


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?

 This cover sheet is provided for information only. It does not form part of *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?*

 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: 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 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

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 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).

Related Rulings/Determinations/GST Advice:

TR 2006/10; GSTR 2000/17

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 Sch 1 Div 358

ATO references

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