

How GST applies to imported goods

Goods and services tax (GST) is payable on most goods imported into Australia (taxable importations).

GST on a taxable importation is payable by businesses, organisations and private individuals, whether they are registered for GST or not. However, if you are a GST-registered business or organisation and you import goods as part of your activities, you may be able to claim a GST credit for any GST you pay on those goods.

Paying GST on imported goods

The Australian Customs and Border Protection Service (ACBPS) collects GST on taxable importations. The GST payable is 10% of the value of the taxable importation.

The value of taxable importation is the sum of:

- the customs value of the goods
- any customs duty payable
- the amount paid or payable to transport the goods to their place of consignment in Australia
- the insurance cost for that transport
- any wine tax payable.

Generally, GST is payable before the goods are released by ACBPS. If you are not registered under the deferred GST scheme then the GST is payable at the same time, at the same place, and in the same manner as you would customs duty (or would be payable if the goods are subject to customs duty).

Deferring the payment of GST on imported goods

If you are an importer and are registered for GST, you may be able to defer the payment of GST by participating in the deferred GST scheme. The scheme allows you to defer the payment of GST on taxable importations until the first activity statement you lodge after the goods are imported. You will have to meet certain criteria to be eligible to participate in the scheme.

Are you eligible

To be eligible to participate in the deferred GST scheme, you must:

- have an ABN
- be registered for GST (you can register for GST and apply for an ABN on the one form if you don't already have an ABN)
- lodge your activity statements online
- **lodge your activity statements monthly (if you are lodging quarterly, you can elect to lodge monthly)**
- make your activity statement payments electronically.

Additionally, you may not be eligible if:

- you are not up to date with your tax returns or payments – this includes members of GST groups, branches and joint ventures
- you or anyone relevant to the application has, in the past three years, been convicted or penalised by a court for specific offences

Deferred GST calculation

If you have deferred the GST on a taxable importation and the goods will be used in your business, you are able to claim a GST credit for the amount of GST that has been deferred. On each monthly BAS, you should be claiming the full amount of the deferred GST – as advised by the ATO at label 7A – as a credit on your BAS at label 1B. The liability for deferred GST should always be offset on the BAS for the same month.

Revoking the deferred GST scheme

To continue to benefit from deferring your GST, make sure all of your tax obligations are up to date. If you don't, you'll no longer be part of the deferred GST scheme which means:

- customs will keep your goods until you pay the GST
- you'll have to register for the scheme all over again.

Application Form

Please note that the application form must be submitted online through the below website:

<https://www.ato.gov.au/Forms/Approval-to-defer-GST-on-imported-goods/Application-to-defer-GST-on-imported-goods/>

Contact Details

If you require any further details, please contact:

- Glenn Hack from EES Shipping on 08 9414 7711
- Jay Wakefield from jlc Associates on 08 1300 225 552