GSTR 2006/11W - Goods and services tax: appropriations

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This document has changed over time. This is a consolidated version of the ruling which was published on *1 July 2012*

Notice of Withdrawal

Goods and Services Tax Ruling

Goods and services tax: appropriations

Goods and Services Tax Ruling GSTR 2006/11 is withdrawn with effect from 1 July 2012.

1. Goods and Services Tax Ruling GSTR 2006/11 deals with the application of paragraph 9-15(3)(c) of the *A New Tax System (Goods and Services Tax) Act 1999* to payments made between government related entities that are specifically covered by an appropriation under an Australian law.

2. The matters addressed in the Ruling are now dealt with in Goods and Services Tax Ruling GSTR 2011/2, which issues today.

3. The reasoning in GSTR 2006/11 concerning the application of paragraph 9-15(3)(c) differed from the reasoning by the Full Federal Court in *TT-Line Company Pty Ltd v. Commissioner of Taxation.*[1] GSTR 2011/2 has been prepared to reflect the reasoning in the TT-line case concerning the application of paragraph 9-15(3)(c).

Transitional measure

4. The following transitional arrangements were developed in consultation with Commonwealth, State and Territory bodies and recognise the long lead time that is necessary for budget preparations. Entities continue to rely on GSTR 2006/11 for payments made before 1 July 2012. This allows entities sufficient time to make necessary changes to their practices and systems.

Budget preparations for payments made in the financial year beginning 1 July 2012 need to consider the views in this ruling that has replaced GSTR 2006/11.

If a supplier has relied on GSTR 2006/11 to determine that paragraph 9-15(3)(a) applies to a payment made for a supply then no GST is payable on that supply. This means that the recipient cannot claim an input tax credit in respect of that payment.

Commissioner of Taxation
13 July 2011

[1] [2009] FCAFC 178; (2009) 181 FCR 400; 2009 ATC 20-157; (2009) 74 ATR 771.

ATO references

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