[DLM]

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# A-NZ PEPPOL FRAMEWORK GUIDANCE NOTE

## Including WET and LCT on an invoice

**Guidance Note 01**

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| --- | --- | --- |
| **Issue date** |  | **Version** |
| 09 December 2024 |  | 1.0.2 |
| **Effective from** |  | **Artefacts impacted** |
| 09 December 2024 |  | PINT A-NZ Billing and Self-billing specifications |

### Background

The purpose of this document is to provide guidance on how sending and receiving businesses should manage wine equalisation tax (WET) and luxury car tax (LCT) information in Australia using the invoice syntax in the [PINT A-NZ](https://docs.peppol.eu/poac/aunz/) specifications (Billing & Self-billing).

#### Issue

PINT A-NZ specifications support one tax scheme, goods and services tax (GST). However, in Australia there are two other types of tax that may appear on an invoice in addition to GST: Wine equalisation tax ([WET](https://www.ato.gov.au/business/wine-equalisation-tax/)) and Luxury car tax ([LCT](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/Luxury-car-tax-(LCT)/)).

The key differences between WET and LCT include:

* GST applies to WET-inclusive amounts, but LCT-exclusive amounts.
* LCT calculations require the threshold and indexation, which may update annually.
* Invoices for motor vehicles usually include other charges that impact total payable amounts, such as stamp duty and car registration fees.

### Guidance

This document describes solutions to manage WET and LCT using existing elements in the PINT A-NZ data model.

The proposed approach does not affect the PINT A-NZ specifications but aims to provide sending and receiving businesses a consistent approach to manage WET and LCT. Unless an alternative approach is agreed between the sending and receiving businesses, users should follow the guidance note to maximise straight-through processing and automation.

**WET**

The WET amount can be displayed as an additional charge for the relative wine item, using the UBL element *cac:InvoiceLine/cac:AllowanceCharge/cbc:Amount* ([IBT-141](https://docs.peppol.eu/poac/aunz/pint-aunz/trn-invoice/semantic-model/ibt-141/)).

To specify the additional charge is for WET, it is recommended to use “ZZZ” for *cbc:AllowanceChargeReasonCode* ([IBT-140](https://docs.peppol.eu/poac/aunz/pint-aunz/trn-invoice/semantic-model/ibt-140/)), and include “WET” in *cbc:AllowanceChargeReason* ([IBT-139](https://docs.peppol.eu/poac/aunz/pint-aunz/trn-invoice/semantic-model/ibt-139/)).

This approach ensures the applied WET amounts are associated with the related wine sales.

Refer to **Appendix 1** for detailed examples.

**LCT**

The LCT amount, and other applicable charges, such as stamp duty, registration fee, and vehicle insurance fee, should each be displayed using an additional line:

* Put the amount in UBL element *cac:InvoiceLine/cbc:LineExtensionAmount* ([IBT-131](https://docs.peppol.eu/poac/aunz/pint-aunz/trn-invoice/semantic-model/ibt-131/)).
* Use *cac:InvoiceLine/cbc:Note* ([IBT-127](https://docs.peppol.eu/poac/aunz/pint-aunz/trn-invoice/semantic-model/ibt-127/))to describe the amount included in the invoice line, e.g. LCT.
* For LCT and other charges where GST is not applicable, use “GST” as the tax scheme and code “E” (exempt from tax) in the UBL group *cac:ClassifiedTaxCategory* ([IBG-30](https://docs.peppol.eu/poac/aunz/pint-aunz/trn-invoice/semantic-model/ibg-30/)).
* It is recommended to use “ZZZ” from [UNCL7143](https://docs.peppol.eu/poac/aunz/pint-aunz/trn-invoice/codelist/UNCL7143/) item type identification code list for *cac:InvoiceLine/cac:Item/cac:CommodityClassification/cbc:ItemClassificationCode* ([IBT-158](https://docs.peppol.eu/poac/aunz/pint-aunz/trn-invoice/semantic-model/ibt-158/)) to assist with automation of the processing of LCT.

Refer to **Appendix 2** for detailed examples.

**Note:** Using the described approach above, the document level WET or LCT amount will not be separately included and will need to be calculated and displayed by the receiving software.

Scenario

# Appendix A – Wine Equalisation Tax Example

|  |  |  |  |
| --- | --- | --- | --- |
| **Wine price per item** | **Quantity** | **WET amount (29%)** | **GST**  **(10% of WET inclusive amount)** |
| $500 | 4 | $580 | $258 |

<cac:TaxTotal>

<cbc:TaxAmount currencyID="AUD">258.00</cbc:TaxAmount><!-- 10% of WET inclusive amount -->

<cac:TaxSubtotal>

<cbc:TaxableAmount currencyID="AUD">2580.00</cbc:TaxableAmount>

<cbc:TaxAmount currencyID="AUD">258.00</cbc:TaxAmount>

<cac:TaxCategory>

<cbc:ID>S</cbc:ID>

<cbc:Percent>10</cbc:Percent>

<cac:TaxScheme>

<cbc:ID>GST</cbc:ID>

</cac:TaxScheme>

</cac:TaxCategory>

</cac:TaxSubtotal>

</cac:TaxTotal>

<cac:LegalMonetaryTotal>

<cbc:LineExtensionAmount currencyID="AUD">2580.00</cbc:LineExtensionAmount>

<cbc:TaxExclusiveAmount currencyID="AUD">2580.00</cbc:TaxExclusiveAmount>

<cbc:TaxInclusiveAmount currencyID="AUD">2838.00</cbc:TaxInclusiveAmount>

<cbc:PayableAmount currencyID="AUD">2838.00</cbc:PayableAmount>

</cac:LegalMonetaryTotal>

<cac:InvoiceLine>

<cbc:ID>1</cbc:ID>

<cbc:Note>Bulk White Wine</cbc:Note>

<cbc:InvoicedQuantity unitCode="E99">4</cbc:InvoicedQuantity>

<cbc:LineExtensionAmount currencyID= "AUD">2580.00</cbc:LineExtensionAmount>

<cac:AllowanceCharge>

<cbc:ChargeIndicator>true</cbc:ChargeIndicator><!-- WET charge -->

<cbc:AllowanceChargeReasonCode>ZZZ</cbc:AllowanceChargeReasonCode><!-- Recommended WET charge code -->

<cbc:AllowanceChargeReason>WET</cbc:AllowanceChargeReason><!-- WET charge reason -->

<cbc:Amount currencyID="AUD">580</cbc:Amount><!-- WET amount (29% of (PriceAmount x InvoicedQuantity)) -->

</cac:AllowanceCharge>

<cac:Item>

<cbc:Description>Wine</cbc:Description>

<cbc:Name>White Wine</cbc:Name>

<cac:ClassifiedTaxCategory>

<cbc:ID>S</cbc:ID>

<cbc:Percent>10</cbc:Percent>

<cac:TaxScheme>

<cbc:ID>GST</cbc:ID>

</cac:TaxScheme>

</cac:ClassifiedTaxCategory>

</cac:Item>

<cac:Price>

<cbc:PriceAmount currencyID="AUD">500</cbc:PriceAmount>

</cac:Price>

</cac:InvoiceLine>

</Invoice>

**Scenario**

# Appendix B – Luxury Car Tax

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Car price | Quantity 1 | \*Threshold | \*LCT taxable amount | LCT amount |
| $100,000 | 1 | $75,526 | (100k-75,526) x 10/11 = $22,249.10 | $7342.2 |

*\*(33%) x 10/11 x [Luxury car tax value – luxury car tax threshold]*

<cac:TaxTotal>

<cbc:TaxAmount currencyID="AUD">10000</cbc:TaxAmount>

<cac:TaxSubtotal>

<cbc:TaxableAmount currencyID="AUD">100000</cbc:TaxableAmount>

<cbc:TaxAmount currencyID="AUD">10000</cbc:TaxAmount>

<cac:TaxCategory>

<cbc:ID>S</cbc:ID>

<cbc:Percent>10</cbc:Percent>

<cac:TaxScheme>

<cbc:ID>GST</cbc:ID>

</cac:TaxScheme>

</cac:TaxCategory>

</cac:TaxSubtotal>

<cac:TaxSubtotal>

<cbc:TaxableAmount currencyID="AUD">11582.90</cbc:TaxableAmount>

<cbc:TaxAmount currencyID="AUD">0.00</cbc:TaxAmount>

<cac:TaxCategory>

<cbc:ID>E</cbc:ID>

<cbc:Percent>0</cbc:Percent>

<cac:TaxScheme>

<cbc:ID>GST</cbc:ID>

</cac:TaxScheme>

</cac:TaxCategory>

</cac:TaxSubtotal>

</cac:TaxTotal>

<cac:LegalMonetaryTotal>

<cbc:LineExtensionAmount currencyID="AUD">111582.90</cbc:LineExtensionAmount>

<cbc:TaxExclusiveAmount currencyID="AUD">111582.90</cbc:TaxExclusiveAmount>

<cbc:TaxInclusiveAmount currencyID="AUD">121582.90</cbc:TaxInclusiveAmount>

<cbc:PayableAmount currencyID="AUD">121582.90</cbc:PayableAmount>

</cac:LegalMonetaryTotal>

<cac:InvoiceLine>

<cbc:ID>1</cbc:ID>

<cbc:Note>Porche 911 Carrera</cbc:Note><!-- Use to describe the amount included -->

<cbc:InvoicedQuantity unitCode="E99">1</cbc:InvoicedQuantity>

<cbc:LineExtensionAmount currencyID= "AUD">100000</cbc:LineExtensionAmount>

<cbc:AccountingCost>Luxury Car Cost</cbc:AccountingCost>

<cac:Item>

<cbc:Description>Luxury Car</cbc:Description>

<cbc:Name>Porche 911 Carrera</cbc:Name>

<cac:ClassifiedTaxCategory>

<cbc:ID>S</cbc:ID>

<cbc:Percent>10</cbc:Percent>

<cac:TaxScheme>

<cbc:ID>GST</cbc:ID>

</cac:TaxScheme>

</cac:ClassifiedTaxCategory>

</cac:Item>

<cac:Price>

<cbc:PriceAmount currencyID="AUD">100000</cbc:PriceAmount>

<cac:AllowanceCharge>

<cbc:ChargeIndicator>false</cbc:ChargeIndicator>

<cbc:Amount currencyID="AUD">0.00</cbc:Amount>

<cbc:BaseAmount currencyID="AUD">100000</cbc:BaseAmount>

</cac:AllowanceCharge>

</cac:Price>

</cac:InvoiceLine>

<cac:InvoiceLine>

<cbc:ID>2</cbc:ID>

<cbc:Note>LCT</cbc:Note><!-- Use to describe the amount included -->

<cbc:InvoicedQuantity unitCode="C62">1</cbc:InvoicedQuantity>

<cbc:LineExtensionAmount currencyID="AUD">7342.20</cbc:LineExtensionAmount><!-- LCT amount -->

<cac:Item>

<cbc:Description>LCT Tax Payable</cbc:Description>

<cbc:Name>LCT</cbc:Name>

<cac:CommodityClassification>

<cbc:ItemClassificationCode listID="ZZZ">LCT</cbc:ItemClassificationCode><!-- Recommended LCT code for automation of processing -->

</cac:CommodityClassification>

<cac:ClassifiedTaxCategory>

<cbc:ID>E</cbc:ID>

<cbc:Percent>0</cbc:Percent>

<cac:TaxScheme>

<cbc:ID>GST</cbc:ID>

</cac:TaxScheme>

</cac:ClassifiedTaxCategory>

</cac:Item>

<cac:Price>

<cbc:PriceAmount currencyID="AUD">7342.20</cbc:PriceAmount>

</cac:Price>

</cac:InvoiceLine>

<cac:InvoiceLine><!-- Additional line item for stamp duty, registration fees ect -->

<cbc:ID>3</cbc:ID>

<cbc:Note>LCT</cbc:Note><!-- Use to describe the amount included -->

<cbc:InvoicedQuantity unitCode="C62">1</cbc:InvoicedQuantity>

<cbc:LineExtensionAmount currencyID="AUD">4240.70</cbc:LineExtensionAmount>

<cac:Item>

<cbc:Description>Stamp Duty Payable</cbc:Description>

<cbc:Name>Stamp Duty</cbc:Name>

<cac:CommodityClassification>

<cbc:ItemClassificationCode listID="ZZZ">Stamp Duty </cbc:ItemClassificationCode><!-- Recommended LCT code for automation of processing -->

</cac:CommodityClassification>

<cac:ClassifiedTaxCategory>

<cbc:ID>E</cbc:ID>

<cbc:Percent>0</cbc:Percent>

<cac:TaxScheme>

<cbc:ID>GST</cbc:ID>

</cac:TaxScheme>

</cac:ClassifiedTaxCategory>

</cac:Item>

<cac:Price>

<cbc:PriceAmount currencyID="AUD">4240.70</cbc:PriceAmount>

</cac:Price>

</cac:InvoiceLine>

</Invoice>

**Version history**

|  |  |  |
| --- | --- | --- |
| **Version** | **Date** | **Change Description** |
| 1.0 | 08/10/2019 | Initial published version |
| 1.0.1 | 06/02/2020 | Correction of LCT example (Appendix B)   * Use "ZZZ" as ItemClassificationCode. * Improve AccountingCost exemplars. |
| 1.0.2 | 09/02/2024 | Updated artefact references to the PINT A-NZ specification  Editorial changes for clarification |