



GSTA TPP 031 - Goods and services tax: Who is entitled to claim the input tax credit on an acquisition where the recipient shown on the tax invoice is a member of a GST group?

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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: Who is entitled to claim the input tax credit on an acquisition where the recipient shown on the tax invoice is a member of a GST group?

Preamble

*This document is a ruling for the purposes of section 37 of the Taxation Administration Act 1953. It illustrates the principles contained in **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

The representative member of the GST group is entitled to the input tax credit (ITC).

Explanation

Under subsection 48-45(1) of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act), where a member of a GST group makes a creditable acquisition, the representative member is entitled to the ITC, and the group member making the acquisition is not entitled to the ITC.

Conversely, as explained in paragraphs 77 and 78 of Goods and Services Tax Ruling GSTR 2000/17 on tax invoices,

77. If you are a member of a GST group, the representative member of your group is liable for the GST payable on the taxable supplies that you make.

78. Even though the special rule in Division 48 makes the representative member liable to pay the GST, you are the entity that makes the taxable supply. As such, you must issue a tax invoice for the taxable supply when requested by the recipient. However, you may authorise the representative member to issue tax invoices on your behalf. The tax invoice must include your details and not the details of the representative member of your group.

Note: In a situation where a group member makes an acquisition as an agent for another group member, the representative member is still entitled to the ITC.

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.

Commissioner of Taxation

Date

Subject references:

tax invoices
input tax credits
GST groups

Legislative references:

ANTS(GST)A 1999 Div 48
ANTS(GST)A 1999 48-45(1)
TAA 1953 37

ATO references

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