

INVOICING

Although not everyone's favourite job is writing and sending invoices, it is much better than paying them. For all your hard work and creativity in business, you are about to see the fruits of your labour, so listen in.



When to provide a tax invoice

If a customer asks for a tax invoice, you must provide one within 28 days, unless it is for a sale of \$82.50 (including GST) or less.

The information a tax invoice must include depends on:

- the sale amount,
- the sale type (for example, a sale that includes both taxable and non-taxable items), and
- who issues the tax invoice.

Sales under \$1,000

Tax invoices for taxable sales of less than \$1,000 must include enough information to clearly determine the following 7 details:

1. the document is intended to be a tax invoice,
2. the seller's identity,
3. the seller's Australian Business Number (ABN),
4. the date the invoice was issued,
5. a brief description of the items sold, including the quantity (if applicable) and the price,
6. GST amount (if any) payable – this can be shown separately or, if the GST amount is exactly one-eleventh of the total price, use a statement that says 'Total price includes GST',
7. the extent to which each sale on the invoice is a taxable sale.

EXAMPLE 1: TAX INVOICE FOR A SALE UNDER \$1,000

1 Tax invoice	
2 Windows to Fit Pty Ltd ABN: 32 123 456 789 3	15 Burshag Road Festler NSW 2755
4 Date: 1 August 2018	
To: Building Company 254 Burshag Road Festler NSW 2755	
Description of supply	Total
Window frames 5	\$825
TOTAL PRICE INCLUDING GST	\$825 6 + 7

Sales of \$1,000 or more

Tax invoices for sales of \$1,000 or more also need to show the buyer's identity and ABN. If your tax invoices meet the requirements for sales of \$1,000 or more, you can also use the same template for sales of lesser amounts.

Example 2 shows the same 1-5 invoice steps as the previous example 1. However, the next 3 steps are different:

- 6. the GST amount included in each line item,
- 7. the sale is clearly identified as being fully taxable by the words 'Total price includes GST', and
- 8. the buyer's identity for sales of \$1,000 or more.

**EXAMPLE 2: TAX INVOICE
FOR A SALE OF \$1,000 OR MORE**

1 Tax invoice

2 Windows to Fit Pty Ltd **3** 15 Burshag Road
 ABN: 32 123 456 789 Festler NSW 2755

4 **Date:** 1 August 2013

To: Building Company **8**
 254 Burshag Road
 Festler NSW 2755

Qty	Description of supply	Unit price	GST	Total
5 50	Window frames	\$150	\$15	\$8,250
10	Deadlocks	\$40	\$4	\$440
			6	
TOTAL AMOUNT PAYABLE				\$8,690

The total price includes GST **7**

GSTR 2013/1

This GST ruling states the minimum information requirements for a tax invoice. Refer to the www.ato.gov.au for further details.

Other charges

In certain industries please be aware there may be other taxes and levies you may need to add to your invoice.

For example: Wine Equalisation Tax (WET) plus GST, or a Fuel Levy.

Taxable and non-taxable sales

A tax invoice that includes taxable and non-taxable items, must clearly show which items are taxable. Items are non-taxable if they are GST-free or input-taxed. The tax invoice must also show:

- each taxable sale,
- the amount of GST to be paid, and
- the total amount to be paid.



Now, let's put your knowledge into action.

You can find basic invoice templates in excel and word, under templates or use the search bar and type 'invoice'. Other options are to create one using finance software, like Xero or MYOB.

Well done, new skill, tick!!