GSTB 2003/1W - How to calculate input tax credits and bad debt adjustments when a dividend is paid to creditors



Goods and Services Tax Bulletin

## **GSTB 2003/1**

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# Notice of Withdrawal

### **Goods and Services Tax Bulletin**

### How to calculate input tax credits and bad debt adjustments when a dividend is paid to creditors

Goods and Services Tax Bulletin GSTB 2003/1 is withdrawn with effect from today and replaced by law administration practice statement PS LA 2012/1 (GA).

- 1. PS LA 2012/1 (GA) sets out formulae that representatives of incapacitated entities are able to use to calculate the adjustments in relation to previously claimed GST credits in instances where a dividend of less than 100 cents in the dollar is paid to creditors.
- 2. PS LA 2012/1 (GA) confirms current industry practices and the Australia Taxation Office's current administrative approach. Relevantly, PS LA 2012/1 (GA) confirms that the formulae previously set out in GSTB 2003/1 about the former provisions in Division 147 of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act) that applied to representatives of incapacitated entities, will continue to apply under the new provisions in Division 58 of the GST Act.
- 3. In accordance with practice statement PS LA 1998/1 it is mandatory for tax officers to follow practice statements relevant to particular tasks that they are performing.

#### **Commissioner of Taxation**

28 March 2012

ATO references

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ATOlaw topic: Goods and Services Tax ~~ General rules and concepts ~~ adjustments for bad

debts

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