


GSTR 2000/35A3 - Addendum - Goods and services tax: Division 156 - supplies and acquisitions made on a progressive or periodic basis

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Addendum

Goods and Services Tax Ruling

Goods and services tax: Division 156 – supplies and acquisitions made on a progressive or periodic basis

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Goods and Services Tax Ruling GSTR 2000/35 to reflect amendments made to the *A New Tax System (Goods and Services Tax) Act 1999* by:

- the *Tax Laws Amendment (2011 Measures No. 9) Act 2012* in relation to supplies and acquisitions made under hire purchase agreements, and
- the *Tax Laws Amendment (2010 GST Administration Measures No.2) Act 2010* to Subdivision 29-C in relation to tax invoices. These updates apply to tax periods starting on or after 1 July 2010.

The Addendum also makes further minor amendments to GSTR 2000/35 and updates the references section.

GSTR 2000/35 is amended as follows:

1. Paragraph 8

- (a) In the first sentence, omit '[to tax periods commencing]'.
- (b) After the paragraph; insert:

8A. Changes made to this Ruling by Addenda that issued on 31 October 2012 and 11 December 2013 have been incorporated into this version of the Ruling.^{A1}

2. Footnote 4

Omit the footnote; substitute:

⁴ There is no requirement to hold a tax invoice if the value of the taxable supply to you was \$75 or less (subsection 29-80(1)), or in circumstances where the Commissioner has determined under subsection 29-10(3) that an input tax credit is attributable to a tax period without the recipient being required to hold a tax invoice. See Goods and Services Tax Ruling GSTR 2013/1 *Goods and services tax: tax invoices*.

^{A1} Refer to each Addendum to see how that Addendum amends this Ruling.

3. Footnote 6

Omit the footnote; substitute:

⁶ See GSTR 2013/1.

4. Paragraph 66

Omit the paragraph and associated heading; substitute:

Hire purchase agreement

65A. Section 156-23 provides that, for the purposes Division 156, a supply or acquisition of goods or credit under a hire purchase agreement entered into on or after 1 July 2012 is treated as not being a supply or acquisition made on a progressive or periodic basis.

65B. Paragraph 5.38 of the relevant Explanatory Memorandum^{7A} confirms that section 156-23 was intended to clarify the then-existing treatment of goods acquired under a hire purchase agreement (rather than produce a different outcome).

65C. The Commissioner's view is that Division 156 does not apply to a supply or acquisition of goods under a hire purchase agreement entered into either before or after 1 July 2012.

66. Because a hire purchase agreement is in commercial substance a method by which the 'hirer' purchases goods on deferred payment terms, the supply of goods is not a supply that is made for a period or on a progressive basis.⁸

5. Paragraph 123

Omit 'proposes to make'; substitute 'has made'

6. Footnote 17

Omit the footnote; substitute:

¹⁷ See *A New Tax System (Goods and Services Tax) Act 1999 (Particular Attribution Rules for Retention Payments) Determination (No. 1) 2000*.

^{7A} Explanatory Memorandum to the Tax Laws Amendment (2011 Measures No. 9) Bill 2011.

⁸ See Goods and Services Tax Ruling GSTR 2000/29 *Goods and services tax: attributing GST payable, input tax credits and adjustments and particular attribution rules made under section 29-25* at paragraphs 105A to 105B and 192 to 207.

7. Detailed contents list

- (a) Omit:
- | | |
|--------------------------------|----|
| <i>Hire purchase agreement</i> | 66 |
|--------------------------------|----|
- (b) Substitute:
- | | |
|--------------------------------|-----|
| <i>Hire purchase agreement</i> | 65A |
|--------------------------------|-----|

8. Related Rulings/Determinations

- (a) Omit 'GSTR 2011/D1'
(b) Insert 'GSTR 2013/1'

9. Legislative references

Insert:

- ANTS(GST)A99 156-23
- Tax Laws Amendment (2011 Measures No.9) Act 2012 Pt 3, Sch 3

10. Case references

After Case references; insert:

Other references:

- Explanatory Memorandum to Tax Laws Amendment (2011 Measures No. 9) Bill 2011
- A New Tax System (Goods and Services Tax) Act 1999 (Particular Attribution Rules for Retention Payments) Determination (No. 1) 2000

11. Attachment A - decision tree

After 'NO*' to the right of the text box question 'Do you account for GST on a basis other than cash?'; insert footnote '#':

Division 156 does not apply to the supply or acquisition of goods made under a hire purchase agreement. Division 156 does not apply to the supply or acquisition of credit made under a hire purchase agreement entered into on or after 1 July 2012. See paragraphs 65A to 67 of this Ruling.

This Addendum applies both before and after its date of issue, subject to the commencement and application provisions of each amending Act or Regulation to which it refers.

GSTR 2000/35

Commissioner of Taxation

11 December 2013

ATO references

NO:	1-42B58TT
ISSN:	1443-5160
ATOlaw topic:	Goods and Services Tax ~~ Miscellaneous rules ~~ progressive or periodic supplies Goods and Services Tax ~~ General rules and concepts ~~ attribution

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