



## ASSISTANT TREASURER

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**PRESS  
RELEASE**

### **FURTHER REFORMS FOR SIMPLER GST ADMINISTRATION**

The Parliament has passed important legislation that will see significant improvements to the administration of the goods and services tax (GST).

The *Tax Laws Amendment (2010 GST Administration Measures No. 2) Bill 2010* which has now passed the Senate, streamlines the administration of the GST for the benefit of Australian businesses, making GST tax affairs simpler and cheaper.

“I welcome the passage of this legislation as it reduces compliance costs for taxpayers and clarifies a number of areas which have been of concern to the business community,” the Assistant Treasurer said.

“This legislation continues the process of simplifying and streamlining the administration of the GST, as recommended by the Board of Taxation and endorsed wholeheartedly by the Rudd Government.”

The legislation includes measures, each of which applies from 1 July, 2010, to:

- allow entities to self-assess their eligibility to form and make changes to a GST group or GST joint venture and to do so at any time during a tax period;
- introduce clear exit rules for entities leaving a GST group or GST joint venture by allowing entities to enter into indirect tax sharing agreements in relation to their indirect tax liabilities; and
- introduce clearer and more flexible rules for tax invoices.

The Board of Taxation also found that there would be considerable benefits bringing GST and other indirect taxes administered by the Commissioner of Taxation into the general tax ruling system as the current arrangements produce a degree of uncertainty and inflexibility.

As a result, the legislation also contains the adoption of the general rulings system for GST and other indirect taxes from 1 July, 2010.

This is an important streamlining measure that will simplify the tax law and provide consistent rules across different taxes. It will give the Commissioner the power to issue product and class rulings for GST and other indirect taxes and excise and allow taxpayers direct review rights if they are not satisfied with private rulings.

As part of this process, the range of documents considered public rulings will be reduced.

To ensure a smooth transition for taxpayers, the Commissioner of Taxation has advised that he will allow a 12-month moratorium from any active compliance activities on issues

covered by particular advice issued to industry associations that is not published on the ATO website.

This moratorium only extends to entities that were already relying on that particular advice before 1 July 2010, is not available to entities seeking to rely on that advice for the first time from 1 July 2010 and is not available where that advice is clearly covered by a subsequent public ruling. The Commissioner will issue a press release with full details of the moratorium.

“I thank the tax profession and the ATO for working constructively on this matter and ensuring a smooth transition to a better rulings system for indirect taxes,” the Assistant Treasurer said.

CANBERRA

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