



GST

Goods and services tax (GST) when you sell to Australia



Summary of the new GST law for Chinese markets.

GST and food for small business



GST for small business



GST on sales of Australian accommodation by overseas sellers



Summary of offshore sellers of Australian accommodation and when they need to register for Australian GST.

QC 101118

Goods and services tax (GST) when you sell to Australia

Summary of the new GST law for Chinese markets.

Last updated 9 September 2020

The Australian Government has changed the tax law. You could be impacted if you have customers in Australia. Goods and services tax (GST) applies to sales of most goods and services consumed in Australia sold by Australia businesses.

GST now also applies:

- from 1 July 2017, to sales of imported services and digital products to Australian resident consumers. Examples of these sales include streaming or downloading of movies, music, apps, games and e-books, gambling services, and traditional services like architectural or legal services
- from 1 July 2018, to sales to consumers of imported low value goods. Imported low value goods are physical goods that have a value of A\$1,000 or less (except for tobacco or alcoholic beverages). Examples include clothing, electronics and cosmetics.

Businesses that meet the registration threshold of A\$75,000 in a 12 month period will need to:

- register for GST with the Australian Taxation Office (ATO)
- charge GST on taxable sales
- lodge returns to the ATO
- pay the GST to the ATO.

In this system, you charge GST at point of sale, and then pay the GST to the ATO in your GST return. This is similar to the Value Added Tax in China.

Unlike many other countries, the GST on imported low value goods will not be collected at the border. Taxes, duties or other charges can apply at the border for imports that are not low value goods.

The importer is responsible for any GST payable for imports over A\$1,000 and imports of tobacco or alcoholic beverages.

This information is general guidance that summarises the new laws for you. We recommend that you:

- seek advice

- check our detailed English language guidance at ato.gov.au/AusGST.

Who charges GST

Businesses that need to register, charge and pay GST can be either:

- merchants who sell services, digital products, or low value goods
- operators of an online marketplace (for example an app or website) through which digital products, digital services or low value goods are sold by merchants
- a re-deliverer that helps get low value goods to Australia.

However, only one entity is required to charge GST on a sale. There are rules where:

- if a merchant sells low value goods, digital services or digital products through an online marketplace, the marketplace operator is generally responsible for GST instead of the merchant
- a re-deliverer is only responsible for GST if the online marketplace operator or merchant do not assist in getting the goods to Australia.

Complying with the new law

Businesses who meet the criteria will need to register and pay GST. Penalties may apply if businesses do not meet their obligations under this new law. Australia and China are both signatories to tax treaties that allow our jurisdictions to share information.

We have used third party data (such as credit card transaction data) and undertaken significant internet profiling to identify overseas businesses that we believe are affected by the new laws.

If you have not registered or are not paying GST when you are required to, we can:

- calculate the amount of unpaid GST you owe (using third party information – for example, bank information and customs data)
- apply penalties if you have not registered for GST when you should have
- apply interest to amounts you did not pay on time

- if you have not lodged a GST return with us when you should have, we can issue an assessment that requires you to pay the unpaid GST and add a 75% penalty.

You have the same rights and obligations as Australian domestic businesses. See our [Taxpayers' Charter](#) for more information.

If you think that other businesses are not complying with their GST obligations, you can report this to the ATO

Terms we use

Consumer

A purchaser is a consumer if they are either:

- not registered for Australian GST
- registered for Australian GST but do not purchase their items for business use.

You can be sure that GST does not apply to a sale when you obtain a purchaser's:

- Australian business number (ABN), and
- a statement that they are registered for GST.

For imported services and digital products, GST applies to sales made to Australian consumers. This means you also need to consider whether the purchaser is an Australian resident to determine whether GST applies.

For low value imported goods, there is no residency test – whether GST applies is based on whether goods are sent to Australia. This means GST can apply if a consumer outside Australia buys a gift that is sent to Australia.

More information is available in our English language guidance, which you can find at ato.gov.au/AusGST.

Low value goods

To determine if you need to charge GST, you first need to consider the customs value of the goods. GST applies to low value goods, which are goods (except for tobacco products or alcoholic beverages) that

have a customs value of A\$1,000 or less when the price is first agreed with the customer.

You should not charge GST on the sale of goods that:

- have a customs value over A\$1,000
- are tobacco products or alcoholic beverages.

GST will apply to these goods at the border when they are imported, and the importer will pay the GST.

If multiple low value goods are sold together (for example, two goods that each have a customs value of A\$600), the default rule is that you should charge GST on each item.

However, if it is clear that the goods will be shipped in one consignment to Australia valued at over A\$1,000, an [exception](#) applies where you will not need to charge GST as the goods will be taxed at the border.

Determining the customs value

Usually if goods are sold in Australian dollars, the customs value is the price the goods are sold for, minus any amount included in the price for freight and insurance from place of export to Australia. If the goods are not sold in Australian dollars and it is not clear if the goods are low value goods, you will need to [convert the amounts into Australian dollars](#).

The amount of GST you need to charge on the sale is not based on the customs value; see [Calculating the GST](#) for more information.

If you incorrectly charge GST on a sale that is not low value goods sold to a consumer, the customer may be charged twice – in which case they can seek a refund from you. You will only be able to get a refund from the ATO for GST paid if you have refunded it to the customer.

Selling goods directly to Australia

If you sell goods into Australia directly, GST applies to the sale if:

- the goods are [low value goods](#)
- you are selling them to a [consumer](#)

- you assist in getting the goods to Australia (for example, either by sending them yourself or by arranging for someone else to deliver them)
- the goods are not GST-free
- the sale meets the requirements to be a taxable sale – one of which is that you are registered or required to register for GST.

See also

- [GST-free supplies for non-residents](#) - specific advice relating to GST-free supplies of services, digital products and low value imported goods for these new laws in English
- Introduction to GST - Chinese - general information about how GST-free supplies are treated for items sold within Australia

Selling items through an online marketplace

If you sell items that are low value goods, digital services or digital products to consumers through an online marketplace, the marketplace operator (instead of you) will generally be responsible for GST.

However, a service that only advertises your products (for example, providing a link for customers so they can buy goods from your website) is not an online marketplace for these purposes. You will be responsible for GST on these sales.

If the online marketplace is responsible for GST on your sale of goods, they will need to ensure that their tax information is included in the relevant commercial documentation that will allow transporters and customs brokers to report this in customs documents when the goods are imported. They may ask you to ensure that information (such as their GST registration number) is included on these documents.

Operating an online marketplace

You operate an online marketplace if your service allows merchants to sell low value imported goods, digital products or digital services to customers, and your service is delivered by electronic communication (such as a website, app or app store).

In most circumstances you will need to register and return GST on these sales to Australia, instead of the merchants. Do not include sales through your marketplace where the goods come from within Australia. The merchant will continue to be responsible for GST on these sales.

Re-deliverers of goods

You may need to register and charge GST as a re-deliverer if, as part of your business, you assist customers in getting goods to Australia and provide:

- an offshore mailbox service, where you provide the use of an address outside Australia to which goods are delivered, or
- a shopping service, where you purchase or assist in purchasing goods outside Australia as the agent of a recipient.

However, if a merchant or online marketplace is also involved in getting the goods to Australia, they will be responsible for GST instead of you. This means that transporters will not usually be re-deliverers under the law.

Calculating the GST

You must return GST on taxable sales if you are required to register. The Australian GST rate is 10%, so the GST will be 1/11th of the price paid by the consumer.

If the price includes fees for shipping or insurance, this is typically included in the price you charge GST on.

There are special rules to calculate the GST if you are a [re-deliverer](#).

The amount of GST you need to charge on the sale is not based on what value is put on the customs documents. For example, if you sell a mobile phone to a consumer in Australia for A\$660 and you need to register, you will need to pay GST of A\$60 to the ATO in your GST return.

If you sell a mobile phone for A\$1,200 to Australia, you won't need to pay GST as it is not a low value good. The importer will pay GST at the border.

As soon as you are aware Australian GST is likely to apply to the sale of goods, Australian consumer law requires you to display a GST-

inclusive price.

Registration

You must register for GST in Australia if you run a business and your GST turnover from sales that Australian GST can apply to is A\$75,000 or more in a 12 month period.

This means:

- from 1 July 2017, you need to register and pay GST if your sales of services or digital products (plus any other sales GST applies to) to Australian consumers is A\$75,000 or more in a 12 month period
- from 1 July 2018, you need to register and pay GST if your sales of low value imported goods to consumers that are sent to Australia (plus any other sales that GST applies to, including sales of services and digital products to Australian consumers) is A\$75,000 or more in a 12 month period.

If an online marketplace operator is responsible for GST on the sale, you don't count this towards your A\$75,000 threshold. The operator of the marketplace counts the sale towards their threshold.

If you are a merchant, marketplace or re-deliverer, the following sales do not count towards your threshold:

- sales where GST would not apply because the sale is not made to a consumer (or to an Australian resident consumer, if the sale is a service or digital product)
- the sales are GST-free, and you are a non-resident whose business is outside Australia
- you sell goods that have a customs value over A\$1,000 or are alcoholic beverages or tobacco products – unless you are the importer.

Types of registration

There are two ways to register for GST if you need to pay it:

1. Simplified GST

If you have no presence in Australia, the easiest way to comply is our Simplified GST system. This is an online platform that is fully secure

and accessible via the ATO's website.

Next step

- [Register for the Simplified GST system](#)

2. Standard registration

This is the standard system for domestic businesses, through which you can claim GST credits if you pay Australian GST on purchases for your business.

Being registered for GST purposes does not mean you have a permanent establishment in Australia for income tax purposes.

Next step

Once you are registered for GST

You need to lodge GST returns and pay GST to the ATO.

You need to pay GST in Australian dollars and there are [special rules](#) when converting.

For the Simplified GST system, the due dates are:

Quarter	Payment and lodgment date
September quarter: 1 July to 30 September	28 October
December quarter: 1 October to 31 December	28 February
March quarter: 1 January to 31 March	28 April
June quarter: 1 April to 30 June	28 July

You also need to keep records. See our Chinese language advice on [record keeping for small businesses](#).

For sales of low value imported goods, you also need to:

1. Issue a receipt to the customer if you charge GST

The receipt must include your name, GST registration number, date of issue, a description of the goods, and the amount of GST charged on each item (or if GST is charged on all items, that the total price includes GST).

2. Ensure information is included on customs documents

If you are registered for GST and you are responsible for GST on a sale (either as the merchant who sells the goods, or as an online marketplace operator or re-deliverer), you need to ensure that certain tax information is included in the customs documents for those goods.

This requirement applies even if the purchaser is not a consumer and for this reason you do not charge GST.

You do this by:

- including the relevant information on the commercial documents, and
- requesting that this information is included by the customs broker or transporter who completes the customs documents on behalf of the importer.

If you are an electronic distribution platform operator, you will need to ensure that the merchant does this on your behalf.

The tax information you must make sure to include is:

- your GST registration number
- if the purchaser is not a consumer, their Australian business number
- whether GST was charged on each of the goods.

Help and information

More information about GST is available in Chinese:

- An introduction to Goods and Services Tax - this is a general overview of how GST operates within Australia
- [Taxpayers' Charter](#)

Contact us

Call us on **+61 2 6216 1111** between 8:00am to 5:00pm, Australian Eastern Standard Time (AEST) Monday to Friday, except for national

public holidays. Please ask the operator to connect you to **1300 146 094** with code **118#**.

For a free interpreting service, phone **+61 3 9268 8332** and ask to be connected to **1300 146 094**.

QC 63621

GST and food for small business

Last updated 13 August 2019

Getting started

What is GST?

The goods and services tax (GST) is a tax of 10% on most goods and services sold or consumed in Australia. If you run a business, you need to know about GST.

If you are registered, or required to be registered for GST:

- include GST in the price of taxable sales to your customers
- don't include GST in the price if your sales are 'GST-free' or 'input taxed'
- generally, you can claim credits for the GST included in the price of purchases for your business if the purchases are for making GST-free or taxable sales.

GST and food

If you sell food in your business, you need to know which items to charge GST on.

Not all food sales are taxable sales. Some food sales are GST-free. You don't include GST in the price of food sales that are GST-free.

Examples of 'GST-free' foods and drinks are:

- bread and bread rolls without a sweet coating or filling

- cooking ingredients such as flour, sugar and cake mixes
- fats and oils for cooking
- unflavoured milk, cream, cheese and eggs
- spices and sauces
- fruit or vegetable juice containing at least 90% by volume of juice of fruit or vegetables
- bottled drinking water
- tea and coffee (unless it's ready to drink)
- baby food and infant formula (for children under 12 months of age)
- meats for people to eat (except prepared meals or snacks)
- fruit, vegetables, fish and soup (but not hot soup)
- spreads, such as honey, jam and peanut butter
- breakfast cereals

Even though your item may be GST-free, it may still be taxable under some circumstances. For example, bread rolls are GST-free unless you sell them in a restaurant and your customers eat them at the restaurant.

Examples of 'taxable foods and drinks' are:

- bakery products such as cakes, pastries and pies
- biscuits, crispbread, crackers, pretzels, cones and wafers
- savoury snacks such as potato chips
- confectionary including chocolates, lollies and muesli bars
- ice cream and similar products
- soft drinks and flavoured milk such as chocolate milk
- food platters
- food marketed as prepared meals such as sushi, curry and rice dishes
- all food and beverages consumed on the premises where they are sold, for example, restaurants and cafés

- all hot food sold as take-away
- food that is not for human consumption, for example pet food
- food that is or is similar to the food specifically listed in the GST law as being taxable
- drinks and ingredients for drinks that are not listed in the GST law as being GST-free
- products that are not considered food under the GST law until they are processed or treated. These include:
 - live animals other than crustaceans or molluscs
 - unprocessed and untreated grain, cereal or sugarcane
 - living plants (eg a lettuce seedling or potted herb)

See also:

- [Food](#)

GST and the food supply chain

GST is applied at certain stages in the food supply chain. GST is applied where at the time of the supply the product is either:

- not for human consumption at that particular stage in the supply chain, or
- taxable under GST law.

If you are a GST-registered business, you can claim 'GST credits' for any GST paid in the price of food purchased for your business.

You cannot claim GST credits for food supplied as an 'entertainment expense' if you cannot claim an income tax deduction for it.

Example: When is GST applied in the food supply chain?

A plant nursery sells lettuce seedlings to a GST registered market gardener. The seedlings are taxable sales as they are plants under cultivation.

The plant nursery charges GST to the customer and pays that to us.

The market gardener can claim a GST credit for the GST included in the price paid for the seedlings.

The market gardener grows the lettuce, picks it and sells it to a vegetable wholesaler. The sale of the lettuce by the market gardener is GST-free as it is now a food for human consumption and the sale is not taxable.

The vegetable wholesaler sells the lettuce GST-free to a supermarket.

The supermarket sells the lettuce GST-free to the customer.

Where food is sold and consumed affects GST

All food and drinks sold for consumption at the place where the sale takes place are taxable sales. This means the price that you charge to your customers for the food and drinks includes GST, and you must pay that GST to us if you sell food and drinks at places such as:

- restaurants or cafes, snack bars or stands, hotels, clubs, boats, catered functions and the grounds surrounding such places
- venues associated with leisure, sport or entertainment, such as
 - sports grounds
 - a golf course
 - gyms
 - racecourses
 - theatres
 - museums
 - galleries
 - cinemas
 - amusement parks.

In some cases charitable institutions, charitable funds, gift deductible entities and government schools (for example, tuckshops) that sell food for fundraising or something similar do not charge GST.

Examples

Anh's bakery

Anh sells bread and plain bread rolls at her bakery, without sweet fillings or coatings. She sells the bread to her customers with the intent they will eat it elsewhere.

She doesn't need to charge her customers GST.

Iman's restaurant

Iman sells plain bread rolls at his restaurant. These are served in the restaurant and intended to be eaten there.

Iman charges GST to his customers and he pays this GST to us.

Ali's coffee van

Ali runs a mobile coffee business. He drives his van to various festivals and events. He sells drinks such as tea, coffee and hot chocolate. He also sells bottled water. The tea, coffee and hot chocolate are taxable as these are 'ready to drink'. The bottled water is also taxable as it's sold with the intention that customers will drink it at the event.

Ali charges GST to his customers and he pays this GST to us.

Haruka's juice bar

Haruka runs a juice bar at a food court. She sells 100% fruit juice, smoothies and bottled water, all are taxable as they are intended to be drunk at the food court.

Haruka charges GST to her customers and pays this GST to us.

More information

For more information:

- visit our website at

- [Other languages](#)
- [GST](#)
- [Starting your own business](#)
- phone
 - the Translating and Interpreting Service (TIS) on **13 14 50**
 - **13 28 66** between 8.00am and 6.00pm, Monday to Friday
- [visit us](#)
- speak to your tax or BAS agent.

QC 26713

GST at settlement

Last updated 18 July 2019

From 1 July 2018, most purchasers of either:

- [new residential premises](#)
- land that could be used to build new residential property ('potential residential land')

will be required to pay a withholding amount from the contract price at the date of settlement. This is paid directly to the ATO rather than to the property supplier.

If you are selling property

If you are selling residential premises or potential residential land you must:

- notify the purchaser in writing (supplier notification)
- advise whether they need to pay a withholding amount – or not – from the contract price for the property

- state the withholding amount.

This can be included in the sales contract or in a separate document, prior to settlement. Most states have updated their standard contracts to include this information.

If you realise you made a mistake on the notification, you have an obligation to provide the purchaser an amended one.

You may incur penalties if you fail to provide the required notice.

The purchaser pays the withholding amount directly to the ATO at the time of settlement – instead of to you.

If you are purchasing property

If you are purchasing a property ensure you have a written notification advising if you have a withholding obligation on the property or not.

Withholding obligation

If you have a withholding obligation, you must:

- ensure you have a written notification from the supplier stating if the sale is subject to GST
- lodge Form one: *GST property settlement withholding notification*
- lodge Form two: *GST property settlement date confirmation*
- pay the withheld amount to us.

You don't need to register for GST just because you have a withholding obligation.

If you're unsure or require further advice regarding the information provided in the supplier's notification, you should seek advice from us or your tax professional.

You may incur penalties if you fail to lodge the forms and make the payment to us.

We won't impose penalties when it's reasonable for you to rely on a notification from a supplier. However, if you know a supplier is registered for GST and they're selling new residential premises not previously sold it's unreasonable not to withhold and pay an amount to us at settlement.

Using a representative

If you authorise a representative to lodge the forms on your behalf, you are required to provide them with a signed declaration.

Note: Conveyancers aren't able to provide GST advice unless they're a registered tax or BAS agent.

See also:

Information in English:

- [GST at settlement](#)
- [GST property settlement online forms and instructions](#)
- [GST at settlement – a guide for purchasers and their representatives](#)
- [GST at settlement – a guide for suppliers and their representatives](#)
- [Foreign investment – Residential investment](#)

QC 59704

GST for small business

Last updated 23 July 2019

The goods and services tax (GST) is a tax of 10% on most goods and services sold in Australia.

If you run a business, you are likely to have some GST obligations.

If your business is registered for GST, you need to:

- include GST in the price of sales to your customers
- claim credits for the GST included in the price of purchases for your business.

This means, if your business is registered for the GST, your customers pay the cost you charge plus 10% extra. This 10% is the GST. When GST applies, you should always include GST in the price of your sale.

You then pay the 10% GST amounts, usually four times each year. To do this, we send you a business activity statement (BAS), which you need to fill in and send back to us.

Example: charging customers GST

Anh runs a small bakery selling sandwiches, cakes, hot foods and drinks. She charges her customers an extra 10% to cover the GST. For example, she sells salad sandwiches for \$5.50 including GST. She keeps \$5 and sends the GST amount of 50 cents to the ATO when she fills in her next BAS.

Media: How GST works and when to register for GST

<https://tv.ato.gov.au/ato-tv/media?v=bd1bdiunj6q7e3>  (Duration: mm:ss)

Registered tax or BAS agent

A tax or BAS agent registered with the Tax Practitioners Board may be able to help you with your tax obligations.

[Search the TPB register](#)  for a registered agent.

Find out more:

- [Register for GST](#)
- ['Taxable sales' and 'GST-free' items](#)
- [Reporting GST amounts and claiming GST credits](#)
- [Tax invoices](#)

See also:

- More topics and information in [Your language](#)
- More detailed information about GST is available in English

Register for GST

You **must** register for GST if:

- your annual business income is \$75,000 or more a year (or you think it will be) or \$150,000 or more for non-profit organisations
- you provide taxi or limousine travel for passengers as part of your business (including ride-sourcing, including companies like Uber and Ola etc)
- you want to claim fuel tax credits.

You can still choose to register even if you don't fit one of these categories.

Business activity statements

When you register for an Australian business number (ABN) and GST we will automatically send you business activity statements (BAS) when it's time to lodge.

Find out more:

- ['Taxable sales' and 'GST-free' items](#)
- [Reporting GST amounts and claiming GST credits](#)
- [Tax invoices](#)

See also:

- [Your language](#) and find information about business activity statements.
- [Registering for GST](#)
- [Record keeping for small business](#)

'Taxable sales' and 'GST-free' items

Most goods and services sold by a business include GST – these are called 'taxable sales'.

Some goods and services are 'GST-free', meaning you don't charge your customer GST. Even if you sell GST-free items, such as plain bread, you can claim GST credits for the GST included in the price of things bought to produce the items, for example, baking trays, measuring cups and mixing bowls.

'GST-free' items include:

- most basic food
- some education courses, course materials and related excursions
- some medical, health and care services
- some medical aids
- some medicines
- some goods produced for export
- some childcare
- some religious services and charitable activities.

Example: GST-free products

Not everything Anh sells in her bakery will include GST. Here are some examples of basic food she sells that is 'GST-free' (no GST is charged):

- bread and bread rolls without icing
- bottled drinking water
- fruit juice containing at least 90% by volume of juice
- milk.

Here are some examples of food she sells that do include GST ('taxable sales'):

- sandwiches
- cakes, slices, pastries, pies and sausage rolls
- soft drinks and flavoured milk
- platters of prepared food.

If Anh is not sure, she checks our English publication on [GST and food](#).

Reporting GST amounts and claiming GST credits

Businesses use business activity statements (BAS) to tell us:

- how much the business earned
- the amount of GST collected
- GST the business paid for goods and services.

Keep the GST you've collected separate; this makes it easier when it's time to pay your BAS.

When you get your BAS, fill it in, send it to us and pay any money you owe by the due date. The due date is on the BAS.

Claim back GST paid to suppliers (GST credits)

You can claim back any GST you paid for things you have bought for your business. This is called a GST credit.

To claim a GST credit for a purchase that cost more than \$82.50 (including GST) you:

- must be registered for GST
- have a valid tax invoice that records what you have purchased for your business.

To claim a GST credit for purchases that cost \$82.50 or less (including GST), you must:

- be registered for GST
- keep documents such as cash register dockets, receipts or invoices to support your claims.

You must also keep your tax invoices and other GST records for five years.

Example: registering for GST

Anh's bakery sells a variety of pre-packaged drinks, including soft drinks and flavoured milks such as chocolate milk.

Every three months, Anh purchases 200 pre-packaged chocolate milks from her supplier for \$110 which includes \$10 GST. She receives the invoice from her supplier and she pays the supplier \$110.

As Anh's business is registered for GST she can claim the \$10 GST as a credit on her BAS. Anh needs to keep her tax invoice to do this.

Find out more:

- [Tax invoices](#)

Tax invoices

In most cases, a business or supplier selling the goods or services provides a tax invoice. When you receive this invoice, make sure it includes:

- the supplier's business or trading name
- the supplier's Australian business number (ABN)
- the date of the tax invoice
- a brief description of the items sold including the quantity and the price
- the GST amount payable (or a statement that says 'The total price includes GST')
- your business name or ABN (if the taxable sale is \$1,000 or more)
- the document is intended to be a tax invoice.

Issuing a tax invoice

If a customer asks for a tax invoice, you must provide one within 28 days. You must be registered for GST to issue a tax invoice.

Example: preparing a tax invoice

Anh's bakery is getting a lot of catering orders lately. She knows that sandwich, cake and fruit platters will include GST in the price. She prepares a tax invoice for her clients and clearly states the GST she has charged. She sends the tax invoice along with their order so she doesn't forget to do it later.

See also:

- [Tax invoices](#) (In English)

QC 59733

GST on sales of Australian accommodation by overseas sellers

Summary of offshore sellers of Australian accommodation and when they need to register for Australian GST.

Last updated 21 October 2019

From 1 July 2019, offshore sellers of Australian commercial accommodation are required to include sales of Australian accommodation in their goods and services tax (GST) turnover to determine if they are required to register for, charge and pay GST.

This new law means offshore sellers of Australian accommodation receive the same tax treatment as domestic sellers.

Sales of accommodation paid for (in part or in full) before 1 July 2019 are not affected by the law change.

Who charges GST

If you sell **taxable accommodation** and your turnover is over the **GST threshold** you need to charge GST.

Examples of taxable accommodation sales include:

- hotels
- motels
- hostels
- serviced apartments
- student accommodation
- caravan and tourist parks

- ships and boats – if there is a taxable supply, such as house boat hire or cruise operator
- bed and breakfast accommodation.

Example 1: Offshore seller providing Australian accommodation

Downtown Holidays is based in the United Kingdom (UK) and sells Australian accommodation to customers in the UK and Australia.

Downtown Holidays purchases Australian hotel rooms from Sydney Sider Hotel at GST inclusive wholesale room rates. This means, Sydney Sider Hotel charges GST to Downtown Holidays when it initially purchases the hotel rooms. These are taxable sales of commercial accommodation and Sydney Sider Hotel is required to collect GST for those sales.

Downtown Holidays on-sells the hotel rooms to customers at retail rates that include their profit margin.

In the last 12 months, Downtown Holidays sells rooms totalling A\$80,000.

Downtown Holidays must register for GST and account for GST on its sales of Australian accommodation made after 1 July 2019.

Not all sales of Australian accommodation are subject to GST

Commercial residential premises and accommodation through the sharing economy are examples of supplies that do not attract GST.

Supplies of residential leases and renting out all or part of a home on a short-term non-commercial basis are input taxed sales. These aren't subject to GST in Australia (input-taxed supplies may be referred to as exempt supplies in other jurisdictions).

If you act as an agent and only facilitate sales of accommodation, you aren't responsible for GST on the sale of accommodation. However, you may have other GST obligations on your services.

See also

- [Tax invoices](#)
- [Recipient-created tax invoices](#)
- [GST on imported services and digital products](#)
- [Commercial residential premises](#)
- [The sharing economy and tax](#)

When to register for GST

You need to register for GST within 21 days of:

- your 'current GST turnover' (turnover for the current month and the previous 11 months) totals A\$75,000 or more (A\$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 A\$75,000 or more (A\$150,000 or more for non-profit organisations).

Once you are registered, you can:

- issue tax invoices for the sale of the accommodation,
- claim GST credits.

You may backdate your GST registration to 1 July 2019 if needed.

Working out your GST turnover

Your GST turnover is your gross business income (not your profit), excluding any:

- GST included in sales to your customers
- sales 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.

How to register

You need to use the same GST registration as domestic entities (**not** simplified registration).

Before registering for GST you need an Australian business number (ABN). When applying for your ABN, you can also apply for GST registration at the same time.

Non-residents need to provide additional documentation and evidence of identity when applying for an ABN. This means, your registrations may take some time.

Next steps

- [ABN for businesses outside Australia](#) 

- [Apply for an ABN](#)

GST requirements once you are registered

Once you are registered, or required to be registered for GST, you need to:

- [include GST in the price of taxable sales](#) of Australian accommodation
- [meet record-keeping requirements](#)
- [issue tax invoices](#)
 - when making taxable sales of more than \$82.50 (including GST), your GST-registered customers need a tax invoice to claim a credit for the GST in the purchase price
 - if customers ask for a tax invoice you must provide it within 28 days of their request
- you need to lodge your business activity statements (BAS)
 - [either quarterly or monthly](#) depending on your turnover
 - report your GST
 - [claim any credits you're entitled to](#) – only claim GST credits once you have a tax invoice or a [recipient-created tax invoice](#) (RCTI)
 - you can't issue an RCTI unless you are eligible to and have a written RCTI agreement with the Australian accommodation provider

- [Pay GST via your BAS](#)

Example 2: GST requirements

In the last 12 months, Downtown Holidays sells rooms totalling A\$80,000, which means they are over the GST threshold and must register for GST.

This means there are certain obligations they need to complete.

Downtown Holidays must:

- include these sales in its GST registration turnover calculation
- register for Australian GST as its turnover meets the GST registration turnover threshold of A\$75,000 or more
- charge GST to customers purchasing hotel rooms as they are taxable accommodation
- consider if they are entitled to claim GST credits for GST included in wholesale room rates
- report their GST liabilities and GST credit claims in their business activity statement that must be lodged monthly or quarterly

issue tax invoices to customers on request within 28 days.

Concessional arrangements

You can apply for concessional arrangements for sales made up until 30 June 2020 while you transition into the Australian GST system.

The concession isn't automatic and you need to apply to access it. When you make a genuine attempt to comply we will apply the concession and you won't have to pay penalties associated with sales made up until 30 June 2020.

The concessions include:

1. deferrals of lodgment or payment
2. remission of general interest charge (GIC) and failure to lodge on time (FTL) penalties

3. remission of shortfall penalties where a business activity statement needs to be amended to include sales affected by the law change.

The concession doesn't alter the GST amount payable. You still need to pay the GST due from on all your taxable sales of Australian accommodation.

How to apply for concessional treatment

If you want to access concessional treatment you need to apply to us and notify:

- that you are an offshore seller of Australian accommodation affected by the law changes
- what aspects of your GST obligations you are requesting be deferred or remitted (as numbered above)
- when you will be able to fully comply.

You can apply for concessional treatment by:

- faxing
 - from outside Australia: **+612 7922 4002**
 - within Australia: **1300 337 921**
- phone us
 - from outside Australia
 - phone **+61 2 6216 1111** between 8: 00 am and 5:00 pm Australian Eastern Standard Time (AEST) or Australian Eastern Daylight Time (AEDT), Monday to Friday
 - ask for **1300 146 094**
 - wait until you hear instructions to enter the three digit call-back code
 - enter the call-back code **118** and **#**
 - from within Australia
 - phone **1300 146 094** between 8:00 am and 6:00 pm Australian Eastern Standard Time (AEST) or Australian Eastern Daylight Time (AEDT), Monday to Friday

- wait until you hear instructions to enter the three digit call-back code
 - enter the call-back code **118** and **#**
- send mail
 - you can mail your request to

Australian Taxation Office

PO Box 1129

PENRITH NSW 2740

Calculating currency conversion


If you're paid in a currency other than Australian dollars, you need to convert the amount into Australian dollars.

Use the following example to convert amounts into Australian currency:

- amount in foreign currency $\times (1 \div \text{your particular exchange rate on the conversion day})$.

Your particular exchange rate

You can use the following exchange rate options as your particular exchange rate:

- the [Reserve Bank of Australia \(RBA\) rate](#) 
- agreed rate with your GST registered customer
- a rate published by a foreign exchange organisation (for example, a commercial bank).

Use your particular exchange rate consistently.

Your conversion day

Your conversion day is the date used to convert your foreign currency into Australian currency for GST purposes.

- **If you account for GST on a cash basis**, your conversion day can be any receipt, invoice or transaction date.
- **If you account for GST on an accruals** (non-cash) basis your conversion day is the earlier of:

- the day the payment is received (receipt) date
- the transaction or invoice date.

For more information, see [GSTR 2001/2](#) *Goods and Services Tax: foreign exchange conversions*.

Information for Australian accommodation providers

Australian accommodation providers using offshore intermediaries to sell accommodation need to determine if they are selling:

- directly to customers using the accommodation – offshore entity is acting as an agent
- directly to an offshore seller – as a re-seller.

Where offshore intermediaries are:

- **re-selling** your accommodation, you need to
 - provide a tax invoice to the offshore seller within 28 days of their request or enter into a [recipient-created tax invoice](#) (RCTI) agreement
 - show the wholesale amount the offshore seller pays you, (**not** the amount paid by the offshore seller's customer)
- **acting as your agent** you need to
 - provide a tax invoice to the customer purchasing the accommodation within 28 days of request
 - show on the invoice the full amount the customer pays for the accommodation.

For more information, see [Tax invoices](#).

Information for purchasers of Australian accommodation

GST-registered businesses purchasing accommodation for business purposes may be entitled to claim GST credits for purchases made from offshore sellers after 1 July 2019.

To claim a GST credit, you need a tax invoice.

Information for offshore entities acting as an 'agent'

Offshore businesses act as 'agents' if they provide a facilitation arrangement or booking service rather than making sales of Australian accommodation directly to customers.

Offshore agents need to consider if their services are subject to GST.

Under special rules, imported services and digital products from overseas-based suppliers are subject to GST when supplied to an ['Australian consumer'](#). Agency services, such as booking services, from offshore agents to GST registered Australian hotels aren't subject to GST because the hotel business isn't an Australian consumer.

Example 3: An agency booking service

- Blue Ltd is an 'agent'. They are a German based online travel operator that provides a hotel booking service for Australian hotels and isn't registered for GST in Australia.
- Sun Hotel operates a hotel in Australia and is a GST registered Australian resident.
- Sun Hotel engages Blue Ltd to sell hotel rooms on its behalf and lists its available accommodation and room prices on Blue Ltd's website.
- Sun Hotel agrees to pay Blue Ltd a commission for each room sold through Blue Ltd at the rate of 15% of the price paid by the (resident or non-resident) customer.

Ben purchases a room from Sun Hotel via Blue Ltd's booking website and is charged A\$330.

Blue Ltd accepts the \$330 for the room booking on behalf of Sun Hotel.

Blue Ltd charges Sun Hotel a fee of A\$49.50 for the booking services. Under the arrangement Blue Ltd is only supplying booking services (agent) and isn't the supplier of the hotel room.

As a result of this transaction

Blue Ltd (agent)

- If Blue Ltd was registered or required to be registered for GST, the \$49.50 booking service would be subject to GST if Sun Hotel is an Australian consumer. Sun Hotel isn't an Australian consumer because they are an Australian GST registered business.
- Blue Ltd isn't required to register for Australian GST if it **only** makes supplies of booking services to Australian GST registered businesses, such as Sun Hotel.
- Blue Ltd may, under an arrangement with Sun Hotel, issue a tax invoice to Ben on Sun Hotel's behalf for the supply of the room.

Sun Hotel (supplier of room)

- Sun Hotel is making a GST taxable sale of the hotel room to the customer (Ben) in the amount of \$330 – the price Ben paid for the room.
- Sun Hotel must report \$30 GST on its activity statement ($\$330 \div 11$).
- Sun Hotel must issue a tax invoice within 28 days of a request from Ben displaying the price of the room and the GST component.
- The \$49.50 booking fee Blue Ltd charges Sun Hotel is not subject to GST given Sun Hotel is not an Australian consumer – as such there is no GST credit for Sun Hotel in purchasing the booking services from Blue Ltd.

Ben's responsibilities

If Ben is registered for GST and travelling for business purposes he could be eligible to claim a GST credit in his next activity statement for GST included in the price he paid for the room. Ben must hold a tax invoice before claiming a GST credit. Sun Hotel or Blue Ltd (agent), not both, must provide a tax invoice for the supply of the hotel room within 28 days of a request from Ben.

For more information, see [GST on imported services and digital products](#).

Your rights

The [Taxpayers' Charter](#) explains what you can expect in all your dealings with us.

Compliance and penalties

If you don't register for GST and are required to, we can take action to register you for Australian GST. We will also calculate the amount of GST you are liable to pay and apply a penalty to you.

If you don't engage with us after we have written or called you (without a good reason), we are able to:

- calculate your business liability (using third party information, for example bank information) from the date of commencement of the law
- compulsorily register you for GST, raise and issue a default assessment with an additional 75% administrative penalty
- apply the general interest charge (GIC) to the amounts calculated for outstanding lodgments
- use available debt collection processes, including seeking assistance from the tax authority in your country to collect the debt.

Help and information

If you can't find an answer to your question, you can:

- phone us on **+61 2 6216 1111**.

Our business hours are 8:00 am to 5:00 pm, Australian Eastern Standard Time (AEST) or Australian Eastern Daylight Saving Time (AEDST) Monday to Friday, except for national public holidays. Ask the operator to connect you to **1300 146 094** with code '**118#**'. You will be transferred to an officer who can help you.

For a free interpreting service, you can phone **+61 3 9268 8332** and ask to be connected to **1300 146 094**.

Resources

- [Treasury Laws Amendment \(Making Sure Multinationals Pay Their Fair Share of Tax in Australia and Other Measures\) Bill 2019](#) 

QC 60425

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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