GSTB 2000/2W - How to claim input tax credits for car expenses

Notice of Withdrawal

Goods and Services Tax Bulletin

How to claim input tax credits for car expenses

Goods and Services Tax Bulletin GSTB 2000/2 is withdrawn with effect from today. The Bulletin is replaced from today by GSTB 2006/1.

The main differences between the two Bulletins are explained below.

1. GSTB 2000/2 explained how to claim input tax credits for car expenses using certain income tax methods to determine the extent of creditable purpose.

2. GSTB 2006/1 similarly explains how to claim input tax credits for car expenses using certain income tax methods to determine the extent of creditable purpose. However, GSTB 2006/1:

- incorporates information on the annual apportionment of creditable purpose election contained in Division 131 as inserted into the *A New Tax System (Goods and Services Tax) Act 1999* by *Tax Laws Amendment (Small Business Measures) Act 2004*;
- refers the reader to later Rulings that either issued after GSTB 2000/2 or replace Rulings referred to in GSTB 2000/2;
- uses the term 'car limit' which replaces the terms 'depreciation limit' and 'car depreciation limit';
- no longer includes information on the phasing-in rules as the rules are no longer relevant with the passage of time;
- at Example 11 uses dates after the annual apportionment measure commenced and makes a minor correction to the kilometres travelled for June 2006 which does not change the outcome; and
- contains up to date contact information and a 'Detailed contents list'.

3. With respect to the annual apportionment of creditable purpose election, GSTB 2006/1 provides an overview of the annual apportionment election; explains how the GST Bulletin is relevant to taxpayers who have made the annual apportionment election; provide examples for car and car expense acquisitions where the taxpayer has made an annual apportionment election; and refers the reader to the Fact Sheet *GST and annual private apportionment* for further information about the election.

Commissioner of Taxation
13 September 2006

ATO references
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