


GSTR 2002/6A5 - Addendum - Goods and Services Tax: Exports of goods, items 1 to 4A of the table in subsection 38-185(1) of the A New Tax System (Goods and Services Tax) Act 1999

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Addendum

Goods and Services Tax Ruling

Goods and services tax: exports of goods, items 1 to 4 of the table in subsection 38-185(1) of the *A New Tax System (Goods and Services Tax) Act 1999*

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Goods and Services Tax Ruling GSTR 2002/6 to be consistent with industry advice given to the horse industry in 2003. The changes are reflected in paragraphs 273 to 275 which have been rewritten.

GSTR 2002/6 is amended as follows:

1. Paragraphs 273 to 275

Omit the paragraphs; substitute:

273. A use of goods which is of the same character as the ultimate intended use of those goods is a use other than that which is necessary to prepare them for export. For goods that are animals, the ultimate intended use of the animal when acquired is an indicator for whether the animal has been used in a way other than that which is necessary to prepare it for export. If the ultimate intended use of the animal is commercial in nature, for example, uses of that kind prior to export prevent satisfaction of paragraph 38-185(3)(d) and deny GST-free status.

Example 22 – use of goods

274. *The representative of a Singapore entity comes to Australia and buys a thoroughbred yearling at auction. Horses bought at these auctions are invariably intended to be used in racing for prize money and/or for commercial breeding. The Singapore entity buys the horse for these purposes but requires the horse to be broken-in and barrier trialled prior to it being exported.*

GSTR 2002/6

275. *Any use of the horse prior to export which is of a commercial nature will prevent satisfaction of paragraph 38-185(3)(d) and deny the supply being GST-free. If the horse was entered in races for prize money in Australia prior to export, the horse has been used in Australia and therefore, paragraph 38-185(3)(d) will not be satisfied. However, GST-free status will not be denied if the horse is merely broken-in or barrier trialled prior to export. This is because the breaking-in or barrier trialling is merely facilitating the ultimate intended use and is not considered to be a disqualifying use in Australia.*^{60A}

This Addendum applies on and from 24 December 2003.

Commissioner of Taxation

17 June 2015

ATO references

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^{60A} See Law Administration Practice Statement PS LA 2006/16 concerning when the Commissioner will exercise the discretion to extend the time allowed for exported goods to be GST-free despite not being exported within 60 days.