

GST Registration Guide

Do I need to register for GST?

- You **must** register for GST if:
 - o your business has or expects to have turnover (gross income minus GST) of \$75,000 or more, or
 - o a not for profit organisation has a turnover of \$150,000 per year or more , or
 - o you want to claim fuel tax credits for your business or enterprise.

If your business does not fit into any of these categories then GST registration is optional.

In some circumstances it makes sense to register for GST even if you don't have to – please talk to us about this

When should you register for GST?

- You can register as soon as you have an Australian Business Number
- You should register as soon as you start your new business if you think you will be over the relevant turnover thresholds
- Existing businesses whose turnover has increased should check monthly to see if they have exceeded the relevant turnover threshold and register when they look like they will exceed the threshold or have exceeded the threshold (you have 21 days after exceeding the threshold to register)

How do I register for GST?

- You contact the team at Proactive and we can register for you. For new businesses we can apply for an ABN for you and follow through with the required GST and other registrations
- We can assist you in selecting an appropriate software package if required to assist you in keeping track of your GST

How does GST work?

- Basically as a business you will
 - o Include GST in the price you charge for goods and services at a rate of 10%, ie \$100 + \$10 GST = \$110 Including GST
 - o Claim credits for the GST included in the price of goods and services that your business buys

What must my Tax Invoice include?

- It must say that it is a 'Tax Invoice'
- Include your business name & ABN
- It must be dated and include a brief description of the items sold
- The GST amount must be shown separately or the total must include a statement such as 'Total including GST'
- For invoices of \$1000 or more you must include the buyers identity or ABN

How do I record and account for my GST

- You contact the Proactive Team and they can assist in either recommending an accounting package to help you or register you for Banklink which provides us with monthly Bank feeds to record your income and expenses and account for your GST for you.

How do BAS's work?

- You report and pay GST amounts to the ATO and claim GST credits back by lodging a quarterly, or in some instances a monthly, Business Activity Statement (BAS) or annual GST Return
- Proactive can assist in setting you up on a quarterly Fixed Price Agreement which will include preparation of your quarterly BAS return for lodging with the ATO.

My other options:

- You can choose to purchase an accounting package to assist you in recording your sales and purchases, thus maintain a record for GST purposes
- You can choose to do your BAS' each month, quarterly and in some cases annually, talk to us about what option would suit your business
- You can prepare, lodge and pay your BAS yourself and we assist with your year-end work or alternatively you can set Proactive to work on preparing your BAS' for you under one of our Fixed Price Agreements, leaving you to do more work on your area of expertise and leave the accounting to us.

Points to note/ Tips:

- Once register you have to stay registered for 12 months
- Once registered you are required to lodge either quarterly or annual Business Activity Statements
- There is generally no GST claimable on private expenses, even if a business paid for them
- Some items don't have a straight 10% GST included in the total amount, ie Insurance & Registration (Stamp Duty component doesn't have GST)
- A number of expenses don't include GST at all, such as bank charges, council rates, water rates etc.
- For cash flow budgeting it can be helpful to set up a separate bank account to transfer GST to, so once your BAS is due you have set the money aside to make the payment on the BAS