

Issue:

Year End 2011

BAS/Invoices

ROGERSON KENNY

BUSINESS ACCOUNTANTS



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Business Activity Statements

If the extent to which an asset is used for a creditable purpose has changed since acquisition date, an adjustment may be required on the BAS for the quarter ended 30 June 2011 to reflect the increase or decrease in input tax credits claimable.

Gross wages and PAYG withholding amounts should be reconciled prior to issue of PAYG Summaries to employees. The total of PAYG Summaries issued should agree to the total of amounts reported on Business Activity Statements and Instalment Activity Statements lodged during the year, including the BAS in respect of the period ending 30 June 2011, and to payroll records and general ledger wages accounts.

Tax Invoices

During the past year, we continued to experience instances where the Australian Taxation Office examined the tax invoices relating to a client's claim for a GST input tax credit. This often occurs where the BAS for a particular period results in a refund which is outside the "norm" for both the taxpayer and the industry in which the taxpayer operates.

Increased audit activity in this area is expected to continue during the coming year. Please ensure you have a valid tax invoice for any GST Input Tax Credit claim you wish to make of \$75.00 or greater.

As well as ensuring that a valid tax invoice is held, it is equally important to ensure that the correct amount of GST is claimed. In particular, care must be taken with any payment relating to an insurance premium and motor vehicle registration payments. Generally, Victorian insurance premiums include a stamp duty component which does not attract GST. Therefore, GST is not an exact 10% of the basic purchase price. Please check policy documents carefully to ensure that the correct amount of GST is recorded. Likewise, with Victorian motor vehicle registration, there is a GST free component. Registration certificates should be checked for the correct GST amount.

Note: GST on motor vehicle registration differs between Australian states.

[Click here](#) for more details.

"ACCOUNTANTS
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TO..."

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