

DETERMINATION > COVID-19 VARIATION

Variation of section 15D(2) of the Goods and Services Tax Act 1985 for applications to change GST taxable period

Issued: 4 November 2020

COV 20/11

EFFECTIVE: 4 November 2020 to 31 March 2021

Determination

The Commissioner of Inland Revenue has, under the discretion provided under section 6I of the Tax Administration Act 1994, made the following statutory variation:

*Section 15D(2) of the Goods and Services Tax Act 1985 is varied to state that a change in taxable period takes effect at the **commencement** of the [6-month] taxable period in which the person applies to change the basis on which the person's taxable period is set.*

This variation applies to a registered person who wishes to change from a 6-month to a 1-month taxable period, and for a 6-month taxable period commencing between 1 April 2020 and 31 March 2021.

The variation is subject to the following conditions:

- *The person notifies the CIR before 31 March 2021 that they wish their election to have this effect; and*
- *The person does not elect to change back from a 1-month taxable period before 30 September 2021.*
- *The impacts of COVID-19, including uncertainty as to its financial impacts, materially affected the person's ability to make this election earlier and they expect applying this variation will materially assist the sustainability of their business.*

Application date

This variation applies from 4 November 2020 to 31 March 2021

Dated at Wellington on 4 November 2020

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Inland Revenue

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. The effective date of the change has been modified to the start of the taxable period 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. This variation allows that change to be effective from the start of the taxable period in which a person applies. 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. It allows the change of taxable period to take effect much sooner than would otherwise be the case.
4. The variation is aimed primarily at a person who applies to change their taxable period after 1 October 2020 to allow that change to take effect sooner. A person who has a standard balance date and applied after the expiry of variation COV 20/03 on 30 June 2020, but before 1 October, will already be on a one-monthly taxable period effective 1 October 2020 without the need for a variation. The variation may apply to a person with a non-standard balance date who applies in a taxable period that commenced before 1 October 2020 and is still in progress.

Associated variations: COV 20/03

5. See also "Variation of the application of s 15D(2) of the Goods and Services Tax Act 1985 to extend time to make an application to change GST taxable period" issued 6 June 2020.

Legislative References

Tax Administration Act 1994: ss 6H and 6I

Goods and Services Tax Act 1985: s 15D

About this document

These variations concern the Commissioner's discretionary power, in ss 6H and 6I of the Tax Administration Act, to extend or otherwise modify a due date, deadline, time period or timeframe or vary a procedural or administrative requirement of the Inland Revenue Acts, in circumstances arising from COVID-19 or the Government's response measures.