

DETERMINATION > COVID-19 VARIATION

Variation of the application of s 15D(2) Goods and Services Tax Act 1985 to extend time to make an application to change GST taxable period

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EFFECTIVE: 6 June 2020 to 30 June 2020

Variation

The Commissioner of Inland Revenue has, under the discretion provided under section 6I of the Tax Administration Act 1994, made the following statutory variation, to enable a change from 6-month to 1-month taxable periods to take effect earlier:

Regarding the 6-month GST taxable period ending on 31 March 2020, this period is extended to 30 June 2020 by s 6I(1)(a)(iii) of the TAA but only for making the election to change a person's taxable period to 1 month. This means that an election made before 30 June 2020 to change from a 6-month taxable period to a 1-month taxable period will take effect, under s 15D(2) of the Goods and Services Tax Act 1985, from 1 April 2020.

This variation is subject to the following conditions:

- The person notifies the Commissioner before 30 June 2020 that they wish their election to have this effect; and
- The person does not subsequently elect to change from a 1-month taxable period before 30 September 2020.

Application date

This variation applies from 6 June 2020 to 30 June 2020.

Dated at Wellington on 06 June 2020.

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Background (material under this heading does not form part of the variation)

Summary of effect

1. Section 15(3) of the Goods and Services Tax Act 1985 allows a person to apply to the Commissioner to have a one-month taxable period for GST. Under s 15D(2) of the GST Act, the change in taxable period takes effect at the end of the taxable period in which the person applies. For a person who had a six-month taxable period ending 31 March 2020 but who did not apply to change to a one-month taxable period before 31 March 2020, the time for making that application has been extended to 30 June 2020 using s 6I of the TAA.

Provisions affected

2. Section 15D(2) of the Goods and Services Tax Act 1985.

Application of variation

3. This variation applies to a person who wishes to change from a six-month taxable period to a one-month taxable period for GST. A person is permitted to do so under s 15(3) of the GST Act, but the change will take effect from the end of the taxable period in which they apply. For a person who did not apply before 31 March 2020, the change will not take effect until 1 October 2020. The variation recognises that the impact of COVID-19 means that some taxpayers may now wish to file on a one-monthly basis to provide earlier access to any GST refunds, but will not have been able to consider whether to apply, or make the application, before 31 March 2020. It allows the change of taxable period to take effect much sooner than would otherwise be the case.

References

Legislative references

Tax Administration Act 1994: ss 6H and 6I

Goods and Services Tax Act 1985: s 15D

About this publication

To help customers manage the impacts of COVID-19, the Commissioner now has a discretion to vary a requirement under an Inland Revenue Act (including for these purposes, the Unclaimed Money Act 1971). This discretion is found in ss 6H and 6I of the Tax Administration Act 1994 and applies from 17 March 2020 to 30 September 2021. This variation is an exercise of that power.