

## GST on Motor Vehicle Registration

In South Australia the majority of the costs included in your vehicle registration are GST Free – it is only the CTP Insurance Premium that attracts GST; all of the fees and levies are GST Free.

To get your accounting entries correct for your BAS you will need to refer to your Vehicle Registration form to pick up the total amount of GST that you can claim back from your registration renewal.

In my example below I have renewed the registration for 12 months and am entitled to claim the ITC credits paid on the CTP Premium. This means from my total payment of \$2,979 I can claim back \$22.44 of GST credits on my business activity statement, (woohoo, right?).

This application will become a **TAX INVOICE** for GST purposes when full payment is made.

Will the vehicle be used for any purpose that entitles you to any input tax credit (ITC) for the GST included in your CTP premium? Refer to "Determining Your Premium Class and Rating District" on the back of this form.

Renewal Period	3 months	6 months	9 months	12 months
New Expiry Date	02/06/15	02/09/15	02/12/15	02/03/16
Registration Charge	\$666.00	\$1309.00	\$1927.00	\$2522.00
Admin Fee	\$7.00	\$7.00	\$7.00	\$7.00
Emerg Services Levy	\$8.00	\$16.00	\$24.00	\$32.00
Lifetime Support Fund	\$22.00	\$42.00	\$64.00	\$84.00
S/Duty On Ins Policy	\$15.00	\$30.00	\$45.00	\$60.00
*CTP Ins Prem ex GST	\$62.40	\$124.86	\$184.54	\$244.21
GST on CTP Ins Prem		\$11.14	\$16.46	\$21.79
<b>TOTAL</b>	<b>\$788.00</b>	<b>\$1540.00</b>	<b>\$2268.00</b>	<b>\$2971.00</b>
<b>NO</b> (Premium Class 51) No ITC Entitlement Tick period of registration required	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Registration Charge	\$666.00	\$1309.00	\$1927.00	\$2522.00
Admin Fee	\$7.00	\$7.00	\$7.00	\$7.00
Emerg Services Levy	\$8.00	\$16.00	\$24.00	\$32.00
Lifetime Support Fund	\$22.00	\$42.00	\$64.00	\$84.00
S/Duty On Ins Policy	\$15.00	\$30.00	\$45.00	\$60.00
*CTP Ins Prem ex GST	\$64.27	\$128.53	\$190.05	\$251.56
GST on CTP I	\$5.73	\$11.47	\$16.95	\$22.44
<b>YES</b> (Premium Class 91) Tick period of registration required	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>TOTAL</b>	<b>\$788.00</b>	<b>\$1544.00</b>	<b>\$2274.00</b>	<b>\$2979.00</b>

To get your Business Activity Statement entries to report accurately in most software you will need to split the payment of the registration over two lines – one to reflect the GST Free component of the payment and one to account for the portion of the renewal that has GST.

The easiest way to work it out is to take the total amount of GST you can claim, which in my example is \$22.44 and multiply that by 11.

That gives you the total amount paid with GST in it, for me it is \$246.84. This is the amount that you want to enter with the tax code that your program uses to capture purchases subject to GST. In Xero it is usually "GST on Expenses", MYOB uses "GST" and QuickBooks uses "NCG".

The balance of your renewal amount is GST Free, so from your total payment take away the amount you calculated that has GST in it and enter that with your tax code that relates to a GST Free Purchase.

In my example the math's is: \$2,979 (total) less \$246.84 = GST Free amount of \$2,732.16.

In Xero you would enter the above motor vehicle registration like this:

To	Date	Reference	Total
DPTI Government of SA	18 Apr 2017		2979

  

Item	Description	Unit Price	Account	Tax Rate	Amount AUD
	Registration renewal	1.00	449 - Motor Vehicle Expenses	GST on Expenses	246.84
	Registration renewal	1.00	449 - Motor Vehicle Expenses	GST Free Expenses	2,732.16

  

Subtotal	2,979.00
Includes GST 10.00%	22.44
<b>TOTAL</b>	<b>2,979.00</b>

By using the Tax Codes you make sure that you only claim back the amount of GST you have paid.

## Input tax credit (ITC) entitlement

When you renew your registration, you must declare any input tax credit (ITC) entitlement.

You tick this part of the Motor Vehicle Renewal when:

- You are registered for GST &
- You are using the vehicle for business purposes.