



Legislative Instrument

Coronavirus Economic Response Package (Payments and Benefits) (Timing of Supplies Made and Decline in Turnover Test) Rules 2020 (No. 1)

I, Christopher David Jordan, Commissioner of Taxation, make this determination under subsection 20(4) of the *Coronavirus Economic Response Package (Payments and Benefits) Act 2020* and subsection 8B(4) of the *Coronavirus Economic Response Package (Payments and Benefits) Rules 2020*.

Christopher David Jordan AO
Commissioner of Taxation
Dated: 16 September 2020

1. Name of instrument

This determination is the *Coronavirus Economic Response Package (Payments and Benefits) (Timing of Supplies Made and Decline in Turnover Test) Rules 2020 (No.1)*.

2. Commencement

This instrument commences on the day after it is registered on the Federal Register of Legislation.

3. Application

This instrument applies to determine the time or times a supply is treated as being made for entities to determine their current GST turnover under section 8B of the *Coronavirus Economic Response Package (Payments and Benefits) Rules 2020* (the Rules) for the purposes of seeking to be a qualifying employer, business participant or religious institution for JobKeeper payments.

4. Determination

Section 6 of this determination applies when determining if entities qualify for JobKeeper by satisfying section 8B of the Rules.

5. Definitions

Subject to any addition or change contained in another paragraph, an expression used in this instrument that is defined in section 4 of the Rules, including, for the avoidance of doubt, subsection 4(2) of the Rules has the same meaning in this instrument as it has in the Rules.

In this instrument:

account on a cash basis has the same meaning as in section 195-1 of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act).

registered has the same meaning as in section 195-1 of the GST Act.

test period is a turnover test period or relevant comparison period or another period relevant to an alternative decline in turnover test determined by the Commissioner under subsection 8(6) of the Rules (as relevant)

6. When supplies are made during a test period

(1) In calculating an entity's current GST turnover for the purposes of section 8B a supply is treated as being made at a time in the test period to the extent the GST payable on that supply would be attributed to that test period under the GST Act if:

- (a) the supply was a taxable supply; and
- (b) GST was payable on the supply by that entity; and
- (c) any reference to a tax period was a reference to the test period.

Note: This subsection does not apply to:

- (a) a supply that is not a supply for the purposes of the GST Act, including:
 - (i) for an entity that is a deductible gift recipient— to gifts covered by subparagraph 8(8)(f) of the Rules;
 - (ii) for an entity that is an ACNC-registered charity (other than a deductible gift recipient) – to gifts covered by subparagraph 8(8)(g) of the Rules; or
- (b) a supply excluded in the calculation of current GST turnover under the rules including:
 - (i) for an entity that is an ACNC-registered charity and elects to disregard a supply under subparagraph 8(8)(h) of the Rules – to those supplies.
 - (ii) other supplies excluded under section 188-15 of the GST Act without any modification under the rules - for example input taxed supplies.

Accounting method

(2) In applying subsection 6(1), if an entity:

- (a) is not registered at any time in the test periods that apply to the entity – then the entity must determine whether GST is attributable to all test periods on the basis that the entity:
 - (i) chooses to account on a cash basis; or
 - (ii) did not choose to account on a cash basis; and
 - (iii) uses the same accounting basis for all test periods
- (b) becomes registered during the relevant comparison period or is registered at the beginning of the relevant comparison period – then the entity must determine whether GST is attributable to a test period using the same accounting basis applying to the entity under Division 29 of the GST Act in the first tax period that applied to the entity in the relevant comparison period; or
- (c) registered after the relevant comparison period – then the entity must determine whether GST is attributable to a test period using the same accounting basis applying to the entity under Division 29 of the GST Act that the entity has at the beginning of its turnover test period.