

# **VALID TAX INVOICES AND INVOICES**

*(The new rules from 1st July 2010)*

## **Tax Invoice – Supplier has an ABN and is registered for GST**

A valid Tax Invoice is a document that meets all of the following requirements:-

1. *It is issued by the supplier; and*
2. *It contains enough information to enable the following to be clearly identified:-*
  - *the supplier's identity and ABN;*
  - *a brief description of what is sold, including the quantity and the price of what is sold;*
  - *the extent to which each sale is a taxable sale – this can be shown separately or, if the GST to be paid is exactly one-eleventh of the total price, as a statement such as "total price includes GST";*
  - *the date the document is issued;*
  - *the amount of GST (if any) payable for each sale;*
  - *that the document is intended to be a tax invoice.*
3. *If the total price of the sale is at least \$1,000 then the recipient's identity or ABN must be able to be clearly identified.*

### Please Note:

- (a) *Suppliers with established systems that generate tax invoices with the requirements that existed before 1 July 2010 are not required to make changes to their systems to incorporate the amendments. Tax invoices produced under existing systems will continue to be valid tax invoices under the new rules.*
- (b) *The information must be clear in the document (if the information can only be determined in conjunction with an external source, then the information is not clearly identified from the document and therefore is not a valid tax invoice).*
- (c) *The document must clearly show that it is intended to be a tax invoice, that is, it may include a statement "this provides all the information needed for the recipient to claim their ITCs". The most direct way is to include the words "tax invoice". However, other forms of words are also acceptable, such as "GST invoice". To avoid any doubt, it is expected that most suppliers will continue to include the words "tax invoice" on documents (as was required prior to 1 July 2010).*
- (d) *A document may be treated by the recipient as a tax invoice if all the required information can be clearly ascertained from this document and from other documents given by the supplier – this will allow the recipient to claim the ITCs.*
- (e) *However the supplier must still provide a valid tax invoice. Although a document may be treated as a tax invoice for the purposes of the recipient claiming the ITCs, it will not satisfy the obligation of the supplier to provide a valid tax invoice. Thus a recipient may still request the supplier to supply a tax invoice that meets the tax invoice requirements, which the supplier must then provide within 28 days of the request.*
- (f) *If you buy taxable goods or services that cost more than \$82.50 (GST inclusive) your supplier must supply you with a tax invoice within 28 days after you request one. Tax invoices that contain incorrect or incomplete information, where you cannot work out the missing information from other documents issued by the supplier, are not sufficient and you should ask your supplier to replace it with a complete and correct tax invoice.*

- (g) For purchases that cost \$82.50 or less (GST Inclusive), you must have documents such as cash register dockets, receipts or invoices to claim the GST credit. A supplier must be registered for GST before you can claim a GST credit on a purchase. A Statutory Declaration is not an appropriate document and GST credits are not able to be claimed for transactions that are only supported by a Statutory Declaration.
- (h) Where it is known that the purchase is a taxable supply (eg all taxis are required to be registered for GST under the Act) and the value of the transaction is \$82.50 or less (GST inclusive), the GST credits may be claimed as long as appropriate documentation is held.

## ***Invoice - Vendor has an ABN but is not registered for GST***

The invoice must display the following criteria:-

1. The legal name or trading name of the vendor (this name should match the detail on the ABR website [www.abr.business.gov.au](http://www.abr.business.gov.au) – which should also confirm that the entity is not GST registered); and
2. The business &/or postal address of the vendor, as well as contact details; and
3. The ABN of the vendor.

**Please Note:**

- a) If a business is sold or restructured and the ABN changes, then a new entity has been created, and so a new vendor will need to be established.
- b) If a vendor is not registered for GST, they cannot call this a “tax invoice” as this name implies that they are both registered and authorised to collect GST.
- c) It is illegal to collect GST if the entity is not registered for GST.

It is USQ Policy to always use GST registered suppliers/vendors therefore special approval must always be obtained from the Manager Financial Operations prior to dealing with a non-GST registered supplier/vendor.

## ***Where the person does not have an ABN:***

The “request for payment” document or invoice should include:

1. The legal name and address of the person; and
2. Contact details for the person; and
3. A fully completed and signed **Statement by Supplier Form** must be attached to the request for payment/invoice. A new **Statement by Supplier Form** will be required each time this person is used. (All business entities must register for an ABN)

**Please Note:**

Where a person does not quote an ABN or a TFN (tax file number) there is a requirement under PAYG with-holding provisions for the payer to withhold 46.5% tax. If the person is not in business and not required to hold an ABN then they must complete a **Statement by Supplier Form** (obtainable from the ATO) before payment may be made.

It is USQ Policy to always use GST registered suppliers/vendors therefore special approval must always be obtained from the Manager Financial Operations prior to dealing with a person who does not hold either an ABN or GST registration.