



# FACT SHEET 008

## GOODS AND SERVICE TAX (GST)

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The first recommended point of reference for all Australian Taxation Office (ATO) related matters is the “*Induction package for non-profit administrators*” which can be found at the ATO Website [www.ato.gov.au](http://www.ato.gov.au).

This induction package is for newly appointed treasurers, office bearers or employees involved in the administration of a non-profit organisation, such as a charity, club, society or association. It introduces you to the information and services we provide to assist you in your new role.

### PRIZES AND GST

The Australian Taxation Office has deemed under the GSTR 2002/3 paragraphs 55-72 that GST is payable on prizes if an Exhibitor is registered for GST and enters an Exhibit as part of a business enterprise.

The information an Exhibitor provides on the Application for Entry determines whether GST is applicable.

Any prize stated in the Societies Schedule should not include GST.

**Date of decision:** 26 September 2000

**Legislative References:** *A New Tax System (Goods and Services Tax) Act 1999*

Section 9-5  
Subsection 9-10(4)  
Section 11-5

### GATE TAKINGS AND GST

The Queensland Chamber of Agricultural Societies in conjunction with a number of Agricultural Societies sought a private ruling on the supplies of gate tickets at its events.

Below is the edited version of GST PRIVATE RULING (Authorisation Number: 23290) that applies to non-profit societies in relation to GST on Gate Takings.

This information should be provided to your Societies Auditor to assist in preparing the annual audit.

### GST will not apply:

- (a) If an Exhibitor enters an Exhibit as a hobby or private recreational pursuit; or
- (b) if an Exhibitor enters an Exhibit as part of a business enterprise, the Exhibitor has an ABN, but the Exhibitor is NOT REGISTERED for GST.
- (c) If an Exhibitor enters an Exhibit as part of a business enterprise, the Exhibitor is not entitled to an ABN as the business or enterprise is not operating in Australia.

GST will apply if an Exhibitor enters an Exhibit as part of a business enterprise, the Exhibitor has an ABN, and the Exhibitor is REGISTERED for GST.

Where GST applies, the Association **will pay the prize money quoted in this Schedule plus 10% GST**. The Association will issue a recipient created tax invoice.

Exhibitors should complete the Exhibitor’s Declaration on the Application for Entry or a similar form as provided by the Society.

The Queensland Chamber of Agricultural Associations Inc. recommends that the Exhibitor seeks professional advice before completing the Exhibitor Declaration.

### Related ATO Interpretative Decisions

ATO ID 2001/104 ATO ID 2001/105

### Other References

GST Primary Production-Newsletter No.5 - 04 July 2000

## **GATE TAKINGS AND GST**

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### **SUBJECT:**

GST and non-profit societies

### **QUESTION AT ISSUE:**

Can a non-profit society apply the provisions of section 38-250 of the *A New Tax System (Goods and Services Tax Act) 1999* (GST Act) to supplies of gate tickets at its events?

### **FACTS:**

- The non-profit society is registered for goods and services tax (GST).
- The non-profit society is incorporated as a charitable institution under a Government Act.
- The non-profit society puts on an annual event.

### **DECISION:**

The non-profit society is entitled to apply the provisions of section 38-250 of the GST Act for the supply of gate tickets where the requirements of the section are met.

### **REASONS FOR DECISION:**

Section 38-250 of the GST Act provides that the non-commercial activities of charitable institutions GST-free.

You state that the non-profit society is incorporated as a charitable institution under a Government Act.

The non-profit society is considered to be a charitable institution for GST purposes and is able to apply section 38-250 of the GST Act.

Under section 38-250 of the GST Act, the supply of gate tickets by your non-profit society for entry to your annual event will be a GST-free supply if the consideration received is:

- less than 50% of the GST-inclusive market value of the supply, and/or
- less than 75% of the consideration your non-profit society has provided in respect of putting on its annual event for the benefit of persons attending.

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