


GSTA TPP 001 - Goods and services tax: Are investors (participants) in an agricultural managed investment scheme required to register for GST?

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 This document has changed over time. This is a consolidated version of the ruling which was published on *31 October 2012*



Goods and Services Tax Advice

Goods and services tax: are investors (participants) in an agricultural managed investment scheme required to register for GST?

Preamble

This document was published prior to 1 July 2010 and was a public ruling for the purposes of former section 37 of the **Taxation Administration Act 1953** and former section 105-60 of Schedule 1 to the **Taxation Administration Act 1953**.

From 1 July 2010, this document is taken to be a public ruling under Division 358 of Schedule 1 to 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.

[Note: This is a consolidated version of this document. Refer to the Legal Database (<http://law.ato.gov.au>) to check its currency and to view the details of all changes.]

Answer

An individual investor (sometimes referred to as a 'grower' or a 'participant') is required to be registered for GST if the investor meets the registration turnover threshold and is carrying on an enterprise. There is no capacity for the manager of an agricultural scheme to register for individual investors.

Section 23-5 of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act) states that an entity is required to be registered if it is carrying on an enterprise; and its annual turnover meets the registration turnover threshold. Subsection 23-15(1) of the GST Act provides that the registration turnover for an entity that is not a non-profit body is \$50,000.

Agricultural managed investment schemes are often structured so that investors carry on individual enterprises by engaging in business activities as primary producers. If an investor is carrying on an enterprise and they meet the registration turnover threshold, the investor is required to be registered for GST. These questions are determined on a case by case basis.

Application of this GST Advice

This Advice applies [to tax periods commencing] both before and after its date of issue. However, this Advice will not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of this Advice (see paragraphs 75 and 76 of Taxation Ruling TR 2006/10).

Commissioner of Taxation
14 June 2005

Related Rulings/Determinations/GST Advice:

TR 97/11; TR 2000/8; TR 2006/10

Subject references:

carrying on an enterprise
GST turnover threshold
required to be registered

Legislative references:

ANTS(GST)A 1999 23-5
ANTS(GST)A 1999 23-15(1)
TAA 1953 Sch 1 Div 358

ATO references

NO:	05/3095
ISSN:	1833-0053