



ASSISTANT TREASURER

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**PRESS
RELEASE**

LEGISLATION TO CLARIFY AND IMPROVE GST ADMINISTRATION

The Rudd Government has today introduced a Bill to further the reform of the administration of the goods and services tax (GST).

The *Tax Laws Amendment (2010 GST Administration Measures No 1) Bill 2010* amends the GST law to implement a range of improvements to Australia's GST-related laws.

"This Bill clarifies the GST law, ensures it applies appropriately and makes it simpler and less costly for business owners to meet their obligations," the Assistant Treasurer said.

The Bill implements two further recommendations made by the Board of Taxation in its review of GST administration, namely:

- clarifying that input tax credits can be taken into account in later tax periods; and
- allowing GST adjustments for third party payments.

Submissions to the Board raised concerns the current law on input credits was ambiguous in particular circumstances. Today's Bill will remove any doubt that the law applies as intended by confirming that the rule allowing attribution in the current period applies to all input tax credits.

The amendment applies to net amounts in tax periods commencing on 1 July, 2010.

The amendment in relation to third party payments will ensure manufacturers' rebates, which in effect change the price of a transaction, result in adjustments for the payer and the third party, reflecting the economic outcome of the transaction.

The amendment will apply to third party payments made on 1 July 2010.

CANBERRA

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