



GSTA TPP 034 - Goods and services tax: If an agent makes a single acquisition on behalf of multiple principals, can the tax invoice held by the agent be used by each principal to support the input tax credit claim for their respective shares of the acquisition?

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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: If an agent makes a single acquisition on behalf of multiple principals, can the tax invoice held by the agent be used by each principal to support the input tax credit claim for their respective shares of the acquisition?

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 2000/17 on tax invoices**. You can rely on the information presented in this document, which provides advice on the operation of the GST system.*

Answer

Yes, each principal can use the one tax invoice to claim the input tax credit on their creditable acquisition.

Background

A supplier issues a single tax invoice for a supply made in the name of a single recipient. The single recipient is an agent for multiple principals who acquire the goods through the agent. The multiple principals are not members of a GST group.

For example, a delivery of a single tanker load of fuel is made to a fuel depot where several different entities running bus services, that are not part of a GST group, draw fuel from the depot. The fuel supplier may not know who the multiple recipients are, may not know how much of the supply is destined for each of those recipients, or may be unwilling to deal with more than one entity in relation to the supply. For this reason, it issues a single tax invoice in the name of one entity for the whole supply.

Each of the entities drawing the fuel is able to determine how much of the fuel drawn from the fuel depot (including from the tanker load covered by this tax invoice) is attributable to their business operations. They will be seeking to claim input tax credits for their share of the creditable acquisitions covered by valid tax invoices, including the single tax invoice supplied in relation to this tanker load.

Explanation

Assuming an agency arrangement exists, the tax invoice need show only the agent's details (see paragraph 36 of GSTR 2000/17). Also each recipient can claim an input tax credit if the agent holds the one tax invoice. The Tax Office would require a basis of apportionment to be in place that reflects the actual usage of that common acquisition by each registered entity, and that the total input tax credits claimed do not exceed the amount of GST paid in tax invoices held by the agent. Each recipient should have records that explain their portion of the acquisition and the amount of consideration provided.

In relation to fuel supplies, under *A New Tax System (Goods and Services Tax) Act 1999 Classes of Recipient Created Tax Invoice Determination (No 3) 2001* RCTI 2001/3, the fuel supplier (who is the recipient of a taxable supply from a fuel wholesaler) may issue a recipient created tax invoice (RCTI) for a taxable supply (being a right of access to the fuel wholesaler's franchisee network) if all the requirements of RCTI 2001/3 are met. If they meet the requirements for RCTIs, the multiple entities may also seek a determination through their professional association to allow them to issue RCTIs in this situation.

Application of this GST Advice

This Advice is based on GSTR 2000/17. 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 2000/10

GSTR 2000/37

Subject references:

tax invoices

agency

input tax credits

Legislative references:

RCTI 2001/3

TAA 1953 37

ATO references

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