

PRINCIPLES FOR DIVISION 81 ITEMS

Principle	Explanatory notes
<p><i>(1) Taxes, fees and charges levied for general purposes and used to finance the operations of governments.</i></p> <p>These should be included in the determination so they are not subject to GST.</p> <p>Fines and penalties are not subject to GST. They are not considered for supply and therefore do not need to be listed in the determination.</p>	<p>These items include:</p> <ul style="list-style-type: none"> • Income tax; • Medicare levy; • Fringe benefits tax; • Stamp duties; • Payroll tax; • Land tax; and • General rates etc. <p>Where possible it is recommended generic terms and descriptors are used to remove any uncertainty and ambiguity.</p>
<p><i>(2) Fees and charges levied on specific industries and used to finance particular regulatory or other activities in the government sector.</i></p> <p>These should be included in the determination so they are not subject to GST.</p>	<p>These levies are not for the provision of specific supplies. They are essentially a compulsory impost on a specific industry. On this basis such items should be included in the determination.</p> <p>Note, industry and or business levies are compulsory imposts for which no supply is provided in return.</p>
<p><i>(3a) Application fees, licences, permits and certifications that are required by government prior to undertaking an occupation.</i></p> <p>Occupational licences should be included on the determination so that they are not subject to GST.</p>	<p>Licences and permit fees etc that are required by government to undertake professional or occupational activities should be included in the determination. In other words, these licences are a precondition to engaging in an occupation or other activity. Examples include:</p> <ul style="list-style-type: none"> • Medical and legal professionals' right of practice licences; • Pilot's licences, driver's licences etc; and • Transfers of and adjustments to these occupational licences.
<p><i>(3b) Regulatory charges imposed to undertake an activity.</i></p> <p>Regulatory charges should be included on the determination so</p>	<p>Examples of regulatory fees include:</p> <ul style="list-style-type: none"> • Compulsory testing fees for regulatory purposes;

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<p>that they are not subject to GST.</p>	<ul style="list-style-type: none"> • Compulsory inspection fees for regulatory purposes; • Searches and extracts from registers, e.g. title searches; • Copies of official documents (eg birth certificates); • Fees associated with the right to access the legal system; • Conduct money (fee for the right to have evidence produced in court); • Fees associated with the regulation of the supply of water; • Fees for the right to access government information generally (e.g. FOI charges); • A permit for restaurants to occupy the footpath; • A licence for an event to close roads.
<p><i>(4) Fees and charges in return for supplies.</i></p> <p>Fees and charges in return for a supply are subject to GST.</p>	<p>All other charges that are administrative in nature and relate to the recovery of costs of services. As a rule, government fees or charges for these are levied on the basis that they provide a supply in return for the fee charged (e.g. requirement on truck drivers to purchase a log book from the regulator).</p>