



Charities & Motor Vehicle Trade-ins

Are charitable organisations getting under your GST guard?

The ATO have clearly placed the onus on the charity to ensure they have the necessary paperwork prepared for the purchase of motor vehicles.

The ATO have issued a fact sheet explaining the GST treatment of motor vehicles used by a charity as a trade-in to purchase another vehicle.

As highlighted in our Hot Topic of August 2003, GST audits were uncovering widespread confusion about the 75% rule and incorrect claims by dealers for input tax credits on trade-ins from charities.

The fact sheet also includes a simple checklist for charities trading in a motor vehicle and we recommend your sales people use this when dealing with charities.

The link below takes you to the ATO fact sheet and the entire document can be printed out by clicking on "Printable version" or you can scroll through each GST issue on screen by clicking on the item listed under "Table of Contents" in the right hand table.

<http://ato.gov.au/print.asp?doc=/content/50880.htm>

Should you wish to discuss the above further please contact any one of our Motor Dealer Services experts:

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