



Registration and GST Essentials

What is an ABN and when does a strata company need one?

An Australian Business Number (ABN) is an 11 digit number issued by the Australian Business Register (ABR) and serves as a unique identifier for an entity carrying on an enterprise.

When to apply for an ABN:

1. When a strata company is required to register for GST it must have a valid ABN.
2. When a strata company invoices a third party business (eg a phone company for the use of the roof for their phone tower). If the scheme doesn't provide a valid ABN, the debtor is legally obligated to withhold tax from their invoice payments at 47% and remit it to the ATO. This can cause a bit of a headache as that then means that a tax return must be completed to receive the balance of the payment.

If a strata company already has an ABN, you obtain this via the original company registration documents, ATO correspondence documents or on the ABR which can be accessed at <http://abr.business.gov.au/>

What is a TFN and when does a strata company need one?

A Tax File Number (TFN) is an 8 or 9 digit unique identifier number issued by the Australian Taxation Office (ATO) to each taxpayer.

When to apply for a TFN:

1. When the scheme is required to lodge a tax return.
2. When the scheme opens up an investment account (otherwise the bank must withhold tax at 47%).

It's very important to keep good records of the strata company's TFN as without it, your tax agent can't access information from the ATO or lodge a tax return for the strata company.

You can apply for an ABN and a TFN through your tax agent or by using the online form available at <https://abr.gov.au/>

What is the GST and when does a strata company need to register?

GST (Goods and Services Tax) is a 10% tax on most goods, services and other items sold or consumed in Australia. GST is collected by businesses that must then remit the funds to the ATO.

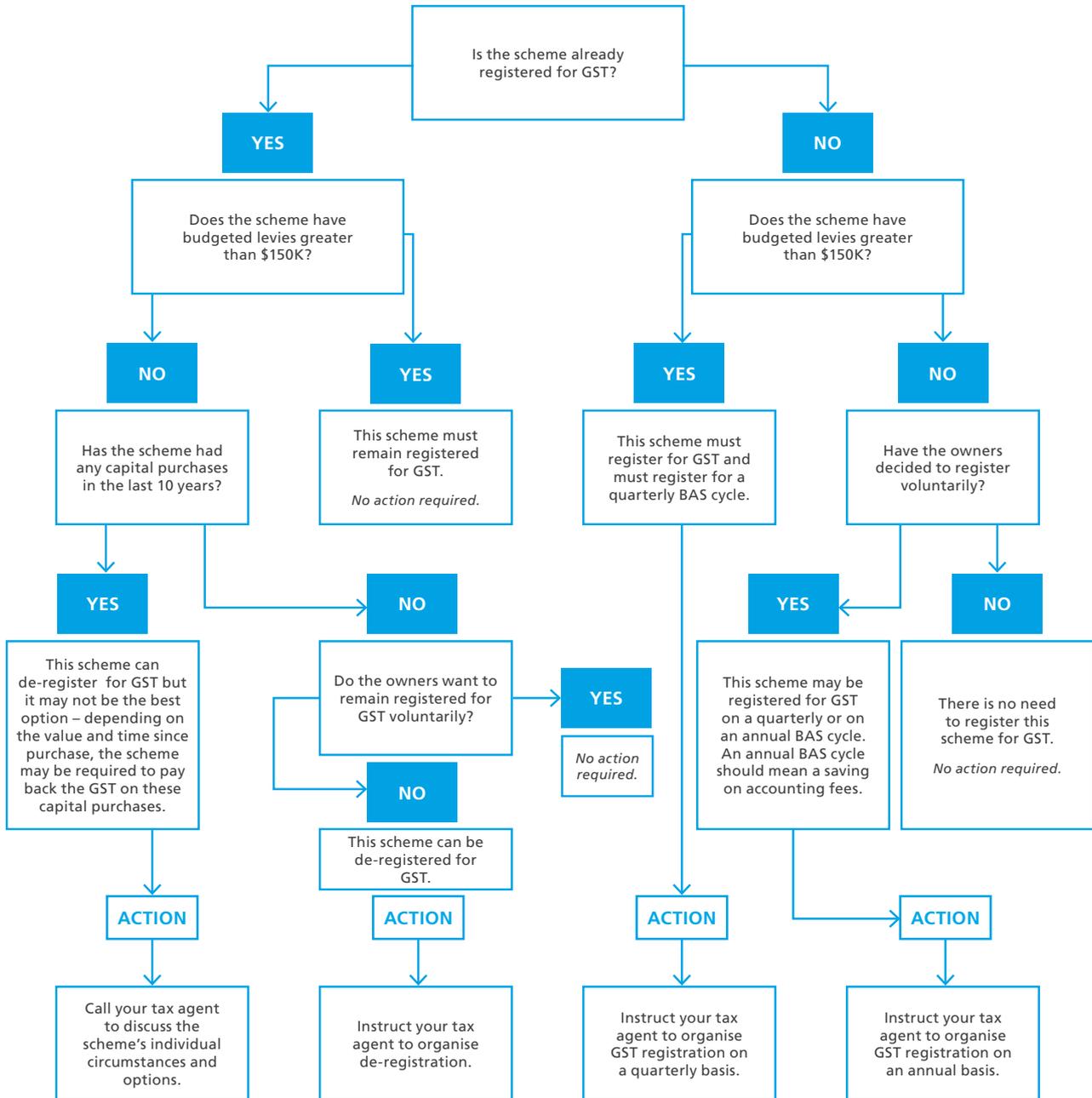
A BAS (Business Activity Statement) is the means by which GST is calculated, declared and paid to the ATO. A BAS can be required annually, quarterly or monthly depending upon turnover.

A strata company is required to register for GST only when the levies collected from owners exceed \$150,000 per financial year. This is greater than the \$75,000 requirement for general businesses because strata companies have been deemed to qualify as not-for-profit organisations for GST purposes since 2010.

It's best to have your tax agent register for GST on your clients' behalf as the easiest and most straightforward way is through the Tax Agents Portal.

GST Registration/De-registration

What do I need to do?



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