

Test Scenario
Mixed Supplies (Derived from Accounts Method)
Current as at 14 April 2003

1. Qualification

This is the test for the GST sub-category of *mixed supplies*. This test covers business transactions that are a mix of taxable, GST free and input taxed supplies.

2. Compliance requirement

Transactions as detailed in this document are to be input into the software package in a manner that allows the amounts for each of the labels reportable on the Business Activity Statement identified in this document to be identified, substantiated and matched to the G label results in this document.

GST Derived from Accounts Option

Eligibility

This option may be used for reporting only if the payer has record keeping and accounting systems that:

- can accurately provide details of the amount of GST payable and the amount of input tax credits they are entitled according to the law, and
- incorporate proper audit trails.

Reporting Requirements

To meet these requirements the accounting system must:

- For each transaction involving a **taxable supply**, record the amount of GST payable and correctly bring these amounts to account in a GST payable control account.
- For each transaction involving a **creditable purchase** or **creditable importation**, record the amount of input tax credit to which they are entitled and correctly bring these amounts to account in an input tax credit control account.
- For each **adjustment** that increases the net amount, record the amount of the adjustment and correctly bring these amounts to account in either a GST payable control account or a GST adjustments control account.
- For each **adjustment** that decreases the net amount, record the amount of the adjustment and correctly bring these amounts to account in either an input tax credit control account or a GST adjustments control account

Information from accounts should be used to complete the following items:

- **1A** on the back of the Activity Statement to show the GST payable for the tax period. **G9** should be completed for electronic lodgment only.
- **1B** on the back of the Activity Statement to show the total input tax credits for the tax period. **G20** should be completed for electronic lodgment only.

- Complete for statistical and compliance purposes, [G1](#), [G2](#), [G3](#), [G10](#) and [G11](#) and how they relate to supplies and acquisitions for the tax period.
- Use the activity statement instructions and [BAS Basics](#) for general guidance on the types of transactions that are relevant for inclusion at these items.
- The information can be obtained or estimated on a reasonably accurate basis from accounts and may be net amounts (that is, not including GST).

If this option is chosen, adjustments must be included that do not result from transactions recorded in the accounts. These include the following types of adjustments:

- [bad debts](#) where there was an adjustment for GST purposes but there is no corresponding entry in the accounts, for example, an adjustment for a debt outstanding for more than 12 months not yet written off in the accounts.
- [changes in extent of creditable purpose](#), and
- [goods used solely for private or domestic purposes](#).

3. Overview/expansion of qualification

Supplies and acquisitions may be a combination of taxable, GST free or input taxed.

The transactions in this scenario are not designed to cover 100% of business activities. It is estimated that, in general, this scenario covers 50% of common transactions.

There are two parts to the transactions, covering two tax periods. This is to allow for the testing of adjustments where there has been a change in the extent of creditable purpose. Period 1 is not the first tax period.

Note: purchase of a motor vehicle is not covered in this transaction.

4. Instructions

The transactions provided should be input through the software, in two different tax periods as indicated, to ensure the amounts produced for the Business Activity Statement are the same as those indicated in this document. All transactions listed in this scenario are taken to have occurred wholly within a single tax period.

5. Tax Sub Category

GST – mixed supplies

6. Scenario

Partnership business, operating a grocery and take away store. The business has point of sale equipment allowing for the identification of GST free and taxable supplies. The business rents out a residential flat upstairs for domestic accommodation.

PERIOD 1

	Description of transaction	GST treatment	Price (inclusive of GST)	GST amount
Supplies				
S1	Stock sales - taxable	Taxable	9900.00	900.00
S2	Stock sales – GST free	GST free	3000.00	
S3	Rent - residential	Input taxed	350.00	
S4	Sale of computer – taxable	Taxable	500.00	45.45
S5	Hire of steam cleaner – taxable	Taxable	110.00	10.00
S6	Hire deposit retained – taxable	Taxable	50.00	4.55
S7	Hamper – GST free component	GST free	50.00	
S8	Hamper – taxable component	Taxable	220.00	20.00
S9	Bank loan	Not in GST sheet of BAS	2000.00	
Acquisitions				
P1	Stock – GST free	B	20.00	
P2	Freezer – capital, taxable	D	3300.00	300.00
P3	Drawings	G	500.00	
P5	Wages	H	700.00	
P6	Computer purchase	D	3000.00	272.73
P7	Private use component of computer estimated 20% (\$600)	Recorded at time of acquisition	600.00	
P8	Steam cleaner - capital, taxable	D	1100.00	100.00
P9	Private use component of steam cleaner estimated 10% (\$110)	Recorded at time of acquisition	110.00	
P10	Painting of premises – residence	C	1100.00	100.00
P11	Painting of premises – shop	A	3300.00	300.00
Adjustments				
A1	Removal of stock for personal use – purchase stops being creditable (stock purchased in period preceding Period 1)	Adjustment - increasing	110.00	10.00

KEY – GST Treatment

A	Non-capital acquisition – taxable	B	Non-capital acquisition – no GST in price
C	Non-capital acquisition – input taxed	D	Capital acquisition – taxable
E	Capital acquisition – no GST in price	F	Capital acquisition – input taxed
G	Drawings/loan account	H	Wages

BAS Labels

PERIOD 1

BAS Label	Amount	Transactions included
G1	14180	S1+S2+S3+S4+S5+S6+S7+S8
G2	0	
G3	3050	S2+S7
G9 (necessary for electronic lodgement only)	990	GST on S1+S4+S5+S6+S8+A1
1A	990	GST on S1+S4+S5+S6+S8+A1
G10	7400	P2+P6+P8
G11	4420	P1+P10+P11
G20 (necessary for electronic lodgement only)	908	GST on P2+(P6-P7)+(P8-P9)+P11
1B	908	GST on P2+(P6-P7)+(P8-P9)+P11

PERIOD 2

	Description of transaction	GST Treatment	Price (inclusive of GST)	GST (taxable supply/ acqn)
Supplies				
S10	Stock sales – taxable	Taxable	9900.00	900.00
S11	Stock sales – GST free	GST free	3000.00	
S12	Rent - residential	Input taxed	350.00	
S13	Hire of steam cleaner	Taxable	220.00	20.00
S14	Donations	Not on BAS	200.00	
Acquisitions				
P12	Stock – GST free	B	50.00	
P13	Stock – taxable	A	500.00	45.45
P14	Wages	H	700.00	
P15	Mortgage interest	B	500.00	
P16	Council rates	B	250.00	
Adjustments				
Change in private use estimated in Period 1				
A2	Steam cleaner private use reduced from 10% to 5% (decreasing adjustment 110 reduced to 55)	Adjustment – decreasing	55.00	5.00
A3	Computer private use increased from 20% to 30% (increasing adjustment 600 to 900)	Adjustment - increasing	300.00	27.27

KEY – GST Treatment

A	Non-capital acquisition – taxable	B	Non-capital acquisition – no GST in price
C	Non-capital acquisition – input taxed	D	Capital acquisition – taxable
E	Capital acquisition – no GST in price	F	Capital acquisition – input taxed
G	Drawings/loan account	H	Wages

BAS Labels**PERIOD 2**

BAS Label	Amount	Transactions included
G1	13470	S10+S11+S12+S13
G2	0	
G3	3000	S11
G9 (necessary for electronic lodgement only)	942	GST on S10+S13+(A3-A2)
1A	942	GST on S10+S13+(A3-A2)
G10	0	
G11	1300	P12+P13+P15+P16
G20 (necessary for electronic lodgement only)	45	GST on P13
1B	45	GST on P13