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

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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Goods and Services Tax Bulletin GSTB 2000/2 is withdrawn with effect from today.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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