

NEW BILLS MAKE THE GST EASIER FOR TAXPAYERS

The Senate has today passed two important Bills relating to the goods and services tax (GST) that make it easier and more certain for taxpayers to comply with the law and for the Tax Office to administer the GST.

"I welcome the passage of these Bills as they reduce GST administration costs, streamline the law and remove several anomalies", the Assistant Treasurer said.

Tax Laws Amendment (2009 GST Administration Measures) Bill 2009 together with *Tax Laws Amendment (2010 GST Administration Measures No. 1) Bill 2010* make a number of changes to the law to improve clarity.

The reforms contained in this package of Bills enact recommendations arising from the work of the Board of Taxation.

These include changes to the four-year period of review, the treatment of overpaid refunds, the rules for attributing input tax credits to tax periods and how the GST law applies to gambling operators making GST-free supplies.

The amendments will also address a long-standing irritant for taxpayers in relation to the appropriate treatment of payments between parties in a supply chain.

The amendments ensure that 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 or after 1 July 2010.

Also from 1 July 2010, the tourist refund scheme will now be extended to allow residents of Australian External Territories (such as Norfolk, Cocos and Christmas Islands) to claim refunds of GST, or GST and wine equalisation tax for goods separately exported to the External Territories.

"The amendments included in these Bills are the first instalment in a number of reforms the Government will make to reduce GST compliance costs for business", the Assistant Treasurer said.

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