


GSTR 2009/4A3 - Addendum - Goods and services tax: new residential premises and adjustments for changes in extent of creditable purpose

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Addendum

Goods and Services Tax Ruling

Goods and services tax: new residential premises and adjustments for changes in extent of creditable purpose

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Goods and Services Tax Ruling GSTR 2009/4 following the Administrative Appeals Tribunal (AAT) decision in *Domestic Property Developments Pty Ltd as trustee for the Dals Property Trust and Commissioner of Taxation* [2022] AATA 4436. In particular, the updates reflect that the AAT confirmed that marketing premises for sale is a 'use' of premises for the purposes of section 40-75 of the *A New Tax System (Goods and Services Tax) Act 1999* (the GST Act). However, the AAT clarified that the meaning of 'applied' in Division 129 of the GST Act and 'used' should not be interpreted consistently as a matter of course, and that 'used' takes its ordinary meaning.

Other amendments to GSTR 2009/4 reflect updates in line with current ATO accessibility requirements.

GSTR 2009/4 is amended as follows:

1. Preamble

Omit the preamble; substitute:

This publication is a public ruling for the purposes of the *Taxation Administration Act 1953*.

If this Ruling applies to you, and you correctly rely on it, we will apply the law to you in the way set out in this Ruling. That is, you will not pay any more tax or penalties or interest in respect of the matters covered by this Ruling.

2. Table of Contents

Omit the Table of Contents; substitute:

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3. Paragraph 4

Omit the wording of the paragraph; substitute ‘This Ruling applies to tax periods commencing both before and after its date of issue.’.

4. Paragraph 5

Omit footnote 1.

5. Paragraph 6

Omit the wording of footnote 2; substitute:

An entity may not be able to revise adjustments where the relevant tax periods are outside the relevant time limits specified in section 105 55 of Schedule 1 to the *Taxation Administration Act 1953*.

6. Paragraph 7

Omit ‘GST’; substitute ‘goods and services tax (GST)’.

7. Paragraph 10

Omit footnote 10.

8. Paragraph 13

Omit the wording of footnote 15; substitute:

See paragraph 45 of Goods and Services Tax Ruling GSTR 2000/24 *Goods and services tax: Division 129 – making adjustments for changes in extent of creditable purpose*.

9. Paragraph 14

(a) Omit 'the following table.'; substitute 'Table 1 of this Ruling:'.

(b) Omit the table; substitute:

Table 1: Number of adjustment periods for acquisitions

GST-exclusive value of the acquisition	Adjustment periods
\$5,000 or less	2
\$5,001 to \$499,999	5
\$500,000 or more	10

10. Paragraph 20

(a) After 'in this Ruling', insert a comma.

(b) Omit the wording of footnote 19; substitute:

Throughout this Ruling, all references are to an entity making input taxed supplies by way of lease. However, the Ruling also applies equally if an entity makes input taxed supplies of residential premises by way of hire or licence.

11. Paragraph 21

Omit 'commercial residential premises, '; substitute 'commercial residential premises;'.

12. Paragraph 24

Omit the wording of footnote 23; substitute:

If, prior to completion of construction, the entity decided to use the premises for residential rental rather than for the purpose of sale, some of the acquisitions may not be made solely for a creditable purpose. Refer to paragraphs 25 and 29 of this Ruling.

13. Paragraph 26

(a) Omit 'pick-up'; substitute 'pick up'.

(b) Omit 'market to improve.An objective'; substitute 'market to improve. An objective'.

14. Paragraph 29

Omit the wording of footnote 29; substitute:

For further detail on creditable purpose in the context of Division 11, refer to GSTR 2008/1.

15. Paragraph 31

(a) After 'Division 129', insert a comma.

(b) Omit the wording of footnote 32; substitute:

For discussion on the meaning of a 'thing' in the context of Divisions 11 and 129, see paragraphs 62 to 64 of this Ruling.

16. Paragraph 37

Omit the wording of footnote 37A; substitute:

As discussed at paragraphs 132 to 135 of this Ruling, if an entity has applied new residential premises for a creditable purpose in accordance with Division 129, the premises will also have been used other than for making supplies that are input taxed under paragraph 40-35(1)(a) and the requirements of the '5-year rule' in subsection 40-75(2) will not be satisfied.

17. Paragraph 41

Omit the wording of footnote 40; substitute:

Refer to comments of Bowen CJ in *Ku-Ring-gai Co-Op Building Society (No 12) Limited* [1978] FCA 107; 36 FLR 134 at [139].

18. Paragraph 43A

(a) Omit 'GXCX v.'; substitute 'GXCX and'.

(b) Omit the wording of footnote 41A; substitute:

[2009] AATA 569.

19. Paragraph 43B

(a) After 'In GXCX', insert a comma.

(b) After 'However', insert a comma.

20. Paragraph 44

After 'In such cases', insert a comma.

21. Paragraph 47A

(a) Omit 'enterprise activities an entity may be developing and/or constructing new residential premises'; substitute 'enterprise activities, an entity may be developing or constructing new residential premises, or both'.

(b) After 'In some cases', insert a comma.

22. Paragraph 47C

Omit 'enterprise, and pursuant to'; substitute 'enterprise and, pursuant to'.

23. Paragraph 47D

Omit 'developed/constructed'; substitute 'developed or constructed'.

24. Paragraph 47J

(a) After 'In some cases', insert a comma.

(b) Omit 'completed, individual'; substitute 'completed individual'.

(c) Omit the wording of footnote 41D; substitute:

Similar to the type of arrangement set out in paragraph 6 of Goods and Services Tax Ruling GSTR 2011/1 *Goods and services tax: development, lease and disposal of a retirement village tenanted under a 'loan-lease' arrangement*.

25. Paragraph 47K

Omit the wording of footnote 41E; substitute:

As discussed at paragraphs 132 to 135 of this Ruling, if an entity has applied new residential premises for a creditable purpose in accordance with Division 129, the premises will also have been used other than for making supplies that are input taxed under paragraph 40-35(1)(a) and the requirements of the '5-year rule' in subsection 40-75(2) will not be satisfied.

26. Paragraph 52

Omit 'and/or'; substitute 'or'.

27. Paragraph 53

After 'For further details', insert a comma.

28. Paragraph 54

(a) After '*During the construction stage*', insert a comma.

(b) After '*almost complete*', insert a comma.

29. Paragraph 55

Omit '*interest only*'; substitute '*interest-only*'.

30. Paragraph 57

- (a) After '*leasing the premises*', insert a comma.
- (b) After '*From this time*', insert a comma.

31. Paragraph 57B

Omit '*entire, completed*'; substitute '*entire completed*'.

32. Paragraph 58

After '*end of November*', insert a comma.

33. Paragraph 59

- (a) After '*In December*', insert a comma.
- (b) After '*Since this time*', insert a comma.

34. Paragraph 60

- (a) After '*end of November*', insert a comma.
- (b) After '*From December*', insert a comma.
- (c) After '*Therefore*', insert a comma.
- (d) After '*relevant adjustment period*', insert a comma.

35. Paragraph 63

After 'refers to "thing"', insert a comma.

36. Paragraph 64

Omit the wording of the paragraph; substitute:

While it is necessary to look at the application of the 'thing' into which the individual acquisitions have been incorporated, it is the individual acquisitions that are subject to adjustments under Division 129. Also, section 156-20 provides that for the purposes of Division 129, an acquisition by an entity that accounts otherwise than on a cash basis is treated as if each progressive or periodic component of the acquisition were a separate acquisition if it is made:

- (a) for a period or on a progressive basis; and
- (b) for consideration that is to be provided on a progressive or periodic basis.

37. Paragraph 65

- (a) Omit '*GST inclusive*'; substitute '*GST-inclusive*'.

- (b) Omit the bullet points; substitute:
- *Progress payment 1 – \$45,000*
 - *Progress payment 2 – \$45,000*
 - *Progress payment 3 – \$65,000*
 - *Progress payment 4 – \$65,000.*

38. Paragraph 68

- (a) Omit 'GST exclusive'; substitute 'GST-exclusive'.
- (b) Omit 'materials such as bricks, concrete, roofing, paint, etcetera'; substitute 'materials, including such items as bricks, concrete, roofing and paint'.

39. Paragraph 69

After '*On one project*', insert a comma.

40. Paragraph 70

After '*sell the premises quickly*', insert a comma.

41. Paragraph 72

After '*While leasing the premises*', insert a comma.

42. Paragraph 73

After '*premises for two years*', insert a comma.

43. Paragraph 75

After '*sell the premises*', insert a comma.

44. Paragraph 79

- (a) After '*Alex's enterprise*', insert a comma.
- (b) After '*referred to above*', insert a comma.
- (c) In the last sentence, after '*particular premises*', insert a comma.

45. Paragraph 80

After '*leasing the residential premises*', insert a comma.

46. Paragraph 81

After '*apportion its creditable purpose*', insert a comma.

47. Paragraph 81A

- (a) After '*under a loan-lease arrangement*', omit the comma.
- (b) Omit 'as discussed in paragraphs 47A to 47I of this Ruling'; substitute '(as discussed in paragraphs 47A to 47I of this Ruling)'.
- (c) Omit 'as discussed in paragraphs 47J to 47M of this Ruling'; substitute '(as discussed in paragraphs 47J to 47M of this Ruling)'.

48. Paragraph 83

- (a) Omit 'output based'; substitute 'output-based'.
- (b) Omit the formula; substitute:
$$\text{consideration for the taxable supply of the premises} \div (\text{consideration for the taxable supply of the premises} + \text{consideration for the input taxed supplies of residential premises by way or lease})$$

49. Paragraph 84

- (a) In the heading, omit '**output based**'; substitute '**output-based**'.
- (b) After '*new premises was slow*', insert a comma.

50. Paragraph 85

Omit the wording of the paragraph; substitute:

At the end of the next adjustment period following the sale, Jane calculates the extent of creditable purpose using the formula in paragraph 83 of this Ruling as $\$500,000 \div (\$500,000 + \$15,000) = 97.09\%$.

51. Paragraph 87

- (a) Omit 'remains"; substitute 'remains'.
- (b) After 'relevant adjustment period', insert a comma.
- (c) Omit 'output based'; substitute 'output-based'.

52. Paragraphs 88, 89, 126 and 153

Omit 'output based'; substitute 'output-based'.

53. Paragraph 92

Omit '*GST inclusive*'; substitute '*GST-inclusive*'.

54. Paragraph 94

After '*31 March 2007*', insert a comma.

55. Paragraph 95

Omit the wording of the paragraph; substitute:

For the 15 months from 1 April 2007 to 30 June 2008, John has applied the premises for both a creditable purpose and a non-creditable purpose. John works out the extent of creditable purpose for the relevant period by using an output-based indirect method (using estimated sales consideration) of $\$500,000 \div (\$500,000 + \$37,500) = 93.02\%$.

56. Paragraph 97

- (a) Omit 'output based'; substitute 'output-based'.
- (b) Omit 'time based'; substitute 'time-based'.

57. Paragraph 99

After '31 March 2007', insert a comma.

58. Paragraph 100

After '30 June 2008', insert a comma.

59. Paragraph 101

- (a) Omit 'time based'; substitute 'time-based'.
- (b) Omit the formula; substitute:
 $(6 \text{ months} \div 21 \text{ months} \times 100\%)$
 $= 28.57\%$.

60. Paragraph 102

Omit the wording of footnote 51; substitute:

John will need to make further adjustments in any subsequent relevant adjustment periods if he continues to apply the premises solely in relation to making input taxed supplies. If John later sells the premises, he may need to consider whether he is entitled to make a decreasing adjustment or whether subsection 40-75(2) applies if for at least five years the premises have only been used for making supplies by way of lease that are input taxed. See paragraphs 132 to 144 of this Ruling for further discussion of subsection 40-75(2).

61. Paragraph 104

- (a) After '31 December 2007', insert a comma.
- (b) After 'relevant period', insert a comma.

62. Paragraph 105

Omit the wording of the paragraph; substitute:

John works out the extent of creditable purpose for the relevant period in two steps. First, John uses an output-based indirect method (using estimated sales consideration) of $\$500,000 \div (\$500,000 + \$37,500) = 93.02\%$.

63. Paragraph 106

Omit the wording of the paragraph; substitute:

John now needs to undertake a further apportionment to reflect the fact that the premises were not held for the purpose of sale for the entire relevant period. This is calculated by adjusting the percentage in paragraph 105 of this Ruling by the proportion of the relevant period for which the premises were being held for the purpose of sale – being $93.02\% \times 15 \text{ months} \div 21 \text{ months} = 66.44\%$.

64. Paragraph 108

- (a) After 'purpose of sale', insert a comma.
- (b) After 'particular stratum unit', insert a comma.
- (c) After 'units constructed', insert a comma.

65. Paragraph 110

After 'construction of the units', insert a comma.

66. Paragraph 112

Omit the wording of the paragraph; substitute

Using the output-based indirect method, the extent of creditable purpose to which each of the units has been applied is $\$1,500,000 \div (\$1,500,000 + \$37,500) = 97.56\%$.

67. Paragraph 114

Omit the wording of the paragraph; substitute:

However, as unit 1 was applied solely for a creditable purpose it is necessary to ensure this is taken into account in determining the actual application of all of the four units for the purposes of determining the extent to which the acquisitions that relate equally to each of the four units have been applied for a creditable purpose. This is calculated by averaging the extent of creditable purpose calculated for each of the four units. That is:

$$\begin{aligned} \text{Average} &= (\text{Unit 1} + \text{Unit 2} + \text{Unit 3} + \text{Unit 4}) \div 4 \\ &= 98.17\% \end{aligned}$$

where:

- Unit 1 – 100%

- Unit 2 – 97.56%
- Unit 3 – 97.56%
- Unit 4 – 97.56%.

68. Paragraph 117

- (a) After 'of the construction', insert a comma.
- (b) After 'sell unit B and', insert a comma.
- (c) After 'sell the unit', insert a comma.

69. Paragraph 118

Omit the wording of the paragraph; substitute:

Using the output-based indirect method, the extent of creditable purpose to which unit B has been applied is $\$600,000 \div (\$600,000 + \$22,500) = 96.39\%$.

70. Paragraph 119

- (a) After 'related 40% to unit A', insert a comma.
- (b) Omit all instances of 'output based'; substitute 'output-based'.
- (c) After '= 97.83%', insert a full stop.

71. Paragraph 121

After 'In some cases', insert a comma.

72. Paragraph 123

Omit the wording of the paragraph; substitute:

At the end of the next adjustment period following the sale, Mary calculates the extent of creditable purpose using the formula set out in paragraph 83 of this Ruling for the output-based indirect method but uses the market value of rent as a notional value for her private and domestic application of the premises. So, $\$500,000 \div (\$500,000 + \$7,500) = 98.52\%$.

73. Paragraph 125

- (a) In the heading, omit 'output based'; substitute 'output-based'.
- (b) Omit all instances of 'output based'; substitute 'output-based'.
- (c) Omit 'time based'; substitute 'time-based'.

74. Paragraph 129

- (a) After 'reject this method', insert a comma.

- (b) Omit the wording of footnote 51A; substitute:

In *A Taxpayer and Commissioner of Taxation* [2011] AATA 160 at [27], the Administrative Appeals Tribunal accepted the reasoning as set out in paragraph 128 of this Ruling as to why an apportionment method based on the effective life of residential premises is not considered to be fair and reasonable.

75. Paragraph 130

After 'In broad terms', insert a comma.

76. Paragraph 132

- (a) In the heading, omit '**5 year rule**'; substitute '**5-year rule**'.
- (b) Omit the paragraph.

77. Paragraph 133

- (a) Omit all instances of '5 year'; substitute '5-year'.
- (b) After 'is satisfied', insert a comma.

78. Paragraph 134

- (a) Omit the wording of the paragraph; substitute:

'Used' is an important term in subsection 40-75(2). 'Used' takes its ordinary meaning in its context.^{51B} As noted in paragraph 33 of this Ruling, there is a strong similarity between the ordinary meanings of 'use' and 'apply' in this context. That is, the relevant meanings are largely synonymous. If an entity has 'applied' new residential premises for a creditable purpose under Division 129 (for example, the entity held the premises for the purpose of sale), the premises will also have been 'used' other than for making supplies that are input taxed under paragraph 40-35(1)(a). In such circumstances, subsection 40-75(2) will not be satisfied.

- (b) After 'in its context.', insert new footnote 51B:

^{51B} *Domestic Property Developments Pty Ltd as trustee for the Dals Property Trust and Commissioner of Taxation* [2022] AATA 4436 at [44–47].

79. Paragraph 135

Omit the paragraph, including footnote 52.

80. Paragraph 138

- (a) Omit the wording of footnote 53; substitute:

See, for example, *Newcastle City Council v Royal Newcastle Hospital* [1957] HCA 15; 96 CLR 493 at [515], per Taylor J; *Ryde Municipal Council v Macquarie University* [1978] HCA 58; 139 CLR 633 at [637], per Gibbs ACJ and at [651], per Stephen J.

- (b) Omit 'It is considered that a broad interpretation of 'used' in subsection 40-75(2) to extend to any uses of the premises by the entity including applications for a

creditable purpose by way of holding premises for the purpose of sale is consistent with the intended policy referred to in the Explanatory Memorandum (see paragraph 135 of this Ruling).'; substitute:

It is considered that a broad interpretation of 'used' in subsection 40-75(2) to extend to any uses of the premises by the entity including applications for a creditable purpose by way of holding premises for the purpose of sale is consistent with the intended policy. See the Revised Explanatory Memorandum to the Taxation Laws Amendment Bill (No. 8) 2000, which introduced section 40-75.^{53A}

- (c) After 'which introduced section 40-75.' insert new footnote 53A:

^{53A} The policy intent, as explained at paragraphs 1.16 and 1.17 of the Revised Explanatory Memorandum to the Taxation Laws Amendment Bill (No. 8) 2000, was that new residential premises will not be taxable if an entity is not entitled to input tax credits for acquisitions relating to the construction of the premises.

81. Paragraph 139

- (a) In the heading, omit '**5 year rule**'; substitute '**5-year rule**'.
- (b) After '*On completion of the premises*', insert a comma.

82. Paragraph 143

- (a) After '*six months of this period*', insert a comma.
- (b) After '*Therefore*', insert a comma.
- (c) Omit all instances of '*5 year*'; substitute '*5-year*'.

83. Paragraph 145

Omit the headings before the paragraph; substitute '**Further example**'.

84. Paragraph 146

Omit the wording of the paragraph, including heading; substitute:

Example 19 – property development where premises are constructed for sale but leased prior to sale – worked example

Facts

David, a property developer, is registered for GST and accounts for GST on a quarterly basis. David also accounts on a basis other than cash. The following occurs:

Table 2: Sequence of events

Date	Event
30 August 2006	David acquires a block of land for \$220,000 (GST-inclusive). The margin scheme was not applied.

Date	Event
10 September 2006	David entered into a contract with a builder to construct new residential premises on the land. The contract price was \$198,000 (GST-inclusive).
10 October 2006	David made a progress payment of \$55,000.
31 January 2007	David made a progress payment of \$77,000.
2 April 2007	David made a final payment of \$66,000.

85. Paragraph 150

Omit the wording of the paragraph; substitute:

Each of the progress payments will be treated as a separate acquisition for the purposes of Division 129.⁵⁷ The first adjustment period is a tax period that ends on 30 June and commences at least 12 months after the end of the tax period to which each acquisition was attributed. The relevant adjustment periods are as follows:

Table 3: Relevant adjustment periods

Acquisition date	Acquisition cost (GST-exclusive)	First adjustment period	Number of adjustment periods
30 August 2006 (land)	\$200,000	Tax period ending 30 June 2008	5
10 October 2006 (progress payment)	\$50,000	Tax period ending 30 June 2008	5
31 January 2007 (progress payment)	\$70,000	Tax period ending 30 June 2008	5
2 April 2007 (final payment)	\$60,000	Tax period ending 30 June 2009	5

86. Paragraph 151

After 'sale of the new residential premises', insert a comma.

87. Paragraph 152

- (a) After 'until 30 June 2008', insert a comma.
- (b) Omit 'output based'; substitute 'output-based'.
- (c) After 'During this period', insert a comma.
- (d) Omit the last sentence, including the formula; substitute:

The extent of creditable purpose for the relevant period up to 30 June 2008 is therefore $\$550,000 \div (\$550,000 + \$22,000) = 96.15\%$.

88. Paragraph 155

Omit the wording of the paragraph; substitute:

Applying the method statement in respect of the land:

- *Step 1 – The extent to which the thing has been applied for a creditable purpose during the period 30 August 2006 to 30 June 2008 is 96.15%.*
- *Step 2 – The extent to which the thing was acquired for a creditable purpose is 100%, as the planned use at the time of the acquisition was not to make any input taxed supplies.*
- *Step 3 – As the actual application of the thing acquired is less than the intended or former application of the thing, David will have an increasing adjustment.*

89. Paragraph 158

Omit the wording of the paragraph; substitute:

Therefore, the increasing adjustment in respect of the land is calculated as follows:

$$\begin{aligned} & \$20,000 \times (100\% - 96.15\%) \\ & = \$770. \end{aligned}$$

90. Paragraph 159

Omit the formula; substitute:

$$\begin{aligned} & \$5,000 \times (100\% - 96.15\%) \\ & = \$192.50. \end{aligned}$$

91. Paragraph 160

Omit the formula; substitute:

$$\begin{aligned} & \$7,000 \times (100\% - 96.15\%) \\ & = \$269.50. \end{aligned}$$

92. Paragraph 161

After '*business activity statement*', insert '(BAS)'.

93. Paragraph 163

- After '*1 August 2007 until 30 June 2009*', insert a comma.
- Omit '*output based*'; substitute '*output-based*'.
- After '*During this period*', insert a comma.
- Omit the last sentence, including the formula; substitute:

The extent of creditable purpose for the relevant period up to 30 June 2009 is therefore $\$480,000 \div (\$480,000 + \$46,000) = 91.25\%$.

94. Paragraph 164

- (a) After '2 April 2007', insert a comma.
- (b) Omit 'output based'; substitute 'output-based'.

95. Paragraph 166

Omit the wording of the paragraph; substitute:

Applying the method statement in respect of the land:

- *Step 1 – The extent to which the thing has been applied for a creditable purpose during the period 30 August 2006 to 30 June 2009 is 91.25%.*
- *Step 2 – The intended or former application as calculated above for the adjustment period ending 30 June 2008 was 96.15%.*
- *Step 3 – As the actual application of the thing acquired is less than the intended or former application of the thing, David will have an increasing adjustment.*

96. Paragraph 168

Omit the formula; substitute:

$$\begin{aligned} & \$20,000 \times (96.15\% - 91.25\%) \\ & = \$980. \end{aligned}$$

97. Paragraph 169

Omit the formula; substitute:

$$\begin{aligned} & \$5,000 \times (96.15\% - 91.25\%) \\ & = \$245. \end{aligned}$$

98. Paragraph 170

Omit the formula; substitute:

$$\begin{aligned} & \$7,000 \times (96.15\% - 91.25\%) \\ & = \$343. \end{aligned}$$

99. Paragraph 171

Omit the formula; substitute:

$$\begin{aligned} & \$6,000 \times (100\% - 91.25\%) \\ & = \$525. \end{aligned}$$

100. Paragraphs 172 and 182

Omit 'business activity statement'; substitute 'BAS'.

101. Paragraph 173

- (a) Omit 'output based'; substitute 'output-based'.
- (b) Omit the formula; substitute:

consideration for the taxable supply of the premises ÷ (consideration for the taxable supply of the premises + consideration for the input taxed supplies of residential premises by way of lease).

102. Paragraph 174

Omit the last sentence, including the formula; substitute:

The extent of creditable purpose under the formula is therefore \$500,000 ÷ (\$500,000 + \$68,000) = 88.03%.

103. Paragraph 176

Omit the wording of the paragraph; substitute:

Applying the method statement in respect of the land:

- *Step 1 – The extent to which the thing has been applied for a creditable purpose during the period 30 August 2006 to 30 June 2010 is 88.03%.*
- *Step 2 – The intended or former application as calculated above for the adjustment period ending 30 June 2009 was 91.25%.*
- *Step 3 – As the actual application of the thing acquired is less than the intended or former application of the thing, David will have an increasing adjustment.*

104. Paragraph 178

- (a) Omit the wording of the paragraph; substitute:

In accordance with the formula in section 129-70, the increasing adjustment in respect of the land is calculated as:

$$\begin{aligned} & \$20,000 \times (91.25\% - 88.03\%) \\ & = \$644. \end{aligned}$$

- (b) Omit footnote 59.

105. Paragraph 179

Omit the formula; substitute:

$$\begin{aligned} & \$5,000 \times (91.25\% - 88.03\%) \\ & = \$161. \end{aligned}$$

106. Paragraph 180

Omit the formula; substitute:

$$\$7,000 \times (91.25\% - 88.03\%)$$

= \$225.40.

107. Paragraph 181

Omit the formula; substitute:

$\$6,000 \times (91.25\% - 88.03\%)$

= \$193.20.

108. Paragraph 183

Omit the wording of the paragraph; substitute:

David's overall GST position in relation to input tax credits and adjustments for the four acquisitions is as follows:

- *Land:*
 - \$20,000 input tax credit (30 September 2006 BAS)
 - \$770 increasing adjustment (30 June 2008 BAS)
 - \$980 increasing adjustment (30 June 2009 BAS)
 - \$644 increasing adjustment (30 June 2010 BAS)
 - Net result – \$17,606 credit
- *10 October 2006 progress payment:*
 - \$5,000 input tax credit (31 December 2006 BAS)
 - \$192.50 increasing adjustment (30 June 2008 BAS)
 - \$245 increasing adjustment (30 June 2009 BAS)
 - \$161 increasing adjustment (30 June 2010 BAS)
 - Net result – \$4,401.50 credit
- *31 January 2007 progress payment:*
 - \$7,000 input tax credit (31 March 2007 BAS)
 - \$269.50 increasing adjustment (30 June 2008 BAS)
 - \$343 increasing adjustment (30 June 2009 BAS)
 - \$225.40 increasing adjustment (30 June 2010 BAS)
 - Net result – \$6,162.10 credit
- *2 April 2007 final progress payment:*
 - \$6,000 input tax credit (30 June 2007 BAS)
 - \$525 increasing adjustment (30 June 2009 BAS)
 - \$193.20 increasing adjustment (30 June 2010 BAS)
 - Net result – \$5,281.80 credit.

109. Paragraph 184

Omit the paragraph.

This Addendum applies both before and after its date of issue.

Commissioner of Taxation

18 March 2026

ATO references

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