



***GSTA TPP 025 - Goods and services tax: Is a document offering to make a supply (for example, enrolment or membership of an organisation) a tax invoice issued by the supplier once the offer is accepted by the recipient making payment and completing the details on the document?***

 This cover sheet is provided for information only. It does not form part of *GSTA TPP 025 - Goods and services tax: Is a document offering to make a supply (for example, enrolment or membership of an organisation) a tax invoice issued by the supplier once the offer is accepted by the recipient making payment and completing the details on the document?*

 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:** Is a document offering to make a supply (for example, enrolment or membership of an organisation) a tax invoice issued by the supplier once the offer is accepted by the recipient making payment and completing the details on the document?

### Preamble

*This document is a ruling for the purposes of section 37 of the Taxation Administration Act 1953. It illustrates the principles contained in the Addendum to **Goods and Services Tax Ruling GSTR 2000/17 on tax invoices**. You can rely on the information presented in this document, which provides advice on the operation of the GST system.*

### Answer

Although an offer document is not an invoice for GST purposes, in some situations, the Tax Office will treat a renewal notice as a tax invoice. If this occurs the recipient will be able to use the document to claim input tax credits.

### Explanation

The Tax Office view on the GST treatment of documents that are merely offers is explained in paragraphs 26A and 26B of Goods and Service Tax Ruling GSTR 2000/17 as follows:

26A. In some situations, you may issue a document to a prospective recipient that is an offer to make a supply. Examples are subscriptions to trade magazines, access to online legal research, membership of professional associations and provision of training courses or seminars. You will not know whether there will be a supply when you issue the document. Where the prospective recipient is offered a choice of supplies or early payment options you will not know which, or how many, of the offered supplies will be accepted, nor will you know the final price for the supply or supplies accepted. Because a tax invoice is a document that relates to a taxable supply, the

offer document cannot be a tax invoice when it is issued.

26B. To save suppliers from having to issue another document if the offer is accepted, the Commissioner will treat an offer document as a tax invoice in the following circumstances. This discretion is exercised only in respect of offers made to multiple parties (for example, all the members of an association or a substantial number of members). It is not being exercised for an offer made by a supplier to a single recipient (for example, a 'quote' given by a professional or tradesperson). Subject to these limitations, the Commissioner exercises this discretion, where the following conditions are met

- the offer must be accepted and payment made; and
- the offer document, when issued by the supplier, meets the requirements of subsection 29-70(1) in respect of the total of all supplies being offered; and
- the offer document is completed by the prospective recipient and, when completed, indicates the supplies accepted, the total amount payable and the GST included in that amount; and
- the offer document includes the following or similar statement:  
'This document will be a tax invoice for GST when fully completed and you make a payment.'

The topic of offer documents and attribution of GST is discussed in GSTA TPP 024.

## Application of this GST Advice

This Advice is based on GSTR 2000/17. 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.

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## Commissioner of Taxation

Date

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### *Related Rulings/Determinations/GST Advice:*

GSTA TPP 024

### *Subject references:*

tax invoice  
taxable supply  
renewal notice  
input tax credits  
payment  
offer documents

### *Legislative references:*

ANTS(GST)A 1999 29-70(1)  
TAA 1953 37

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## ATO references

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