

Check list before Paying Invoices

In the May 2007 budget the Treasurer announced that the tax invoice threshold would increase from \$50 to \$75. If you are claiming an input credit in your BAS you must have a tax invoice unless the total amount of the invoice is under the threshold. This threshold changes on 1st July, 2007 to \$75.00 exclusive of GST or \$82.50 if the invoice includes GST. What is required to meet the requirements of a tax invoice varies depending on the value of the invoice. The following is a checklist that all businesses should review before paying an invoice.

Is the Invoice for more than \$82.50 GST inclusive or \$75 excluding GST?	No →	Pay without question. No need to withhold tax and can claim input credit.
	Yes ↓	No need to go any further
Has the Supplier Provided an Invoice?	No →	Withhold 46.5% of the total Invoice price to remit to ATO Ask Supplier for TFN
	Yes ↓	Move on to the fourth question
Does the Invoice have an ABN?	No →	Withhold 46.5% of the total Invoice price to remit to ATO Ask Supplier for TFN
	Yes ↓	Move onto the fourth question
Does the Invoice include the words "Tax Invoice," the date, name of the supplier, the Tax inclusive price and a brief description of the goods supplied?	No →	No input credit can be claimed so this supply should be at least 1/11 th cheaper than a correctly invoiced supply.
	Yes ↓	No need to go any further
Is the Invoice for more than \$1,000?	No →	Bingo! Pay full amount of invoice & claim input credit.
	Yes ↓	No need to go any further
Does the Invoice include in addition to the above - the quantity of the goods or the extent of the services supplied, your name and address or name and ABN?	No →	No input credit can be claimed so this supply should be at least 1/11 th cheaper than a correctly invoiced supply.
	Yes ↓	No need to go any further
Bingo! Pay full amount of invoice and Claim input tax credit.		