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Inserts for
**Tax Laws Amendment (2011 Measures
No. 9) Bill 2011: GST and appropriations**

EXPOSURE DRAFT

Commencement information

Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
1. Schedule?	The day this Act receives the Royal Assent.	
2.		
3.		

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2 **Schedule?—GST treatment of appropriations**

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

4 **1 Paragraph 9-15(3)(c)**

5 Repeal the paragraph, substitute:

6 (c) a payment is not the provision of consideration if:

- 7 (i) the payment is made by a *government related entity to
8 another government related entity; and
9 (ii) the payment is covered by an appropriation under an
10 *Australian law; and
11 (iii) the payment is not made for a supply which is
12 commercial in nature.

13 Note 1: A payment by a State Department of Health to a State hospital to fund
14 its operations, where the hospital commits to achieving certain health
15 outcomes, is a payment for a supply which is not commercial in
16 nature.

17 Note 2: A payment by a Department to a government entity, which provides
18 legal services on a fee for service basis, for the provision of legal
19 services is a payment for a supply which is commercial in nature.

20 **2 Section 72-95**

21 Before “This”, insert “(1)”.

22 **3 After section 72-95**

23 Insert:

- 24 (2) However, this Division does not apply to anything covered by
25 paragraph 9-15(3)(c).

26 **4 Section 72-100**

27 Before “This”, insert “(1)”.

28 **5 After section 72-100**

29 Insert:

- 30 (2) However, this Division does not apply to anything covered by
31 paragraph 9-15(3)(c).

32 **6 Application**

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The amendments made by this Schedule apply, and are taken to have applied, in relation to payments made on or after 1 July 2012.