


GSTA TPP 032 - Goods and services tax: Can a tax invoice show an amount representing combined GST and wine equalisation tax (together sometimes called WEG) instead of the amount of 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: can a tax invoice show an amount representing combined GST and wine equalisation tax (together sometimes called WEG) instead of the amount of 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

No. A document that does not clearly show the amount of GST, or how to calculate it, is not a valid tax invoice.

Explanation

Generally, an entity must hold a tax invoice to claim an input tax credit for a creditable acquisition. The maximum amount of the input tax credit is generally the amount of GST payable on the supply (which amount does not include wine equalisation tax (WET)).

A tax invoice is a document that sets out certain things required by the GST law. Among other things, it must show the total amount of GST payable on the supply to which the tax invoice relates. An exception to this general rule is if the tax invoice only shows taxable supplies and the GST payable on those supplies is exactly 1/11th of the total price. In this case a statement to the effect that the total amount payable includes GST may be shown instead of the GST amount.

A document that shows the 'WEG' amount (a term used by some software programs meaning a combined amount of GST plus WET) in place of the GST amount does not meet the tax invoice requirements since the total amount of GST on the tax invoice is not shown. It may also mislead purchasers into inadvertently claiming an excessive input tax credit by implying an input tax credit is available for the WET, which is not the case.

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

Subject references:

tax invoices
wine equalisation tax
WEG

Legislative references:

TAA 1953 Sch 1 Div 358

Other references:

Fact sheet *The wine industry. How the use of invoices with a WEG label affects you*

ATO references

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