Print whole section

GST - Goods and Services Tax

Explains how goods and services tax (GST) works and what you need to do to meet your GST obligations.

How GST works

Explains how GST works and what you need to do to meet your GST obligations.

Registering for GST

Work out if, when and how you need to register for GST.

When to charge GST (and when not to)

Explains who has to charge GST, and what taxable sales, GST-free sales and input-taxed sales are.

Tax invoices

Explains when to provide a tax invoice, what it must include and dealing with non-taxable sales and rounding.

Claiming GST credits

Report and pay GST amounts and claim GST credits by lodging a BAS or an annual GST return.

Accounting for GST in your business

Choosing an accounting method, thinking about cash flow and GST and the advantages of keeping good records.

When and how to report and pay GST

Your GST reporting cycle may be monthly, quarterly or annually, depending on your GST turnover and other requirements.

Completing your BAS for GST

How to complete your BAS, correct GST errors and adjust a BAS.

If your business changes or ceases

When you must cancel your GST registration and how to complete your last BAS.

GST definitions

Learn the definitions for goods and services tax (GST) including terms which have a specific meaning in GST law.

How we can help

We have a range of resources and contact points to help you with your GST questions.

Understanding GST for your industry and specific transactions

Detailed information about goods and services tax (GST).

QC 22410

How GST works

Explains how GST works and what you need to do to meet your GST obligations.

Last updated 14 September 2026

What is GST

Goods and services tax (GST) is a broad-based tax of 10% on most goods, services and other items sold or consumed in Australia.

Some things don't have GST included. These are called GST-free sales.

You can use the GST calculator on ASIC's MoneySmart website to:

- calculate GST
- work out how much GST is included in a sale.

What registered businesses do for GST

Generally, businesses and other organisations registered for GST will:

- include GST in the price they charge for their goods and services
- claim credits from us for the GST included in the price of goods and services they buy for their business.

What you need to do for GST

You need to register for GST if you run a business or other enterprise and you either:

- have a GST turnover of $75,000 or more ($150,000 or more for non-profit organisations)
- provide taxi travel (including ride-sourcing).

You then need to:

- work out whether your sales are subject to GST. If they are you need to include GST in the price of your taxable sales.
- issue tax invoices for your taxable sales
- obtain tax invoices for your business purchases
- claim GST credits for GST included in the price of your business purchases
- account for GST on either a cash or non-cash basis
- put aside the GST you collected so you can pay it to us when due
- lodge activity statements or annual returns to report your sales and purchases
- pay GST owing to us. Alternatively, you may receive a GST refund.

See our GST definitions for explanations of the terms used in this content.

If you're a small business owner, see our GST tax basics video.

QC 22411

Registering for GST

Work out if, when and how you need to register for GST.

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How GST registration works

Not every business or enterprise needs to be registered for GST, but penalties may apply if you fail to register when required to do so.

Once you are required to register for GST, you need to do so within 21 days.

You only need to register for GST once, even if you operate more than one business.

Before you register, you need to have an Australian business number (ABN). You can get an ABN when you first register your

business name or at a later time.

You only need to register for GST once, even if you operate more than one business.

You can also cancel your GST registration if you are no longer required to be registered.

If you are a non-resident, depending on your business activities, you may need to register for GST. For more information on how to register see Non-resident businesses and GST. There are different proof-of-identity requirements for non-residents.

When you need to register

You must register for GST:

- when your business or enterprise has a GST turnover (gross income from all businesses minus GST) of $75,000 or more (the GST threshold). To find out how this is calculated see Working out your GST turnover.
- when you start a new business and expect your turnover to reach the GST threshold (or more) in the first year of operation
- if your non-profit organisation has a GST turnover of $150,000 per year or more
- when you provide taxi or limousine travel for passengers (including ride-sourcing) regardless of your GST turnover. This applies to both owner-drivers and if you lease or rent a taxi.
- if you want to claim fuel tax credits for your business or enterprise.

If your business or enterprise doesn't fit into one of these categories, registering for GST is optional. If you choose to register, generally you must stay registered for at least 12 months.

Media: Whe to register for GST
https://tv.ato.gov.au/media/nixx79jdgigzcu (**Duration:** 1:32)

Example: registering for GST as a trust

Beau is a tap dancer who posts his videos to a social media platform. He enters into a monetisation agreement with the social media platform as a trust.

The social media platform places advertising on Beau's videos. Beau's trust receives a percentage of the advertisement revenue from the social media platform when advertisements on his video clips are viewed.

As the social media platform operator is an Australian entity, the trust's sale to the social media platform is a taxable sale.

Beau's trust receives over $75,000 in advertising revenue, so it is required to register for GST and pay GST on the payments received.

How to register

Once you have an ABN, you can register for GST either:

- through Online services for business
- by phoning our Business enquiries line
- through your registered tax agent or BAS agent.

We'll notify you in writing of your:

- GST registration details, including the date your registration is effective
- ABN details (if you haven't already received them).

Once registered for GST, you need to lodge a business activity statement (BAS).

If you don't register

If you're not registered for GST, check each month to see if you've reached the GST threshold, or are likely to exceed it. You need to register within 21 days of your GST turnover exceeding the relevant threshold.

If you don't register for GST and are required to, you may have to pay GST on sales made since the date you were required to register. This could happen even if you didn't include GST in the price of those sales.

You may also have to pay penalties and interest.

Backdating your GST registration

You can apply to backdate your GST registration. Backdating a GST registration is limited to 4 years. This means, unless there is fraud or evasion:

- we can't backdate your GST registration by more than 4 years
- you are not required to be registered before that date.

To request a backdated GST registration, you will need to phone our Business enquiries line.

Working out your GST turnover

Your GST turnover is your total business income (not your profit), **minus**:

- GST included in sales to your customers
- sales to associates that aren't for payment and aren't taxable
- sales not connected with an enterprise you run
- input-taxed sales you make
- sales not connected with Australia.

GST turnover threshold

You reach the GST turnover threshold if either:

- your current GST turnover (total turnover for the current month and the previous 11 months) totals $75,000 or more ($150,000 or more for non-profit organisations)
- your projected GST turnover (total turnover for the current month and the next 11 months) is likely to be $75,000 or more ($150,000 or more for non-profit organisations).

Using a business software package to account for sales and expenses may make it easier to calculate your current or projected GST turnover.

When working out your projected GST turnover, **don't** include:

- amounts you receive for the sale of a business asset, such as the sale of a capital asset
- any sale you make, or are likely to make, solely as a consequence of
  - ceasing to carry on an enterprise
  - substantially and permanently reducing the size or scale of an enterprise.

Even if your current GST turnover is at or above the threshold, you don't have to register for GST if we are satisfied that your projected GST turnover will be less than the threshold.

Example: Barry's current GST turnover – May plus previous 11 months

Barry is a sole trader who sells specialised car parts. At the end of May, his gross business income for the month is $2,560.

He must work out if this amount plus the previous 11 months gross business income reaches the GST turnover threshold of $75,000.

Barry adds his gross business income for May and the previous months together. His current GST turnover is $31,170.

Although his current GST turnover is less than $75,000, he must now calculate his **projected** GST turnover.

Barry continues to calculate his projected gross business income each month and, if he meets the threshold in the future, he will have 21 days to register for GST from that time.

GST groups and branches

Related entities may form a single group for GST purposes.

An entity may separately register a branch for GST purposes if this suits its management and accounting structure.

If you're a member of a GST group, your turnover:

- includes the turnover of the other group members
- does not include transactions between group members.

GST groups and branches

Understand the eligibility and operation of GST branches and groups and their effect on GST turnover.

QC 22412

When to charge GST (and when not to)

Explains who has to charge GST, and what taxable sales, GST-free sales and input-taxed sales are.

Last updated 14 September 2026

If you are registered for GST – or required to be – the goods and services you sell in Australia are taxable sales unless they are GST-free or input taxed.

Non-profit organisations may be entitled to concessions on some transactions.

There are particular rules around GST for:

- grants and sponsorships
- some insurance settlements
- business-to-business transactions of precious metals.

Taxable sales

Find out when your business sales are taxable and you include

GST-free sales

There are products and services which are GST-free and are exempt from GST.

Input-taxed sales

Check which sales are considered as input-taxed sales, which you don't include GST in the price or claim GST credits.

Grants and sponsorship

Check how to apply GST when supplying a benefit in return for a grant or sponsorship money.

Insurance settlements

There are circumstances where you do not have to pay GST on an insurance settlement.

QC 22417

Taxable sales

Find out when your business sales are taxable and you include GST in the price.

Last updated 14 September 2026

About taxable sales

If you are registered for GST, or required to be, the goods and services you sell in Australia are taxable, unless they are GST-free or input-taxed.

To be a taxable sale with GST in the price, a sale must be:

- for payment of some kind
- made in the course of operating your business
- connected with Australia.

Paying GST on taxable sales

You pay GST on the taxable sales you make when you lodge your activity statement. For these taxable sales, you:

- include GST in the price
- issue a tax invoice to the buyer
- pay the GST you've collected when you lodge your activity statement.

You can claim credits for the GST included in the price of purchases you needed to make your taxable sales.

Use the GST calculator on ASIC's MoneySmart website to calculate the amount of GST to include in a taxable sale.

Partly taxable sales

If your sale can be separated into identifiable parts and any of those parts are GST-free or input-taxed, the sale is partly taxable. You only need to pay GST on the taxable part of the sale.

For more information, see:

- GST-free sales
- Input-taxed sales
- GST Ruling GSTR 2001/8 *Goods and services tax: Apportioning the consideration for a supply that includes taxable and non-taxable parts*.

Capital assets

Sales of business assets such as office equipment and motor vehicles are usually taxable sales. You will need to include GST when you trade in or dispose of business assets by transferring ownership.

For more information, see GST and the disposal of capital assets.

Sales for payment

For a sale to be taxable, it must be made for payment which can be monetary or another form of payment, such as:

- goods or services provided instead of money, such as barter transactions
- payment in the form of refraining from doing something.

Example: non-monetary payments

Marnie is a makeup artist registered for GST. She posts videos to social media platform on how to apply makeup and receives thousands of views.

Louise's Lipsticks Pty Ltd, an Australian business, engages Marnie to promote their products in her social media videos. Under the agreement, Marnie receives $22,000 worth of products from Louise's Lipsticks Pty Ltd as payment for promoting their products in her videos.

Marnie's taxable sale to Louise's Lipsticks Pty Ltd has a value of $22,000. She provides a tax invoice to Louise's Lipsticks Pty Ltd for her promotional services at a cost of $20,000 plus $2,000 GST.

Marnie must also include $2,000 GST from this taxable sale in her BAS.

For more information, see:

- Bartering and trade exchanges
- Grants and sponsorship
- GST Ruling GST 2001/6 *Goods and services tax: Non-monetary consideration*.

Sales in the course of operating your business

For a sale to be taxable, you must provide the goods or services as part of conducting your business. This includes all sales of business assets, including items such as motor vehicles and office plant and equipment. It also includes things done in the course of setting up or winding down your business.

Sales connected with Australia

GST applies to sales connected with Australia, whether they are:

- goods
- property
- sales other than goods or property.

Goods

A sale of goods is connected with Australia if the goods are either:

- delivered or made available in Australia to the purchaser
- removed from Australia
- brought to Australia – provided the seller either imports the goods or installs or assembles the goods in Australia.
- from 1 July 2018, supplies of low value imported goods to a consumer in Australia.

Exports of goods and services from Australia are generally GST-free, even though the sale is connected with Australia.

For more information, see:

- Exports of goods
- GST on low value imported goods
- GSTR 2018/2 *Goods and services tax: supplies of goods connected with the indirect tax zone (Australia)*

Property

A sale of property is connected with Australia if the property is in Australia.

For GST purposes, property includes:

- land
- land and buildings
- interest in land
- rights over land
- a licence to occupy land.

For more information, see GSTR 2018/1 *Goods and services tax: supplies of real property connected with the indirect tax zone (Australia)*.

Things other than goods or property

A sale of something other than goods or property is connected with Australia if either the:

- thing is done in Australia
- seller makes the sale through a business they carry on in Australia
- sale is of a right or option to purchase something that would be connected with Australia.
- purchaser of the sale is an Australian consumer.

For more information, see:

- GSTR 2019/1 *Goods and services tax: supply of anything other than goods or real property connected with the indirect tax zone (Australia)*.
- GST on imported services and digital products
- GSTR 2017/1 *Goods and services tax: making cross-border supplies to Australian customers*

QC 22418

GST-free sales

There are products and services which are GST-free and are exempt from GST.

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How GST-free sales work

You don't include GST in the price if your product or service is GST-free.

You can still claim credits for the GST included in the price of purchases you use to make your GST-free sales.

You may be able to purchase a car GST-free if you are an eligible person with a disability, and the purchase meets certain other conditions relating to using the car.

Use the GST calculator on ASIC's MoneySmart website to work out price excluding GST and the total cost including GST.

Main GST-free products and services

Most basic foods, some education courses and some medical, health and care products and services are GST-free. This is often referred to as exempt from GST.

Things that are GST-free include:

- most basic food
- some education courses, course materials and related excursions or field trips
- some medical, health and care services
- some menstrual products
- some medical aids and appliances
- some medicines
- some childcare services
- some religious services and charitable activities
- supplies of accommodation and meals to residents of retirement villages by certain operators
- cars for disabled people to use, when certain requirements are met

- water, sewerage and drainage
- international transport and related matters
- precious metals
- sales through duty-free shops
- grants of land by government
- farmland
- international mail
- exports
- sales of businesses as going concerns
- some telecommunications supplies
- eligible emissions units.

For more information, see:

- GST food list
- GST Rulings and Determinations and search the topic you are interested in.

Exports of goods

Exported goods are GST-free if they are exported from Australia within 60 days of one of the following, whichever occurs first:

- the supplier receives any payment for the goods
- the supplier issues an invoice for the goods.

In the case of goods paid for by instalments, the payment or invoice must be for the final instalment.

Suppliers can apply to us to extend the 60-day period.

Other exports

Other exports generally include supplies of things other than goods for consumption outside Australia, such as:

- services

- various rights
- other professional services.

A supply of a service is usually GST-free if the recipient of the service is outside Australia.

There are specific rules that determine if the supply is GST-free.

For more information, see:

- GSTR 2019/1 *Goods and services tax: supply of anything other than goods or real property connected with the indirect tax zone (Australia)*
- GSTR 2018/2 *Goods and services tax: supplies of goods connected with the indirect tax zone (Australia)*
- GSTR 2002/6 *Exports of goods*
- GST definitions

Sale of a business as a going concern

The sale of a business as a going concern is GST-free if **all** the following apply:

- Before the sale, the buyer and seller agree in writing that the sale is of a going concern.
- The buyer is registered or required to be registered for GST.
- Everything necessary for the business to continue operation is supplied to the buyer.
- The seller carries on the business until the day it is sold (date of settlement).
- Payment is made for the sale.

For more information, see:

- Sale of a business as a going concern – supporting information
- GSTR 2002/5 *When is a 'supply of a going concern' GST-free?*
- GST definitions

Cars, car parts and leasing

If you are eligible to purchase a car GST-free, you are also entitled to:

- lease a car GST-free, providing you meet the other conditions relating to intended use
- purchase car parts (such as batteries, tyres and disc brake pads) GST-free.

Petrol, oil or accessories such as mudflaps are not GST-free.

If you satisfy the eligibility criteria, complete a *Declaration for an exemption of GST on a car or car parts* and present it to your car or car parts supplier.

An eligible veteran with a disability can also get an approved form from the Department of Veterans' Affairs to apply for a rebate on the purchase of a motorcycle and motorcycle parts.

If you do not have a declaration for exemption before you purchase your car or car parts, the dealer or supplier may charge you GST. You may be able to get a refund of the GST after you have purchased your car or car parts. However, it is simpler for you if you provide the declaration before you make your purchase. Under tax law, we are unable to provide you with a direct refund of the GST you paid on either your car or car parts.

For more information, see:

- Eligibility for tax concessions on cars for people with a disability
- Medical aids and car appliances
- Declaration for an exemption of GST on a car or car parts – person with a disability who is gainfully employed
- Declaration for an exemption of GST on a car or car parts – disabled veterans
- Motorcycle GST rebate scheme (for disabled veterans)

Purchasing a car

An eligible person is exempt from paying GST on a car up to the value of the 'car limit' (the car limit is the same as the car cost limit for depreciation).

The 'car limit' figure is set annually. You must pay GST on any amount above that limit.

The value of the car you purchase does not include the value of any modifications made solely to adapt the car for you to drive or be driven in.

If the value of a modified car exceeds the car limit, you must pay GST on the value above the car limit. You do not pay GST on the value of the modifications made to the car.

Leasing a car

If you are eligible to purchase a car GST-free, then you can also lease a car GST-free, if **both** of the following apply:

- the lease is for a minimum of 2 years, or you use the car to travel 40,000 kilometres from the date you lease it
- you intend to use the car for the prescribed purpose for the whole of that period. For example, an eligible person with a disability must also plan to use the car for their personal transport to or from gainful employment for the whole period.

Novation arrangements

Under a novation arrangement, you may agree with the lessor and the finance company to take over all or part of the lessee's rights and obligations under a lease.

Whether a car is GST-free under a novation arrangement depends on the type of arrangement you entered.

If you lease it under a **partial** novation arrangement the car is GST-free. Under a partial novation lease your employer does not lease the car, but you lease it directly.

If it is subject to a **full** novation arrangement the car is not GST-free. Under a full novation arrangement your employer leases the car.

Car parts

If you are eligible to purchase a car GST-free, you are also entitled to purchase certain car parts GST-free, including items such as:

- batteries
- disc brake pads

- tyres
- oil filters
- petrol filters
- liquid petroleum gas (LPG) conversion kits
- spark plugs
- water and fuel pumps
- radiator hoses
- windscreens
- head and tail-light globes.

Items that are not car parts are not GST-free, these include:

- oil and grease
- paint
- hydraulic fluid
- radiator or petrol additives
- refrigerant gas
- brake fluid
- petrol.

Accessories are not car parts and are not GST-free, these include:

- spoilers
- mudflaps
- pin striping
- roof racks
- CD players.

Parts that are not specifically for cars are not GST-free. For example, parts specifically for trucks, vans, buses, motorcycles and other machinery.

Car parts purchased by a business for sale to eligible people are not GST-free for the business.

The business:

- must pay GST when it purchases the car parts and can later claim a GST credit (if registered for GST) on their activity statement
- can sell the car parts GST-free to eligible people when presented with a completed declaration.

Car parts supplied to you during a repair of your car, and the cost of labour services in fitting those parts to your car, are GST-free. This is because the supply of car parts and labour to an eligible person is treated as a single GST-free 'sale of car parts'.

If car parts are supplied to you when you service your car and those parts are integral to the servicing of your car then those parts and the labour services in fitting those parts are not GST-free. A car service, which typically involves mostly labour services with some integral parts, such as spark plugs or filters, is a taxable sale and incurs GST.

Example 1: GST-free sale of car parts

John has a current certificate of medical eligibility. He goes to an automotive parts and accessories store where he purchases spark plugs and brake pads for his car. The spark plugs and brake pads are GST-free for John. If John later has the spark plugs and brake pads fitted by a mechanic, the labour will be a taxable sale because it is a separate supply of labour, not a sale of car parts.

Example 2: GST-free sale of car parts including labour for fitting the parts

Justine sells tyres to Madge for a price that includes the cost of the labour associated with fitting and balancing the tyres. Madge also needs the brake pads in her car replaced. Madge has a current certificate of medical eligibility. The sale and fitting of the tyres and the brake pads are GST-free.

Example 3: taxable car parts sold as part of a service

Anna has a current certificate of medical eligibility. She takes her car to the mechanic for a routine service. In the course of the service, the mechanic changes the spark plugs in Anna's car. The sale of spark plugs is integral to the car service and, as such, is not a GST-free sale of car parts but a taxable supply of labour services.

Example 4: GST-free sale of car parts including labour in fitting those parts made during a car service

Jim has a current certificate of medical eligibility. He takes his car to the mechanic for a routine service, including changing the spark plugs. During the course of the service, the mechanic finds that the exhaust system needs to be replaced. While the service itself, including the fitting of spark plugs, is not a GST-free sale of car parts, the sale and fitting of the exhaust system is GST-free.

QC 22422

Input-taxed sales

Check which sales are considered as input-taxed sales, which you don't include GST in the price or claim GST credits.

Last updated 14 September 2026

Input-taxed sales are sales of goods and services that don't include GST in the price. You can't claim GST credits for the GST included in the price of your 'inputs'.

The most common input-taxed sales are financial supplies (such as lending money or the provision of credit for a fee) and selling or renting

out residential premises.

Residential premises

Work out if your existing or new residential premises include GST when you're selling or renting.

Financial supplies

All financial supplies are input-taxed sales. They do not have GST in their price and GST credits can't be claimed.

QC 22425

Residential premises

Work out if your existing or new residential premises include GST when you're selling or renting.

Last updated 14 September 2026

GST and residential property

Generally, selling or renting existing residential premises are input-taxed sales and do not include GST.

However, if the residential premise is considered 'new', it is a taxable sale and GST is applicable.

If you buy property – old or new – with the intention of selling it at a profit or developing it to sell, you may be considered to be carrying on a business and may be required to register for GST.

Generally, you are not considered to be carrying on a business if your property transactions are for private purposes, such as when you are constructing or selling your family home.

See GST and residential property for more information.

Sale of residential premises

Existing residential premises

If you sell existing residential premises, your sale is input-taxed. You can't claim GST credits for anything you purchase for the sale, and you are not liable for GST on the sale.

New residential premises

If you sell a new residential premises, you are generally making a taxable sale, which means you:

- can claim GST credits for any related purchases you make (subject to the normal rules on GST credits)
- are liable for GST on the sale. See GST and the margin scheme for a way of working out the GST you must pay when you sell property as part of your business.

A residential premises is new when **any** of the following apply:

- it has not previously been sold as residential premises
- it has been created through substantial renovations
- a new building replaces a demolished building on the same land.

For more information, see GSTR 2003/3 *When is a sale of real property a sale of new residential premises?*

A residential premises is no longer new if it has been 5 years since:

- it first became a residential premises
- it was last substantially renovated
- it was built to replace demolished premises

Commercial residential premises

If you sell new or existing commercial residential premises, you are generally making a taxable sale. You can claim GST credits for purchases you make in relation to the sale of commercial residential premises and must pay GST on the sale. See Commercial residential premises and GST for more information.

Rental of residential premises

If you rent out residential premises for residential accommodation, your rent is input taxed and you don't include GST in the rental charge. You also can't claim credits for the GST included in any costs relating to the rental, such as agent's commission or repairs and maintenance on the premises.

QC 22427

Financial supplies

All financial supplies are input-taxed sales. They do not have GST in their price and GST credits can't be claimed.

Last updated 14 September 2026

Financial supplies are input-taxed sales and do not have GST in their price.

You generally make a financial supply when you do any of the following:

- lend or borrow money
- grant credit to a customer
- buy or sell shares or other securities
- create, transfer, assign or receive an interest in, or a right under, a superannuation fund
- provide or receive credit under a hire purchase agreement entered into before 1 July 2012, if the credit is provided for a separate charge that is disclosed to the purchaser. (For hire purchase agreements entered into after 30 June 2012, the provision of credit is taxable.)

In special cases, you may be entitled to claim a GST credit for a purchase that you use to make a financial supply if any of the following applies:

- you do not exceed the 'financial acquisitions threshold'

- your purchase relates to an amount you borrowed and used to make a non-input-taxed supply
- your purchase qualifies as a 'reduced credit acquisition' – you will be entitled to a reduced input tax credit.

For more information, see:

- GSTR 2003/9 *Goods and services tax: financial acquisitions threshold*
- GST and financial supplies – claiming reduced GST credits
- GST apportionment guide for financial supply providers

QC 22426

Grants and sponsorship

Check how to apply GST when supplying a benefit in return for a grant or sponsorship money.

Last updated 14 September 2026

Grants

If your organisation or business is registered for GST (or is required to be) and it receives grant funding (e.g., from a government body or private foundation), you don't have to pay GST on the funding payment unless you make a supply in return for the payment.

For more information, see:

- Grants and sponsorship for not-for-profits
- GSTR 2012/2 *Financial assistance payments*.

Sponsorship

If your organisation or business is registered for GST, or is required to be, and enters a sponsorship arrangement, you may be obligated to pay GST.

When undertaking fundraising events, you often receive support or sponsorship in the form of money.

In return for the sponsorship payment, your organisation or business may provide advertising, signage, naming rights or other types of benefits. This means that the sponsor receives something of value in return for the sponsorship, so the sponsorship payment is consideration for the supply of the benefit and is not a gift.

If your organisation or business is registered for GST, you must pay GST on the supply of the benefit you provide in return for the sponsorship you receive. As the benefit provided is a taxable sale you must include it in your BAS. Sponsors may also be able to claim GST credits.

If your organisation or business is not registered for GST but receives a sponsorship payment for which you provide a benefit, it must be included in your GST turnover calculation.

QC 22428

Insurance settlements

There are circumstances where you do not have to pay GST on an insurance settlement.

Last updated 14 September 2026

You do not have to pay GST on a business-related insurance settlement, provided you tell the insurer before making the claim what proportion of the premium you can claim GST credits for. You can claim only GST credits on the part of the premium that relates to business purposes.

If you do not tell your insurer before making the claim, you may have to pay GST when your claim is settled and you lodge an activity statement.

The insurer will expect to cover you only for the actual loss – that is, the loss minus the amount of GST credits you can claim on the repair or replacement cost of the item insured.

For more information, see:

- Insurance and GST
- GSTR 2006/10 *Goods and services tax: insurance settlements and entitlement to input tax credits*

QC 22429

Tax invoices

Explains when to provide a tax invoice, what it must include and dealing with non-taxable sales and rounding.

Last updated 18 September 2026

When to provide a tax invoice

If a customer asks for a tax invoice, you must provide one within 28 days, unless it is for a sale of $82.50 (including GST) or less.

The information a tax invoice must include depends on:

- the sale amount
- the sale type (for example, a sale that includes both taxable and non-taxable items)
- who issues the tax invoice.

Sales under $1,000

Tax invoices for taxable sales of less than $1,000 must include enough information to clearly determine the following 7 details:

1. Document is intended to be a tax invoice
2. Seller's identity
3. Seller's Australian business number (ABN)
4. Date the invoice was issued
5. Brief description of the items sold, including the quantity (if applicable) and the price

6. GST amount (if any) payable – this can be shown separately or, if the GST amount is exactly one-eleventh of the total price, as a statement which says 'Total price includes GST'
7. Extent to which each sale on the invoice is a taxable sale

Example 1: tax invoice for a sale under $1,000

Example1: Tax invoice for a sale under $1,000. This meets the requirement because it shows: - Tax invoice (heading) - Windows to Fit Pty Ltd (seller's identity) - ABN 32 123 456 789 - Date: 1 August 2018 - Description of supply - Window frames - The total price

Sales of $1,000 or more

Tax invoices for sales of $1,000 or more also need to show the buyer's identity or ABN.

If your tax invoices meet the requirements for sales of $1,000 or more, you can also use them for sales of lesser amounts.

Example 2 shows:

- GST included in each line item
- the sale is clearly being identified as fully taxable by the words 'Total price includes GST'
- the buyer's identity for sales of $1,000 or more.

Example 2: tax invoice for a sale of $1,000 or more

Example 2: Tax invoice for a sale of more than $1,000. This meets the requirement because it shows: - Tax invoice (heading) - Windows to Fit Pty Ltd (seller's identity) - ABN 32 123 456 789 - Building Company 15 Burshag Rd Festler NSW 2755 - Date: 1 August 2013 - Description of supply - 50 window frames unit price $150 GST $15 Total $8,250 10 deadlocks unit price $40 GST $4 Total $440 - Total amount payable $8,690 - The total price includes GST

If you supply or receive an invoice that only has a figure at a wine equalisation tax-goods services tax (WEG) label, you need further information to claim GST credits and for it to be considered a valid tax invoice.

GSTR 2013/1 *Goods and services tax: tax invoices* sets out the information requirements for a tax invoice in more detail.

Taxable and non-taxable sales

A tax invoice that includes taxable and non-taxable items, must clearly show which items are taxable. Items are non-taxable if they are GST-free or input-taxed. The tax invoice must also show:

- each taxable sale
- the amount of GST to be paid
- the total amount to be paid.

Use ASIC's MoneySmart GST calculator to calculate the amount of GST you will pay or should charge customers.

GST 2001/8 *Goods and services tax: Apportioning the consideration for a supply that includes taxable and non-taxable parts* provides more detail about apportioning.

Digital invoices

A tax invoice doesn't need to be issued in paper form.

For example, you can issue a tax invoice to a customer by emailing an invoice in portable document format (PDF) or other digital formats.

Any digital record or document transmitted to the customer needs to contain all the required information to be a valid tax invoice.

eInvoicing

Australia has adopted the Peppol framework as the common standard and network for eInvoicing. eInvoicing (Peppol Invoice) is an automated direct exchange of invoices between a supplier's and buyer's software.

Some eInvoices may not include words such as 'Tax Invoice' or' GST invoice'. However, we consider that an eInvoice satisfies the requirement that the 'document is intended to be a tax invoice' if the eInvoice is issued by a supplier in accordance with the A-NZ Invoice Specification under the Peppol framework, and it contains all the mandatory data.

Find out more about eInvoice data requirements.

Rounding of GST

Where an amount of GST includes a fraction of a cent, special rounding rules apply.

Where there is only one taxable sale on a tax invoice, the amount of GST should be rounded to the nearest cent (rounding 0.5 cents upwards).

Where there is more than one taxable sale on a tax invoice, there are 2 rules known as the total invoice rule and the taxable supply rule.

Total invoice rule – total and then round GST for each taxable sale to the nearest cent (rounding 0.5 cents upwards).

Or if all taxable sales on a tax invoice include an amount of GST exactly 1/11 of the price, add up the GST-exclusive value of each taxable sale, calculate GST on that amount and then round to the nearest cent (rounding 0.5 cents upwards).

Taxable sale rule – work out the amount of GST for each individual taxable sale. Where the unrounded amount of GST has more decimal places than your accounting system can record, round up or down as appropriate. Then add the individual amounts and round this total to the nearest cent (rounding 0.5 cents upwards).

You and your customers don't need to use the same rounding rules.

Agency relationships

Special rules apply to tax invoices for transactions carried out through agents. For more information see GSTR 2000/37 *Goods and services tax: agency relationships and the application of the law*.

Recipient-created tax invoices

In most cases, tax invoices are issued by a supplier. However, in special cases, you, as the purchaser or recipient of the goods or services, may issue a tax invoice for your purchases. This is known as a recipient-created tax invoice (RCTI).

When you can issue an RCTI

You can issue an RCTI if:

- you and the supplier are both registered for GST at the time the RCTI is issued
- you and the supplier agree in writing that you may issue an RCTI and they will not issue a tax invoice
- the agreement is current and effective when you issue the RCTI
- the Commissioner has determined that the type of goods or services sold under the agreement can be invoiced using an RCTI.

Use the Recipient Created Tax Invoice Determination 2023 to find out what goods and services you can issue an RCTI for.

The determination also outlines requirements that you must include in the written agreement between you and the supplier.

Your written agreement can either be a separate document specifying the sales, or you can embed this information or specific terms in the tax invoice.

Use the Recipient-created tax invoices form as a template for creating RCTIs, or as a reference for information you need to create your own RCTI.

See GSTR 2000/10 *Goods and services tax: recipient created tax invoices* for more information about RCTIs.

When an RCTI is valid

To be valid, an RCTI must contain enough information to clearly determine the requirements of tax invoices and show the document is intended to be a recipient-created tax invoice, not a standard tax invoice.

It must also show the suppliers and purchaser's ABN.

If GST is payable, it must also show that it's payable by the supplier.

As the recipient, you must:

- issue the original or a copy of your RCTI to the supplier within 28 days of one of the following dates
  - date of the sale
  - date the value of the sale is determined by you
- retain the original or a copy of the RCTI
- reasonably comply with your obligations under the tax laws.
- stop issuing RCTIs if any of the requirements for issuing RCTIs are no longer met.

RCTI issuer responsibilities

When you issue RCTIs, you need to take reasonable care to ensure you meet all the requirements for when you can issue an RCTI and your GST credit claims are correct.

It's expected that you:

- have strong systems and checks in place to ensure you meet the requirements to issue RCTIs
- check that the supplier is GST-registered before issuing your first RCTI to them
- undertake periodic checks to ensure your supplier remains GST-registered if you issue RCTIs to them on an ongoing basis.

The ABN Lookup has a variety of tools and resources to help you check whether an entity is registered for GST.

A best practice governance approach is to use automated validation checks at the time of issuing the RCTI. You can integrate ABN Lookup validation data into your own software using ABN Lookup web services.

If a supplier is no longer registered for GST, you cannot issue RCTIs to that supplier. This can lead to you incorrectly claiming GST credits.

If you've incorrectly claimed GST credits because you've relied on a document that is not a valid RCTI, you should make a voluntary disclosure. We encourage you to review your governance frameworks to reduce the risk of future errors.

GST groups

If a member of a GST group makes a taxable sale, their identity must be clear on the tax invoice.

If the recipient is a member of a GST group, the buyer's identity must be clearly shown to satisfy the requirement. Include one of the following in the tax invoice:

- the recipient
- the GST group
- the representative member
- another member of the GST group (where there would still be a creditable acquisition if the supply been made to that member).

Multiple recipients or co-owners

On a single tax invoice for a taxable sale (for $1,000 or more) to more than one recipient, you must clearly show either:

- the identity of each recipient
- the ABN of each recipient.

On a single tax invoice for a taxable sale made by more than one entity (for example, co-owners of property), you must clearly show either:

- the identity and ABN of each co-owner
- the identity and ABN of one co-owner acting as 'agent co-owner' for the other.

When co-owners receive a tax invoice for a sale (for $1,000 or more), the tax invoice must clearly show either:

- the identity of each co-owner

- the ABN of each co-owner.

QC 22438

Accounting for GST in your business

Choosing an accounting method, thinking about cash flow and GST and the advantages of keeping good records.

Last updated 14 September 2026

As a GST-registered business, you need to issue tax invoices to your customers, collect GST and send it to us with your business activity statement (BAS). There are a few ways you can make this easier to manage:

- Use business accounting software to produce tax invoices and automatically generate reports of your GST liabilities and credits at BAS time.
- Put the GST you collect in a separate bank account.
- Take advantage of the cash accounting option to better align your GST liabilities with your business cash flow.

See BAS and GST tips for more useful information.

Managing paying GST and your cash flow

Use our instalment and calculation methods to work out how much your income exceeds the GST credits.

Choosing an accounting method for GST

Work out which method is suitable for you when accounting for

QC 22437

Managing paying GST and your cash flow

Use our instalment and calculation methods to work out how much your income exceeds the GST credits.

Last updated 14 September 2026

Paying GST

As a GST-registered business, you charge and collect GST. If the GST you collect is more than the GST credits you are claiming (for the GST in the products you purchased for your business) you send the difference to us with your business activity statement.

Most businesses do this every 3 months. It's important to put aside the GST you collect so you can meet your obligations when they fall due.

There are a few ways you can make it easier to manage your GST liability. For example, most small businesses have a choice of 2 ways to work out the GST in their activity statement: the instalment method or the calculation method.

Instalment method

If your business income is reasonably consistent throughout the year, you might prefer to pay a GST instalment amount (option 3 in your business activity statement). This is an amount we calculate based on what you paid in the previous income year.

It means your quarterly payment is always the same, so you know how much to put aside. You then report your actual GST sales and purchases on an annual GST return. You can vary the quarterly payment amount if your circumstances change.

Calculation method

If your business income fluctuates, it's probably best to use the calculation method (option 1 in your activity statement). This means you calculate the GST on sales and purchases each quarter when you do your business activity statement.

Low-fee bank accounts

Many banks offer low or no-fee accounts where you can put aside your GST money. If most of your sales and purchases are subject to GST, then the amount you should put aside is one-eleventh of your sales **minus** one-eleventh of your purchases.

Choice of accounting method

If you run a small business you can account for GST on a cash basis. The advantage of cash accounting is that it's easier to manage your cash flow as the money flowing through your business is better aligned with your business activity statement liabilities.

If you're having trouble lodging or paying

If you're having trouble lodging your activity statement or paying your tax debt on time, contact us as soon as possible. We'll work with you to make alternative arrangements.

Media: Stay in control of your business
https://tv.ato.gov.au/ato-tv/media?v=bd1bdiubfihr61 (**Duration:** 1:38)

QC 22441

Choosing an accounting method for GST

Work out which method is suitable for you when accounting for GST and how to change accounting methods.

Last updated 14 September 2026

GST accounting methods

There are 2 methods of accounting for GST: a cash basis and a non-cash basis (accruals).

The method you use will affect when you must report GST.

Businesses with an aggregated turnover of less than $10 million, or who use cash accounting for income tax, can use either method. Most larger businesses must use the non-cash method.

Businesses using cash, accounting or simplified accounting methods are still eligible for Simpler BAS reporting if their GST turnover is less than $10 million.

Accounting for GST on a cash basis

Businesses with an aggregated turnover of less than $10 million can choose to account for their GST using the cash accounting method.

Accounting on a cash basis means you account for GST on the business activity statement that covers the period in which you receive or make payment for your sales and purchases.

The advantages of the cash accounting method are that:

- the money flowing through your business is better aligned with your activity statement liabilities, so it's easier to manage your cash flow
- it's suited to smaller businesses that handle cash transactions.

You can use the cash accounting method if any of the following applies:

- you are a small business entity – that is, an individual, partnership, trust or company with an aggregated turnover of less than $10 million
- you are not carrying on a business, but your enterprise's GST turnover is $2 million or less
- you account for income tax on a cash basis

- you run a kind of enterprise we have agreed can account for GST on a cash basis regardless of your GST turnover, that is
  - a government school
  - an endorsed charitable institution or trustee of an endorsed charitable fund
  - a gift-deductible entity (unless it operates a fund, authority or institution that can receive tax-deductible gifts or contributions).

If you do not fit into any of the above categories, you can ask to be allowed to account for GST on a cash basis.

For more information, see:

- Working out your GST turnover
- Small business entity concessions
- GST concessions – for NFP (not-for-profit) organisations
- Accounting for GST – supporting information
- GST definitions

Sales

You account for the GST payable on the sales you make in the reporting period in which you receive payment for them.

If you receive only part payment for a sale in a reporting period, you only account for the GST in the part of the payment you received.

Purchases

You account for GST credits on your purchases in the reporting period in which payment is made. You must have a tax invoice before you can claim a GST credit, except for purchases costing $82.50 or less.

It is to your advantage to claim your GST credits in the reporting period in which you make the purchases they relate to, but you are not obliged to. You have 4 years to claim credits.

If you pay only part of the cost of a business purchase in a reporting period, you claim only the GST credit for the part of the cost you paid.

Accounting for GST on a non-cash basis

Most larger businesses must use the non-cash accounting method. Small businesses can choose to use either the cash method or the non-cash method.

Using the non-cash method means you account for GST on the business activity statement that covers the period in which you either:

- received any payment or you have issued the tax invoice before receiving payment (for a sale)
- received the invoice from your supplier before making the payment, or made any payment for a purchase.

This method is better suited to businesses that are not paid immediately and is:

- a way to track your true financial position – what is owed and what you owe
- helpful if you are dealing with multiple contracts and large amounts of money.

Non-cash accounting can be more complicated than cash accounting and you may need assistance from your registered tax or BAS agent.

Sales

You account for the GST payable on the sales you make in the reporting period in which you issue a tax invoice or receive full or part payment, whichever happens first.

This means that if you receive a payment before issuing the tax invoice, you must include the GST amount in the reporting period in which the payment happened, even if it is not the period you issue the invoice.

Purchases

You must have a tax invoice for a purchase before you can claim a GST credit.

It is to your advantage to claim your GST credits in the reporting period in which you either receive the tax invoice from your supplier or make some payment (whichever comes first) – but you are not obliged to. You have 4 years to claim credits.

Simplified accounting for food retailers

Small food retailers such as bakeries, milk bars and convenience stores make both taxable and GST-free sales.

If you don't have adequate point-of-sale equipment to account for taxable and GST-free sales, you can report your sales and purchases using the GST simplified accounting methods (SAM) for food retailers. The simplified method uses pre-calculated business norms percentages for different types of food retailers.

How to change accounting methods

If you are eligible to change accounting methods, you can contact us or ask your accountant to contact us on your behalf.

Changing from the cash method to the non-cash method can only take effect on the first day of a tax period.

In the first tax period after the change, you will need to account for sales or purchases that you have not previously accounted for or claimed.

This means that in the first tax period you use the non-cash method you need to:

- report the GST on any sales for which you had issued invoices before the date of the change but had not yet received payment
- account for the balance of GST on any sales that had been partly accounted for before the change.

You are also eligible to claim any unclaimed GST credits that you hold a tax invoice for in that first tax period.

QC 22440

When and how to report and pay GST

Your GST reporting cycle may be monthly, quarterly or annually, depending on your GST turnover and other

requirements.

Last updated 14 September 2026

When to report

We issue your business activity statement about 2 weeks before the end of your reporting period. The date for lodging and paying is shown on your activity statement.

Your GST reporting and payment cycle will be one of the following:

- Monthly if your GST turnover is $20 million or more
- Quarterly if your GST turnover is less than $20 million and we have not told you that you must report monthly.
- Annually if you are voluntarily registered for GST. That is, you are registered for GST and your GST turnover is under $75,000 ($150,000 for not-for-profit bodies).

Changing your reporting cycle

Depending on your circumstances, you can change the cycle you use to report and pay GST. This may happen when your GST turnover changes or if you choose to report and pay using a different cycle.

If you elect to change your cycle early in the lodgment period (for example, in the first month of the quarter or at the beginning of the financial year) you can generally commence the new cycle straight away. Otherwise, the new cycle will take effect from the start of the next quarter or year.

Contact us if you need to change your GST reporting and payment cycle.

Monthly GST reporting

You must report and pay GST online each month if your business has a GST turnover of $20 million or more.

Quarterly GST reporting

GST reporting options if your business has a GST turnover of less than $20 million.

Annual GST reporting

If you are voluntarily registered for GST and have not made an election to pay GST by instalments, check your options.

GST instalments

If you elect to pay GST by instalments, you pay quarterly then report your actual GST information annually.

QC 39643

Monthly GST reporting

You must report and pay GST online each month if your business has a GST turnover of $20 million or more.

Last updated 14 September 2026

When you need to report GST monthly

If you report monthly for GST, you must calculate, report and pay your GST each month on your business activity statement (BAS).

If your GST turnover is $20 million or more, you must report GST monthly and lodge your BAS electronically through Online services for business.

If your GST turnover is less than $20 million, you may choose to report GST monthly. We may direct you to move to monthly reporting if you have a history of failing to comply with your tax obligations.

If you report monthly, you use one of these reporting methods:

- Full reporting method
- Simpler BAS reporting method – if your business has a GST turnover of less than $10 million.

If you are required, or choose, to lodge your BAS through Online services for business, we'll advise you by email when your BAS is available if we have your email address. If you use a paper BAS, we will send you the appropriate one before you need to lodge it.

Full reporting method

If your GST turnover is $10 million or more, you need to use the full reporting method.

You can also elect to use the GST full reporting method if either:

- your GST turnover is less than $10 million but you have aggregated turnover greater than $10 million (for the previous year or the current year)
- you make input-taxed supplies as your main business or enterprise activity.

Under the full reporting method you provide more detailed information on your BAS.

What you need to report

If you report GST monthly and your GST turnover is $10 million or more, you must report amounts at the following labels on your BAS each month:

- G1 Total sales
- G2 Export sales
- G3 Other GST-free sales
- G10 Capital purchases
- G11 Non-capital purchases
- 1A GST on sales
- 1B GST on purchases.

If you have wine equalisation tax (WET), luxury car tax (LCT) or fuel tax credit obligations or entitlements, you must also report these amounts each month (at labels **1C**, **1D**, **1E, 1F, 7C** or **7D**). These labels will be shown on your BAS if you have these obligations. You can choose to align other reporting and payment obligations like pay as you go (PAYG) withholding.

You can use either the accounts method or the calculation worksheet method to work out your GST amounts for your BAS.

Simpler BAS reporting method

If you have a GST turnover of less than $10 million, you may report monthly using Simpler BAS.

Under this reporting method, you report less information on your monthly BAS.

What you need to report

If your GST turnover is less than $10 million, you must report amounts at the following labels on your activity statement each month:

- G1 Total sales
- 1A GST on sales
- 1B GST on purchases.

You do **not** need to report amounts at the following labels:

- G2 Export sales
- G3 Other GST-free sales
- G10 Capital purchases
- G11 Non-capital purchases.

If you have WET, LCT or fuel tax credit obligations or entitlements, you must also report these amounts each month (labels **1C**, **1D**, **1E, 1F, 7C** or **7D**). These labels are shown on your BAS if you need to report on them.

Even if you have nothing to report in your BAS, you must still report at all other labels and lodge a 'nil' BAS by the due date.

Dates for lodgment and payment

We publish the due dates for lodging and paying your BAS on our website.

Your BAS must be lodged and payment made by the 21st day after the end of your reporting period. If the due date falls on a weekend or a public holiday, you have until the following business day to lodge and pay.

Changing your reporting and payment cycle

Unless you have a turnover over $20 million or we have directed you to report monthly, you may choose to report and pay monthly, quarterly or annually.

QC 16230

Quarterly GST reporting

GST reporting options if your business has a GST turnover of less than $20 million.

Last updated 14 September 2026

Who can report GST quarterly

If your GST turnover is less than $20 million and we haven't told you to report GST monthly, you can report and pay GST quarterly.

If you report and pay quarterly, you use one of 3 reporting methods:

- Full reporting method
- Simpler BAS reporting method
- GST instalments method (pay quarterly and report annually).

Full reporting method

If your GST turnover is $10 million or more, you need to use the full reporting method.

Under the full reporting method, you calculate, report and pay your GST amounts quarterly. You provide more detailed information on your business activity statements (BAS).

You can use either the accounts method or the calculation worksheet method to work out your GST amounts for your BAS.

You have the option to use the GST full reporting method or Simpler BAS when you report quarterly if either:

- your GST turnover is less than $10 million but you have aggregated turnover greater than $10 million (for the previous year or the current year)
- you make input-taxed supplies as your main business or enterprise activity.

You can contact us to change your GST reporting method to your preferred option.

What you need to report

If you report and pay GST quarterly and your GST turnover is $10 million or more, you must report amounts at the following labels on your activity statement each quarter:

- G1 Total sales
- G2 Export sales
- G3 Other GST-free sales
- G10 Capital purchases
- G11 Non-capital purchases
- 1A GST on sales
- 1B GST on purchases.

You can use either the accounts method or the calculation worksheet method to work out your GST amounts.

If you have a wine equalisation tax (WET), luxury car tax (LCT) or fuel tax credit obligations or entitlements, you must also report these

amounts each quarter (labels **1C**, **1D**, **1E, 1F, 7C** or **7D**). These labels are shown on your BAS if you have these obligations.

Simpler BAS reporting method

If your GST turnover is less than $10 million, you need to use the Simpler BAS reporting method unless you are on GST instalments.

Under this reporting method, you report less information on your quarterly BAS but still calculate and pay your GST amounts quarterly.

What you need to report

You must report amounts at the following labels on your Simpler BAS form each quarter, if your GST turnover is less than $10 million:

- G1 Total sales
- 1A GST on sales
- 1B GST on purchases.

You do not need to report amounts at the following labels:

- G2 Export sales
- G3 Other GST-free sales
- G10 Capital purchases
- G11 Non-capital purchases.

If you have a wine equalisation tax (WET), luxury car tax (LCT) or fuel tax credit obligations or entitlements, you must also report these amounts each quarter (labels **1C**, **1D**, **1E, 1F, 7C** or **7D**). These labels are shown on your BAS if you have these obligations.

GST instalments method (pay quarterly and report annually)

You may elect to pay by the GST instalments method if you meet the eligibility requirements, including where you either:

- carry on a business with an aggregated turnover of less than $10 million

- do not carry on a business (for example, you are a not-for-profit organisation) and your GST turnover is $2 million or less.

If you elect to use this reporting method, you:

- pay a quarterly GST instalment that we work out (you can vary it)
- report your actual GST information annually on an annual GST return.

If you wish to use the GST instalments method you need to contact us.

What you need to report

You must report amounts at the following labels on your annual GST return:

- G1 Total sales
- 1A GST on sales
- 1B GST on purchases
- 1H GST instalment amounts reported in your quarterly instalment notices for the period shown on the annual GST return.

You do not report amounts at these labels:

- G2 Export sales
- G3 Other GST-free sales
- G10 Capital purchases
- G11 Non-capital purchases.

If you have wine equalisation tax (WET), luxury car tax (LCT) or fuel tax credit obligations or entitlements, you must also report these amounts each quarter (labels **1C**, **1D**, **1E, 1F, 7C** or **7D**). These labels are shown on your annual GST return if you have these obligations.

Accounting for differences

You show the total amount of GST instalments that were payable for the year (or the period shown on your annual GST return) at label **1H** of your annual GST return.

If the total instalments are:

- more than your actual GST liability for the year, you claim a refund from us
- less than your actual GST liability, you must pay the difference to us by the time your annual GST return is due.

Under the GST instalments method, any refund you may be entitled to is paid after you lodge your annual GST return for the year.

Lodgment and payment dates

The following table provides a summary of the payment and lodgment dates for businesses that report or pay GST quarterly.

Table 1: For businesses that report or pay GST quarterly

Quarter	Payment and lodgment date
September quarter	28 October
December quarter	28 February
March quarter	28 April
June quarter	28 July

If you have chosen to pay by GST instalments, your instalments are also due on the dates shown above.

If you are a primary producer or a special professional who pays only 2 GST instalments for the year, your instalments are due on 28 April and 28 July.

If the due date falls on a weekend or a public holiday, you have until the next business day to report and pay.

If you pay GST instalments, your annual GST return will be due on the same date your income tax return is due. If you are not required to lodge an income tax return, your annual GST return will be due by 28 February following the financial year the return covers.

Changing reporting methods

Your GST turnover directly determines whether you use the Simpler BAS or full reporting method. If your GST turnover increases above or falls below $10 million, your reporting method changes.

To elect to use the GST instalment method, there are additional eligibility requirements.

If you want to switch from or to GST instalments, you need to contact us.

If you contact us by 28 October, your election or revocation will generally take effect from 1 July of that financial year (or by the concessional due date, if you lodge your September quarter activity statement through a registered agent).

If you contact us after 28 October, your election or revocation will generally take effect from 1 July of the next financial year.

You may request in writing that your election take effect from the start of an earlier tax period. However, we will only approve your request under exceptional circumstances.

QC 16229

Annual GST reporting

If you are voluntarily registered for GST and have not made an election to pay GST by instalments, check your options.

Last updated 14 September 2026

Who can report GST annually

You can elect to report and pay GST annually. You can only use this method if you are voluntarily registered for GST. That is, you are registered for GST and your turnover is under $75,000 (or $150,000 for not-for-profit bodies).

If you are eligible and have elected to report and pay GST annually, you must report and pay any amount due at the end of the financial

year.

If you are using the deferred GST scheme you need to withdraw from the scheme.

If you are a representative member of a GST group, you can elect to report GST annually only if each member of the group is eligible. Once an election is made, annual tax periods will apply to all group members.

Simpler BAS reporting method

If you report and pay GST annually, you use the Simpler BAS reporting method. The full reporting and instalment methods are not available.

Under this reporting method, you:

- report less information on your annual GST return
- calculate and pay your GST amount annually.

What you need to report

You must report amounts at the following labels on your activity statement each year:

- G1 Total sales
- 1A GST on sales
- 1B GST on purchases.

You do not need to report amounts at the following labels:

- G2 Export sales
- G3 Other GST-free sales
- G10 Capital purchases
- G11 Non-capital purchases.

Reporting other tax obligations annually

If you elect to report GST annually and you have wine equalisation tax (WET), luxury car tax (LCT) or fuel tax credit obligations or entitlements, you must also report these amounts annually (labels **1C**,

1D, **1E, 1F, 7C** or **7D**). These labels are shown on your BAS if you have these obligations.

If you have other tax obligations, such as pay as you go (PAYG) withholding for employees, you will need to continue to lodge a BAS either monthly or quarterly showing these amounts.

How to elect to report GST annually

You can elect to report GST annually by contacting us.

If you phone us, have on hand your ABN and either your TFN or activity statement document ID number (from the top right corner of the first page).

If you write, ensure your application is signed and contains your business's name, ABN, a brief reason for your request and the date from which you would like your election to take effect.

When you can make your election

You have a limited period of time at the beginning of each financial year to elect to report annually. You can elect before:

- 21 August – if you currently report GST monthly
- 28 October – if you currently report GST quarterly.

There are exceptions if you:

- have only been registered for GST for 6 months or less
- only became eligible for annual reporting after 28 October in the relevant financial year.

In both cases, you have until the first day you are required to lodge a GST return after you became eligible for annual reporting.

When your election takes effect

Your election will take effect from the start of the earliest tax period for which your activity statement is not yet due.

For example, if you report GST monthly and make your election by 21 August, your election will take effect from 1 July of the year in which

you elect (because your activity statement for July is not due until 21 August).

Similarly, if you report GST quarterly and make your election by 28 October (the day your quarterly statement is due), your election will take effect from 1 July of the year in which you elect.

Earlier start dates

You may apply for your election to take effect from an earlier date. Your application must be in writing, signed, contain your business name, ABN, a brief reason for your request and the date from which you would like your election to take effect.

The date you choose must be the first day of a tax period that applies to you. Such applications will only be approved in exceptional circumstances.

Check your eligibility each year

Once you have elected to report GST annually, you:

- don't need to re-elect each year
- must check at the end of each financial year that you are still eligible to report annually the following year.

Good business records will help you obtain an accurate picture of your business and its turnover, and therefore whether or not you have to register for GST (which would make you ineligible for reporting annually).

When your election ceases to have effect

Your election to report GST annually will cease to have effect if any of the following scenarios apply:

- Your GST registration is cancelled.
- The Commissioner of Taxation disallows your election. If you fail to comply with any of your tax obligations, your election may be disallowed at any time.
- You become bankrupt, go into liquidation or receivership. The tax period will end the day before such an event.

- You determine as at 31 July that your projected annual turnover will reach or exceed the registration turnover threshold. You need to let us know so we can send you the correct business activity statements.
- You revoke your election. If you change your GST reporting period to monthly or quarterly on or before 28 October, your election will cease to have effect from the previous 1 July. If you revoke your election after 28 October, it will cease to have effect from the following 1 July.
- There is a change in membership of a GST group of which you are a member. The election to report GST annually, and the annual tax period that applies, ends the day the membership changes. All members of the group revert to their previous tax reporting period, either monthly or quarterly.

When to lodge your annual GST return

We will send you an annual GST return in July. The first return will be for the period from the date your election took effect to 30 June. Thereafter it will relate to the period 1 July to 30 June.

You must report and pay your GST, WET, LCT and/or fuel tax credit amounts (if applicable) for this tax period when you lodge your annual GST return.

The date for lodgment of your annual GST return and payment of any amounts is either:

- the date for lodgment of your income tax return
- 28 February following the annual tax period, if you are not required to lodge an income tax return.

If you complete your annual GST return using Simpler BAS, for the GST component you only report labels G1 Total sales, 1A GST on sales and 1B GST on purchases.

Making early payments

You can make voluntary (early) payments to offset your future tax liability at any time using any of the following methods:

- Direct credit or BPAY® using your electronic funds transfer (EFT) code. Your EFT code is shown above the barcode on your payment advice form and is also provided in the internet-based electronic commerce system. If you don't have an EFT code, you can obtain one by phoning us on **1800 815 886**.
- Mail, or at Australia Post, using your personalised payment advice forms. You can order a booklet of personalised payment advice forms by phoning our business direct self-help service on **13 72 26** and pressing **4** for payment forms, then **2** to request personalised payment advice forms. These payment advice forms can be used only for activity statement obligations.

QC 17907

If your business changes or ceases

When you must cancel your GST registration and how to complete your last BAS.

Last updated 14 September 2026

If you **close or sell your business** you must:

- cancel your GST registration
- complete your last GST BAS.

If your **business structure changes** (such as, from a partnership to a company), you need to cancel your GST registration unless the old business carries on another business.

You can't operate on a GST-registered basis after the date you cancel your GST registration. You may also need to cancel your ABN.

Cancelling your GST registration

Make sure to cancel your GST registrations when selling or closing your business.

Completing your last GST BAS

What to include when completing your BAS after cancelling your GST registration.

Adjusting for assets retained after cancelling GST registration

Check how to repay GST credits on business assets after cancelling your GST registration.

QC 22444

Cancelling your GST registration

Make sure to cancel your GST registrations when selling or closing your business.

Last updated 14 September 2026

When to cancel your GST registration

You or your registered tax or BAS agent **must** cancel your GST registration within 21 days of:

- selling or closing your business
- changing your business structure – this includes changing from a partnership to a company, unless the old business carries on another business.

You can choose to cancel your GST registration if your GST turnover is below the threshold for compulsory registration, **unless** you:

- are a taxi driver (including ride-sourcing or chauffeur services)
- represent an incapacitated entity who is registered or required to be registered for GST – for example, an individual who is bankrupt or a company in liquidation

- are an Australian resident who acts as an agent for a non-resident that is registered (or required to be registered) for GST.

See Registering for GST to:

- confirm you no longer require your GST registration
- check information on thresholds and working out your GST turnover.

If you are a non-resident business, see Non-resident businesses and GST.

Effect on other registrations

If you are pausing or permanently closing your business you must still meet your tax and superannuation lodgment, reporting and payment obligations.

When you cancel your GST registration, your fuel tax credit, luxury car tax (LCT) and wine equalisation tax (WET) registrations will also be automatically cancelled.

Other registrations may not be affected. For example, you must keep lodging BAS if you:

- are registered for pay as you go (PAYG) withholding
- have entered into the PAYG instalments system
- have fringe benefits tax (FBT) obligations.

Cancellation date

The date you choose to cancel your GST registration should be the last day you want to be registered.

We usually cancel your GST registration from the date you choose.

You can't:

- cancel your registration retrospectively if you were still operating on a GST-registered basis after the date you chose
- continue to operate on a GST-registered basis after your cancellation date

- cancel if you have already lodged an activity statement for the period containing the date of cancellation.

How to cancel your GST registration

You can cancel your GST registration and any other roles or registrations together or separately:

- through Online services for business
- through your registered tax or BAS agent
- by phone on **13 28 66** – between 8.00am and 6.00pm, Monday to Friday
- by completing the *Application to cancel registration* (NAT 2955) form through the ATO Publication Ordering Service and posting it to us.

Registered tax agents can use Online services for agents to update or cancel a client's tax registration.

Simplified GST registration

If you are a non-resident business registered under the simplified GST registration system, your authorised contact can email us to cancel your registration.

Cancelling your Australian business number (ABN)

If you changed, sold or closed your business and are cancelling your GST registration, you must also cancel your ABN registration within 28 days.

If your company no longer carries on a business, but is registered with the Australian Securities & Investments Commission (ASIC), you:

- must cancel your GST registration
- can choose to keep your ABN registration.

If you're cancelling your GST registration, consider your other Australian tax and super obligations before cancelling your ABN.

When you cancel your ABN, your GST, LCT, WET and fuel tax credits registrations will also be cancelled. You will not receive any future activity statements unless you have PAYG withholding or PAYG instalments.

You can cancel your ABN online through the Australian Business Register (ABR).

QC 39540

Completing your last GST BAS

What to include when completing your BAS after cancelling your GST registration.

Last updated 14 September 2026

You must complete a BAS for the tax period your registration cancellation 'date of effect' occurs in.

You must report all the following information:

- all sales, purchases and importations made in your final tax period, including
  - the sale of the business
  - the sale of any of the business's assets
- adjustments for any assets held after cancellation
- any other adjustments.

Find out how to make an adjustment on your BAS.

If you operate on a cash basis, you will need to record all the sales and purchases that still need to be attributed from a previous tax period.

You also need to:

- lodge any outstanding BASs
- account for any outstanding GST amounts.

If you still have PAYG withholding, PAYG instalments or fringe benefits tax obligations, continue to report these obligations to us on an

instalment activity statement.

QC 39546

Adjusting for assets retained after cancelling GST registration

Check how to repay GST credits on business assets after cancelling your GST registration.

Last updated 14 September 2026

Making an adjustment for business assets

If you cancel your GST registration and still have business assets for which you previously claimed GST credits, you may need to repay some of those credits. You do this by making an 'increasing adjustment' on your activity statement.

For example, if you sold your business you would cancel your GST registration and sell most of your business assets with the business. But you may keep some business assets, such as a work vehicle.

If you've held a business asset for a certain period of time you don't need to repay the GST credits. For example, you wouldn't need to repay GST credits on a car held for more than 5 complete financial years.

For each asset you retain you need to:

- work out if it's 'adjustment periods' expired before you cancelled your GST registration
- if the asset's adjustment periods haven't expired, calculate the adjustment amount and include it on your activity statement.

If the registration cancellation relates to a deceased estate, you don't need to make any adjustments for assets.

Working out when adjustment periods expire

Each asset you acquire for your business has a number of 'adjustment periods'.

The purpose of adjustment periods is to provide an opportunity to review the business use of your assets over time. If there's a change in business use, you need to make an adjustment to ensure you claim the right amount of GST credits.

In most circumstances, your June tax periods are your adjustment periods.

For assets you retain after cancelling your GST registration, you need to work out if their adjustment periods expired before the cancellation took effect.

Use the tables below to work out the number of adjustment periods for your asset:

- Table A: Assets not used for business finance
- Table B: Assets used for business finance

'Business finance' relates to assets purchased or imported to make financial supplies – for example, to sell shares or make monetary loans – and not used for private or domestic purposes. Th term does not refer to assets that you've acquired through a loan or other finance for your business.

Your first adjustment period will be the first June tax period that is at least 12 months after the tax period in which you purchased or imported the asset. If the adjustment periods have:

- expired for an asset, you don't have an adjustment
- not expired for an asset, you'll need to calculate the adjustment for that asset.

Table A: Assets not used for business finance

Purchase or importation value (less GST)	Number of adjustment periods for assets

$1,001 to $5,000	2
$5,001 to $499,999	5
$500,000 or more	10

Table B: Assets used for business finance

Purchase or importation value (less GST)	Number of adjustment periods for assets
$10,001 to $50,000	1
$50,001 to $499,999	5
$500,000 or more	10

Example: GST adjustment period – monthly reporting

Sophie runs a retail clothing business and is registered for GST, reporting on a monthly basis. Sophie buys a computer on 12 September 2010 for $4,400 and has a tax invoice for the purchase. She reports this purchase on her September 2010 activity statement and claims GST credits.

Sophie closes her business and cancels her GST registration in July 2013. She keeps the computer for her private use.

As Sophie used the computer in her retail clothing business (i.e. it was not used for 'business finance'), she checks table A. As shown in the table, the computer has two adjustment periods.

The first June tax period at least 12 months after the tax period Sophie bought the computer is the June 2012 tax period, and the second is June 2013.

As Sophie cancelled her GST registration after her last adjustment period (June 2013) she does not have an adjustment.

If Sophie had cancelled her GST registration before her last adjustment period (June 2013) she would have had an adjustment.

Example: GST adjustment period – quarterly reporting

Graham is a GST-registered farmer who accounts for GST quarterly. He operates his business on property he purchased on 25 May 2000. In March 2010, Graham made improvements to the farm, carrying out extensive fencing of the property and constructing a dam.

The fencing cost $22,000 (GST-inclusive) and the dam $6,600 (GST-inclusive). Graham claimed GST credits of $2,600 [($22,000 × (1 ÷ 11)) + ($6,600 × (1 ÷ 11)] on his March 2010 activity statement for the GST included in the price of the fencing and the dam.

In 2013 Graham decides to retire and keep the farm with its improvements. He ceases carrying on his enterprise on 30 October 2013 and cancels his GST registration effective the same day.

Graham's first adjustment period for the fence and dam is the June 2011 tax period. This is the first June tax period that is at least 12 months after the tax period in which he purchased the fencing and dam (March 2010).

As Graham uses the fencing and dam in his farming business, they don't relate to business finance. Each item was purchased for more than $5,000 (GST-exclusive). Graham can see from table A that these assets have a maximum of five adjustment periods; the June 2011, June 2012, June 2013, June 2014 and June 2015 tax periods.

Graham is required to make an adjustment to repay some of the GST credits he claimed for the fencing and dam. This is because

his last adjustment period had not ended before the cancellation of his registration took effect. Graham makes the adjustment in his concluding tax period.

Graham's concluding tax period is 1 October 2013 to 30 October 2013. The adjustment will need to be reported (together with any GST collected or paid) in his quarterly activity statement for the period ending 31 December 2013.

For more information, see:

- Making adjustments on your activity statement
- GST and financial supplies
- GSTR 2000/24 *Division 129 – making adjustments for changes in extent of creditable purpose*.

Calculating adjustments

You need to work out an adjustment for each business asset for which the adjustment periods haven't expired.

Work out the adjustment using the formula (Applicable value × Actual application) ÷ 11, where:

- **Applicable value** is the lesser of:
  - the market value of the asset (including GST) immediately before your cancellation date
  - the purchase price or cost of importing the asset (including GST).
- **Actual application** is the percentage of the asset's use that was for business purposes, calculated from the date of purchase or importation until the date you cancelled your GST registration. If you've always used the asset solely for business purposes, your actual application percentage is 100%. If you've used the asset partly for private purposes, you'll need to calculate the percentage of business use on a reasonable basis.

Include the resulting amount on your final activity statement as GST on sales (label **1A**).

If you use the calculation worksheet method to account for GST, include the result of the formula (Applicable value × Actual application) at box **G7** on your worksheet.

For more information, see:

- Making adjustments on your activity statements
- Annual private apportionment of GST.

Example: calculating adjustments

Frank, a sole trader who operates a clothing store, is registered for GST and reports quarterly. Frank cancels his GST registration, with effect on 30 September 2023.

Frank decides to keep a car, a computer and a filing cabinet that he had been using for his business. He needs to consider whether an adjustment is required for these assets as they will be held immediately before cancellation takes effect. The exceptions for deceased estates don't apply.

The car, computer and filing cabinet were always used 100% in his business. Frank bought the:

- car in August 2021 for $27,500 and claimed a GST credit of $2,500 for it in the September 2021 tax period
- computer in October 2020 for $3,300 and claimed a GST credit of $300 for it in the December 2020 tax period
- filing cabinet in February 2023 for $660 and claimed a GST credit of $60 for it in the March 2023 tax period.

Frank establishes that the current market value of each asset is as follows:

- car $11,000
- computer $220
- filing cabinet $440.

His first step is to work out whether the adjustment periods for the assets have expired. None of Frank's purchases relate to business finance, so he uses table A to work out the number of adjustment periods for each asset, as follows:

- The car has 5 adjustment periods. The first adjustment period is the June 2023 tax period as this is the first June tax period that is at least 12 months from the end of the tax period in which the purchase of the car was attributed. The fifth and last adjustment period will be the June 2027 tax period. As the adjustment periods will not expire before Frank's cancellation takes effect, he must make an increasing adjustment for the car.
- The computer has 2 adjustment periods. The first adjustment period is the June 2022 tax period as this is the first June tax period that is at least 12 months from the end of the tax period in which the purchase of the computer was attributed. The last adjustment period is the June 2023 tax period. The adjustment periods for the computer expire before Frank's cancellation takes effect, so he doesn't need to make an adjustment for the computer.
- The filing cabinet has 2 adjustment periods. The first adjustment period is the June 2024 tax period as this is the first June tax period that is at least 12 months from the end of the tax period in which the purchase of the filing cabinet was attributed. The last adjustment period is the June 2025 tax period. As the adjustment periods will not expire before Frank's cancellation takes effect, he must make an increasing adjustment for the filing cabinet.

Frank calculates the adjustments for the car and filing cabinet using the following formula:

- **Applicable value** (lesser of purchase price and market value) × Percentage **Actual application** for business use ÷ 11

For the assets, the results are as follows:

- Car: ($11,000 × 100%) ÷ 11 = $1,000
- Filing cabinet: ($440 × 100%) ÷ 11 =$40

The adjustment amount to be included at **1A** on Frank's activity statement is $1,040.

Deceased estates

You don't have to make adjustments for retained assets if the GST registration cancellation relates to a deceased estate and the cancellation is due to either:

- the death of a sole trader, after which the executor or trustee of the estate
  - immediately continues the deceased's business
  - is registered (or required to be registered) for GST
- the executor or trustee not carrying on the deceased's business but one or more of the beneficiaries
  - immediately continues that business
  - is registered (or required to be registered) for GST.

QC 40230

GST definitions

Learn the definitions for goods and services tax (GST) including terms which have a specific meaning in GST law.

Last updated 10 September 2026

Acquisition

See Purchase (acquisition).

Activity statement

Activity statements are used to report your business tax entitlements and obligations for a reporting period. This includes:

- GST
- pay as you go (PAYG) instalments
- PAYG withholdings
- fringe benefits tax instalments.

Aggregated turnover

Aggregated turnover is your business turnover plus the turnover of closely associated entities.

AUSid

An AUSid is a secure login credential that non-residents use to access Australian Government online services.

Australia

When we say 'Australia', we mean the term Indirect tax zone.

Australian business number (ABN)

An Australian business number (ABN) is a publicly available identifier for your dealings with us and other government departments and agencies. It's shown in the Australian Business Register (ABR), which enables you to search for an ABN using the ABN Lookup tool.

Australian consumer

Two elements must be met for a purchaser to be an Australian consumer of imported services and digital products. They are the:

- residency element
- consumer element.

You can work out the purchaser's residency by:

- using information about the purchaser from your business systems
- taking reasonable steps to get information about the purchaser.

After confirming the purchaser is an Australian resident, you need to work out if they're a consumer. A purchaser is a consumer if they are:

- not a business registered for Australian GST
- registered for Australian GST but don't purchase the imported services or digital products to use in their business.

You can treat a supply as not made to an Australian consumer if you have:

- gathered enough evidence
- reasonably believe the purchaser isn't an Australian consumer.

See GSTR 2017/1 *Goods and services tax: making cross-border supplies to Australian consumers*.

Australian GST-registered business

Australian GST-registered businesses can be identified by:

- providing their Australian business number (ABN)
- searching their ABN on the ABN Lookup tool
- telling you they are registered for GST.

Businesses can integrate ABN Lookup validation into their system.

See GSTR 2017/1: *Goods and services tax: making cross-border supplies to Australian consumers*.

Australian reference number (ARN)

When you register in the simplified GST system, you are electing to be a limited registration entity (LRE). You will be provided with an Australian reference number (ARN).

We will send you your ARN on completion of your registration. This is your unique 12-digit identifier (for example, 12 345 678 9012) used to identify you in our systems. You will need to use your ARN as an identifier on invoices and customs documentation for low value goods. If you wish to discuss your simplified GST account with us, we will ask you for your ARN as one of the steps in identifying you.

Business activity statement (BAS)

Business activity statements are used to report your business tax entitlements for a reporting period. See Activity statement.

Business asset

A business asset is something used for your business, for example, manufacturing equipment, a delivery van or office computer. Intangible items, such as goodwill, may also be business assets.

You generally incur a GST liability when you sell a business asset.

Business (enterprise)

An enterprise includes a business as well as:

- commercial activities
- activities of entities such as charities
- deductible gift recipients
- religious and government organisations
- certain non-profit organisations.

It doesn't include:

- private recreational pursuits and hobbies
- activities carried on as an employee, labour-hire worker, director or office holder
- activities carried on by individuals (other than trustees of charitable funds) or partnerships (all or most of the partners are individuals) without a reasonable expectation of profit.

See MT 2006/1*The New Tax System: the meaning of entity carrying on an enterprise for the purposes of entitlement to an Australian business number*.

Consideration

See Payment (consideration).

Consumer

Consumers are:

- **not** registered for Australian GST
- registered for Australian GST but don't purchase goods for business use.

GST doesn't apply to sales of low value imported goods if you have both:

- your customer's Australian business number (ABN)
- a statement or other information saying they are registered for GST.

Enterprise

See Business (enterprise).

Financial acquisition

A financial acquisition is an acquisition relating to making a financial supply (other than a borrowing).

Financial acquisitions threshold

The purpose of the financial acquisitions threshold is to allow entities that make relatively small amounts of financial supplies (compared to their taxable supplies or GST-free supplies) to claim full GST credits relating to those financial acquisitions.

If you make financial supplies without exceeding the financial acquisitions threshold you can claim GST credits for your purchases related to making those financial supplies (providing you have a tax invoice). For example, you make both financial supplies and other sales and your financial supplies are only a small part of your total sales.

See GSTR 2003/9 *Goods and services tax: financial acquisitions threshold*.

Financial supplies

Financial supplies are input taxed provided certain requirements are met. A financial supply is the provision, acquisition or disposal of an interest listed in the GST regulations.

Examples include:

- lending or borrowing money
- buying or selling shares or other securities

- creating, transferring, assigning or receiving an interest in, or a right under a super fund.

See Input-taxed sales.

Gambling

'Gambling' includes:

- raffles
- lotteries
- gambling in casinos
- gaming machines in hotels and clubs
- betting on racing and other events.

Charities do not need to include GST on sales of bingo and raffle tickets if the raffle or bingo events comply with state or territory law.

See GST when conducting gambling activities.

Gambling events

Gambling events include:

lotteries, raffles, or similar activities

races, games, or sporting events, or any other event where you can win or lose money, digital currency, goods or services depending on the outcome.

Gambling supplies

We define 'gambling supplies' as including:

- taxable sales that involve
  - the supply of a ticket in a lottery, raffle or similar activity
  - taking bets on gambling events such as racing, gaming or sporting events
- casino gambling operations

- operating gaming machines in clubs and hotels
- conducting bingo activities.

A 'ticket' is anything that gives the buyer the right to be placed in a draw for a prize.

Government related entity

A government related entity (GRE) includes government departments, government owned corporations and statutory bodies.

GST credits (input tax credits)

You can claim a credit for GST included in the price of goods or services (the inputs) you buy for use in your business, unless you use the purchase to make input-taxed sales.

If you use a purchase for both business and private purposes, you can only claim a credit for the amount of GST relating to the business use.

For more information, see:

- Input-taxed sales
- Taxable sales
- Tax invoice.

GST-free sales

Some goods and services aren't subject to GST and are sold without GST in their price. These sales are referred to as GST-free sales.

Examples of GST-free sales include:

- basic food
- exports
- sewerage and water
- most education and health services.

If you sell GST-free goods or services, you can claim the GST included in the price of your inputs (the goods or services used to make the goods or services sold).

The term GST-free is similar to:

- zero rated (in other countries with VAT/GST systems)
- exempt (in countries with sales tax systems).

For more information see:

- GST-free sales
- Input-taxed sales
- Taxable sales.

GST turnover

GST turnover is mainly the turnover figure you use to work out if you need to be registered for GST.

GST turnover is also used for other administrative decisions within the GST Act and other tax laws.

GST turnover is generally the total of the sales you have made (or are likely to make) in a 12 month period.

See Working out your GST turnover.

GST turnover threshold

GST turnover thresholds are used to work out if you:

- must register for GST
- must report GST monthly
- can report and pay GST annually
- can choose to account on a cash basis
- can make an annual private apportionment election
- must lodge GST returns and pay GST electronically
- can choose to pay GST by instalments.

See Working out your GST turnover.

Imported services and digital products

Imported services and digital products are also known as inbound intangible consumer supplies.

Examples of imported services and digital products include:

- supplies of digital content such as e-books, movies, TV shows, music and online newspaper subscriptions
- online supplies of games, apps, software and software maintenance
- webinars or distance learning courses
- insurance services
- gambling services
- online dating services
- booking services for events or places within Australia (such as hotel accommodation or sports events)
- website design or publishing services
- professional association services (for example membership fees)
- legal, accounting, architectural or consultancy services.

See GST on imported services and digital products.

Inbound intangible consumer sale (supply)

Inbound intangible consumer supply means sales of anything other than goods or real property to an Australian consumer (for example, digital products and other services) that are:

- made to an Australian consumer
- not wholly done in Australia or through an enterprise (business) run in Australia.

Indirect tax zone

Indirect tax zone means Australia. It doesn't include external territories and certain offshore areas.

The goods and services tax (GST), the wine equalisation tax (WET) and the luxury car tax (LCT) operate in the indirect tax zone. These

taxes don't apply to Australian external territories and certain offshore areas.

For more information, see:

- GSTR 2006/9 *Goods and services tax: supplies*
- GSTR 2018/1 *Goods and services tax: supplies of real property connected with the indirect tax zone (Australia)*
- GSTR 2018/2 *Goods and services tax: supplies of goods connected with the indirect tax zone (Australia)*
- GSTR 2019/1 *Goods and services tax: supply of anything other than goods or real property connected with the indirect tax zone (Australia)*.

Inputs

The goods or services used in a business to make goods or services sold are referred to as 'inputs'.

Input tax credits

See GST credits (input tax credits).

Input-taxed sales

Some goods and services are sold without GST in their price, even though GST was included in the price of the inputs used to make or supply them. These sales are referred to as input-taxed sales.

If you make an input-taxed sale you're not entitled to credits for the GST in the price of your inputs (the goods or services used to make the goods or services sold).

Two of the most common types of input-taxed sales are:

- financial sales (supplies)
- supplies of residential premises for rent or sale.

In special cases, you may be entitled to a GST credit for a purchase relating to making financial supplies.

See Financial supplies.

Limited registration entity

Non-residents may choose to be a limited registration entity for GST purposes if they make, or intend to make, one or more:

- inbound intangible consumer sale
- offshore supplies of low value imported goods.

LREs aren't entitled to GST credits for purchases and must lodge online GST returns quarterly.

Low value imported goods

Low value goods are goods (except for tobacco products or alcoholic beverages) with a customs value of A$1,000 or less when the price is first agreed with the customer.

For more information, see:

- GST on low value imported goods
- Exception for multiple goods that total over A$1,000.

Margin scheme

The margin scheme is an option that can be used when making a taxable sale of property.

You can't claim GST credits for purchases made under the margin scheme even if you have paid GST on the margin.

See GST and the margin scheme.

Merchant

The term 'merchant' means a seller of goods. We also use the term 'supplier' because, for GST purposes, an electronic distribution platform operator or re-deliverer can be treated as the supplier.

We generally use 'merchant' in relation to low value imported goods.

Non-resident entity

A non-resident entity is not a resident of Australia for Australian income tax purposes.

Payment (consideration)

Payment for GST purposes is anything you receive for providing goods, services or anything else. Payment is usually money but can be in the form of other goods or services such as barter transactions. Payment may also be made by way of refraining from doing something.

Property (real property)

Property includes:

- an interest or right over land
- a personal right to call for or be granted any interest in or right over land
- a licence to occupy land or any other contractual right exercisable over or in relation to land.

Purchase (acquisition)

For GST, a purchase or acquisition includes the acquisition of goods or services such as:

- trading stock
- a lease
- consumables
- imports.

Real property

See Property (real property).

Recipient-created tax invoices (RCTI)

In most cases, tax invoices are issued by suppliers.

In some cases, purchasers or recipients (rather than suppliers) of the goods or services, may issue a tax invoice. This is known as a recipient-created tax invoice (RCTI).

See Recipient-created tax invoices.

Re-deliverers

A re-deliverer (forwarder) acts as a go-between when overseas merchants don't normally ship goods to Australia. They collect, accept delivery of, or purchase overseas goods on behalf of consumers based in Australia.

You are a re-deliverer if you assist in getting goods to Australia by providing:

- an offshore mailbox service with an address outside Australia where goods are delivered
- a shopping service that buys or helps to buy goods outside Australia as an agent of a recipient.

If a merchant or EDP operator assists in getting goods to Australia, they are responsible for GST instead of you.

Transporters aren't usually re-deliverers.

If you buy and resell goods, you are a merchant not a re-deliverer.

Reduced-credit acquisitions

Reduced-credit acquisitions are purchases (acquisitions) of some things relating to making input-taxed financial supplies.

You can claim reduced GST credits on reduced-credit acquisitions. The reduced GST credit is generally 75% of the full GST credit that you would otherwise be entitled to.

In some instances, related to recognised trust schemes, the reduced credit is 55% of the full GST credit.

Sale of a business as a going concern

A business is sold as a going concern if:

- all things required for continuing operating the enterprise are supplied to the buyer
- the supplier carries on the enterprise until it's sold.

For more information see:

- Sale of a business as a going concern
- GSTR 2002/5 *Goods and services tax: when is a 'supply of a going concern' GST-free?*

Sales (supplies)

For GST a sale or supply includes:

- a sale of goods or services
- a lease of premises
- hire of equipment
- providing advice
- exporting goods.

A sale can be any of the following:

- taxable
- input-taxed
- GST-free.

See GSTR 2006/9 *Goods and services tax: supplies*.

Self-assessment

The self-assessment system for indirect taxes began on 1 July 2012. When lodging activity statements or GST return for tax periods that begin on or after that date, you must include the indirect tax payable amounts and any credits that make up your net amount.

We make an assessment based on the net amount on the day you lodge the return is treated as a notice of assessment.

See Guide to self-assessment for indirect taxes.

Supplies

See Sales (supplies).

Taxable sales

Sales of goods and services that must have GST included in their price are referred to as taxable sales.

You make a taxable sale if you are registered, or required to be registered, for GST and:

- you make sales for payment
- you make sales in the course of a business (enterprise)
- the sale is connected with Australia.

When making taxable sales you must include GST in the price. You're entitled to claim credits for the GST in the price of your inputs (the goods or services used to make the goods or services you sold).

For more information, see:

- GST-free sales
- Input-taxed sales.

Taxi travel

Travel that involves making a car (that is, a taxi or limousine) available for public hire for passengers at their direction for payment (a fare). Ride-sourcing services fall within the meaning of 'taxi travel.'

'Taxi' can be defined as a vehicle available for hire by the public which again transports a passenger at their direction for payment (a fare).

'Limousine' can be defined as a luxurious motor vehicle available for hire by the public which again transports a passenger at their direction for payment (a fare).

For more information, see:

- GST and taxis
- Ride-sourcing.

Tax invoice

A tax invoice is a document generally issued by the seller. It shows the price of a sale and indicates if it includes GST and may show the amount of GST.

You must have a tax invoice before claiming GST credits on your activity statements for purchases of more than $82.50 (including GST).

For more information see:

- Tax invoices
- GSTR 2013/1 *Goods and services tax: tax invoices*
- GSTR 2001/7 *Goods and services tax: meaning of GST turnover, including the effect of section 188-25 on projected GST turnover.*

Tax period

For GST purposes a tax period may be a month, a quarter or a year and refers to how frequently you lodge your activity statements.

You

When we refer to 'you', we mean you as a business.

For example:

- sole trader
- partnership
- trustee (of a trust or a super fund)
- company.

How we can help

We have a range of resources and contact points to help you with your GST questions.

Last updated 14 September 2026

Online

Find out more about our tax time essentials, learning resources, tools and services to support your small business.

GST video tips and examples

Our short GST videos offer simple, practical tips to help you manage GST in your business.

Videos can be found on atoTV and cover the following topics:

- Identity theft
- Getting your GST right
- When to register for GST
- How to complete your BAS
- Lodging your BAS on time
- How to keep your records for GST
- How to stay in control of your business
- Tax evasion and crime
- Data matching.

GST issues registers

For more information and guidance, see:

- GST issues registers – for issues from the GST issues registers that are not public rulings
- Public rulings – for issues from the GST issues registers that are public rulings.

Contact us

Phone us

- **13 28 66** – available between 8:00 am and 6:00 pm, Monday to Friday.
- **13 72 26** – our direct self-help service is available 24 hours a day. If you want to elect to report your GST annually, press **1** for lodgment, then **2** to elect GST annual reporting.

If you would like someone else to phone us on your behalf, such as a registered tax agent, family member or friend, make sure they are recorded with us as authorised to act for you.

Write to us

Address your GST enquiries to:

AUSTRALIAN TAXATION OFFICE
PO BOX 3524
ALBURY NSW 2640

Cancelling your registration

To cancel your GST registration, post your registration cancellation form to the relevant address below:

- For VIC, SA, WA and TAS

  AUSTRALIAN TAXATION OFFICE, REGISTRATIONS
  VIC/SA/WA/TAS
  PO BOX 3373
  ALBURY NSW 2640

- For NSW, QLD, NT and ACT

  AUSTRALIAN TAXATION OFFICE, REGISTRATIONS
  NSW/QLD/NT/ACT
  PO BOX 3373
  PENRITH NSW 2740

Other ways to contact us

See other ways to contact us for help with tax and super.

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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