Australian Customs Notice 1998 34

**SALES TAX EXEMPTION CHANGES**

The Australian Taxation Office has undertaken a review of a number of aspects of sales tax administration. In order to improve the integrity of claims made for the exemption of sales tax, a number of changes to the treatment of sales tax exemptions on import entries are to be introduced.

Importers will now have to be more explicit when claiming an exemption from sales tax and two new methods are to be introduced to achieve this end. The first is the Sales Tax Exemption Item number and the second is the Exemption Declaration.

# Sales Tax Exemption Item

When claiming an exemption from sales tax, the importer will have to quote a Sales Tax Exemption Item number. A list of the item numbers is at [Attachment A](https://borderauthor.border.gov.au/busi/cust/aust/Australian-Customs-Notice-1998-34-A). Certain item numbers are designated with an "R" which indicates a restriction. The importer must then also quote a Sales Tax Registration Number (certificate).

A new field will be introduced to the COMPILE system to cater for the Sales Tax Exemption Item number. This field will be known as the STE. Importers will be able to quote the STE at either the header or line level, using any of the following methods:

Where importers are passing sales tax liability on and quote a Sales Tax Registration Number, they must input the Sales Tax Registration Number prefixed with an **R**/ as is the case now; or

When an importer quotes an STE coupled with a Sales Tax Registration Number, the STXC or STX field will contain only the Sales Tax Registration Number; or Where the goods in question are Australian returned goods, the importer must quote AUG in the STE field.

With the introduction of the STE field the EX, CX and RCX options will be removed. **Exemption Declarations**

Exemption declarations can be quoted where the importer does not hold a Sales Tax Registration Number. These declarations are listed at [Attachment B](https://borderauthor.border.gov.au/busi/cust/aust/Australian-Customs-Notice-1998-34-B).

The exemption declaration must be prefixed with an **R**/ when used with a restricted STE, and in such instances may only be used at the line level. Where an exemption declaration 2 (ED2) is quoted, a STE must also be quoted.

Any amendments made to entries after 1 September that were created prior to 1 September must comply with the new rules. **Implementation**

These changes will come into effect on 1 September 1998. **Further Information**

For further information please contact the following:

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# Attachments

[Attachment A](https://borderauthor.border.gov.au/busi/cust/aust/Australian-Customs-Notice-1998-34-A) - Sales Tax Exemption Item Numbers [Attachment B](https://borderauthor.border.gov.au/busi/cust/aust/Australian-Customs-Notice-1998-34-B) - Sales Tax Exemption Declarations Bob Mitchell

National Manager

Import-Export Management Branch For Chief Executive Officer

2 July 1998