


# ***GSTR 2006/4A - Addendum - Goods and services tax: determining the extent of creditable purpose for claiming input tax credits and for making adjustments for changes in extent of creditable purpose***

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## Addendum

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### Goods and Services Tax Ruling

Goods and services tax: determining the extent of creditable purpose for claiming input tax credits and for making adjustments for changes in extent of creditable purpose

This Addendum amends Goods and Services Tax Ruling GSTR 2006/4 to reflect the amendments to the *A New Tax System (Goods and Services Tax) Act 1999* resulting from the introduction of the *Tax Laws Amendment (Small Business) Act 2007*. This Act standardises the eligibility criteria for small business tax concessions from 1 July 2007.

#### **GSTR 2006/4 is amended as follows:**

**1. Paragraph 21**

Omit the first sentence; substitute:

Division 131 allows small business entities<sup>10A</sup> and other entities that do not carry on a business that meet certain eligibility criteria to elect to undertake annual apportionment of input tax credits for certain acquisitions or importations that are partly creditable.

**2. Legislative references**

Insert:

ITAA 1997 328-110

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<sup>10A</sup> The term 'small business entity' is defined in section 328-110 of the *Income Tax Assessment Act 1997*.

# GSTR 2006/4

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This Addendum explains our view of the law as it applied from 1 July 2007. You can rely upon this Addendum on and from its date of issue for the purpose of section 105-60 of Schedule 1 to the *Taxation Administration Act 1953*. If this Addendum conflicts with a previous private ruling that you have obtained or a previous public ruling, this Addendum prevails. However, if you have relied on a previous ruling (including the public Ruling that the Addendum amends), you are protected in respect of what you have done up to the date of issue of the Addendum or, if there is a change to the legislation, you are protected in respect of what you have done up to the date the legislative change takes effect. This means that if you have relied on the earlier ruling and have underpaid an amount of GST, you are not liable for the shortfall prior to either the issue date of this Addendum or the date the legislative change takes effect, as appropriate. Similarly, if you have relied on the earlier ruling you are not liable to repay an amount overpaid by the Commissioner as a refund.

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**Commissioner of Taxation**  
15 August 2007

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ATO references

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creditable purpose  
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supplies and acquisitions  
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