

# COMMONWEALTH OF AUSTRALIA

## *A NEW TAX SYSTEM (GOODS AND SERVICES TAX) ACT 1999*

### DETERMINATION

Under subsection 29-25(1) of the *A New Tax System (Goods and Services Tax) Act 1999* ("the GST Act"), I make the following determination, being satisfied under paragraph 29-25(2)(b) of the Act that it is necessary to prevent the provisions of Division 29 and Chapter 4 applying in a way that is inappropriate in circumstances involving a prepayment for a telephone supply occurring before the use or enjoyment of that telephone supply occurs.

#### ***Citation***

1. This determination may be cited as the *A New Tax System (Goods and Services Tax) Act 1999 (particular attribution rules for prepayments for telephone supplies) Determination (No. 1) 2001*.

#### ***Commencement***

2. This determination commences on the date the GST Act commences.

#### ***Application of Determination***

3. This determination applies to a telephone supply made on or after the commencement of the GST Act by an entity that:
  - (a) is a telecommunications provider, and
  - (b) receives a payment from a customer for the supply (whether before or after the supply has occurred) before an invoice is issued in relation to that supply, and
  - (c) does not account on a cash basis.

#### ***Particular attribution rule for GST payable on a telephone supply for which payment is made prior to use or enjoyment of that supply occurring.***

4. The GST payable on a telephone supply made by a telecommunications provider is attributable to:
  - (a) if an invoice is issued in relation to that supply – the tax period in which that invoice is issued; or
  - (b) the tax period in which an invoice would have been issued by the supplier in relation to that supply if the recipient had not made the prepayment;

whichever is the earlier.

#### ***Definitions***

5. For the purposes of this determination:
  - (a) *prepayment* means a payment made by a customer of a telecommunications provider for a telephone supply that is made either before the supply has occurred, or after the supply has occurred and before the provider has issued an invoice for the supply as part of its regular billing cycle.

- (b) *telecommunications provider* means an entity that makes supplies of telephone services available to the public for a fee.
- (c) *telephone services* include telephone calls, access to networks that allow telephone calls to be made or received, other services that are related to network access – for example directory listings or silent number facility – and provision of leased equipment that enables network access – for example, telephone handsets or PABX equipment.
- (d) *telephone supply* means a taxable supply of a telephone service.

Other expressions in this determination have the same meaning as in the GST Act.

6. To avoid doubt, this Determination does not override subsection 29-10(3), subsection 29-20(3), Division 57, Division 153 or Division 156 of the GST Act.

Signed this 22<sup>th</sup> day of August 2001.

Michael Hardy  
ASSISTANT COMMISSIONER OF TAXATION  
Goods and Services Tax