

## Latest changes to GST

A raft of amendments to GST came through in June, clarifying grey areas and closing loopholes from some of the major changes of the last few years. In broad brush, these include:

- § a new wash-up rule in the GST apportionment rules applies when use of an asset changes to 100% taxable or 100% non-taxable use when usage has previously been split between private and commercial use. Depending on the change, there may be output tax to pay back
- § residential units in retirement villages or rest homes where occupants live independently now come under GST-exempt supplies
- § the backdating effect of the tax residency rules has been removed for GST purposes
- § the definition of 'hire purchase agreement' now includes any contract with an option to purchase
- § where an employee is engaged by a third party to be a director or board member, and required to remit fees from the third party to their employer, there is a new flow-through rule which means the employer will be treated as supplying services to the third party
- § non-profit bodies can claim all GST input deductions other than those relating to the making of exempt supplies

Please contact us if you'd like to run through whether the changes affect you.