

SCHOLASTIC BOOK FAIRS GST FACT SHEET

Since July 1, 2000, a Goods and Services Tax (GST) has applied to the sale of most goods and services in Australia. This government-levied tax replaced some former charges and taxes such as wholesale sales tax.

CAN I BE SURE THAT I AM RECEIVING THE FULL BENEFITS OF THE CURRENT TAX SYSTEM?

Scholastic Book Fairs is committed to passing on the full benefits of the tax system and our pricing reflects the estimated cost reductions. Pricing on product not published by Scholastic Australia has been set by the publisher of that product.

WHAT IS SCHOLASTIC AUSTRALIA'S ABN?

Scholastic Australia Pty Limited ABN: 11 000 614 577

HOW DOES THE GST AFFECT BOOK FAIRS?

The actual running of the Book Fair, including re-stocks and re-orders, has not changed since the introduction of the GST. However, most items offered on the Book Fair (books, stationery, software, toys etc) are subject to GST. The GST amount is included in the marked price of the product. There is no need to calculate the GST amount at the time of the sale. As a result of the GST some prices have gone up, some have gone down and some prices have remained the same.

Scholastic Book Fairs continues to offer competitive prices for the books sold at the Book Fair. Prices on books published by Scholastic Australia and sold by Scholastic Book Fairs rose by about 8.5% as a result of GST.

HOW CAN I WORK OUT HOW MUCH GST I AM PAYING?

To calculate the GST component on any item, divide the GST-inclusive price by 11.

CAN GOODS FOR SCHOOL USE BE PURCHASED GST FREE?

No. At the time of sale GST must be included. However, provided that the school is registered for GST, an Input Tax Credit can be claimed from the Australian Taxation Office for all GST paid on goods for direct school use.

WHAT STEPS MUST I FOLLOW TO MAKE AN INPUT TAX CREDIT CLAIM?

1. Complete your Cash Summary Form in the usual manner.
2. Complete the Request For Tax Invoice for each party that requires a Tax Invoice. The Request For Tax Invoice is included with your Cash Summary Form and Book Fairs Checklist.
3. Return the Request For Tax Invoice with your Cash Summary Form.
4. We will send a Tax Invoice showing the amount of GST paid on the items for school use.
5. The GST paid, as itemised on the Tax Invoice, can then be included in the school's Business Activity Statement (BAS).

DO I NEED A TAX INVOICE BEFORE I MAKE A PAYMENT ?

No. Our Tax Invoice is merely for tax purposes, to enable you to claim an input credit for GST on your BAS for supplies purchased for the school's own use; it is not a request for payment. Please forward the total amount (less commission you may have deducted) as per the Cash Summary Form together with Request For Tax Invoice and/or Request For Recipient Created Invoice (RCTI) if required. We will then forward the requested documents to you.

DOES GST AFFECT COMMISSION?

Yes. The government has deemed that the commission paid by Scholastic Book Fairs (books, Classroom Essentials online catalogue products, or cash) is subject to GST. To assist you with handling the appropriate paperwork we provide you with a RCTI. Provided you are registered for GST you may complete this form if you wish Scholastic Book Fairs to issue an RCTI on your behalf for commission earned; alternatively you may issue your own invoice to Scholastic Book Fairs. Either way, the GST value needs to be recorded for inclusion in your BAS.

If you opt to have the commission paid in books and you request an RCTI or provide us with your own Tax Invoice, Scholastic Australia is required under the current legislation to issue you in return with a Tax Invoice for the supply of books made in payment of the commission. This invoice will have exactly the same value as the RCTI or Tax Invoice above and will appear, for the first part of the transaction, as a Taxable Supply on one side of your BAS and, in the second part of the transaction, as an Input Credit on the other side of your BAS.

The mechanics of the situation is this. When you are taking books as commission you raise an invoice to Scholastic Book Fairs for us to pay you your commission. We can actually do this for you via a RCTI. We then supply books to the value of the invoice you have raised. As we are providing supplies (books) we also must raise an invoice to you for exactly the same amount as the invoice made out for the commission. In effect, the two invoices cancel each other out. Both invoices should be included with your BAS and the net effect is that no GST is paid on the book commission.

If you are taking books as commission and you wish to order these direct from Scholastic Book Fairs rather than taking them from the stock at the Book Fair, these books must be clearly identified as commission, not reorders.

IS THERE A NEW CASH SUMMARY FORM?

Yes. It does not change greatly from the previous form but will help you to calculate the GST component on the commission paid to the school for the Book Fair. In addition, you will need to put your school's Australian Business Number (ABN) in the space provided on this form.

WHAT HAPPENS IF I REQUIRE A REFUND?

Any refunds will be made on the full price paid, including GST.

MORE QUESTIONS?

Contact your Scholastic Book Fairs Sales Consultant by phone on 1800 024 840.

Or contact the Australian Taxation Office:

Telephone – 13 28 66
Address – GPO Box 9990 in your capital city
Website – www.ato.gov.au

Note: The information above is based on the GST legislation and documents currently to hand. Changes to regulations may change this information.