

GST turnover checklist

JobKeeper payment eligibility



Please read before using this checklist.

This checklist has been prepared based on the provisions in the *Coronavirus Economic Response Package (Payments and Benefits) Act 2020* and the *Coronavirus Economic Response Package (Payments and Benefits) Rules 2020*. The checklist items need to be considered in the context of the relevant entity that is determining its GST turnover for the purposes of the JobKeeper scheme. We recommend seeking further guidance from your regular Pitcher Partners' contact or one of the GST experts listed at the end of this document if you are unsure about any aspect of your GST turnover calculation.

This checklist focuses solely on the JobKeeper decline in turnover requirement and does not consider the other eligibility tests that must also be satisfied in order to access JobKeeper payments.

How do I satisfy the JobKeeper decline in turnover test?

The JobKeeper decline in turnover test needs to be satisfied for an employer to be eligible for JobKeeper payments. However, the test must only be satisfied once – i.e. once an entity establishes that there has been a qualifying decline in turnover, there is no requirement to retest its turnover in later periods.

A qualifying decline in turnover is at least		
30%	50%	15%
for employers with an aggregated turnover that does not exceed \$1b	for employers with an aggregated turnover in excess of \$1b	for certain ACNC-registered charities

For the purposes of the JobKeeper rules, turnover is based on GST concepts of projected GST turnover and current GST turnover as defined in the GST legislation but subject to specific modifications solely for the purpose of the JobKeeper rules. There are two main tests – the basic test and the alternative test. These are briefly summarised below.



Basic test

To assess whether there has been a decline in turnover of the required percentage, an entity must estimate its projected GST turnover for the chosen monthly or quarterly test period and compare that projected GST turnover to its current GST turnover for the corresponding period in 2019. Importantly, the JobKeeper fortnight must fall into the relevant period being tested. For example, the first fortnight (commencing on 30 March and ending on 12 April 2020) falls into the period of March 2020, April 2020 and the quarter ended 30 June 2020.

Projected GST turnover includes the value of all the supplies that an entity has made or is likely to make in the test period. A supply is likely to be made where, on the balance of probabilities, it can be predicted that the supply is more likely than not to be made. Generally, the value of taxable supplies is calculated as the GST exclusive amount.



Alternative test

The Commissioner has the ability to determine that an alternate test should apply to a class of entities if there is not an appropriate comparison period in 2019 (e.g. in relation to a 2020 start-up entity). This discretion will be contained in a legislative instrument. The Commissioner is currently drafting a legislative instrument which is expected to be released over the coming week.

Can I just use the sales reported on my BAS?

While the turnover reported at label G1 on the BAS is a good starting point, there are a number of adjustments that may be required to this amount in order to correctly calculate the projected GST turnover for the test period, and the equivalent current GST turnover for the corresponding comparison period in 2019. This checklist outlines some important factors that should be taken into account when calculating both projected GST turnover and current GST turnover for the purposes of the JobKeeper scheme.

GST turnover calculation checklist

In calculating your GST turnover for JobKeeper eligibility purposes have you considered the following:

1	GST entity	Yes	No	Unsure	NA
	<p>Check whether the correct legal entity has been registered for GST purposes.</p> <p>For example, the trustee company may have been mistakenly registered for GST and have been reporting sales in its own capacity rather than being registered in the capacity as trustee of a trust. This may also be the case for partners in a partnership (that have not registered the partnership for GST purposes and are not carrying on separate enterprises).</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

COMMENTS

2	Taxable supplies and GST-free supplies	Yes	No	Unsure	NA
	<p>Check that your GST turnover includes all taxable and GST-free supplies made during the test period and corresponding comparison period.</p> <p>Note: In some cases, GST-free supplies may not have been correctly reported on the BAS lodged for the comparison period</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

COMMENTS

3	Input taxed supplies	Yes	No	Unsure	NA
	<p>Check that you have removed the value of all input taxed supplies made during the test period and corresponding comparison period.</p> <p>For example, residential rent, the sale of non-new residential premises and consideration for financial supplies such as interest income.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

COMMENTS

In calculating your GST turnover for JobKeeper eligibility purposes have you considered the following:

4 GST group adjustments Yes No Unsure NA

Check that you have included the value of any supplies that have been made to other entities within the same GST group during the test period and corresponding comparison period.

Note: Supplies between members of the same GST group are usually ignored and excluded from the BAS lodged by the representative member of the GST group. However, these supplies must be included for the purposes of the JobKeeper GST turnover calculation where they are taxable supplies or GST-free supplies.

COMMENTS

5 Cash or accruals basis Yes No Unsure NA

Check whether you have accounted on a cash or accruals basis in your BAS.

Note: The ATO has confirmed in its website guidance that if you prepare your activity statements on a cash basis, the ATO will allow you to calculate both your current and projected GST turnover on a cash basis. The basis used must be the same for calculating your projected and current GST turnover.

COMMENTS

6 Adjustments Yes No Unsure NA

Check that you have accounted for any adjustments to the value of supplies made in the test period and corresponding comparison period.

For example, credit notes issued to your customers can reduce the value of the supplies made in earlier periods to which the credit notes relate.

Note: Bad debts are treated differently to credit notes.

COMMENTS

In calculating your GST turnover for JobKeeper eligibility purposes have you considered the following:

7	Incorrect periods – comparison periods	Yes	No	Unsure	NA
	Check that you have adjusted for any sales on your BAS in the comparison period that should have been attributed to a different BAS period.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

COMMENTS

8	Incorrect periods – JobKeeper periods	Yes	No	Unsure	NA
	Check that you have adjusted for supplies in your test period turnover that have not been made in that period and relate to a different period.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

COMMENTS

9	Recording of negative expenses	Yes	No	Unsure	NA
	Check whether negative expenses have been recorded incorrectly for GST purposes (i.e. as a negative acquisition rather than as a supply).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Note: The negative expenses need to be included in your GST turnover if they represent consideration for taxable or GST-free supplies.

COMMENTS

10	Non-Australian supplies	Yes	No	Unsure	NA
	Check that you have excluded supplies that are not connected with Australia.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	For example, supplies made outside Australia by an overseas branch should not be included in your GST turnover. This is different to an export which is treated as a GST free supply.				

COMMENTS

In calculating your GST turnover for JobKeeper eligibility purposes have you considered the following:

11 Supplies for non-monetary consideration	Yes	No	Unsure	NA
<p>Check that you have included the value of any supplies that have been made for non-monetary consideration during the test period and corresponding comparison period.</p> <p>For example, barter transactions where there has been an exchange of goods or services between two entities, but no cash has changed hands. These transactions should be included in your GST turnover.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

COMMENTS

12 Margin scheme	Yes	No	Unsure	NA
<p>Check whether you have made any supplies of property under the margin scheme and, if so, that you have included in your GST turnover the value of the supplies made, rather than just the margin.</p> <p>Note: If the BAS is completed correctly, the amounts reported on the BAS as sales made under the margin scheme do not generally correspond to the value of supplies made for GST turnover purposes. An adjustment will be required to ensure the correct amount is included as GST turnover for both the test period and the corresponding comparison period.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

COMMENTS

13 Security Deposits	Yes	No	Unsure	NA
<p>Check whether you have properly excluded any security deposits (generally a 10% deposit) received during the test period and corresponding comparison period.</p> <p>Note: Some payments may be called a deposit but may actually represent part payment of the consideration for a supply.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

COMMENTS

In calculating your GST turnover for JobKeeper eligibility purposes have you considered the following:

14 **Commercial accommodation** Yes No Unsure NA

If you provide long-term accommodation in commercial residential premises, have you made an election to treat the supplies of accommodation as input taxed supplies?

Where an election has been made, these supplies should be excluded from your GST turnover.

Note: Further consideration should be given to the operation of these rules prior to making any election.

COMMENTS

15 **Loan repayments** Yes No Unsure NA

Check that you have properly excluded loan repayments received during the test period and corresponding comparison period.

COMMENTS

16 **Distributions** Yes No Unsure NA

Check that you have excluded trust distributions, partnership distributions or company dividends received during the test period and the corresponding comparison period.

Note: Such distributions may have been incorrectly included as GST-free or input taxed sales and reported on the BAS in the corresponding comparison period.

COMMENTS

17 **Renewals – e.g. membership or subscription offers** Yes No Unsure NA

If you issue a form of membership or subscription renewal document, consider whether the supply is made when the renewal notice is issued, or only occurs in a later period.

Note: In some circumstances, issuing an offer for a membership or subscription renewal may not result in a supply being made at the time of making the offer; it may be that the supply only occurs when the offer is taken up by the customer.

COMMENTS

In calculating your GST turnover for JobKeeper eligibility purposes have you considered the following:

18	Transfer of capital assets	Yes	No	Unsure	NA
	Check that you have properly excluded the value of any sales of capital assets during the test period.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

COMMENTS

19	Sale reducing size or scale of business	Yes	No	Unsure	NA
	Check that you have properly excluded the value of any sales of assets made solely as a result of substantially and permanently reducing the size or scale of the business during the test period and corresponding comparison period.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

COMMENTS

20	Gifts or donations	Yes	No	Unsure	NA
	Check that you have excluded the value of any gifts or donations that you have received during the test period and corresponding comparison period.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Note: This item does not apply to ACNC-registered charities or deductible gift recipients – special rules apply to include certain gifts or donations (see below at item 21).

COMMENTS

21	Gifts or donations to DGRs or other ACNC-registered charities	Yes	No	Unsure	NA
	If you are an ACNC-registered charity or deductible gift recipient, check that you have included the value of certain gifts in your GST turnover.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Note: The rules surrounding the calculation of GST turnover for charities and deductible gift recipients for JobKeeper purposes are quite specific and require a more detailed assessment depending on the type of charity registration you operate under.

COMMENTS

In calculating your GST turnover for JobKeeper eligibility purposes have you considered the following:

22 Fund-raising events **Yes** **No** **Unsure** **NA**

If you are an endorsed charity or deductible gift recipient, check whether an election has been made to treat any fund-raising events as input taxed fund-raising events.

If so, any supplies made in relation to the input taxed fund-raising event during the test period and corresponding comparison period should be excluded from your GST turnover.

Note: There are special rules which govern whether a fund-raising event may be treated as input taxed. The treatment to be applied to upcoming fund-raising events should be considered.

COMMENTS

23 Compensation **Yes** **No** **Unsure** **NA**

Check that you have properly excluded any qualifying compensation payments received during the test period and corresponding comparison period.

COMMENTS

24 Government & non-government grants **Yes** **No** **Unsure** **NA**

Check that you have properly excluded qualifying government grants or other qualifying grants of financial assistance received during the test period and corresponding comparison period.

Note: In some cases, the receipt of a grant (either government or non-government) does not represent consideration for a supply and is therefore not counted towards GST turnover.

COMMENTS

25 Private use assets **Yes** **No** **Unsure** **NA**

Check that you have properly excluded any supplies of private use assets that have been incorrectly reported on your BAS during the comparison period, or incorrectly included in your GST turnover for the test period.

COMMENTS

In calculating your GST turnover for JobKeeper eligibility purposes have you considered the following:

26 **Agent supplies** Yes No Unsure NA

Check that you have properly excluded supplies that you have made as agent of another entity during the test period or corresponding comparison period.

Note: Supplies made as agent of another entity are often incorrectly included on the BAS and may therefore have been incorrectly included as sales in the corresponding comparison period.

COMMENTS

27 **Division 153-B agency arrangements** Yes No Unsure NA

Check whether you have entered into a special Division 153-B agency arrangement with another entity under which you made supplies during the test period and corresponding comparison period.

Note: Supplies made by an agent under a Division 153-B agency arrangement could impact your calculation of GST turnover.

COMMENTS

28 **Supplies to associates** Yes No Unsure NA

Check whether you have made supplies to associates for no or less than market value consideration during the test period and corresponding comparison period.

Note: Depending on the status of your associate, you may need to include the market value of these supplies in your GST turnover.

COMMENTS

In calculating your GST turnover for JobKeeper eligibility purposes have you considered the following:

29 **Insurance settlements** Yes No Unsure NA

Check whether you have received insurance settlements during the test period and corresponding comparison period.

Note: Depending on the circumstances, these payments may or may not be included within your GST turnover.

COMMENTS

30 **Vouchers** Yes No Unsure NA

If you issue vouchers, check whether the supply of the voucher has been recognised at the time of issuing the voucher or whether it has been recognised at the time of redemption of the voucher. A voucher should be excluded from GST turnover until such time as it is redeemed.

Note: This treatment only applies to qualifying vouchers.

COMMENTS

31 **Lay-by sales** Yes No Unsure NA

If you make lay-by sales, check whether the supply of the good is recognised at the time of entering into the lay-by, on receipt of each instalment, or on receipt of the final payment.

For accruals based taxpayers, the supply should be recognised and included in GST turnover on receipt of the final payment.

For cash based taxpayers, the supply should be recognised and included in GST turnover on receipt of each instalment.

COMMENTS

Next steps

Once you have completed this checklist, we recommend that you provide a copy to either your regular Pitcher Partners' contact or one of the GST experts listed below, to assist with determining whether all necessary adjustments have been taken into account in calculating your relevant GST turnover for the purpose of determining whether there has been a sufficient decline in turnover to access the JobKeeper scheme.

Where a qualifying decline in turnover has been identified, you will need to maintain sufficient documentary evidence to support how the decline in turnover was determined and to ensure that your calculations can be supported in the event of an ATO review. This completed checklist may be included as one part of your documentary evidence and may assist in demonstrating that you have undertaken a considered approach to calculating your GST turnover for JobKeeper purposes.

Important information

This checklist is not intended to represent an exhaustive list of all issues that should be considered when assessing your GST turnover for the purposes of the JobKeeper scheme. It is intended to capture a broad range of issues which may or may not be relevant to your particular circumstances. The information provided in this document is of a general nature and has been prepared without taking into account your specific circumstances or financial position. It is not intended to constitute advice.

Further information and assistance

Contact any of the Pitcher Partners GST experts for further information and assistance.



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