

GSTR 2000/1A4 - Addendum - Goods and services tax: adjustment notes

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Addendum

Goods and Services Tax Ruling

Goods and Services Tax: adjustment notes

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Goods and Services Tax Ruling GSTR 2000/1 to reflect:

- changes in the law as a result of the *Tax Laws Amendment (2010 GST Administration Measures No. 2) Act 2010* and the repeal of regulations 29.70.01 and 29.70.02 to the A New Tax System (Goods and Services Tax) Regulations 1999 by the A New Tax System (Goods and Services Tax) Amendment Regulations 2010 (No. 1) (206 of 2010).
- the addition of regulation 29-80.02 to the A New Tax System (Goods and Services Tax) Regulations 1999 by the A New Tax System (Goods and Services Tax) Amendment Regulations 2009 (No. 2).
- amendments to Subdivision 153-B of *A New Tax System (Goods and Services Tax) Act 1999* (GST Act) made by the *Tax Laws Amendment (2009 GST Administration Measures) Act 2010*.
- changes to section 35-5 of the GST Act made by the *Tax Laws Amendment (2009 GST Administration Measures) Act 2010*.
- insertion of Division 134 into the GST Act made by the *Tax Laws Amendment (2010 GST Administration Measures No. 1) Act 2010* and amended by the *Tax Laws Amendment (2010 GST Administration Measures No. 3) Act 2010* and *Tax Laws Amendment (2010 GST Administration Measures No. 4) Act 2010*.

GSTR 2000/1 is amended as follows:

1. Paragraph 1

- (a) After the word 'under' insert the words 'Division 29 of'.

(b) Insert:

1A. This Ruling does not consider third party adjustments and third party adjustment notes under Division 134 of the GST Act.

2. Paragraphs 6 and 6A

Omit the second and third sentences of both paragraphs 6 and 6A.

3. Paragraph 6B

Omit paragraph 6B; substitute:

6B. The Addendum to this Ruling that issued on 7 December 2011 explains the Commissioner's view of the law as it applied from 1 July 2010.

4. Paragraph 9

Omit footnote 5; substitute:

⁵ Subsections 33-5(1) and 35-5(1). Division 3 of Part IIB of the *Taxation Administration Act 1953* allows the Commissioner to apply the amount owing to you as a credit against tax debts that you owe to the Commonwealth. Under subsection 35-5(2) if the amount paid or applied exceeds the amount to which you are properly entitled to under subsection 35-5(1), the excess is to be treated as if it were GST that became payable, and due for payment, by you at the time when it was paid or applied.

5. Paragraph 12

Omit the first dot point and substitute:

- the decreasing adjustment is of an amount that does not exceed \$75;⁹ or

6. Paragraph 14

Omit the first dot point and substitute:

- the decreasing adjustment is of an amount that does not exceed \$75;¹² or

7. Paragraph 21

In the heading, and in the first sentence, omit 'amount payable'; substitute: 'price'

⁹ Subsection 29-80(2) and regulation 29-80.02.

¹² Subsection 29-80(2) and regulation 29-80.02.

8. Paragraph 22

In the second sentence, insert 'total ' before 'price'.

9. Paragraph 68

- (a) In the heading, omit 'amount payable'; substitute 'price'.
- (b) Omit the first sentence; substitute:

A tax invoice for a supply or supplies with a total price of less than \$1000 does not have to include the recipient's identity or ABN.³⁹

10. Paragraph 69

Omit 'amount payable'; substitute: 'price'.

11. Paragraph 74 and 75

Omit paragraphs 74 and 75 and substitute:

74 A restaurant receives a volume rebate for food purchases from a supermarket for the three months July, August and September 2010. The total purchases for this period were \$40 000. The price of the taxable purchases was \$22 000. The restaurant claimed input tax credits of \$2000 for these purchases.

75 The volume rebate received by the restaurant is 5%. The supermarket issues a credit adjustment note showing the total difference in price of \$2000. The adjustment note must show the difference in the price of the taxable supply of \$1100, and the amount of the adjustment to the GST payable of \$100.^{41A}

12. Footnote 49

In the last sentence after the word 'agency' insert the words 'and intermediary'.

13. Paragraph 111

Insert '*' before 'recipient created tax invoice':

³⁹ Subsection 29-70(1).

^{41A} Prior to 1 July 2010, the adjustment note is not required if a decreasing adjustment is of an amount that does not exceed \$50.

14. Paragraph 113

Omit the paragraph; substitute:

113. A *tax invoice has the meaning given by subsections 29-70(1) and 48-57(1), and includes a document that the Commissioner treats as a tax invoice under subsection 29-70(1B). However, it does not include a document that does not comply with the requirements of section 54-50 (if applicable).

15. Detailed contents list

Insert:

Example 2

74'

16. Related Rulings/Determinations

Omit: 'GSTR 1999/1;'

17. Legislative References

Insert:

- ANTS(GST)A 19-85
- ANTS(GST)A 29-70(1B)
- ANTS(GST)A 99 35-5(1)
- ANTS(GST)A 99 35-5(2)
- ANTS(GST)A Div 29
- ANTS(GST)A Div 134
- ANTS(GST)R 29-80.02.
- TAA 1953 Pt IIB Div 3

Omit:

- ANTS(GST)A 99 35-5
- ANTS(GST)A 29-70.01(3)

This Addendum explains the Commissioner's view of the law as it applies:

- to decreasing adjustments occurring on and from 1 July 2010;
- in relation to payments made on or after 1 July 2010 that are subject to Division 134;
- in relation to supplies and acquisitions made on or after 1 July 2010;
- in relation to amounts payable under subsection 35-5(1) for tax periods starting on or after 24 March 2010; and
- to tax invoices issued on or after 1 July 2010.

GSTR 2000/1

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Commissioner of Taxation

7 December 2011

ATO references

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