# GST at Settlement

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## RuleBase Logic – Amount to be Paid

*Taxation Administration Act 1953* (Cth) s 14-250(6);

|  |  |
| --- | --- |
| [Taxation Administration Act 1953 (Cth) 14-250] the total withholding amount | |
| The contract price \* 0.07 | [s 6] The margin scheme applies |
| The contract price\* 0.1 | [s 9] The supply is between associates |
| The contract price \* 0.091 / the purchaser's percentage of ownership | [Law Companion Ruling LCR 2018/04 para 44] The supply is only partly a supply of new residential premises or potential residential land |
| The contract price \* 0.091 / the purchaser's percentage of ownership | [s 11] There are multiple recipients |
| The contract price \* 0.091 | otherwise |

### *Payment Type*

Comment – Reasons rules are so long is rule table is structured waterfall, requiring top conditions to be false to flow to through to the next. Uncertain state is not sufficient.

### *Margin Scheme*

The margin scheme applies if

Payment type = "Margin Scheme” and

[A New Tax System (Goods and Services Tax) Act 1999 s 75.5] The margin scheme criteria applies

The margin scheme criteria applies if

[(1)] The supplier and purchaser have agreed in writing that the margin scheme is to apply before making the supply and

[(1A)] The agreement must have be made on or before the making of the supply.

### *Supply between associates*

The supply is between associates if

Payment Type = "Between associates" and

[A New Tax System (Goods and Services Tax) Act 1999 Division 72] The purchaser is an associate

[Income Tax Assessment Act 1936 (Cth) s 318] The purchaser is an associate if

[(1)(a)] The purchaser is a relative if the primary entity or

[(1)(b)] A partner of the primary entity or a partnership in which the primary entity is a partner or

[(1)(c)] If a partner of the primary entity is a natural person otherwise than in the capacity of a trustee, the spouse of a child of that partner or

[(1)(d)] A trustee of a trust where the primary entity, or another entity that is an associate of the primary entity because of another paragraph of this subsection, benefits under the trust;

### *Part Supply*

the supply is only partly a supply of new residential premises or potential residential land if

payment Type = "Partly a supply of residential premises” and

the supply is only partly a supply of new residential premises or potential residential land criteria applies

[Law Companion Ruling LCR 2018/04 para 44] the supply is only partly a supply of new residential premises or potential residential land criteria applies if

[(a)] The percentage of supply/ownership taken, was less than 100% and

[(b)] It is practical to ascertain the portion of consideration that relates to the supply.

### *Multiple Associates*

there are multiple recipients if

payment Type = "Multiple recipients" and

The multiple recipients criteria applies

the multiple recipients criteria applies if

There is more than one recipient

## RuleBase Logic – Interview Control

### *Interview Control – Payment case*

The Margin Scheme may apply if

Payment Type = “Margin Scheme”

The Supply Between Associates may apply if

Payment Type = "Between associates"

The Part Supply may apply if

Payment Type = "Partly a supply of residential premises”

The Multiple Recipients may apply if

Payment Type = "Multiple recipients"

### *Interview Control – Supply between associates*

The test for when a purchaser is an associate is required if

the supply is between associates is uncertain

### *Interview Control – Supply between associates*

The explanation for more than one recipient is required if

There is more than one recipient

## Appendix

#### Appendix I – Supply Between Associates – Extended Legal Definition/Application

##### “Primary Entity”

**Primary Entity** - It is our opinion that the primary entity refers to the seller of the property, or the person who immediately had/had ownership of the property before this transaction was completed.

#### Appendix III – Multiple Recipients – Extended Legal Definition/Application

##### “Multiple Recipients”

If there is more than one recipient of the supply:

* treat each recipient as being the recipient of a separate supply
* treat the amount for such as separate supply as being the same proportion of that amount for the original supply, as the proportion of the original supply that is constitute by that separate supply

*Taxation Administration Act 1953* (Cth) s 14-250 (11)(a)(b)