



GSTA TPP 013 - Goods and services tax: Where new residential premises are sold with certain chattels included (for example, a furniture package and moveable dishwasher), should the supplier apportion the 'real property' element of the sale (which can be subject to the margin scheme) and the 'chattels' element (which may not)?

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 This document has changed over time. This is a consolidated version of the ruling which was published on *14 June 2005*



Goods and Services Tax Advice

Goods and services tax: Where new residential premises are sold with certain chattels included (for example, a furniture package and moveable dishwasher), should the supplier apportion the 'real property' element of the sale (which can be subject to the margin scheme) and the 'chattels' element (which may not)?

Preamble

*This document is a ruling for the purposes of section 37 of the Taxation Administration Act 1953. It illustrates the principles contained in **Goods and Services Tax Ruling GSTR 2001/8 on apportionment**. You can rely on the information presented in this document, which provides advice on the operation of the GST system.*

Answer

Yes, the supplier should apportion the real property element and the chattels element when calculating the margin in this situation.

Background

An entity is selling new residential premises with chattels included (for example, a furniture package and moveable dishwasher). The entity chooses to apply the margin scheme under section 75-5 of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act).

Explanation

The sale of new residential premises with chattels included is a transaction that consists of separate supplies of the new residential premises and the chattels. This is because, as a matter of commercial reality, the sale of the real property and the chattels are separately identifiable in the sale contract and from the circumstances surrounding the transaction. Otherwise, the purchaser buying the property with the chattels is not able to ensure the legal transfer of the chattels from the vendor given that the chattels, by their nature, are not affixed to the real property.

Application of this GST Advice

This Advice is based on GSTR 2001/8. It explains our view of the law as it applied from 1 July 2000. You can rely on this Advice on and from its date of issue for the purposes of section 37 of the *Taxation Administration Act 1953*. Goods and Services Tax Ruling GSTR 1999/1 explains the GST rulings system and our view of when you can rely on our interpretation of the law in GST public and private rulings.

If this Advice conflicts with a previous private ruling that you have obtained, this public ruling prevails. However, if you have relied on a private ruling, you are protected in respect of what you have done up to the date of issue of this public ruling. This means that if you have underpaid an amount of GST, you are not liable for the shortfall prior to the date of issue of this later ruling. Similarly, you are not liable to repay an amount overpaid by the Commissioner as a refund.

Commissioner of Taxation

Date

Subject references:

residential premises
separate supplies
mixed supplies
composite supplies

Legislative references:

ANTS(GST)A 1999 75-5
TAA 1953 37

ATO references

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