should be exercised, we need to establish whether:

- there is an amount of excess GST
- the excess GST has been passed on.

As part of the application, you will also need to address the following factors:

- how the excess GST arose
- your pricing policy and practice
- the documentary evidence surrounding the transaction
- any other relevant circumstances.

You should also include:

- information to help us determine the correct GST treatment of the transaction
- any other relevant supporting documentation, such as tax invoices, sale contracts, internal pricing policy documents and relevant correspondence between parties.

How to apply

You can apply for the discretion using Online services for business or Online services for agents. Once logged in:

1. Select **Communications** tab.
2. Select **Secure mail** or **Practice mail.**
3. Select **New message.**
4. In the **Topic field**, select **View more topics** from the drop-down menu.
5. In the **Other topics** list, select **GST.**
6. Select subject **Other sales, Purchases or Tax invoice enquiry** from the drop-down menu.
7. Attach your application, complete the declaration, and click **Submit**.

Your registered agent can also apply on your behalf using Online services for agents.

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Making adjustments on your BAS

How to make changes to current or past BAS to increase or decrease the amount of GST to be paid.

Last updated 14 September 2026

About GST adjustments

Found out about the meaning of and types of GST adjustments.

When to make adjustments

An adjustment event may occur on a sale or a purchase.

Types of adjustments

Work out what type of adjustment to follow.

Adjustment notes

Generally, you need a valid adjustment note before you can make a decreasing adjustment.

How to make adjustments

Work out how to make GST adjustments through different methods.

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About GST adjustments

Found out about the meaning of and types of GST adjustments.

Published 14 September 2026

How GST adjustments work

You may have to make changes on your current BAS to increase or decrease the amount of GST you must pay for a reporting period. These changes are known as 'adjustments'.

There are two types of adjustments:

- **increasing adjustments**, which increase how much GST you must pay for a reporting period
- **decreasing adjustments**, which decrease how much GST you must pay for a reporting period.

Making GST adjustments is different from correcting GST errors made on an earlier activity statement. A GST adjustment relates to a reported sale or purchase that was correct at the time of lodgment, whereas a GST error relates to an amount that was incorrect at the time of lodgment.

Example: adjustment due to refunded sales

Johnny K Entertainment intends to hold a concert in April. In February, they sell 2,000 tickets for $110 each including GST. They remit the $20,000 GST in their February monthly activity statement.

In March, they cancel the concert and refund all ticket holders $110 each. In their March activity statement, they include a decreasing adjustment of $20,000 (one-eleventh of the refunded amount).

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When to make adjustments

An adjustment event may occur on a sale or a purchase.

Last updated 14 September 2026

When you need to make an adjustment

You may have to make an adjustment if an 'adjustment event' occurs, resulting in a change to the amount of GST you must pay or GST credit you can claim.

You will need to make an adjustment for a sale/purchase if **all** of the following apply:

- During a reporting period an adjustment event occurs for your sale or purchase.
- You accounted for the sale or purchase in the activity statement for a previous reporting period.
- As a result of the adjustment event, the GST amount you previously reported no longer reflects the correct GST amount.

When you become aware of the need for an adjustment you generally report it in the activity statement for your current reporting period.

If you account for GST on a cash basis and have to make a payment as a result of an adjustment event, you generally make the adjustment in the activity statement for the reporting period in which you make the payment.

If you only paid part of the required amount in a given reporting period, you only make an adjustment in that period's activity statement for the amount paid.

Adjustment events for sales

Adjustment events for sales include:

- a taxable sale you made is cancelled – for example, a customer returns goods and you refund the purchase price to the customer
- the price of a taxable sale you make changes – for example, you provide a rebate to a customer
- an event causes your sale to become taxable – for example, goods you sell GST-free for export are not exported and become taxable
- an event causes your sale to stop being taxable.

Working out adjustments for sales

If you have to make an adjustment for a sale you made, the adjustment amount is:

- a **decreasing adjustment** if you originally paid **more** than the amount payable once the adjustment event is taken into account. In this case you pay less GST for the reporting period. You must reimburse your customer before reporting it on your activity statement.
- **increasing adjustment** if you originally paid **less** than the amount payable once the adjustment event is taken into account. In this case you pay more GST for the reporting period.

Adjustment events for purchases

Adjustment events for purchases include:

- a purchase you make is cancelled – for example, you return goods you purchased and receive a full refund
- the price of a purchase you make changes – for example, you receive a rebate on the purchase price
- an event causes your purchase to become creditable
- an event causes your purchase to stop being creditable.

Working out adjustments for purchases

If you have to make an adjustment for a purchase you made, the adjustment amount is:

- an **increasing adjustment** if you claimed **more** for the purchase in the earlier tax period than the amount you could have claimed if the adjustment event had been taken into account
- a **decreasing adjustment** if you claimed **less** for the purchase in the earlier tax period than the amount you could have claimed if the adjustment event had been taken into account.

For more information see GSTR 2000/19 *Goods and services tax: making adjustments under Division 19 for adjustment events*.

Sales and purchases not yet accounted for

If an adjustment event occurs but you haven't yet accounted for the relevant sale or purchase in an activity statement, you don't have to make an adjustment.

You can take the change into account when you first report the transaction on your activity statement. For example, if there is a price change, you include the final amended price on your activity statement.

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Types of adjustments

Work out what type of adjustment to follow.

Last updated 14 September 2026

Bad debt adjustment

If you account for GST on a non-cash basis, you may have an adjustment relating to a bad debt if:

- you write off a bad debt relating to a taxable sale you made
- a debt relating to a taxable sale you made has been overdue for 12 months or more
- you recover an amount for a bad debt you had already written off
- you recover an amount relating to a taxable sale that was overdue for 12 months or more
- a debt you owe for a purchase that you could claim a GST credit for has been overdue for more than 12 months or is written off as a bad debt

- you pay a debt that has been overdue for 12 months or more or that has been written off as a bad debt, and you claimed (or could have claimed) a GST credit for the purchase.

For more information, see GSTR 2000/2 *Goods and services tax: adjustments for bad debts.*

Changes in creditable purpose

The amount of GST credit you can claim on a purchase or importation depends on the extent to which it is used for a creditable purpose. You may have to make an adjustment if there is a change in the extent of the creditable purpose.

You use goods or services for a 'creditable purpose' if you use them in your business. This does not include their use:

- to make input-taxed sales
- for private or domestic use.

The 'creditable purpose' of a purchase changes if either:

- there is a difference between how you planned to use it and how you actually use it
- the way you use it has changed over time.

Adjustments are required for changes in creditable purpose because the GST credit you originally claimed will either have been too much or too little.

You will generally not have to make an adjustment for a change in creditable purpose if the value of the purchase or importation was:

- $1,000 (GST-exclusive) or less
- related to business finance and was $10,000 (GST-exclusive) or less.

Adjustment periods

'Adjustment periods' are the reporting periods in which you have to account for any adjustments in your activity statement.

An adjustment period for a purchase or importation is a reporting period that both:

- starts at least 12 months after the end of the reporting period you claimed your GST credit in (or would have claimed your GST credit in had the purchase or importation been creditable)
- ends on 30 June (or if none of your reporting periods end on 30 June, your reporting period that ends closest to 30 June).

The maximum number of adjustment periods in which you make adjustments depends on the value of the purchase or importation.

Table 1: Adjustment periods for most purchases and importations

Value of the purchase or importation (GST-exclusive)	Number of adjustment periods
$1,001 to $5,000	2
$5,001 to $499,999	5

$500,000 or more	10

Table 2: Adjustment periods for purchases or importations that relate to business finance

Value of the purchase or importation (GST-exclusive)	Number of adjustment periods
$1,001 to $5,000	1
$5,001 to $499,999	5
$500,000 or more	10

If you cancel your GST registration, your final reporting period is also an adjustment period for purchases and importations. See If your business changes or ceases for more information.

Working out adjustments for changes in creditable purpose

To work out the adjustment amount, follow the steps below.

Step 1: Work out the extent to which you have used the purchase or importation for a creditable purpose during the period, starting from when you made your purchase or importation and ending at the end of the adjustment period. Work this out as a percentage.

Step 2: Work out one of the following, as applicable, as a percentage:

- If you have **not** previously made an adjustment for a change in creditable purpose, work out the extent to which you had originally planned to use the purchase or importation for a creditable purpose.
- If you have previously made an adjustment for a creditable purpose, work out the extent to which you used the purchase or importation for a creditable purpose in respect of the last adjustment.

Step 3: Compare the percentages worked out at Step 1 and Step 2.

You have:

- **an increasing adjustment** if the percentage worked out at Step 2 is more than the percentage worked out at Step 1 – this means you pay more GST for the reporting period
- **a decreasing adjustment** if the percentage worked out at Step 1 is more than the percentage worked out at Step 2 – this means you pay less GST for the reporting period
- **no adjustment** if there is no difference between the percentages worked out at Step 1 and Step 2 – this means you do not have to make an adjustment in the reporting period.

Step 4: Calculate increasing or decreasing adjustments by multiplying the full amount of GST credit by the change in use (the difference between the percentages at Step 1 and Step 2). The 'full amount of GST credit' means the amount of GST credit you would have been entitled to claim if you had used the purchase or importation entirely for a creditable purpose.

The adjustment is worked out as follows:

- If you have an increasing adjustment, multiply the full amount of GST credit by the result of the percentage worked out at Step 2 minus the percentage worked out at Step 1.

- If you have a decreasing adjustment, multiply the full amount of GST credit by the result of the percentage worked out at Step 1 minus the percentage worked out at Step 2.

Example: calculating an adjustment for a change in creditable purpose

Hollis is registered for GST and owns a bookshop. On 12 March 2023 he purchases a computer to use in his business for $1,500 (including $136.36 GST). The price of the purchase means it is subject to 2 adjustment periods (see Table 1).

Hollis reports and pays GST quarterly and claims a full GST credit for the computer in the reporting period 1 January 2023 to 31 March 2023 because he plans to use it 100% for his business.

Hollis's first adjustment period is the reporting period 1 April 2024 to 30 June 2024. To work out if he needs to make an adjustment in that reporting period, Hollis compares his actual use with his planned use. He compares the extent to which he:

- uses the computer for business from 12 March 2023 to 30 June 2024 (expressed as a percentage)
- plans to use the computer for business (expressed as a percentage).

Hollis works out that he actually uses the computer 80% for business and 20% for personal use from 12 March 2023 to 30 June 2024.

Hollis makes an increasing adjustment on his April to June 2024 quarterly activity statement to repay some of the GST credits he claimed because he:

- planned to use the computer 100% for business
- claimed a full GST credit for the GST included in the purchase price of the computer
- only uses the computer 80% for business.

The increasing adjustment is calculated as follows:

- $136.36 (the GST included in the purchase price of the computer) × 20% (the difference between 100% and 80%).

Hollis' second adjustment period is the 1 April 2025 to 30 June 2025 reporting period. To work out if he needs to make an adjustment in that reporting period, Hollis compares his actual use against his previously stated use. He compares the extent to which he:

- uses the computer for business from 12 March 2023 to 30 June 2025 (expressed as a percentage)
- says he uses the computer for business from 12 March 2023 to 30 June 2024 (that is, the percentage worked out in respect of the last adjustment).

Hollis works out that he used the computer 50% for business and 50% for personal use from 12 March 2023 to 30 June 2025. This is less than the extent to which he used it for business in respect of the first adjustment (80%).

Hollis makes an increasing adjustment on his April to June 2025 quarter activity statement to repay some of the GST credits he claimed. This adjustment is calculated as follows:

- $136.36 (the GST component of the purchase price) × 30% (the difference between 80% and 50%).

For more information, see:

- GSTR 2000/24 *Goods and services tax: Division 129 – making adjustments for changes in extent of creditable purpose*
- GSTR 2006/3 *Goods and services tax: determining the extent of creditable purpose for providers of financial supplies*
- GSTR 2006/4 *Goods and services tax: determining the extent of creditable purpose for claiming GST credits and for making adjustments for changes in extent of creditable purpose*

Annual apportionment adjustments

If you are eligible to use annual apportionment you can claim the entire GST amount on a purchase as a credit on your monthly or quarterly activity statement and make a single adjustment annually rather than apportioning the GST for business and private use at the time.

An adjustment event, change in creditable purpose or bad debt adjustment may affect your annual apportionment adjustment for a particular purchase. This depends on whether the adjustment occurs before or after you make your annual apportionment adjustment on your activity statement.

Before your annual apportionment adjustment

If you make an adjustment for a purchase due to an adjustment event or a bad debt before you make an annual apportionment adjustment, you do not account for any private use of the purchase at the time of calculation.

Instead, you work out the adjustment amount as though you did not use the purchase for private purposes.

You account for any private use of the purchase later when you make your annual adjustment, while also taking into account the effect of the earlier adjustment.

If, for example, you made a purchase that was cancelled (making it subject to an adjustment event) or the whole amount was written off as a bad debt (making it subject to a bad debt adjustment), you no longer have to make an annual apportionment adjustment. This is because your earlier increasing adjustment overrides the need to make an annual apportionment increasing adjustment.

After your annual apportionment adjustment

To work out the adjustment amount when an adjustment event or a bad debt applies to a purchase after you have made an annual apportionment adjustment, you take into account how much you used the purchase for private purposes.

For example, you account on a non-cash basis and you have made an annual apportionment increasing adjustment to account for the amount of a purchase you use for private purposes. If the purchase is later written off as a bad debt you only have to make a bad debt adjustment for the amount related to business purposes.

Third-party payments

You may have a third-party payment decreasing adjustment in situations where you:

- supply a thing for re-sale
- make a monetary payment to a third party (the payee) in connection with the payee's purchase of that thing.

This adjustment occurs when you do not supply the thing directly to the payee but rather through a supply chain. The payee may have an increasing adjustment.

Company mergers

When 2 or more companies merge and continue as one company, this new company must make any adjustments the companies would have had to make if they had not merged. This includes adjustments where the new company makes changes in business use compared with the companies before the merger.

This does not include adjustments that the companies had to make before they merged.

Change to taxable sale

You may have a decreasing adjustment if you used a purchase solely or partly for private or domestic purposes or for making financial sales and you later make a taxable sale of that thing.

Purchases of going concerns

If you purchase a business as a GST-free supply of a going concern, you may have an increasing adjustment if you plan to make any sales, through that business, that are neither taxable nor GST-free. You may later have to make increasing or decreasing adjustments if the proportion of these sales changes over time. For more information, see GSTR 2002/5 *Goods and services tax: when is a 'supply of a going concern' GST-free?*

Unredeemed vouchers

If you sell a voucher that can be redeemed for a monetary value, you may have an increasing adjustment if both of the following apply:

- the voucher is not redeemed
- you have, for accounting purposes, written back to current income any reserves for the redemption of the voucher.

For more information, see GSTR 2003/5 *Goods and services tax: vouchers*

Tradex scheme goods

If you are an importer, the Tradex scheme gives you an up-front exemption from Customs duty and GST on imported goods you plan to export.

You may have an increasing adjustment if you hold a Tradex order and you deal with goods relating to that order differently from the way you would under the Tradex scheme.

GST registration

Registering for GST

If you register (or become required to be registered) for GST, you may have a decreasing adjustment for stock you have already purchased.

Cancelling your GST registration

If you stop being registered for GST, you may have increasing adjustments if you claimed or were entitled to claim GST credits for assets that you still have at the time your GST cancellation takes effect. This is because the assets are being taken out of the GST system, which is similar to final consumption.

For more information, see:

- If your business changes or ceases
- Changing, selling or closing your business.

Gross-up clauses

'Gross-up' clauses are commonly included in commercial agreements to allow a supplier to recover additional amounts from the recipient in circumstances where GST has been undercharged or not charged on the supply.

Where we are entitled to recover unpaid GST from the supplier for periods beyond 4 years, the supplier may rely on such a gross-up clause to pass the burden on to the recipient.

Generally, there is a 4-year time limit on claiming GST credits. If you provided additional payment under a gross-up clause, you may have a decreasing adjustment even if at the time of providing the payment you are no longer entitled to the credit because of the 4-year time limit. You do not need an adjustment note to include the adjustment in your activity statement even if the additional payment you provided results in an adjustment event.

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Adjustment notes

Generally, you need a valid adjustment note before you can make a decreasing adjustment.

Last updated 14 September 2026

You need a valid adjustment note before you can make a decreasing adjustment, unless the adjustment is for GST of $75 or less.

For example, an adjustment event that discounts the payment for the original sale of the goods or services by $660 results in a decreasing adjustment (GST liability) of $60. As this is below the $75 threshold there is no need to issue an adjustment note. It is not required for attribution purposes either.

There may be other circumstances where you do not have to hold an adjustment note.

If you need to report an adjustment but you don't have the required adjustment note when you lodge your activity statement, you report the adjustment in the first BAS you lodge after receiving the adjustment note.

You can't make a decreasing adjustment for a transaction that didn't include GST, even if you have a document from a supplier that states it is an adjustment note.

For more information, see:

- Accounting for GST in your business
- GSTR 2013/2 *Goods and services tax: adjustment notes*

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How to make adjustments

Work out how to make GST adjustments through different methods.

Last updated 14 September 2026

If you report GST by the full reporting method, you can use either the accounts method or the calculation worksheet method to complete your activity statement for the reporting period.

If you report GST by the Simpler BAS reporting method, you use the accounts method to complete each activity statement.

Accounts method

If you use the accounts method, you work out the GST amounts for your sales and purchases from your accounts. You report these amounts on your activity statement.

On your BAS, report GST:

- **increasing adjustments** at Label **1A**
- **decreasing amounts** at Label **1B**.

Calculation worksheet method

If you use the calculation worksheet method, you show the overall adjustment amount multiplied by 11 on the GST calculation worksheet at either:

- **G7** (adjustments) if you have an overall increasing adjustment
- **G18** (adjustments) if you have an overall decreasing adjustment.

The amounts you report on your activity statement will depend on whether you report on a **cash basis** or **non-cash basis**.

For more information, see Completing your BAS for GST.

Record your adjustments

To help you to work out your adjustments, we have developed worksheets so you can:

- record all your adjustments for a reporting period
- compare your total increasing adjustments and your total decreasing adjustments at the end of the period.

There are 5 worksheets: Sales, Purchases, Bad debts, Creditable purpose, Adjustments summary. Download the 5 worksheets (PDF, 72KB).

Worked example

The following example demonstrates the use of the calculation worksheet method with the 5 worksheets to work out an overall adjustment for a reporting period.

Step 1

Complete the Sales worksheet.

Example: sales worksheet

Jim and Maria operate a hardware store and are registered for GST. They previously sold a toolbox to Alex and included the amount for the taxable sale of $350 on a previous activity statement.

Alex returns the toolbox when he finds it is not suitable and Jim and Maria agree to refund the full sale price. Jim and Maria show the refund against 'Cancellation of a sale' on the worksheet, as shown below.

One of Jim and Maria's customers is Brian. He is a carpenter and puts his purchases from Jim and Maria on a monthly account. In the previous reporting period, Jim and Maria made taxable sales on credit to Brian of $3,600. Jim and Maria included this amount on their previous activity statement. When Brian pays his account on time, Jim and Maria offer a discount of 3%, or $108. Jim and Maria show the discount against 'Reduction in amount for a sale because of a discount or rebate' on the worksheet, as shown below.

Sales worksheet

Adjustment for sales	Amount for sales (before the change occurred) included at G1	New amount for sales	Increasing adjustment (see note 1)	Decreasing adjustment (see note 2)
Cancellation of a sale	$350	$0	n/a	$350
Reduction in amount for a sale because of a discount or rebate	$3,600	$3,492	n/a	$108
Sale has stopped being taxable	n/a	n/a	n/a	n/a
Increase in amount for a sale	n/a	n/a	n/a	n/a
Sale has become taxable	n/a	n/a	n/a	n/a

Total	n/a	n/a	n/a	**$458**

Notes:

1. Fill in this column if the amount in column 3 is more than in column 2. Subtract column 2 from column 3.
2. Fill in this column if the amount in column 2 is more than in column 3. Subtract column 3 from column 2.

Step 2

Transfer the totals from columns 4 and 5 of the Sales worksheet to line 1 of the Adjustments summary worksheet.

Step 3

Complete the Purchases worksheet.

If an adjustment event for a purchase occurs before you make an annual apportionment adjustment for the purchase, complete columns 2 and 3 without reducing the amounts to account for private use.

Example: purchases worksheet

Jim and Maria return faulty electrical tools to their supplier. The tools cost them $620, which they included on a previous activity statement to claim GST credits. Jim and Maria show the amount to be refunded to them against 'Cancellation of a purchase' on the worksheet, as shown below.

Jim and Maria purchased a number of mowers for a total price of $10,000 in the previous period. They claimed GST credits for these purchases. They receive a volume rebate of $830 from their supplier. Jim and Maria show the amount of rebate received from their supplier against 'Reduction in purchase price because of a discount or rebate' line on the worksheet, as shown below.

Purchases worksheet

Adjustment for purchases	Purchase price (before the change occurred) included at G10 and G11	Changed purchase price	Increasing adjustment (see note 1)	Decreasing adjustment (see note 2)
Cancellation of a purchase	$620	$0	$620	n/a
Reduction in purchase price because of a discount or rebate	$10,000	$9,170	$830	n/a
A purchase stops being	n/a	n/a	n/a	n/a

creditable				
Increase in purchase price	n/a	n/a	n/a	n/a
A purchase has become creditable	n/a	n/a	n/a	n/a
Total	n/a	n/a	**$1,450**	n/a

Notes:

1. Fill in this column if the amount in column 2 is more than in column 3. Subtract column 3 from column 2.
2. Fill in this column if the amount in column 3 is more than in column 2. Subtract column 2 from column 3.

Step 4

Transfer the totals from columns 4 and 5 of the Purchases worksheet to line 2 of the Adjustments summary worksheet.

Step 5

Complete the Bad debts worksheet.

If a bad debt relates to a partly taxable sale or a purchase which is partly for a creditable purpose, the amount of the adjustment is reduced accordingly.

Example: bad debts worksheet

Jim and Maria sold building materials to Eugenio in a previous reporting period, which Eugenio now can't pay for. Jim and Maria included $1,500 in taxable sales to Eugenio on earlier activity statements. As they can't collect any of the debt, they write it off in their accounts. Jim and Maria record the amount written off against 'Writing off bad debts or debts overdue for 12 months or more' on the worksheet, as shown below.

Some time ago Maria sold some timber to Dianne, who was renovating her home. It was a taxable sale for which they had accounted for GST. When they could not collect the debt, Jim and Maria wrote it off and made an adjustment on their activity statement for that earlier period. Dianne's financial circumstances have improved and she makes a part payment of $300. Jim and Maria record the amount they receive in the 'Recovering bad debts written off or debts overdue for 12 months or more' line on the worksheet, as shown below.

Bad debts worksheet

Sales or purchases	Amount written off or recovered	Increasing adjustment (same as in column 2)	Decreasing adjustment (same as in column 2)
Sales – writing off bad debts or debts	$1,500	na	$1,500

overdue for 12 months or more			
Sales – recovering bad debts written off or debts overdue for 12 months or more	$300	$300	n/a
Purchases – bad debts written off by your supplier or debts overdue for 12 months or more	n/a	n/a	n/a
Purchases – payment of bad debts written off by your supplier or debts overdue for 12 months or more	n/a	n/a	n/a
Total	n/a	**$300**	**$1,500**

Step 6

Transfer the totals from columns 3 and 4 of the **Bad debts** worksheet to line 3 of the **Adjustments summary** worksheet.

Step 7

Complete the Creditable purpose worksheet.

Do not make an adjustment under this step if you intend to make an adjustment under step 9 (Work out adjustments for goods you use for a private purpose) for the same purchase.

Example: adjustments for change in extent of creditable purpose

Jim and Maria purchased a vehicle for $35,000 for use in their business. However, as they intended to also use it for private purposes they did not claim the full GST credit for the purchase. Jim and Maria have not made an annual apportionment election.

At the time they purchased the vehicle, they estimated they would use it in their business 60% of the time.

At the end of the first adjustment period for the vehicle, Jim and Maria find from their log book that they have actually used the vehicle in their business 75% of the time since they purchased it. The percentage of their business use increases by 15% (75% minus 60%). They then multiply 15% by $35,000, which comes to $5,250. They record these amounts in the Creditable purpose worksheet, as shown below.

Creditable purpose worksheet

Description of purchase	Date acquired	Full purchase price (taking into account adjustments)	Intended (or previously claimed) extent of creditable purpose	Actual extent of creditable purpose	Change in extent of creditable purpose
Vehicle	n/a	$35,000	60%	75%	15%
Total	n/a	n/a	n/a	n/a	n/a

Notes:

1. Fill in this column if the amount in column 4 is more than the amount in column 5. Multiply the amount in column 3 by the percentage in column 6.
2. Fill in this column if the amount in column 5 is more than the amount in column 4. Multiply the amount in column 3 by the percentage in column 6.

Jim and Maria have a total of 5 adjustment periods to track the way they use the purchase because:

- the value of the purchase was more than $5,000 but less than $50,000
- it did not relate to business finance.

For more information, see Changes in creditable purpose.

Step 8

Transfer the totals from columns 7 and 8 of the **Creditable purpose** worksheet to line 4 of the **Adjustments summary** worksheet.

Step 9

Work out adjustments for goods you use for a private purpose.

You have an increasing adjustment if you purchased goods (such as items of trading stock) that you planned to use solely for business and for which you claimed GST credits, but then used the goods solely for a private or domestic purpose.

The amount that you included for the purchase at **G10** (capital purchases) or **G11** (non-capital purchases) on an earlier activity statement should be shown in line 5 of the **Adjustments summary** worksheet.

Do not make an adjustment under this step if you have made an adjustment under step 7 for the same goods in this reporting period or any earlier reporting period.

Step 10

Work out any other increasing adjustments and multiply them by 11. Also work out any other decreasing adjustments and multiply them by 11. Show the results of these calculations at lines 6 to 10 of the **Adjustments summary** worksheet.

Record annual apportionment adjustments at line 10 **Other adjustments**.

Step 11

Work out the overall adjustment for the reporting period.

Example: adjustments summary worksheet

Jim and Maria work out their adjustments using the different adjustment worksheets. They use the **Adjustments summary** worksheet to work out their overall adjustment for the reporting period.

In the following table:

- Lines 1 to 5 show adjustments you can work out using these instructions
- Lines 6 to 10 show adjustments that may require more information.

Adjustments summary worksheet

Line	Reason for adjustment	Increasing adjustment	Decreasing adjustment
1	Adjustments for sales following adjustment events	n/a	$458
2	Adjustments for purchases following adjustment events	$1,450	n/a
3	Bad debts written off or recovered	$300	$1,500
4	Change in extent of creditable purpose	n/a	$5,250
5	Goods solely for private or domestic purposes	n/a	n/a
6	Insurance settlements	n/a	n/a
7	Company amalgamations	n/a	n/a
8	Sales of things used to make financial	n/a	n/a

	supplies or used privately		
9	Sales of going concerns	n/a	n/a
10	Other adjustments	n/a	n/a
11	**Total**	**A $1,750**	**B $7,208**

Step 12

If the total at **A** is greater than the total at **B**, transfer the difference to **G7** of the calculation worksheet.

If the total at **B** is greater than the total at **A**, transfer the difference to **G18** of the calculation worksheet.

Do **not** enter an amount at both **G7** and **G18**.

Example: transferring to calculation worksheet

Jim and Maria transfer the amount of $5,458 from their adjustments summary worksheet to **G18** (adjustments) of their calculation worksheet.

QC 17458

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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.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.