

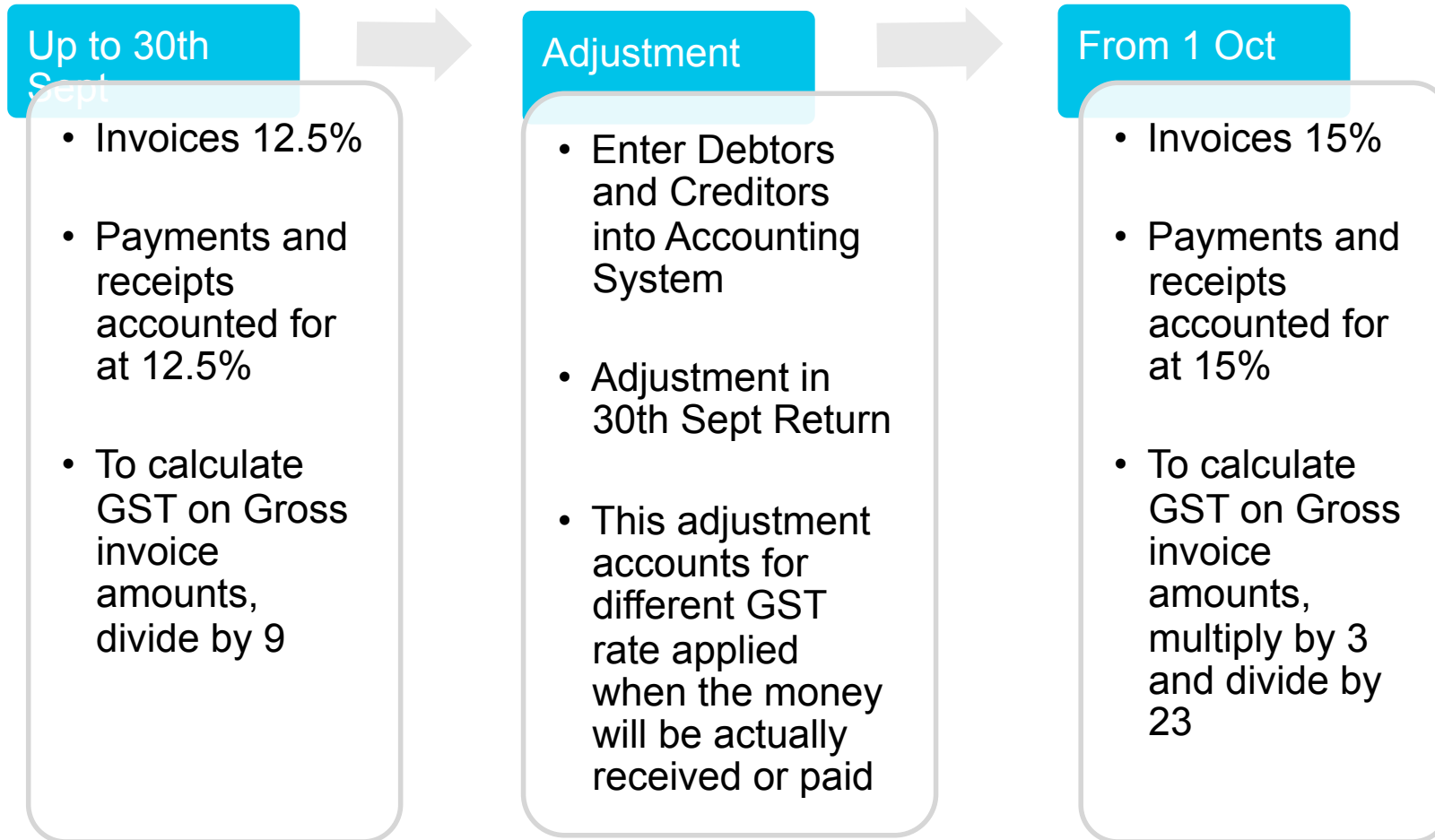
A quick GST example

GST change effects on a typical transaction

www.xero.com



GST on Payments Basis

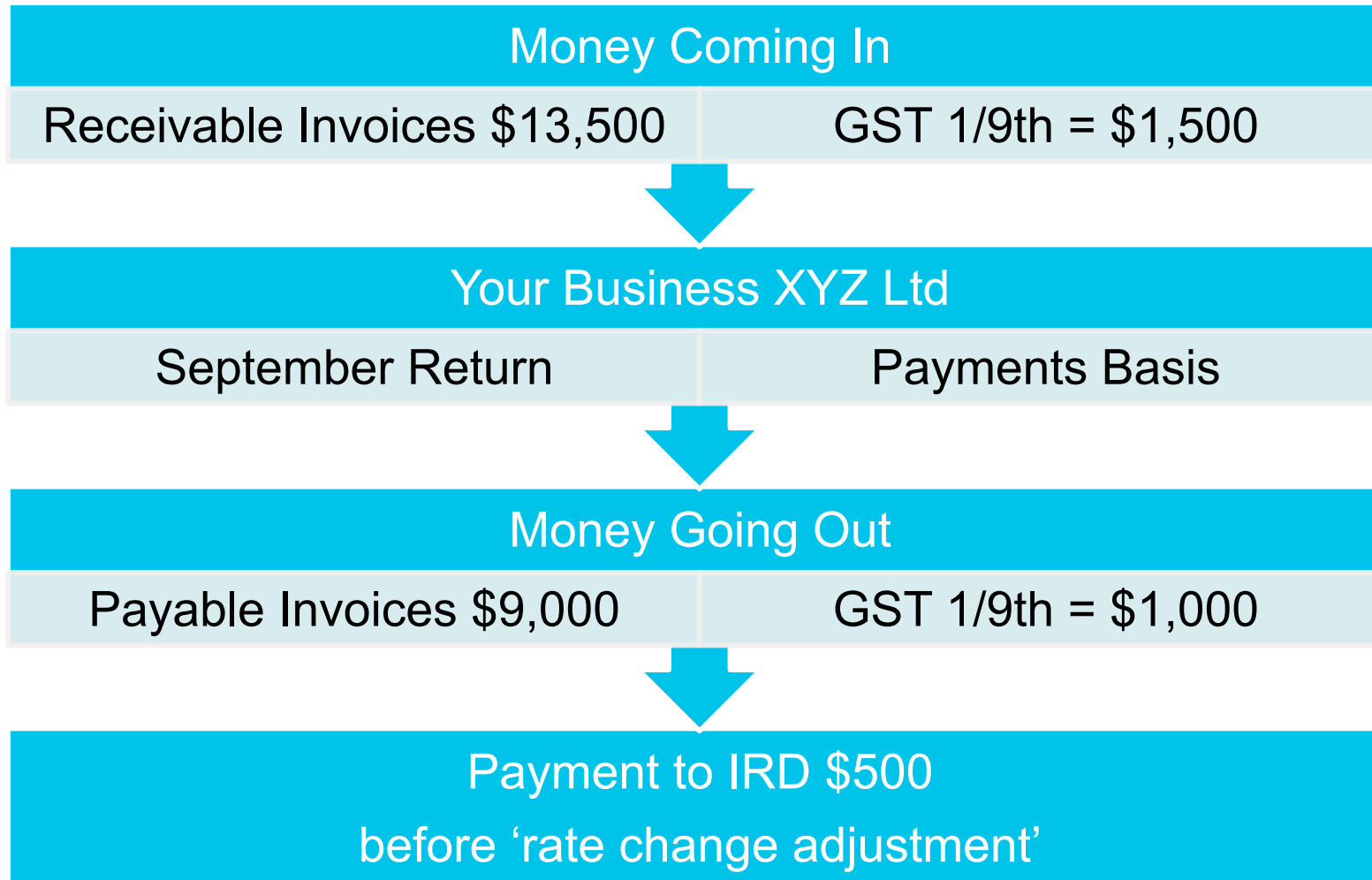


Practical Example – Rate Change Adjustment

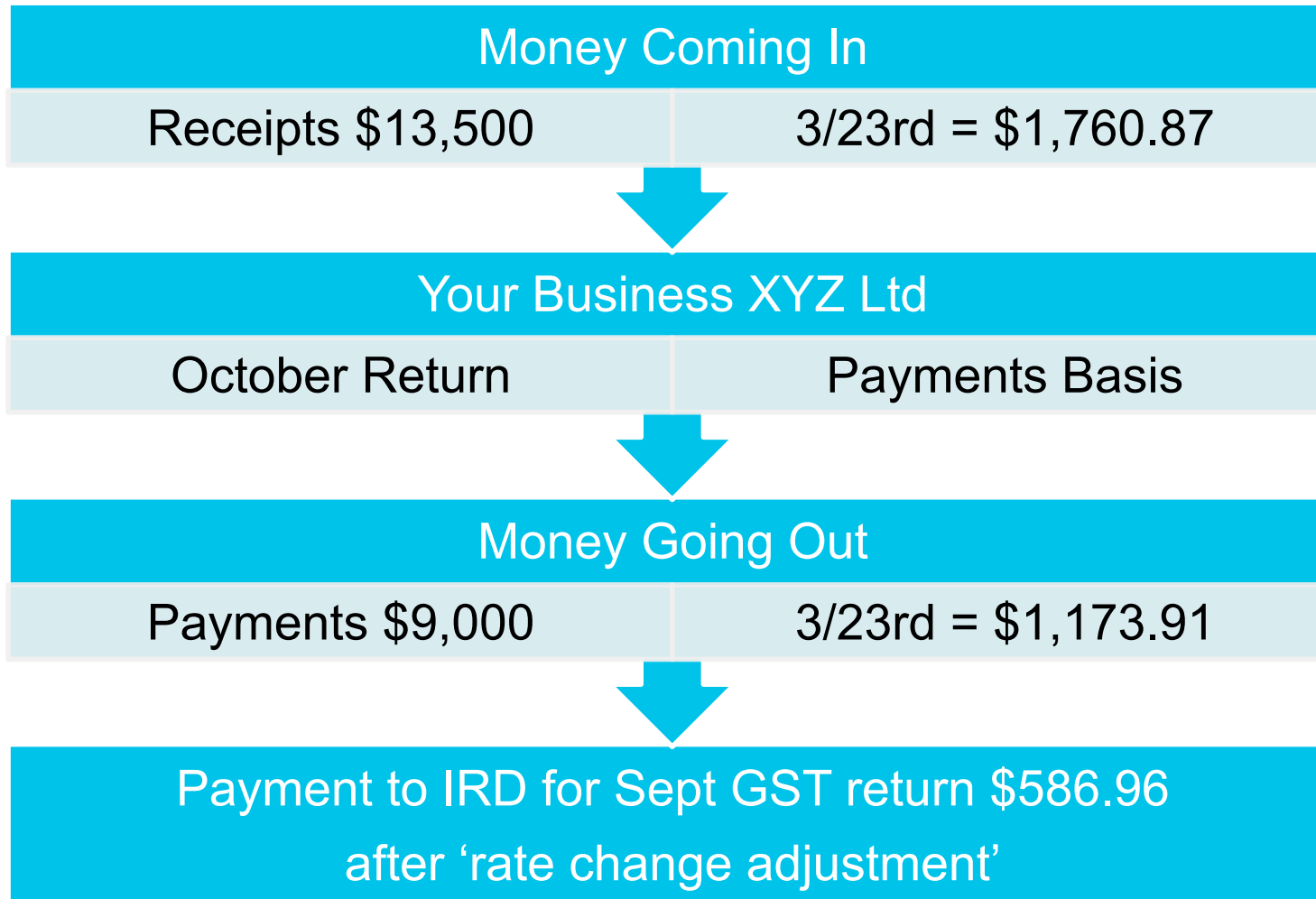
- As at 30th Sept, 2010
- Your business has \$13,500 owing to you from Frank Spencer (Debtors = \$12,000 + \$1,500 GST)
- You owe \$9,000 to Kelly's Automotive for repairs (Creditors = \$8,000 + \$1,000 GST)
- *On Sept Return, the following adjustment is made:
(Creditor's – Debtor's) / 51.75 = Extra to pay to IRD*
- Creditors 9,000
- Debtors 13,500
- Difference (4,500) divide by 51.75 = \$86.96
Extra to claim from IRD



As at 30th Sept – Payments Basis GST



Payments received from 1st October @ 15 %



The GST adjustment in Xero calculated for you

- Business as usual, you won't 'lose out' with the GST change
- Payments basis - file an adjustment based on creditors and debtors outstanding at 30 September. In Xero, this is automatically calculated for you.

GST Return Provisional Tax Return GST Audit Report **Adjustments**

GST Adjustment Report
NZ Demo
For the period 1 September 2010 to 30 September 2010

[+ Add Summary](#)

Invoice Number	Reference	Balance	GST
GST Rate Change Adjustments			
Receivables			
Contact 1			
INV-001	Raindrops	1,237.00	137.44
INV-002	Roses	58.10	6.46
INV-003	Whiskers	1,200.55	133.39
INV-004	Kittens	50,000.00	5555.56
Contact ABC			
INV-005	Chainsaws	999.99	111.11
INV-006	Redbrick	25.80	2.87
Total Receivables		53,521.44	5,946.83
Payables			
Contact 2			
	Favourite	1,500.00	166.67
	Things	72.08	8.01
Total Payables		1,572.08	174.68
Unpaid Expense Claims			
Charles Brown			
	Favourite	100.00	12.50
Total Unpaid Expense Claims		100.00	12.50
Total Adjustments			
GST Rate Change Adjustment			1001.92
Adjustment to Pay			1001.92

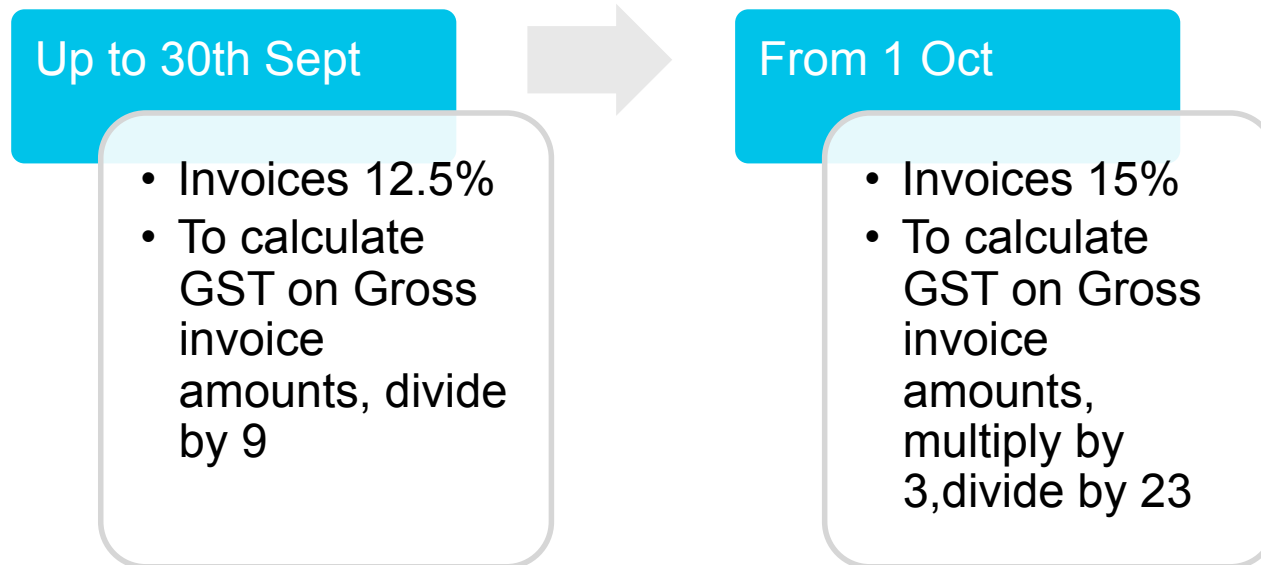
i Filing your return is necessary to calculate your next return. [More details](#) [File Now](#)



GST on Invoice Basis

Ensure all pre 1 October transactions are entered with dates up to 30 September, so that GST is calculated at 12.5%

No adjustment return is needed



Tricky Issues – get advice for exceptions

- Invoices for supplies over a period of time which spans 30th September
- Exceptions – such as finance leases (12.5% applies up to 5 years), some insurance payments
- Deposits received before 30th Sept relating to services or goods received after 30th September
- Check some invoices on a case by case basis to decide the “time of supply” – ask your accountant
- See www.gstadvisory.govt.co.nz for more info and FAQ's

