

- Use this sheet to calculate qualifying supply adjustments for your GST return up to and including the period ending 30 September 2010.
- This one off adjustment is required to accommodate the GST rate change from 12.5% to 15%.
- Keep this sheet and full details on how this adjustment has been calculated with your records.

Business name

## How to complete your GST rate change adjustment calculation sheet

The purpose of this adjustment is to ensure that taxable supplies made on or before 30 September 2010 are charged and claimed at the GST rate of 12.5%.

### 1. Select your GST accounting basis

- Invoice
  Hybrid
  Payment

Your accounting basis is printed on the front page of your return.

### 2. Identify your qualifying supplies

| If you use the ...   | then your qualifying supplies are ...   | then your non-qualifying supplies are ...  |
|----------------------|---|--|
| <b>payment basis</b> | <ul style="list-style-type: none"> <li>• all goods and services <b>purchased</b> on or before 30 September 2010 where full payment has not been made by 30 September 2010</li> <li>• all goods and services <b>sold</b> on or before 30 September 2010 where full payment has not been made by 30 September 2010</li> </ul> | <ul style="list-style-type: none"> <li>• Nil</li> </ul>  |
| <b>invoice basis</b> | <ul style="list-style-type: none"> <li>• only second-hand goods <b>purchased</b> on or before 30 September 2010 from a non-registered person where full payment has not been made by 30 September 2010</li> </ul>   | <ul style="list-style-type: none"> <li>• any goods and services <b>purchased</b> or <b>sold</b> excluding second-hand goods</li> </ul> |
| <b>hybrid basis</b>  | <ul style="list-style-type: none"> <li>• all goods and services <b>purchased</b> on or before 30 September 2010 where full payment has not been made by 30 September</li> </ul>   | <ul style="list-style-type: none"> <li>• any goods and services <b>sold</b></li> </ul>   |

The adjustment is only calculated on:

- the amount that remains unpaid on the goods and services, and;
- has not been written off as a bad debt.

**Note:** The adjustment does not apply to zero-rated or exempt supplies.

### 3. Complete your rate change adjustment

Separate your qualifying supplies into a list of creditors (qualifying supplies received ie goods or services you have purchased but not paid for) and debtors (qualifying supplies made ie goods or services you have sold but not received a payment for).

Transfer your creditors total to Box A and your debtors total to Box B. Complete the calculation steps for Box C and Box D.

#### Your calculation

Total "qualifying supplies" received (purchased) including GST.

Creditors **A** \$

Total "qualifying supplies" made (sold) including GST. If you are on an Invoice or Hybrid accounting basis enter zero (0) in Box B

Debtors **B** \$

Subtract Box B from Box A

**C** \$

Divide the difference by 51.75. This is your GST rate change adjustment.

**D** \$

Tick one

- If Box A is larger than Box B, GST is payable.  
 If Box B is larger than Box A, a GST credit is available.

Turn over to find out where to account for your adjustment

## 4. What to do with your rate change adjustment

| Accounting for your adjustment ... | and you do not make other adjustments ...   | and you make other adjustments ...   |
|------------------------------------|---|--|
| <b>if Box D is GST to pay</b>      | <ul style="list-style-type: none"> <li>take the total from Box D and enter the amount directly into Box 9 or 9A of your GST return for the period ending 30 September 2010</li> </ul>   | <ul style="list-style-type: none"> <li>take the total from Box D and enter the amount into the 'Other' adjustment box on your <i>GST adjustments calculation sheet (IR 372)</i> for the period ending 30 September 2010</li> <li>then take your total adjustments from your IR 372 and copy into either Box 9 or 9A of your GST return</li> </ul>          |
| <b>if Box D is a GST refund</b>    | <ul style="list-style-type: none"> <li>take the total from Box D and enter the amount directly into Box 13 or 13A of your GST return for the period ending 30 September 2010</li> </ul> | <ul style="list-style-type: none"> <li>take the total from Box D and enter the amount into the 'Other' adjustment box on your <i>GST adjustments calculation sheet (IR 372)</i> for the period ending 30 September 2010</li> <li>then take your total credit adjustments from your IR 372 and copy into either Box 13 or 13A of your GST return</li> </ul> |

The adjustment is only calculated on:

- the amount that remains unpaid on the goods and services, and;
- has not been written off as a bad debt.

**Note:** The adjustment does not apply to zero-rated or exempt supplies.

**3. Complete your rate change adjustment**

Separate your qualifying supplies into a list of creditors (qualifying supplies received in goods or services you have purchased but not paid for) and debtors (qualifying supplies made in goods or services you have sold but not received a payment for). Transfer your creditors total to Box A and your debtors total to Box B. Complete the calculation steps for Box C and Box D.

**Your calculation**

Total "qualifying supplies" received (purchased) including GST. Creditors **A** \$

Total "qualifying supplies" made (sold) including GST. If you are on an Invoice or Hybrid accounting basis enter zero (0) in Box B. Debtors **B** \$

Subtract Box B from Box A **C** \$

Divide the difference by 51.75. This is your GST rate change adjustment. **D** \$

Tick one

If Box A is larger than Box B, GST is payable

If Box B is larger than Box A, a GST credit is available.

Turn over to find out where to account for your adjustment

**You do not make other adjustments**

**You make other adjustments**

**Include GST on adjustments in Box 9.**

Private use of business goods and services for annual or period-by-period adjustments \$

Business assets used privately (a one-off adjustment) \$

Assets kept after ceasing to be registered \$

Entertainment expenses (once a year only) \$

Change of accounting basis \$

Goods and services used in making exempt supplies for annual or period-by-period adjustments \$

Other (such as: barter, bad debts recovered, exported secondhand goods, insurance payments received) \$

**Total adjustments. Copy this total to Box 9 on your return.** **9** \$

**Include GST on credit adjustments in Box 13.**

Business use of private/exempt goods and services for annual or period-by-period adjustments \$

Private assets used for business costing less than \$18,000 (a one-off adjustment) \$

Change of accounting basis \$

Other (such as: bad debts written off, GST content shown on Customs' invoices) \$

**Total credit adjustments. Copy this total to Box 13 on your return.** **13** \$

## 5. Rate change calculation example

### Example

Swinton Appliances has to make an adjustment as they account for GST on a payment (cash) basis. To do this they:

- Review all transactions up to and including 30 September 2010
- Identify and group qualifying supplies into qualifying supplies received (creditors) and qualifying supplies made (debtors)

Swinton Appliances have qualifying supplies received (creditors) of \$9,530.15 and qualifying supplies made (debtors) of \$16,125.17.

Their adjustment calculation is:

$$\text{Creditors } \$9,530.15 - \text{Debtors } \$16,125.17 = \$6,595.02\text{cr}$$

$$\$6,595.02 \div 51.75 = \$127.44$$

As Swinton Appliances debtors are larger than their creditors their adjustment of \$127.44 is a GST credit. Swinton Appliances will use the table in question 4 to account for their GST credit.

Keep your completed GST rate change adjustment calculation sheet with your records.

Do not send in to Inland Revenue unless requested.

Further information on the GST rate change adjustment calculation sheet and general information on the GST changes can be found online at [www.ird.govt.nz](http://www.ird.govt.nz)