


# ***GIR/electricity-gas-industry-partnerships -***

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## Electricity and Gas Industry Partnerships – issues register

This issues register, originally published on our main website, provides guidance on issues identified during past consultation with industry participants.

Issues in this register that are a public ruling can now be found in the *Public Rulings* section of this Legal Database.

Issues in this register that have not been labelled as public rulings, constitute written guidance. We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information on these issues and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest. If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

If you feel that the guidance in this issues register does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

## Solar power grid-connected electrical systems

### **1 Are there any GST implications for owners of grid-connected solar power generation equipment in respect of electricity supplied via the network?**

Yes, if the solar owner is registered for GST.

The supply of solar generated electricity from a solar owner to an electricity retailer is a supply for GST purposes. If the solar owner is registered for GST and the supply is made as part of carrying on their enterprise, it is a taxable supply.

The supply of solar generated electricity from a solar owner via the network is a separate supply from the supply of electricity by an electricity retailer to the solar owner. Therefore, the electricity supplies made by the solar owner and the electricity retailer need to be accounted for separately. Where there are mutual supplies for consideration, the GST law does not allow the price for one supply to be reduced by the price of another.

When an electricity retailer supplies electricity to a solar owner, the electricity retailer must calculate the GST on the full value of the electricity they supply to the solar owner, not on the net amount the solar owner pays to the electricity retailer.

#### **See also:**

For the source of ATO view, refer to paragraphs 67 to 70 and 92 of [GSTR 2006/9](#) - Goods and services tax: supplies.

### **2 What value is used to determine the GST payable on a taxable supply of electricity by an electricity retailer to a solar owner?**

The GST payable on a taxable supply of electricity by an electricity retailer to a solar owner is calculated on the value of electricity supplied by the electricity retailer. This is not offset

or reduced by any electricity that may be supplied by the solar owner to the electricity retailer.

The supply of electricity by an electricity retailer is separate from the supply by the solar owner to the electricity retailer.

**See also:**

Non-interpretative - other reference (see paragraphs 67 to 70 and 92 of [GSTR 2006/9](#) - Goods and services tax: supplies.

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