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Page status: **not legally binding**

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Ruling Compendium – GSTD 2016/2

This is a compendium of responses to the issues raised by external parties to draft Determination GSTD 2016/D1 *Goods and services tax: can Division 142 of the A New Tax System (Goods and Services Tax) Act 1999 (GST Act) prevent refunds of increasing adjustments made under section 19-50 of the GST Act?*

This compendium of comments has been edited to maintain the anonymity of entities that commented on the draft Determination.

Summary of issues raised and responses

Issue No.	Issue raised	ATO Response/Action taken
1	Welcome the comments included within the draft Determination and the ATO's view on the interaction of Division 142 and increasing adjustments. Consider that the general propositions contained within the draft Determination reflect the current state of the law in this area.	Noted.
2	Recommended including a background paragraph to explain why: - the ATO considered it necessary to issue a determination on this issue, and - the answer discussed in the draft Determination is not apparent in GSTR 2015/1.	The ATO confirms that it has issued this Determination to clarify our existing position. It is a discrete technical issue which we consider appropriate for a GSTD. It was not included in GSTR 2015/1, which only rules on the more complex issues about the meaning of the terms 'passed on' and 'reimburse'. We do not think it is necessary to include this explanation as to the choice of product in the Determination itself.
3	A number of minor changes to Example 1 were recommended, including: - adding some minor wording changes for additional clarity in Example 1, and - a footnote to the definition of 'passed on' from GSTR 2015/1 <i>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.</i>	We have adopted the suggestion to make minor changes to Example 1 to clarify the basis on which Division 142 applies to prevent a refund. We did not add an additional reference to GSTR 2015/1 as that Ruling is already referred to in the explanation section of the Determination.