

01 September 2010

## IMPORTANT – GST Changes

As you are aware, GST changes to 15% from 01 October 2010 and there are some issues you should be aware of.

As you are on a payments basis for GST you will need to do the following:

### 1) IMPORTANT

**As a GST registered entity you are required to complete a *GST rate change adjustment form* (attached). The adjustment will go into your GST return for the period ending 30 September 2010. Please have this completed and returned to us no later than 7 October 2010.**

### 2) Increase GST to 15%

- If you are on Xero, your accounting software will update automatically.
- If you are on any other accounting system, you will need to check that it has updated.
- If you manually issues invoices you will need to charge 15% GST on all invoices issued after 01 October.

### 3) Calculating GST

Unfortunately 15% isn't as easy as the old 12.5% to calculate.  
We recommend you use decimals to add GST and fractions to deduct.

Adding GST	Decimal		Fractions	
GST Exclusive		100.00	100.00	100.00
GST content	=100 x 0.15	15.00	=100 x 3 ÷ 20	15.00
GST Inclusive	=100 x 1.15	115.00	= 100 / 20 ÷ 23	115.00

Deducting GST	Decimal		Fractions	
GST Inclusive		115.00		115.00
GST content	=115 ÷ 7.666666~	15.00	=115 ÷ 23 x 3	15.00
GST Exclusive	=115 ÷ 0.86956521	100.00	= 115 ÷ 23 x 20	100.00

A copy of this document will be available on our website under resources.

If you have any questions please contact us.

Kind Regards  
The Xpress Accounting Team  
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