

Separately titled garage - not sold with a residential unit -

⚠ This cover sheet is provided for information only. It does not form part of *Separately titled garage - not sold with a residential unit -*

⚠ This publication is extracted from section 15 - sale or real property of the Property and Construction Industry Partnership - issues register. See issue 15.4.20 of that register. This publication should be read in conjunction with the related content of that register where further context is required.

⚠ This document has changed over time. This is a consolidated version of the ruling which was published on *1 July 2010*



Property and Construction Industry Partnership

Separately titled garage – not sold with a residential unit

! This publication provides you with the following level of protection:

This publication (excluding appendixes) is a public ruling for the purposes of 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.

Is the supply of a separately titled residential unit garage (not sold in conjunction with a residential unit) input taxed as a supply of residential premises under section 40-65 of the GST Act?

ATO position

1. The ATO view is based on the character of the supply. The fact that garages can be bought and sold separately is indicative of a garage potentially having a character separate from residential premises. It is the ATO view that residential premises are determined by their characteristics and actual use. A garage supplied independently of a residential unit cannot be occupied as a residence and therefore does not have the characteristics of residential premises. For further particulars relating to the characteristics of residential premises reference should be made to GSTR 2000/20 commencing at paragraph 24.

2. Separately sold garages do not have the necessary connection with residential premises. Where the supply of the garage is separate from the supply of residential premises, the garage will take on its own character and will not be residential premises to used predominantly for residential accommodation. Therefore the separate sale of a garage will be a taxable supply if the requirements of section 9-5 of the GST Act are met.