



REVENUE RULING

DA 4.0

DUTIES TREATMENT OF AMOUNTS OF GOODS AND SERVICES TAX ("GST")

RULING HISTORY

Revenue Ruling	Issued	Dates of Effect	
		From	To
DA 4.0	July 2008	July 2008	29 October 2015

This revenue ruling only applies to transactions entered into on or after 1 July 2008. Revenue Ruling SD 29 applies to instruments executed and transactions entered into on or before 30 June 2008.

INTRODUCTION

1. Section 5 of the *Duties Act 2008* provides that in ascertaining the value of anything or the consideration for anything, there is to be no discount for the amount of GST payable on the supply of that thing.
2. The purpose of this ruling is to outline the Commissioner's interpretation in ascertaining value or consideration where there is a GST gross up clause included, but where no GST is payable.

RULING

3. Where the Commissioner is satisfied that GST is not payable in respect of a supply, the value or consideration will be ascertained without the addition of an amount of GST, notwithstanding the existence of a GST gross up clause.
4. When the GST was introduced, it was recognised that a business that sells real property, which it had held for some time, might have to pay GST on the increase in property values. Special rules were included to allow businesses a choice to pay GST on the difference between the selling price and either the purchase price or the value of the real property at 1 July 2000.

5. Where the choice is made to pay GST on the difference between the selling price and the value at 1 July 2000, the GST payable is often not equal to one-eleventh of the value. When such a transfer is presented for duty endorsement, the lodging party is required to provide information in writing on the amount of GST that is payable on the property.
6. Where it is claimed that no GST is payable, both parties (or their agents) are required to provide a statement at the time the transaction record is lodged for duty endorsement containing the following:
 - (a) that to the best of their knowledge and belief, GST is not payable on the transaction the subject of the transaction record.
 - (b) advice as to whether a ruling has been obtained or sought from the Australian Taxation Office on the transaction. If a ruling has been obtained a copy should be provided.
 - (c) if no ruling has been obtained:
 - (i) the basis on which it is claimed that no GST is payable making reference to all relevant facts, legislative provisions, rulings and authorities;
 - (ii) where the supply would be GST free if conditions or requirements specified in the Commonwealth *A New Tax System (Goods and Services Tax) Act 1999* are or will be satisfied, the parties must declare in the statement that those conditions or requirements are or will be met.