



Goods and Services Tax: Waiver of Tax Invoice Requirement Determination (No. 30) 2015

Explanatory Statement

General Outline of instrument

1. This instrument sets out the circumstances where a tax invoice is not required for a particular entity to claim input tax credits under Division 29 of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act).
2. This determination replaces the *A New Tax System (Goods and Services Tax) Act 1999 Waiver of Tax Invoice Requirement Determination (No.3) 2001 – Direct Entry Services* (the previous instrument).
3. The determination is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

Date of effect

4. The instrument commences on the day after registration.
5. The instrument does not apply retrospectively.

What is this instrument about?

6. Under Division 29 of the GST Act, a tax invoice is required in order to claim input tax credits for any creditable acquisitions that an entity makes (unless the value of the taxable supply is \$50 or less).
7. This determination will waive the tax invoice requirement for entities who make creditable acquisitions of Direct Entry Services.
8. For the purposes of the determination, Direct Entry Services means the processing of an entity's direct credit and direct debit files by an Australian ADI.

What is the effect of this instrument?

9. The effect of this instrument is that an entity will not be required to hold a tax invoice for a creditable acquisition of Direct Entry Services in order to attribute an input tax credit on the acquisition to a tax period, provided that at the time the entity gives its Business Activity Statement ("BAS") for the tax period to the Commissioner, the requirements set out in the legislative instrument are satisfied.

10. Compliance cost impact: minor- there will be no or minimal impacts for both implementation and ongoing compliance costs. The legislative instrument is minor or machinery in nature.

Background

11. This instrument replaces *A New Tax System (Goods and Services Tax) Act 1999 Waiver of Tax Invoice Requirement Determination (No.3) 2001 – Direct Entry Services*. The replaced instrument is repealed on the commencement of this determination.

Consultation

12. Section 18 of the *Legislative Instruments Act 2003* specifically provides for circumstances where consultation may not be necessary or appropriate. One of those circumstances is where the instrument is considered minor or machinery in nature, and does not substantially change the law.
13. Because there is no substantive change from the previous instrument therefore the instrument is considered minor or machinery in nature.
14. As such, no further consultation has been undertaken in the development of this instrument.

James O'Halloran
Deputy Commissioner of Taxation
15 September 2015

Statement of Compatibility with Human Rights

Prepared in accordance with *Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011*

Goods and Services Tax: Classes of Recipient Created Tax Invoice Determination (No. 30) 2015

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

This Legislative Instrument will waive the tax invoice requirement for entities who make creditable acquisitions of Direct Entry Services.

Human rights implications

This instrument does not engage any of the applicable rights or freedoms. It allows for the streamlining of current invoicing and payment practices.

Conclusion

This instrument is compatible with human rights as it does not raise any human rights issues.