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25 June 2018

GST on Low-value imported goods
C/- Deputy Commissioner Policy and Strategy
Inland Revenue Department
PO Box 2198
WELLINGTON 6140

By email: policy.webmaster@ird.govt.nz

Dear Madam

The following brief submission has been prepared by SKYCITY Entertainment Group Limited on the discussion document released by official's titled "*GST on Low-value imported goods: An offshore supplier registration system*".

SKYCITY Entertainment Group is a member of the Corporate Taxpayers Group and supports the position the Group has adopted in relation to re-deliverer delivery costs.

Our Submission

SKYCITY is supportive of the changes proposed in the discussion document subject to the proposals creating minimal compliance costs for NZ businesses. The discussion document seeks submissions on how the design of the proposed rules could be improved so they are more effective or have lower compliance costs.

The proposals confirm that goods supplied to GST-registered businesses would be excluded from the regime unless the offshore supplier decided to zero-rate the supply (in order to claim costs associated with business to business supplies.)

Since the recent changes enacted to deal with the non-collection of GST on cross-border services and intangibles, SKYCITY has experienced difficulty with some overseas suppliers affected by these provisions due to the supplier:

- Not correctly identifying that the business is GST registered; and

- inadvertently charging GST, and not supplying a valid tax invoice in accordance with the requirements under the GST Act 1985, thereby precluding the business from being able to claim an input tax deduction under the general rules.

The discussion documents propose (similarly to the GST on cross border services model) that NZ businesses identify themselves as GST registered or if errors occur that the business contact the offshore supplier directly to rectify the mistake. In such circumstances the discussion document proposes that a refund be provided from the supplier or the supplier could provide the GST registered business with a full tax invoice.

Under the GST on cross border services model SKYCITY has experienced that this increases the compliance cost on the NZ business. Suppliers are reluctant to issue refunds or have difficulty fulfilling the prescriptive requirements of issuing a valid GST tax invoice.

SKYCITY submits that to assist overseas suppliers to correctly determine whether a supply is being made to an NZ GST registered person that consideration be given to establishing a centralised GST Lookup system such as the Australian *ABN Lookup* register (<https://abr.businesss.gov.au>).

Alternatively, to reduce the compliance costs on NZ businesses, SKYCITY proposes that the proposed relaxed tax invoice requirement for offshore suppliers also be acceptable for the claiming of a GST input tax credit where NZ businesses are incorrectly charged GST under the GST on low-value imported goods regime.

I agree to Inland Revenue contacting me to discuss the above submission if required.

Yours faithfully



Richard Smyth
Deputy Chief Financial Officer

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