



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 *31 October 2012*



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 was published prior to 1 July 2010 and was a public ruling for the purposes of former section 37 of the **Taxation Administration Act 1953** and former section 105-60 of Schedule 1 to the **Taxation Administration Act 1953**.*

*From 1 July 2010, this document is taken to be a public ruling under Division 358 of Schedule 1 to the **Taxation Administration Act 1953**.*

A public ruling is an expression of the Commissioner's opinion about the way in which a relevant provision applies, or would apply, to entities generally or to a class of entities in relation to a particular scheme or a class of schemes.

If you rely on this ruling, the Commissioner must apply the law to you in the way set out in the ruling (unless the Commissioner is satisfied that the ruling is incorrect and disadvantages you, in which case the law may be applied to you in a way that is more favourable for you – provided the Commissioner is not prevented from doing so by a time limit imposed by the law). You will be protected from having to pay any underpaid tax, penalty or interest in respect of the matters covered by this ruling if it turns out that it does not correctly state how the relevant provision applies to you.

[Note: *This is a consolidated version of this document. Refer to the Legal Database (<http://law.ato.gov.au>) to check its currency and to view the details of all changes.]*

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 applies [to tax periods commencing] both before and after its date of issue. However, this Advice will not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of this Advice (see paragraphs 75 and 76 of Taxation Ruling TR 2006/10).

Related Rulings/Determinations/GST Advice:

TR 2006/10; 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 Sch 1 Div 358

ATO references

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