



# ***A New Tax System (Goods and Services Tax) Act 1999 Classes of Recipient Created Tax Invoice Determination (No. 22) 2000***

**as amended**

made under subsection 29-70(3) of the *A New Tax System (Goods and Services Tax) Act 1999* and subsection 4(1) of the *Acts Interpretation Act 1901*.

This compilation was prepared on **18 May 2009**

taking into account amendments up to *Recipient Created Tax Invoice – Embedded Agreement Amending Legislative Instrument 2009*

Prepared by the Goods and Services Tax Centre of Expertise,  
Australian Taxation Office

**Citation (see Note 1)**

1. This determination may be cited as the *A New Tax System (Goods and Services Tax) Act 1999 Classes of Recipient Created Tax Invoice Determination (No. 22) 2000*.

**Commencement (see Note 1)**

2. (a) This determination commences on 18<sup>th</sup> September 2000.  
(b) This determination does not revoke or vary any previous determination made by the Commissioner or a delegate of the Commissioner.

**Application of determination**

3. This determination applies to an entity not determined previously as being able to issue a tax invoice belonging to a class of tax invoices that may be issued by a recipient.

**Classes of Tax Invoices that may be issued by the recipient of a taxable supply**

4. A tax invoice that belongs to a class of tax invoices for a taxable supply of labour services may be issued by an entity that is the recipient of that taxable supply where the recipient:
  - (i) establishes the value of those services after the supply is made using a calculation process; and
  - (ii) satisfies the requirements set out in Clause 5.

**Requirements that must be satisfied by a recipient of a taxable supply**

5. A recipient must satisfy the following requirements:
  - (a) the recipient must be registered for GST when the invoice is issued;
  - (b) the recipient must set out in the tax invoice the ABN of the supplier;
  - (c) the recipient must issue the original or a copy of the tax invoice to the supplier within 28 days of making, or determining, the value of a taxable supply and must retain the original or the copy;
  - (d) the recipient must issue the original or a copy of an adjustment note to the supplier within 28 days of the adjustment and must retain the original or the copy;
  - (e) the recipient must reasonably comply with its obligations under the taxation laws;
  - (f) the recipient must have either:
    - a written agreement with the supplier specifying the supplies to which it relates, that is current and effective when the RCTI is issued, agreeing that:

- (i) the recipient can issue tax invoices in respect of the supplies;
- (ii) the supplier will not issue tax invoices in respect of the supplies;
- (iii) the supplier acknowledges that it is registered for GST when it enters into the agreement and that it will notify the recipient if it ceases to be registered; and
- (iv) the recipient acknowledges that it is registered when it enters into the agreement and that it will notify the supplier if it ceases to be registered for GST; or
- an agreement with the supplier embedded in an RCTI it issues that contains the following statement:

The recipient and the supplier declare that this agreement applies to supplies to which this tax invoice relates. The recipient can issue tax invoices in respect of these supplies. The supplier will not issue tax invoices in respect of these supplies. The supplier acknowledges that it is registered for GST and that it will notify the recipient if it ceases to be registered. The recipient acknowledges that it is registered for GST and that it will notify the supplier if it ceases to be registered for GST. Acceptance of this RCTI constitutes acceptance of the terms of this written agreement.

Both parties to this supply agree that they are parties to an RCTI agreement. The supplier agrees to notify the recipient if the supplier does not wish to accept the proposed agreement within 21 days of receiving this document.

- (g) the recipient must not issue a document that would otherwise be a recipient created tax invoice, on or after the date when the recipient or the supplier has failed to comply with any of the requirements of this determination;
- (h) if the recipient has a current GST turnover of less than \$1,000,000, it must notify the Commissioner in writing of the recipient's intention to use recipient created tax invoices. This notification must be made before 14 days have elapsed after the first occasion that a recipient created tax invoice is issued by that recipient.

### **Definitions**

6. The following expressions are defined for the purposes of this determination:

**calculation process** is limited to the following:

**base data**    x    **appropriate rate**

where:

**base data** is the information provided by the supplier that evidences the quantity of the supply, and includes but is not limited to:

- completion of time sheets;
- listing of consultations conducted;
- completion of job dockets (however described);
- listing of sales achieved (whether by type and/or volume);
- bookings obtained; or
- providing the goods to the recipient where the labour services involves the collection or delivery of goods;

**appropriate rate** means the rate as determined by the recipient (whether or not in consultation with the supplier) that takes into account information not readily available to the supplier when the supply is made. This includes but is not limited to:

- sales rebates;
- third party rebates (for example, from a health fund);
- volume discounts;
- confidential contractual information; or
- where the labour services involves the delivery of goods, quantity or quality checks of those goods;

**labour services** includes any incidental supply of goods (whether or not to the recipient) where those goods are necessarily supplied as a result of those services.

7. Other expressions in this determination have the same meaning as in the *A New Tax System (Goods and Services Tax) Act 1999*.

## Table of Instruments

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# **Notes to the *A New Tax System (Goods and Services Tax) Act 1999 Classes of Recipient Created Tax Invoice Determination (No. 22) 2000***

## **Note 1**

The *A New Tax System (Goods and Services Tax) Act 1999 Classes of Recipient Created Tax Invoice Determination (No. 22) 2000* (in force under subsection 29-70(3) of the *A New Tax System (Goods and Services Tax) Act 1999*) as shown in this compilation is amended as indicated in the Tables below.

## **Table of Instruments**

<b>Title</b>	<b>Date of FRLI registration</b>	<b>Date of commencement</b>
<i>A New Tax System (Goods and Services Tax) 1999 Classes of Recipient Created Tax Invoice Determination (No. 22) 2000</i>	see F2006B00343	18 September 2000
Recipient Created Tax Invoice - GST Terminologies Amending Legislative Instrument 2007	22 May 2007(see F2007L01466)	21 June 2007
Recipient Created Tax Invoice – Embedded Agreement Amending Legislative Instrument 2009	14 May 2009 (see F2009L01772)	1 July 2009

**Table of Amendments**

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**Table of Amendments**

ad. = added or inserted    am. = amended    rep. = repealed    rs. = repealed and substituted

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<b>Provision affected</b>	<b>How affected</b>
Clause 5	am. (F2007L01466)
Clause 5	am. (F2009L01772)