



GSTA TPP 003 - Goods and services tax: Can an employer claim input tax credits for expenses incurred on behalf of a superfund?

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 This document has changed over time. This is a consolidated version of the ruling which was published on *14 June 2005*



Goods and Services Tax Advice

Goods and services tax: Can an employer claim input tax credits for expenses incurred on behalf of a superfund?

Preamble

This document is a ruling for the purposes of section 37 of the Taxation Administration Act 1953. You can rely on the information presented in this document, which provides advice on the operation of the GST system.

Answer

No, the employer is not entitled to the input tax credit for the expenses where the acquisition is made by the superannuation fund.

Background

Vendors supply goods and services to a superannuation fund. An employer pays for the goods and services on behalf of the superannuation fund.

Explanation

Under the GST Act, input tax credits are generally available to a registered entity in relation to things acquired in the course of carrying on its enterprise. A superannuation fund is a separate entity and enterprise to that of the employer. Where an employer incurs expenses on behalf of the superannuation fund, the employer is generally not entitled to input tax credits for the GST included in the expenses. This is because although the employer is providing the consideration for the supply, it is not a creditable acquisition to the employer. The supply is made to the recipient – the superannuation fund – not the employer. Therefore, the company has not made a creditable acquisition under section 11-5 of the GST Act. However, there are some limited circumstances where, depending on fact and degree, the employer may be entitled to input tax credits for expenses incurred on behalf of a superannuation fund. This would be where it can be established that the employer has made the acquisition but directed the acquisition to be provided to the superannuation fund.

Application of this GST Advice

It explains our view of the law as it applied from 1 July 2000. You can rely on this Advice on and from its date of issue for the purposes of section 37 of the *Taxation Administration Act 1953*. Goods and Services Tax Ruling GSTR 1999/1 explains the GST rulings system and our view of when you can rely on our interpretation of the law in GST public and private rulings.

If this Advice conflicts with a previous private ruling that you have obtained, this public ruling prevails. However, if you have relied on a private ruling, you are protected in respect of what you have done up to the date of issue of this public ruling. This means that if you have underpaid an amount of GST, you are not liable for the shortfall prior to the date of issue of this later ruling. Similarly, you are not liable to repay an amount overpaid by the Commissioner as a refund.

Commissioner of Taxation

Date

Related Rulings/Determinations/GST Advice:

MT2004/D2

Subject references:

entity
creditable acquisition
input tax credits
superannuation

Legislative references:

TAA 1953 37
ANTS(GST) A99 11-5

ATO references

NO:	05/3095
ISSN:	1833-0053