


GSTA TPP 034 - Goods and services tax: If an agent makes a single acquisition on behalf of multiple principals, can the tax invoice held by the agent be used by each principal to support the input tax credit claim for their respective shares of the acquisition?

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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: if an agent makes a single acquisition on behalf of multiple principals, can the tax invoice held by the agent be used by each principal to support the input tax credit claim for their respective shares of the acquisition?

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

Yes, each principal can use the one tax invoice to claim the input tax credit on their creditable acquisition.

Background

A supplier issues a single tax invoice for a supply made in the name of a single recipient. The single recipient is an agent for multiple principals who acquire the goods through the agent. The multiple principals are not members of a GST group.

For example, a delivery of a single tanker load of fuel is made to a fuel depot where several different entities running bus services, that are not part of a GST group, draw fuel from the depot. The fuel supplier may not know who the multiple recipients are, may not know how much of the supply is destined for each of those recipients, or may be unwilling to deal with more than one entity in relation to the supply. For this reason, it issues a single tax invoice in the name of one entity for the whole supply.

Each of the entities drawing the fuel is able to determine how much of the fuel drawn from the fuel depot (including from the tanker load covered by this tax invoice) is attributable to their business operations. They will be seeking to claim input tax credits for their share of the creditable acquisitions covered by valid tax invoices, including the single tax invoice supplied in relation to this tanker load.

Explanation

Assuming an agency arrangement exists, the tax invoice need show only the agent's details (see paragraph 36 of GSTR 2000/17). Also each recipient can claim an input tax credit if the agent holds the one tax invoice. The Tax Office would require a basis of apportionment to be in place that reflects the actual usage of that common acquisition by each registered entity, and that the total input tax credits claimed do not exceed the amount of GST paid in tax invoices held by the agent. Each recipient should have records that explain their portion of the acquisition and the amount of consideration provided.

In relation to fuel supplies, under *A New Tax System (Goods and Services Tax) Act 1999 Classes of Recipient Created Tax Invoice Determination (No 3) 2001* RCTI 2001/3, the fuel supplier (who is the recipient of a taxable supply from a fuel wholesaler) may issue a recipient created tax invoice (RCTI) for a taxable supply (being a right of access to the fuel wholesaler's franchisee network) if all the requirements of RCTI 2001/3 are met. If they meet the requirements for RCTIs, the multiple entities may also seek a determination through their professional association to allow them to issue RCTIs in this situation.

Related Rulings/Determinations/GST Advice:

TR 2006/10; GSTR 2000/10; GSTR 2000/37

Subject references:

tax invoices
agency
input tax credits

Legislative references:

RCTI 2001/3
TAA 1953 Sch 1 Div 358

ATO references

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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).

Commissioner of Taxation

14 June 2005