



ASSISTANT TREASURER

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**PRESS
RELEASE**

NEW CONSULTATION ON GST ADMINISTRATION MEASURES

The Rudd Government has made further progress in the reform of the administration of the good and services tax (GST), with the Assistant Treasurer, Senator Nick Sherry, today releasing a new round of draft legislation for public comment.

The measures in the draft legislation form part of a package of reforms that were originally announced in the 2009-10 Budget and include:

- allowing entities to self-assess their eligibility to form, alter or revoke a GST group or joint venture and to do so at any time during a tax period;
- introducing clear exit rules for entities leaving GST groups or joint ventures;
- expanding the income tax rulings system to include indirect taxes; and
- reforming the tax invoice rules.

“The draft legislation has been developed taking into account industry feedback on the design of the measures,” the Assistant Treasurer said.

“This constructive consultation process followed the release last year of a discussion paper outlining how the measures might operate.”

Some of the changes made to the measures as a result of stakeholder feedback include:

- expanding the proposed clear exit rules to allow entities to enter into indirect tax sharing agreements similar to the tax sharing agreements for income tax consolidated groups and to apply these rules to all liabilities arising under the indirect tax law;
- including indirect tax rulings and also excise advice in the income tax rulings system. Given the unique nature of indirect taxes, some special rules will be retained including ensuring revenue neutrality in the GST system;
- revising the rulings measure so that suppliers and recipients will not be entitled to rely on a GST private ruling issued to the other party (unless they jointly apply for a ruling). The practical difficulties of implementing this change were identified during consultation; and
- replacing the existing tax invoice rules with new more principled rules that allow one or more documents to satisfy the tax invoice requirements, thus removing the need for taxpayers to treat another suitable document as a tax invoice by notifying the Commissioner of Taxation.

“The measures provide greater flexibility and certainty for entities that are members of GST groups and joint ventures,” the Assistant Treasurer said.

“They also give greater certainty and consistency across taxes for rulings and ensure greater flexibility under the tax invoice rules.”

“The Rudd Government is committed to engaging in genuine consultation with stakeholders.”

“I encourage anyone with an interest in improving the administration of the GST to look at the proposed legislation and provide their views,” the Assistant Treasurer said.

The draft legislation is available at www.treasury.gov.au and consultation closes on Monday 22 February 2010.

An earlier tranche of legislation was introduced to Parliament on 25 November 2009 and further exposure drafts will be released for consultation in coming months.

CANBERRA

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