

GST: PROPOSED CHANGES TO THE APPORTIONMENT RULES

Proposed changes to the Apportionment rules contained in the Taxation (Annual Rates, Returns Filing and Remedial Matters) Bill include:

- Making the new rules apply to acquisitions before 1 April 2011 if no input tax was claimed or no adjustments were made before 1 April.
- The removal of the \$5000 threshold to claim input tax on pre-registration acquisitions.
- Allowing the use of a motor vehicle logbook to determine percentage intended use and percentage actual use.
- Clarifying that the concurrent use of land rules apply only to land simultaneously used for taxable and non-taxable purposes.
- Ensuring that the final adjustment period under the apportionment rules ends on the day before disposal if an asset is disposed of before the required number of adjustments have been made.
- Ensuring that input tax cannot be claimed on imported goods in relation to merely delivering or arranging delivery of the goods.

Refer to the PDF attachment on the “New GST Apportionment Rules” in the GST section for the details.

<http://www.davidco.co.nz/dl/GSTApportionmentRules.pdf>