

Goods and Services Tax

About this Fact Sheet

This Fact Sheet provides an explanation of why an Owners Corporation needs to be GST Registered.

Why Do Strata Scheme's Register for GST?

The Australian Tax Office (ATO) considers the Owners Corporation as a body made up of separate entities (owners) and further to this that the Owners Corporation is providing taxable services to its members. The GST Act requires an Owners Corporation to be registered for GST if its turnover exceeds the \$150,000.00 registration threshold for non-profit bodies, being on both current and projected turnover. This turnover includes the Administration and Sinking fund levies.

What Does a Strata Scheme Need to Do if they are GST registered?

As a result of being GST registered an Owners Corporation must include GST on the levies it raises (being for a taxable supply) and pay this GST to the ATO.

Provided the Owners Corporation receives goods and services and holds a tax invoice for these over \$82.50, it may claim input tax credits for the GST included in the cost of the goods and services provided. Input Credits will reduce the GST amounts payable to the ATO on the quarterly Business Activity Statement (BAS).

Further Information

For further information about GST requirements for an Owners Corporation, please visit the ATO website www.ato.gov.au and search for "Property and Construction Industry Partnership - issues register - section 01 - bodies corporate/owners corporations and strata managers"

Relevant Legislation/Cases

A New Tax System (Goods and Services Tax) Act 1999

Re Body Corporate, Villa Edgewater CTS 23092 and Federal Commissioner of Taxation 2004 ATC 2056; (2004) 55 ATR 1162; [2004] AATA 425).

ATO Interpretative Decision ATO ID 2001/650 Goods and Services Tax: GST and a special levy charged by a body corporate.