A New Tax System (Goods and Services Tax) (Simplified Accounting Method for Restaurants, Cafes and Caterers) Determination 2026

I, Will Day, Deputy Commissioner of Taxation, make the following determination.

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Deputy Commissioner of Taxation

Contents

1 Name

This instrument is the *A New Tax System (Goods and Services Tax) (Simplified Accounting Method for Restaurants, Cafes and Caterers) Determination 2026*.

2 Commencement

This instrument commences on the day after it is registered on the Federal Register of Legislation.

3 Authority

This instrument is made under paragraph 123-5(1)(a) of the *A New Tax System (Goods and Services Tax) Act 1999*.

4 Definitions

Note: A number of expressions used in this instrument are defined in section 195-1 of the Act, including the following:

(a) account on a cash basis;
(b) acquisition;
(c) adjustment;
(d) annual tax period;
(e) consideration;
(f) financial year;
(g) GST;
(h) GST-free;
(i) GST turnover;
(j) input tax credit;
(k) invoice;
(l) net amount;
(m) registered;
(n) retailer;
(o) simplified accounting method;
(p) taxable supply;
(q) tax period.

In this instrument:

Act means the *A New Tax System (Goods and Services Tax) Act 1999*.

account on a non-cash basis means, for GST purposes, to account on a basis other than on a cash basis.

relevant consideration means, in relation to an acquisition, either:

(a) any consideration that the retailer has provided for the acquisition; or
(b) if an invoice relating to the acquisition is issued before the retailer provides any consideration, the consideration in the invoice for the acquisition.

trading stock includes anything produced, manufactured or acquired that is held for the purposes of manufacture, sale or exchange in the ordinary course of carrying on an enterprise.

5 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

6 Choosing the simplified accounting method

A retailer may choose to use the applicable simplified accounting method in section 7 or section 8 to work out its net amount for a tax period for a business, if:

(a) the retailer is registered throughout the tax period; and

(b) during the tax period, the business that the retailer operates is a restaurant, a cafe, or a catering business; and

(c) the retailer's GST turnover does not exceed the small enterprise turnover threshold.

7 Simplified accounting method – monthly or quarterly tax periods

Where a retailer chooses to use a simplified accounting method under section 6 for a tax period, other than an annual tax period, the net amount for the tax period must be worked out using the following formula:

GST minus Input tax credits

where:

GST is the sum of all of the GST for which the retailer is liable on taxable supplies that are attributable to the tax period.

Input tax credits is the sum of:

(a) all of the input tax credits to which the retailer is entitled for the creditable acquisitions of things that are not trading stock and creditable importations, that are attributable to the tax period; and

(b) all of the input tax credits to which the retailer is entitled for the creditable acquisitions of trading stock that are attributable to the tax period, which is the amount worked out using the following method statement:

Step 1 – If the retailer accounts on:

(i) a cash basis – work out the total consideration the retailer has provided for all trading stock acquisitions in the tax period.

(ii) a non-cash basis – work out the total consideration for all trading stock acquisitions in the tax period by adding together the relevant consideration for each of those acquisitions.

Step 2 – Multiply the step 1 result by the GST-free trading stock proportion. This is the estimated total consideration for GST-free trading stock acquisitions in the tax period.

Step 3 – Subtract the step 2 result from the step 1 result. This is the estimated total consideration for creditable acquisitions of trading stock in the tax period.

Step 4 – Multiply the step 3 result by one-eleventh. This is the total amount of input tax credits for creditable acquisitions of trading stock for the tax period.

GST-free trading stock proportion means, for all tax periods in a 6 month period starting on 1 July or 1 January in a financial year, the amount worked out for the first tax period in that 6 month period using the following method statement:

Step 1 – If the retailer accounts on:

(i) a cash basis – work out the total consideration the retailer has provided for all trading stock acquisitions in the relevant 4 week sample period.

(ii) a non-cash basis – work out the total consideration for all trading stock acquisitions in the relevant 4 week sample period by adding together the relevant consideration for each of those acquisitions.

Step 2 – Using the same method as step 1, work out the total consideration for GST-free trading stock acquisitions for the same relevant 4 week sample period.

Step 3 – Divide the step 2 result by the step 1 result. This is the proportion of GST-free trading stock acquisitions for the relevant 4 week sample period.

relevant 4 week sample period means:

(a) if a retailer’s tax period begins on or after 1 July and ends on or before 31 December in a year, any continuous 4 week period that occurs between 1 June and 31 July in that year; or

(b) if a retailer’s tax period begins on or after 1 January and ends on or before 30 June in a year, any continuous 4 week period that occurs between 1 December in the previous year and 31 January that year; or

(c) if a retailer cannot apply paragraphs (a) and (b) because the retailer starts trading during a tax period, any continuous 4 week period that occurs within the first two months of trading; or

(d) if a retailer cannot apply paragraphs (a) and (b) because the retailer starts using the method in this section during a tax period, any continuous 4 week period that occurs within that tax period.

8 Simplified accounting method – Annual tax periods

Where a retailer chooses to use a simplified accounting method under section 6 for an annual tax period, the net amount for the annual tax period must be worked out using the following formula:

GST minus Input tax credits

where:

GST is the sum of all of the GST for which the retailer is liable on taxable supplies that are attributable to the annual tax period.

Input tax credits is the sum of:

(a) all the input tax credits to which the retailer is entitled for the creditable acquisitions of things that are not trading stock and creditable importations that are attributable to the tax period; and

(b) all input tax credits to which the retailer is entitled for the creditable acquisitions of trading stock for the annual tax period, which is the amount worked out using the following method statement:

Step 1 – If the retailer accounts on:

(i) a cash basis –work out the total consideration the retailer has provided for all trading stock acquisitions in the first 4 week sample period.

(ii) a non-cash basis – work out the total consideration for all trading stock acquisitions in the first 4 week sample period by adding together the relevant consideration for each of those acquisitions.

Step 2 – Using the same method as in step 1, work out the total consideration for GST-free trading stock acquisitions for the first 4 week sample period.

Step 3 – Divide the step 2 result by the step 1 result. This is the proportion of GST-free trading stock acquisitions for the first 4 week sample period.

Step 4 – If the retailer accounts on:

(i) a cash basis –work out the total consideration the retailer has provided for trading stock acquisitions for the period 1 July to 31 December in the annual tax period.

(ii) a non-cash basis – work out the total consideration for all trading stock acquisitions in the period 1 July to 31 December in the annual tax period by adding together the relevant consideration for each of those acquisitions.

Step 5 – Multiply the step 3 result by the step 4 result. This is the estimated total consideration for GST-free trading stock acquisitions for the period 1 July to 31 December in the annual tax period.

Step 6 – Subtract the step 5 result from the step 4 result. This is the estimated total consideration for creditable acquisitions of trading stock for the period 1 July to 31 December in the annual tax period.

Step 7 – Multiply the step 6 result by one-eleventh. This is the estimated amount of input tax credits for creditable acquisitions of trading stock for the period 1 July to 31 December in the annual tax period.

Step 8 – Repeat the steps 1 to 7 using the second 4 week sample period for the period 1 January to 30 June in the annual tax period. This is the estimated amount of input tax credits for creditable acquisitions of trading stock for the period 1 January to 30 June in the annual tax period.

Step 9 – Add the step 7 result to the step 8 result. This is the total amount of input tax credits for creditable acquisitions of trading stock for the annual tax period.

first 4 week sample period means:

(a) for the period 1 July to 31 December in a year (***July-December period***), any continuous 4 week period that occurs between 1 June and 31 July in that year; or

(b) if a retailer cannot apply paragraph (a) because the retailer first starts trading during the July-December period, any continuous 4 week period that occurs within the first two months of trading.

second 4 week sample period means:

(a) for the period 1 January to 30 June in a year (***January-June period***), any continuous 4 week period that occurs between 1 December in the previous year and 31 January that year; or

(b) if a retailer cannot apply paragraph (a) because the retailer first starts trading during the January-June period, any continuous 4 week period that occurs within the first two months of trading.

Schedule 1—Repeals

Goods and Services Tax: Simplified Accounting Method Determination (No. 38) 2016 for Restaurants, Cafes and Caterers – purchases snapshot method

1 The whole of the instrument

Repeal the instrument