

Ready for the GST?

What you need to know about ABN and GST registration

Do I need to be ABN and GST registered?

If you are carrying on an enterprise, then you should register for an Australian Business Number (ABN).

You must register for ABN and GST if your annual turnover is above:

- \$50,000 for a business entity or
- \$100,000 for a not-for-profit organisation.

You may choose to register for GST if your annual turnover is below the threshold. Contact your business adviser, accountant or tax agent for more information.

How do I register?

You can register for ABN and GST by:

- accessing www.business.gov.au or
- calling 13 24 78 for an application form or
- contacting your business adviser, accountant or tax agent.

What happens if I'm not registered?

If you do not have an ABN:

- your business customers are required to withhold 48.5 percent of payments to you for supplies made from 1 July 2000
- you will not be able to register for GST and
- you will not be able to issue Tax Invoices.

If you are not registered for GST:

- you will not be able to claim input tax credits for the GST that your business has paid from 1 July 2000
- you lodge an Instalment Activity Statement instead of a Business Activity Statement and
- you should note that there are penalties for failing to register for GST if your business turnover is more than \$50,000 per year (or \$100,000 for a not-for-profit organisation).

NOTE: You may be issued with a safety net letter from the ATO giving you authority to operate until 31 July 2000 as if you had received your ABN. For more information call 13 24 78.

I'm registered. What do I do now?

You need to adjust your invoices, update your prices and start collecting the records that you will need to fill out your Business Activity Statement and meet your New Tax System obligations.

Make sure you put aside the GST that you collect so you can pay your tax obligations.

Turn the page for more information.

Contact your business adviser, accountant or tax agent for specific information on what your business needs to do to get GST ready.

Further information:

BUSINESS INFORMATION – GST Start-Up Assistance Office – 13 30 88 or www.gststartup.gov.au

PRICES – Australian Consumer and Competition Commission – 1300 302 502 or www.accc.gov.au

TAX – Australian Taxation Office – 13 24 78 or www.taxreform.ato.gov.au



What do I do now?

ADJUST YOUR INVOICES

If you are ABN and GST registered, your invoices (now called a Tax Invoice) must include:

The words "TAX INVOICE" prominently displayed

Name of supplier

ABN of supplier

Date of issue of tax invoice

Name of recipient
Address or ABN of recipient

Quantity of goods or extent of service supplied

Brief description of each thing supplied
GST - inclusive price of the taxable supply

When GST payable is exactly 1/11th of the total price, either a statement "THE TOTAL PRICE INCLUDES GST" or the GST amount

TAX INVOICE			
Tools n Trade Pty Ltd		15 Burshag Road Festler NSW	
ABN 32 123 456 789			

1 August 2000			
TO: Builders & Building 2 Newhouse Road Festler NSW			
QTY	Description of Supply	Price	Total
10	Solid decorator doors	\$165	\$1650
TOTAL			\$1650
The total price includes GST			

RE-PRICING YOUR GOODS OR SERVICES

Work out your costs and new prices, taking into account tax changes and cost savings.

Make sure your net dollar margin does not increase and don't just add 10 percent to existing prices.

REPORTING TO THE AUSTRALIAN TAXATION OFFICE (ATO)

GST

If you are registered for ABN and the GST, you will pay GST on the things you buy (and get this back as input tax credits) and you will charge your customers GST.

Business Activity Statement (BAS)

The Business Activity Statement (BAS) is the single form you fill in and return to the ATO monthly or quarterly to work out the amounts that you owe the ATO or the amounts that the ATO owes you. You also use the BAS to report your obligations and entitlements relating to Pay-As-You-Go (PAYG).

Pay-As-You-Go (PAYG)

PAYG replaces 11 existing taxes and has two parts:

1. PAYG - Instalments

- Means paying your own tax
- Replaces provisional tax and company tax
- Due quarterly or annually.

2. PAYG - Withholding

- Means paying amounts you withhold from others
- Replaces PAYE and the Prescribed Payments System
- Includes amounts you withhold from payments to other businesses that do not quote their ABN
- Due weekly, monthly or quarterly depending on the size of your annual withholdings.

Wholesale Sales Tax Credits

If you were registered for GST on 1 July 2000, you can also claim the special credit for Wholesale Sales Tax paid on stock on hand at 30 June 2000.