
From: s9(2)(a)
Sent: Wednesday, 2 May 2018 20:20
To: Policy Webmaster
Subject: GST that's already paid could get gst again.

How would a situation like this be prevented?

Say I buy 40 items at \$10 each, so I would pay gst on each Item. When customs see the value on the package is \$460 so they get to add GST and now I have to pay another \$69.

regards

s9(2)(a)

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OFFICIAL INFORMATION ACT

From: Policy Webmaster
Sent: Tuesday, 29 May 2018 12:50
To: s9(2)(a)
Subject: RE: GST that's already paid could get gst again.

Hi s9(2)

Thank you for your email of 2 May which raised the potential for double taxation under the Government's proposals to collect GST on low-value imported goods in situations where multiple low-value goods are shipped together with a total value exceeding \$400.

To prevent GST being paid twice on low-value goods shipped in a single package, the discussion document suggests that the consumer would need to provide Customs with appropriate evidence that GST has already been paid on some or all of the goods in that package. For example, the consumer could retain proof of purchase (such as an invoice or an email from the supplier providing confirmation of their order) that shows they were charged GST by the supplier along with the amount of GST paid on the items. The Government is seeking feedback on whether this approach is appropriate, or whether other approaches for preventing or relieving double tax in these situations may be more workable.

For example, Australia has a slightly different approach to supplies of multiple low-value goods. While offshore suppliers should charge GST at the point of sale on goods valued at or below the Australian low-value threshold of AU\$1,000, there is an exception to this rule when the supplier has a reasonable belief that the goods will be grouped together and shipped in one package. However, in cases where the supplier is unable to form a reasonable belief that the goods will be shipped together but it turns out that the goods are in fact sent together in one package, Australian Customs will collect GST at the border if the total value is more than AU\$1,000. In these situations, the consumer is required to seek a refund of the GST from the supplier.

One point that we should probably clarify in relation to the proposals is that the value on the package should be exclusive of any GST charged by the supplier. So in your example where 40 items valued at \$10 each are shipped together in a single package, the value on the package should be \$400 instead of \$460. But you are nevertheless correct that there is the potential for double taxation under the proposals, such as where two goods valued at \$210 each are shipped together in a single package.

I trust that this response is helpful. We would be very receptive to hearing any suggestions that you may have about ways to prevent or relieve double taxation in these situations, so please send in a submission if you have any thoughts on how the proposal in the discussion document could be improved. You can write a submission to us by replying to this email.

Kind regards

Chris Gillion
Policy Manager
Policy and Strategy
Inland Revenue

[IN CONFIDENCE – RELEASE EXTERNAL]

From: s9(2)(a)
Sent: Wednesday, 2 May 2018 8:20 p.m.
To: Policy Webmaster
Subject: GST that's already paid could get gst again.

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