



Legislative Instrument

Goods and Services Tax: Simplified Method to Apportion Input Tax Credits Determination (No.32) 2016 for Caravan Park Operators

I, Timothy Dyce, Deputy Commissioner of Taxation, make this determination under subsection 11-30(5) of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act).

Timothy Dyce

Deputy Commissioner of Taxation
Dated: 24 February 2016

Name of determination

1. This determination is the *Goods and Services Tax: Simplified Method to Apportion Input Tax Credits Determination (No. 32) 2016 for Caravan Park Operators*.

Commencement

2. This determination commences the day after registration.

Repeal of previous determination

3. *A New Tax System (Goods and Services Tax) (Simplified Method to Apportion Input Tax Credits for Caravan Park Operators Who Input Tax Supplies of Long-term Accommodation) Determination 2001/1* (the previous determination) - F2005B01975, registered on 21 November 2005, is repealed on commencement of this determination.

Determination (Who is covered by this determination)

4. A caravan park operator can use this simplified method to work out the extent to which a creditable acquisition is for a creditable purpose if:
 - (a) it makes supplies of both long-term accommodation and short-term accommodation in the same premises; and
 - (b) it has chosen under section 87-25 of the GST Act, that Division 87 does not apply to any supplies of commercial accommodation that it makes.

Which acquisitions the determination applies to

5. The simplified method provided by this determination applies to non-capital acquisitions that are partly creditable, that is, those acquisitions that relate to making input taxed supplies of long-term accommodation and other taxable supplies including short-term accommodation.
6. The simplified method provided by this determination does not apply to capital acquisitions or acquisitions that are not partly creditable.

Method to apportion input tax credits

7. For a tax period, a caravan park owner may choose to work out their entitlement to input tax credits on acquisitions meeting the requirements of Clause 5, as follows:

Step A

identify the GST paid on non-capital acquisitions which would normally have to be apportioned

Step B

identify the total income from long-term accommodation and multiply it by the industry factor

Step C

A minus B equals the amount of input tax credits that can be claimed on non-capital acquisitions.

Definitions

7. The following expressions are defined for the purposes of this determination:

industry factor means 1.75%.

non-capital acquisitions means acquisitions of things that are not capital assets or improvements to capital assets.

short-term accommodation means caravan park accommodation that is not long-term accommodation.

8. Other expressions in this determination have the same meaning as in the GST Act.