

Separately titled garage - not sold with a residential unit -

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! 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

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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.