



# ***A New Tax System (Goods and Services Tax) Act 1999 Classes of Recipient Created Tax Invoice Determination (No. 27) 2000***

**as amended**

made under subsection 29-70(3) of the *A New Tax System (Goods and Services Tax) Act 1999* and subsection 4(1) of the *Acts Interpretation Act 1901*.

This compilation was prepared on **18 May 2009**  
taking into account amendments up to *Recipient Created Tax Invoice – Embedded Agreement Amending Legislative Instrument 2009*

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Australian Taxation Office

**Citation (see Note 1)**

1. This determination may be cited as the *A New Tax System (Goods and Services Tax) Act 1999 Classes of Recipient Created Tax Invoice Determination (No. 27) 2000*.

**Commencement (see Note 1)**

2. (a) This determination commences on the date the *A New Tax System (Goods and Services Tax) Act 1999* commences.  
(b) This determination does not revoke or vary any previous determination made by the Commissioner.

**Application of determination (see Note 1)**

3. This determination applies to an entity not determined previously as being able to issue a tax invoice belonging to a class of tax invoices that may be issued by a recipient.

**Class of Tax Invoices that may be issued by the recipient of a taxable supply**

4. A recipient of a taxable supply of construction work or related goods and services may issue a tax invoice for the supply where the recipient:
  - (i) makes taxable supplies of construction work or related goods and services;
  - (ii) reviews progress claims or relies on certification (where an independent valuation process is undertaken) to determine amounts to be paid to the supplier;
  - (iii) has a current GST turnover or projected GST turnover of greater than one million dollars;
  - (iv) satisfies the requirements set out in Clause 5;

**Requirements that must be satisfied by a recipient of a taxable supply**

5. A recipient must satisfy the following requirements:
  - (a) the recipient must be registered for GST;
  - (b) the recipient must set out in the tax invoice the ABN of the supplier;
  - (c) the recipient must issue the original or a copy of the tax invoice to the supplier within 28 days of making, or determining, the value of a taxable supply and must retain the original or the copy;
  - (d) the recipient must issue the original or a copy of an adjustment note to the supplier within 28 days of the adjustment and must retain the original or the copy;
  - (e) the recipient must reasonably comply with its obligations under the taxation laws;
  - (f) the recipient must have either:

- a written agreement with the supplier specifying the supplies to which it relates, that is current and effective when the RCTI is issued, agreeing that:
  - (i) the recipient can issue tax invoices in respect of the supplies;
  - (ii) the supplier will not issue tax invoices in respect of the supplies;
  - (iii) the supplier acknowledges that it is registered for GST when it enters into the agreement and that it will notify the recipient if it ceases to be registered;
  - (iv) the recipient acknowledges that it is registered when it enters into the agreement and that it will notify the supplier if it ceases to be registered for GST; and
  - (v) the recipient indemnifies the supplier for any liability for GST and penalty that may arise from an understatement of the GST payable on any of the specified supplies received on a tax invoice the recipient issues; or
- an agreement with the supplier embedded in an RCTI it issues that contains the following statement:

The recipient and the supplier declare that this agreement applies to supplies to which this tax invoice relates. The recipient can issue tax invoices in respect of these supplies. The supplier will not issue tax invoices in respect of these supplies. The supplier acknowledges that it is registered for GST and that it will notify the recipient if it ceases to be registered. The recipient acknowledges that it is registered for GST and that it will notify the supplier if it ceases to be registered for GST. The recipient indemnifies the supplier for any liability for GST and penalty that may arise from an understatement of the GST payable on any of the specified supplies received on a tax invoice the recipient issues. Acceptance of this RCTI constitutes acceptance of the terms of this written agreement.

Both parties to this supply agree that they are parties to an RCTI agreement. The supplier agrees to notify the recipient if the supplier does not wish to accept the proposed agreement within 21 days of receiving this document.

- (g) the recipient must not issue a document that would otherwise be a recipient created tax invoice, on or after the date when the

recipient or the supplier has failed to comply with any of the requirements of this determination.

**Definitions**

6. The following expressions are defined for the purposes of this determination:

**"construction work"**

- (1) In this Determination, *construction work* means any of the following work:
- (a) the construction, alteration, repair, restoration, maintenance, extension, demolition or dismantling of buildings or structures forming, or to form, part of land (whether permanent or not),
  - (b) the construction, alteration, repair, restoration, maintenance, extension, demolition or dismantling of any works forming, or to form, part of land, including walls, roadworks, powerlines, telecommunication apparatus, aircraft runways, docks and harbours, railways, inland waterways, pipelines, reservoirs, water mains, wells, sewers, industrial plant and installations for purposes of land drainage or coast protection,
  - (c) the installation in any building or structure of fittings forming, or to form, part of land, including heating, lighting, air-conditioning, ventilation, power supply, drainage, sanitation, water supply, fire protection, security and communications systems,
  - (d) the external or internal cleaning of buildings and structures, so far as it is carried out in the course of their construction, alteration, repair, restoration, maintenance or extension,
  - (e) any operation which forms an integral part of, or is preparatory to or is for rendering complete, work of the kind referred to in paragraph (a), (b) or (c), including:
    - (i) site clearance, earth-moving, excavation, tunnelling and boring, and
    - (ii) the laying of foundations, and
    - (iii) the erection, maintenance or dismantling of scaffolding, and
    - (iv) the prefabrication of components to form part of any building or structure, whether carried out on-site or off-site, and
    - (v) site restoration, landscaping and the provision of roadways and other access works,
  - (f) the painting or decorating of the internal or external surfaces of any building or structure,
- (2) Despite clause 6(1), *construction work* does not include any of the following work:
- (a) the drilling for, or extraction of, oil or natural gas,

- (b) the extraction (whether by underground or surface working) of minerals, including tunnelling or boring, or constructing underground works, for that purpose,

**“related goods and services”**

- (1) In this Determination, *related goods and services*, in relation to construction work, means any of the following goods and services:
  - (a) goods of the following kind:
    - (i) materials and components to form part of any building, structure or work arising from construction work,
    - (ii) plant or materials (whether supplied by sale, hire or otherwise) for use in connection with the carrying out of construction work,
  - (b) services of the following kind:
    - (i) the provision of labour to carry out construction work,
    - (ii) architectural, design, surveying or quantity surveying services in relation to construction work,
    - (iii) building, engineering, interior or exterior decoration or landscape advisory services in relation to construction work,
- 7. Other expressions in this determination have the same meaning as in the *A New Tax System (Goods and Services Tax) Act 1999*.

**Table of Instruments**

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**Notes to the *A New Tax System (Goods and Services Tax) Act 1999 Classes of Recipient Created Tax Invoice Determination (No. 27) 2000***

**Note 1**

The *A New Tax System (Goods and Services Tax) Act 1999 Classes of Recipient Created Tax Invoice Determination (No. 27) 2000* (in force under subsection 29-70(3) of the *A New Tax System (Goods and Services Tax) Act 1999* and subsection 4(1) of the *Acts Interpretation Act 1901*) as shown in this compilation is amended as indicated in the Tables below.

**Table of Instruments**

<b>Title</b>	<b>Date of FRLI registration</b>	<b>Date of commencement</b>
<i>A New Tax System (Goods and Services Tax) 1999 Classes of Recipient Created Tax Invoice Determination (No. 27) 2000</i>	see F2005B02751	1 July 2000
Recipient Created Tax Invoice - GST Terminologies Amending Legislative Instrument 2007	22 May 2007 (see F2007L01466)	21 June 2007
Recipient Created Tax Invoice – Embedded Agreement Amending Legislative Instrument 2009	14 May 2009 (see F2009L01772)	1 July 2009

## Table of Amendments

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## Table of Amendments

ad. = added or inserted    am. = amended    rep. = repealed    rs. = repealed and substituted

Provision affected	How affected
Clause 5	am. (F2007L01466)
Clause 5	am. (F2009L01772)