

SECTION 2 - TAX CODES

2.1 Tax Codes for Purchases

Code	Input (Purchase)	Examples/Details	Purchase req. account assignment
A0	GST-Free supply (0% tax rate)	1.Fresh food purchases 2.Medical aids for use in the class 3.Water, sewerage	Z
A1	Taxable supply @10%	1.Office chairs <\$5000 2.Stationery and office supplies 3.50% of all entertainment	K
A2	Taxable supply @10% (for assets only)	1.Purchase of asset (= or >\$5000 and depreciable)	A *
A3	No GST on supply	1. Supplier is not registered for GST 2. Acquisitions where the supply is input taxed but it is not related to an input tax supply eg a. Interest expense b. Purchase of Shares / Bonds c. Interest on late payment d. Cabcharge service fee e. Australian Taxes, Fees and Charges where GST was not included in the amount charged e.g. Payroll Tax	Z
A4	Input Taxed supply LTU cannot claim input tax credit for the GST incurred	Acquisitions where the supply is input taxed and it relates to an input tax supply and the GST is a cost to business. Also for 50% of all entertainment	K
AA	Partial Input Taxed Supply.	For Use by Glenn College only 42% of GST is deductible	K
A7	Taxable supply @10% (GST levied on imports)	N/A for general users Applied by Purchasing dept for invoices from a customs agent.	K
A8	Credit adjustment (to adjust input tax credits)	N/A for general users. Applied by Accounts Payable, Finance Division for credit notes.	Z
AZ	Outside the scope	Not reportable to the ATO Transactions pre 1 July 2000 Intragroup transactions a. (same company code). Eg Dept of Physics buys equipment from Dept of Cinema Studies. b. LTU inter-company purchases 4. Journal transaction where no GST is included. 5.Salaries and Allowances 6.GST exclusive purchases from overseas	Z

***Account assignment V must be selected when purchasing an Asset from a supplier who is not GST registered, GST Free goods/services or from an overseas supplier. This will prompt the requisitioner for an asset number.**