

GST on Motor Vehicle Registration QBO

In South Australia the majority of the costs included in your vehicle registration are GST Free – it is only the CTP Insurance Premium that attracts GST; all of the fees and levies are GST Free.

To get your accounting entries correct for your BAS you will need to refer to your Vehicle Registration form to pick up the total amount of GST that you can claim back from your registration renewal.

In my example below I have renewed the registration for 12 months and am entitled to claim the ITC credits paid on the CTP Premium. This means from my total payment of \$2,979 I can claim back \$22.44 of GST credits on my business activity statement, (woohoo, right?).

This application will become a **TAX INVOICE** for GST purposes when full payment is made.

Will the vehicle be used for any purpose that entitles you to any input tax credit (ITC) for the GST included in your CTP premium? Refer to "Determining your Premium Class and Rating District" on the back of this form

Renewal Period	3 months	6 months	9 months	12 months
New Expiry Date	02/06/15	02/09/15	02/12/15	02/03/16
Registration Charge	\$666.00	\$1309.00	\$1927.00	\$2522.00
Admin Fee	\$7.00	\$7.00	\$7.00	\$7.00
Emerg Services Levy	\$8.00	\$16.00	\$24.00	\$32.00
Lifetime Support Fund	\$22.00	\$42.00	\$64.00	\$84.00
S/Duty On Ins Policy	\$15.00	\$30.00	\$45.00	\$60.00
*CTP Ins Prem ex GST	\$62.43	\$124.86	\$184.54	\$244.21
GST on CTP Ins Prem	\$5.57	\$11.14	\$16.46	\$21.79
NO (Premium Class 51) No ITC Entitlement Tick period of registration required	<input type="checkbox"/> \$786.00	<input type="checkbox"/> \$1540.00	<input type="checkbox"/> \$2268.00	<input type="checkbox"/> \$2971.00
Registration Charge	\$666.00	\$1309.00	\$1927.00	\$2522.00
Admin Fee	\$7.00	\$7.00	\$7.00	\$7.00
Emerg Services Levy	\$8.00	\$16.00	\$24.00	\$32.00
Lifetime Support Fund	\$22.00	\$42.00	\$64.00	\$84.00
S/Duty On Ins Policy	\$15.00	\$30.00	\$45.00	\$60.00
*CTP Ins Prem ex GST	\$64.27	\$128.53	\$190.05	\$251.56
GST on CTP Ins Prem	\$5.73	\$11.47	\$16.95	\$22.44
YES (Premium Class 91) ITC Entitlement Tick period of registration required	<input type="checkbox"/> \$788.00	<input type="checkbox"/> \$1544.00	<input type="checkbox"/> \$2274.00	<input type="checkbox"/> \$2979.00

To get your Business Activity Statement entries to report accurately in most software you will need to split the payment of the registration over two lines – one to reflect the GST Free component of the payment and one to account for the portion of the renewal that has GST.

The easiest way to work it out is to take the total amount of GST you can claim, which in my example is \$22.44 and multiply that by 11.

That gives you the total amount paid with GST in it, for me it is \$246.84. This is the amount that you want to enter with the tax code "GST on Purchases". Shown at 1 on the screen shot.

The balance of your renewal amount is GST Free, so from your total payment take away the amount you calculated that has GST in it and enter that with your tax code "GST Free Purchase. Shown at 2 on the screen shot

In my example the math is: \$2,979 (total) less \$246.84 = GST Free amount of \$2,732.16.

In Quickbooks you would enter the above bill for motor vehicle registration like this:

The screenshot shows a QuickBooks Bill entry form. At the top right, the balance due is displayed as **A\$2,979.00**. The form includes fields for Supplier (DPTI), Mailing address (DPTI), Terms, Bill date (01/05/2019), Due date (01/05/2019), and Bill no. Below these fields is a table for Category details with columns for #, CATEGORY, DESCRIPTION, AMOUNT, and GST. The table contains three rows: Row 1: Registration and insurance, Truck Rego 2019, 246.84, GST on purchases; Row 2: Registration and insurance, Truck Rego 2019, 2,732.16, GST free purchases; Row 3: (empty). Below the table are buttons for 'Add lines' and 'Clear all lines'. Under 'Item details', there is a Memo field and a summary table. The summary table shows: Subtotal: A\$2,979.00; Includes GST @ 10% on 224.40: 22.44; Includes GST @ 0% on 2,732.16: 0.00; Total: A\$2,979.00.

#	CATEGORY	DESCRIPTION	AMOUNT	GST
1	Registration and insurance	Truck Rego 2019	246.84	GST on purchases
2	Registration and insurance	Truck Rego 2019	2,732.16	GST free purchases
3				

Subtotal	A\$2,979.00
Includes GST @ 10% on 224.40	22.44
Includes GST @ 0% on 2,732.16	0.00
Total	A\$2,979.00

By using the Tax Codes you make sure that you only claim back the amount of GST you have paid.

Input tax credit (ITC) entitlement

When you renew your registration, you must declare any input tax credit (ITC) entitlement.

You tick this part of the Motor Vehicle Renewal when:

- You are registered for GST &
- You are using the vehicle for business purposes.