

Check your Invoices

Example

	Incorrect invoice	Correct invoice
Pruning 532 plants @ \$7.00/plant	\$3,724.00	\$3,724.00
1 Ha @ \$1,140.00	\$1,140.00	\$1,140.00
Subtotal	\$4,864.00	
Less schedular tax @ 15%	\$ 729.60	
Total income (GST exclusive)	\$4,134.40	\$4,864.00
Plus GST @ 15%	\$ 729.60	\$ 729.60
Total income (GST inclusive)	\$4,864.00	\$5,593.60
Less schedular tax @ 15% (\$4,864.00 (GST exclusive) × 15%)		\$ 729.60
Amount payable (net payment)	\$4,864.00	\$4,864.00

The incorrect invoice above shows a lower total GST inclusive income, as the schedular tax deduction has already been made. The correct invoice shows that the schedular tax deduction is made after the GST is added. Otherwise the orchardist is short-claiming the GST input.

GST is calculated on the gross amount payable (ie, \$4,864.00 in the example above).

The correct figure to be claimed by the orchardist in their GST return as an input is \$5,593.60 and **not** \$4,864.00.

The correct figure to be returned by the contractor in their GST return as an output is \$5,593.60 and **not** \$4,864.00.