GSTR 2012/7EC - Compendium

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Ruling Compendium – GSTR 2012/7

This is a compendium of responses to the issues raised by external parties to draft GSTR 2011/D2 and GSTR 2012/D1 – Goods and services tax: residential premises and commercial residential premises that are applicable to GSTR 2012/7 Goods and services tax: long term accommodation in commercial residential premises.

This compendium of comments has been edited to maintain the anonymity of entities that commented on the draft ruling. Paragraph or example references under 'issue raised' are to GSTR 2011/D2 or GSTR 2012/D1 as applicable. Paragraph or example references under 'ATO Response/Action taken' are to GSTR 2012/7 unless otherwise indicated.

Summary of issues raised and responses

GSTR 2011/D2

Issue No.	Issue raised	ATO Response/Action taken
1	With respect to paragraph 271, I cannot see where you get 5.5%. In reference to Example 22 (paragraph 103 – 104), the normal price is \$100 a week; the reduced valuation is \$50 a week; the GST of 10% is \$5.00 a week; Florinda charges the client \$105 a week; the 1/11 does not apply in situations like this; Florinda should send \$5.00 to the ATO; the GST is 4.76% of the price charged to the client.	The reference to the reduction in price by 50% equating to a rate of GST of 5.5% has not been retained in the Ruling. The non-modified price of the supply in Example 2 is \$110. We do not agree that the GST payable in the example is \$5.00 rather than \$5.50 as the value of the supply is 50% of what would be the price of the supply if Division 87 did not apply. See paragraphs 28 – 29 of the Ruling.
2	Would it be helpful to give commercial residential premises operators a short cut by saying the GST is 1/11 th for the first 27 days, and 5.213% of the total charge after that date (so they don't use 5.5% by mistake)? In Example 22, 5.50 divided by 105.50 equals 5.213%	The reference to the reduction in price by 50% equating to a rate of GST of 5.5% has not been retained in the Ruling.

This edited version of the Compendium of Comments is not intended to be relied upon. It provides no protection from primary tax, penalties, interest or sanctions for non-compliance with the law.

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Summary of issues raised and responses

GSTR 2012/D1

Issue No.	Issue raised	ATO Response/Action taken
1	The ruling is over 82 pages, it is complex and difficult to understand.	 GSTR 2012/D1 has been broken up into four products: GSTR 2012/5 Goods and services tax: residential premises; GSTR 2012/6 Goods and services tax: commercial residential premises; and GSTR 2012/7 Goods and services tax: long-term accommodation in commercial residential premises GSTD 2012/11 Goods and services tax: have new residential premises been used for residential accommodation before 2 December 1998 for the purposes of paragraph 40-65(2)(b) of the A New Tax System (Goods and Services Tax) Act 1999 where the premises were only operated as commercial residential premises before that date?