



GSTA TPP 024 - Goods and services tax: Is an offer to renew a membership or contract an invoice that triggers attribution under subsection 29-5(1) of the GST Act?

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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: Is an offer to renew a membership or contract an invoice that triggers attribution under subsection 29-5(1) of the GST Act?

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 2000/34 on invoices**. You can rely on the information presented in this document, which provides advice on the operation of the GST system.*

Answer

No, an offer to renew a membership or contract is not an invoice that triggers attribution under subsection 29-5(1) of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act).

Explanation

Subsection 29-5(1) of the GST Act states that, for an entity that accounts for GST on an accrual basis, GST payable on a taxable supply is attributable to the earlier of the tax period in which any of the consideration is received for the supply, or the tax period in which the invoice is issued.

A renewal notice is not an invoice that triggers attribution of GST. This view is expressed in the example at paragraph 45 of Goods and Services Tax Ruling GSTR 2000/34 on what is an invoice for the purposes of the GST Act. It states:

45. Cheryl receives a renewal notice for a house and contents insurance policy. The policy sets out the details of sums insured, the period of insurance and the amount payable. This document is not an invoice as it is only an offer to enter into a new contract with the insurance company. Cheryl accepts the offer by making a payment. The GST payable by the insurance company on the supply is attributable to the tax period in which Cheryl makes the payment.

The recipient of the supply will still need to hold a tax invoice before claiming an input tax credit. The topic of offer documents as tax invoices is discussed in GSTA TPP 025.

Application of this GST Advice

This Advice is based on GSTR 2000/34. 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

Related Rulings/Determinations/GST Advice:

GSTR 2000/17
GSTA TPP 025

Subject references:

attribution
consideration
contracts
GST payable
input tax credits
invoice
offer documents
tax invoice

Legislative references:

ANTS(GST)A 1999 29-5
TAA 1953 37

ATO references

NO:	05/3095
ISSN:	1833-0053